

6 November 2025

FY25 Annual Meeting Chair Address

Allied Farmers Limited (ALF) reported an audited net profit before tax of \$4.1 million, compared with \$7.3 million last year, and a net profit after tax attributable to shareholders of \$2.9 million, down from \$5.2 million in FY24.

The lower result reflects the absence of the one-off \$4.2 million gain recognised in FY24 from the sale and licence-back of NZ Farmers Livestock's (NZFL) interest in the Frankton saleyards.

Excluding that one-off gain, our underlying profit after tax for FY25 of \$3.84 million is well ahead of the adjusted FY24 result of \$2.69 million.

Earnings per share were 9.97 cents, compared with 18.07 cents last year, and net tangible assets per share increased to 51 cents, up from 40 cents.

During the year, the Board continued to review the allocation of capital across the rural sector to ensure long-term growth and effective use of our tax losses. Because of those available tax losses, we continue our policy of not paying dividends, including for FY25, so that we can reinvest earnings in growth opportunities.

Also during the year, we announced the conditional sale of NZFL to Rural Livestock Limited for an enterprise value of \$10.988 million. Allied's share of the sale proceeds will be received entirely in cash. Shareholder approval for this major transaction will be sought at today's meeting, and completion is targeted for 1 December 2025. Richard will speak further on this in his presentation.

In the Notice of Meeting we have explained how Allied intends to apply the proceeds from the NZFL sale. I would like to expand on this, and provide some further context.

As shareholders will recall, in 2020 Allied acquired 50% of NZRLM, the Manager of NZX listed NZ Rural Land Company Limited, for \$2.5 million. In 2023, Allied exercised its option to acquire the remaining 50% for a further \$8.3 million, giving Allied full ownership of NZRLM.

This acquisition was transformative for Allied, delivering material and enduring strategic benefits:

- Diversification - Diversified earnings from Allied's historic livestock trading investment, which provided the sole source of revenue at that time.
- Value creation and income growth – with NZL's growth since its IPO, the value of NZRLM has increased substantially, as has its contribution to Allied through distributions.
- Capability and alignment – it enabled Allied to attract a strong bench of talent across Board, management, shareholder, and service partner levels.

In his presentation today, Richard will provide further detail and supporting metrics on Allied's growth track record since the 2020 investment in NZRLM, which clearly illustrate the positive impact of these strategic benefits.

These strategic benefits have established the platform and repositioning that enable Allied to now confidently exit NZFL, and redeploy the sale proceeds into investment opportunities that offer a stronger and more sustainable earnings profile than NZFL.

However, if appropriate investment opportunities do not emerge, the Board would not rule out the possibility of returning capital to shareholders. That said, this would not be our preferred course, as the tax losses mean it is in shareholders' interests for Allied to invest in opportunities that generate taxable earnings.

If shareholders approve the NZFL sale today, Allied will hold a significantly stronger cash position, which, when combined with the increased value of NZRLM, underlines the excellent work undertaken by the current Board and management team.

Richard will discuss the performance of our operating businesses during his presentation.

Shelley Ruha
Chair