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The Directors of Allied Farmers Limited (“Allied Farmers” or “Allied Group”) (ALF:NZX) are pleased to report an audited net profit before tax for the year to 30 June 2024 of \$7.315 million (FY23 \$ 4.071 million), with an audited net profit after tax attributable to Allied Farmers’ shareholders of \$5.206 million (FY23 \$3.338 million) which was an increase of 55.96% from the previous year.

The increased FY24 profit was driven by one-off \$4.2 million gain on the book value of the sale and licence back by NZ Farmers Livestock Limited of its interest in the Frankton saleyards, of which \$2.85 million was attributable to Allied Farmers’ shareholders.

Excluding this one-off gain, NZ Rural Land Management Limited (**NZRLM**) earnings were significantly higher than FY23 on the back of management, performance and transaction fees generated from a number of NZ Rural Land Company Limited (**NZL**) transactions successfully executed by NZRLM, but this was largely offset by lower earnings from NZ Farmers Livestock Limited for the comparative period.

Allied Group FY24 profitability was also impacted by a full year amortisation of the NZRLM Management Contract acquired in March 2023 (a non-cash impact) together with interest on the Heartland loan to fund the acquisition, suspension of dividends from NZL, and costs associated with strategic initiatives such as the amendment to Allied Farmers’ constitution.

A segmental contribution comparison is provided below which reflects the contribution to Allied Farmers of our two principal investments and our holding company operating and financing costs:

Segmental Contribution attributable to Allied Farmers’ Shareholders (\$ 000’s)	FY24	FY 2023	Difference (%)
NZ Rural Land Management (NZRLM)	1,357	1,138	19.24
NZ Farmers Livestock + Finance (NZFL)	4,814	2,407	100
Allied Farmers (Parent)	(965)	(207)	(366)
Allied Farmers NPAT	5,206	3,338	59.64

Commentary on the results for NZRLM and NZFL business units are set out in the following sections.

Allied Farmers' earnings per share (**EPS**) increased by 55.9% to 18.07 cents per share (FY23 11.59 cps), and Net Tangible Assets (**NTA**) per share, based on 67.8% direct ownership of NZFL and 100% ownership of NZRLM, equals \$0.40 per share (FY23 \$0.21 per share).

During FY24 the Board's strategic focus was on building foundations for Allied Farmers to accelerate its earnings growth.

This has included a strategic examination of the allocation of Allied Group's assets, resulting in a confidential transaction to exit an Allied Group asset at above book value, with the intention that proceeds from this transaction, and others of this nature in the future, can be redeployed into growth opportunities.

Aligned with this strategy, with Inland Revenue in FY23 confirming an unrecognised deferred tax asset comprising unused tax losses of \$178 million (as at 30 June 2024), the Board in July of this year sought and received shareholder approval to amend Allied Farmers' constitution to significantly strengthen its ability to restrict share transfers that would cause a breach of shareholder continuity and forfeiture of tax losses. This constitutional change provides the Board with a platform and confidence to assess new growth opportunities that accelerate the use of these tax losses.

The significance of these tax losses means that shareholders' interests are best served by deploying earnings into growth opportunities that can utilise the tax losses. Accordingly, no dividend will be paid in relation to FY24.

NEW ZEALAND
RURAL LAND
MANAGEMENT

New Zealand Rural Land Management (NZRLM) - 100% owned:

NZRLM is the external manager of NZX listed New Zealand Rural Land Company (NZL). NZL currently owns 17,457 hectares of forestry estates, and pastoral and horticultural land, an increase of 2,703 hectares during FY24.

NZRLM's FY24 income was up on FY23 comprised of fees associated with status quo portfolio management, successfully executed NZL transactions and overall portfolio performance.

On 9 February 2024 NZL sold a 25% equity interest in its land portfolio to Australia based investment manager Roc Partners (**Roc**). The transaction provided NZL with capital to deploy into high yielding assets across two sub-sectors, horticulture and forestry. These transactions generated transaction fees

for NZRLM, while also increasing its recurring revenue base from portfolio management. NZRLM also received a retrospective performance fee for the value gain on NZL's assets for the 12-month period ending 31 December 2023 (NZL's balance date). This fee is in-line with the change in the Net Asset Value (NAV) of NZL's portfolio during this period and is paid in NZL shares. Allied Farmers currently owns 2,803,617 NZL shares (~2% of NZL shares on issue).

The Roc transaction has many strategic benefits for NZL, including capital recycling at a premium, improved financial position and accelerated portfolio growth. Positioning NZL for stable accelerated growth directly improves the returns to NZRLM and Allied Farmers shareholders.

NZ FARMERS **LIVESTOCK**

New Zealand Farmers Livestock Limited (NZFL) – 67.8% owned:

NZ Farmers Livestock, like many farming businesses, grappled with a very challenging 2023/24 year, and on balance is pleased to report a solid operating earnings result - though approximately 20% below the comparable period.

The passing during the year of our long time and very widely respected King Country manager and NZFL co-founder, Alan Hiscox, was felt throughout the team, and we reiterate our condolences to Alan's many family and friends, and our thanks to those that stepped up during difficult times.

The veal operation was an important contributor, though moderately impacted by reduced product pricing and escalating costs.

Livestock agency contributed positively, though materially below the prior year. This reflected cost inflation in the face of a small reduction in agency revenues. Poor sheep prices and tallies reflected current market challenges, but cattle pricing (and tallies) remained relatively strong. Dairy herd forward sales performance was creditable and remains an important focus going forward.

The sale of NZFL's interest in the Frankton saleyards was coupled with an access licence back to NZFL, and therefore NZFL's access to and use of the yards is consistent with prior to the sale.

The recent recovery in sheep pricing and strengthening cattle pricing are encouraging for the current year.

In the face of cost inflation, the business has focused on improving productivity, cost structure, capital efficiency and driving our developing digital platform and presence. Work through the year should position us well within an improving agribusiness environment.

Livestock financing, based around our Heartland-supported and own lending offerings, continued the growth forecast in earlier market updates, and its support of the core business, to increase its contribution.

The Board wishes to thank and acknowledge the hard work and initiative of our NZFL and NZRLM teams over the last year.

Shelley Ruha – Chair