

28 February 2023

HALF YEAR 2023 REPORT

Unaudited Half Year Consolidated Result

The Directors of Allied Farmers Limited (**ALF.NZX**) report an unaudited consolidated net profit before tax (**NPBT**) of \$2.097 million for the six months ended 31 December 2022. This is +46% percent higher than the NPBT of \$1.438 million for the six months ended 31 December 2021.

The following table summarises consolidated NPBT over the previous interim periods from Allied Farmers' investments and Parent Company Operations:

Interim Period (1/7 – 31/12)	NZ Farmers Livestock * (livestock agency, meat export and finance) (\$m)	NZ Rural Land Management (asset management) (\$m)	Parent Company Cost of Operations (\$m)
2017	0.4	-	(0.3)
2018	1.5	-	(0.2)
2019	1.7	-	(0.4)
2020	0.8	-	(0.3)
2021	1.5	0.3	(0.4)
2022	2.0	0.4**	(0.3)

*Reported figures displayed detail 100% of the NPBT for NZFL – Allied Farmers only owns 67% of this business. Allied Farmers is required to report on a consolidated basis but has detailed an unconsolidated position below.

** The NZRLM profit of \$0.4m stated in the table above is attributable of Allied Farmers shareholders (i.e NZRLM's total NPBT was \$0.8m)

This higher result reflects a record contribution from Farmers Meat Export Limited (FMEL).

Profit attributable to Allied Farmers's shareholders reflecting its 67% ownership of NZFL and 50% of NZRLM

The HY23 after tax profit attributable to Allied Farmers' shareholders was \$1.585 million (HY22 \$1.059 million). Earnings per share (**EPS**) for HY23 was \$0.055 (HY22 \$0.037).

Dividend & Net Tangible Assets Per Share

Consistent with previous interim periods, no dividend will be paid for the period as the Company continues to retain capital.

As indicated at the Annual Meeting last November, the Company continues to utilise tax losses and therefore paying unimputed dividends does not make sense. The Board strongly believes that in the short term, retaining and redeploying earnings is in shareholders' best interests.

Allied Farmers Net Tangible Assets (**NTA**) per share based on 67% direct ownership of NZ Farmers Livestock, and 50% ownership of NZRLM as at 31 December 2022 equals \$0.54 per share (versus \$0.42 per share as at 31 December 2021).

Tax Losses

Allied announced on 28 November 2022 that it had obtained a Private Ruling from Inland Revenue under s 91E of the Tax Administration Act 1994 that will result in a significant increase in the tax losses currently available to the Allied Farmers Group.

Since then, Allied continued to work with Inland Revenue in relation to the ruling.

In the financial statements for 30 June 2022 no tax losses were recognised as an asset, and there was a disclosure that tax losses of \$36,288,403 were available (2021: \$40,568,976).

Allied now expects the amount of tax losses available as at 31 December 2022 should be: \$187,935,558 (2021: \$192,731,161).

The ability to utilise the tax losses is dependent on continuing to meet shareholder continuity requirements of prevailing income tax legislation.

Allied Farmers Limited

201 Broadway, Stratford 4332, New Zealand | Phone: +64 6 765 6199

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Update on Acquisition of 50 percent of New Zealand Rural Land Management (NZRLM)

On 19 December 2022, Allied announced the exercise of its call option to acquire the 50% of NZ Rural Land Management (**NZRLM**) it does not already own. PwC is in the process of determining a binding valuation of that stake (**NZRLM Consideration**).

In accordance with the call option deed, on receipt of the binding valuation from PwC, the vendors of the 50 percent of NZRLM not owned by Allied (the **Vendors**) are required to notify Allied Farmers whether they would like to receive the NZRLM Consideration in cash or Allied Farmers's shares. While no decisions have been made, Allied Farmers understands that the Vendors are likely to request that the NZRLM Consideration be satisfied in cash.

On receipt of this notice the Independent Directors Committee of Allied Farmers, Shelley Ruha and Philip Luscombe (**IDC**) will, in consultation with its external advisors, determine the optimum manner in which to satisfy the NZRLM Consideration. Again, while no final decisions can be made prior to the receipt of notice from the Vendors, the IDC is exploring the possibility of satisfying the NZRLM Consideration in a mixture of cash and NZ Rural Land Company Limited (NZL) shares. The cash component would be funded by a combination of cash reserves and borrowings. Because this would not require an issue of any new Allied Farmers shares, shareholder approval would not be required.

A further update will be provided once both the valuation has been received and the way the NZRLM Consideration will be funded and satisfied has been decided.

Business Segment Reports

New Zealand Farmers Livestock Limited (NZFL) - 67% owned:

NZFL again reports a half year result significantly improved on the previous half year, driven heavily by a strong veal processing spring campaign. Livestock agency performance was impacted by the weather, grass and market conditions, but still slightly ahead of 2021/22 first half result. Improved livestock agency performances in the later months of the period are pleasing. It is very early in the year to gauge likely full year dairy herd forward sales (generally completing and accounted in June), but indications are that these will be behind last year's record year.

The livestock financing business progressed well through the transition of all but the seasonal lending, from own-funding to the Heartland Bank referral-based arrangement, to be only just short of the 2021/22 half year. Directors are pleased with this progress, and this lower risk platform is expected to support its future growth. Seasonal lending has progressed ahead of last year.

NZFL has reviewed its capital requirements during the period. A combination of being debt free outside of overdraft and seasonal lending facilities, release of capital from lending that is now funded by Heartland, and a profitable half year, will likely enable NZFL to make significant distribution to Allied Farmers and its minority shareholders.

NZFL Outlook:

NZFL acknowledges the challenges that Cyclone Gabriella has created for the rural community. While most of NZFL's people and activity lie outside of the cyclone's major impact areas, we acknowledge the tragic loss of life, disruption, and the lengthy recovery ahead for many.

NZFL's assets suffered no damage, but it is reasonable to expect some impact to stock trading over the balance of the financial year, especially at 52% owned Redshaws which is based in the Hawkes Bay.

NZFL remains focused on national growth, digital innovation, improving agent performance, and cost management. Effort continues to grow the veal processing contribution, with work to improve calf supply chain integration, further improve our partnering outcomes, and to meet the anticipated challenges during the year ahead.

NZ Rural Land Management Limited Partnership (NZRLM) – 50% owned:

NZRLM is the external manager of NZX-listed New Zealand Rural Land Company Limited (**NZL**).

On 21 October 2022, NZL entered in to an agreement to acquire its first forestry estate. The forestry estate encompasses a 2,400ha of existing pinus radiata forest located in the Manawatū-Whanganui region in the North Island. The purchase cost will be approximately NZD\$63 million subject to final costs. The acquisition is scheduled to complete on 15 April 2023.

NZL has signed a 20 year lease with New Zealand Forest Leasing Limited for the estate which will commence on completion of the acquisition. New Zealand Forest Leasing Limited has significant experience in the forestry industry. Established in 2010, it owns more than 60,000ha of forests and leases a further 43,000ha, being one of the 10 largest freehold landowners in New Zealand. The forestry estate acquisition is expected to be approximately + 16% accretive for FY2024 AFFO and Dividend Yields on a per share basis for NZL shareholders.

The acquisition reflects NZL's strategy of diversifying its portfolio of rural land assets, which currently comprises 11,710 hectares of dairy farms across Canterbury, Central Otago and Southland. The estate will be the first forestry land in NZL's portfolio. These assets are all underpinned by long term triple net leases with CPI-linked rental adjustments, positioning NZL well in a high inflation environment.

NZL has announced a 1:3 pro-rata rights issue at \$1.00 per share to raise \$38mIn to fund the acquisition. NZL also has indicative approval from its primary funder, Rabobank, to increase its revolving credit facility by approximately NZD\$25 million, being approximately 40% of the purchase price in line with NZL's gearing policy.

NZRLM reported earnings of \$834,000 for the period ending 31 December 2022. Allied Farmers as 50% owner of NZRLM reported earnings from NZRLM of \$417,000.

NZRLM Outlook:

The outlook for NZRLM remains positive driven by a large opportunity set for NZL and an expanding international investor base at NZL.

In terms of the recent weather events in New Zealand, NZL's assets suffered no damage and forestry estate acquisition was also unscathed.



NEW ZEALAND'S EXCHANGE
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Template

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Updated as at 17 October 2019

Results for announcement to the market		
Name of issuer	Allied Farmers Limited	
Reporting Period	6 months to 31 December 2022	
Previous Reporting Period	6 months to 31 December 2021	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	15,804	(5.26) %
Total Revenue	15,804	(5.26) %
Net profit/(loss) from continuing operations	2,097	45.83%
Total net profit/(loss)	2,097	45.83%
Interim/Final Dividend		
Amount per Quoted Equity Security	No dividends proposed	
Imputed amount per Quoted Equity Security	N/A	
Record Date	N/A	
Dividend Payment Date	N/A	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$0.54	\$0.42
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to results release and unaudited financial statements.	
Authority for this announcement		
Name of person authorised to make this announcement	Brian Lee	
Contact person for this announcement	Brian Lee	
Contact phone number	027 201 3040	
Contact email address	brian.lee@alliedfarmers.co.nz	
Date of release through MAP	28 February 2023	

Unaudited financial statements accompany this announcement.

Consolidated Profit and Loss Statement

For the 6 months ended 31 Dec 2022

Unaudited

	Group		
	Dec 2022 \$000	June 2022 \$000	Dec 2021 \$000 Restated
Commission and fee income	7,016	15,057	7,118
Sale of goods	8,002	9,292	8,794
Interest income	207	630	311
Other Income	162	215	133
Equity Accounted Earnings NZRLM	417	1,624	325
Total Income	15,804	26,818	16,681
Cost of goods sold	(5,599)	(7,271)	(6,916)
Personnel expenses	(5,101)	(10,146)	(5,034)
Depreciation and amortisation	(411)	(892)	(466)
Rental and operating leases	-	(3)	(4)
Operating expenses	(2,489)	(4,658)	(2,622)
Total Expenses	(13,600)	(22,970)	(15,042)
Finance Costs	(75)	(292)	(201)
Profit before tax	2,129	3,556	1,438
Income tax (expense) / benefit	(32)	(24)	-
Profit after tax	2,097	3,532	1,438
Profit attributable to:			
Shareholders of Allied Farmers Limited ('Allied')	1,585	2,876	1,059
Minority shareholders of NZ Farmers Livestock Limited ('NZFL')	512	656	379
Allied Earnings per share (cents) - Basic and Diluted	5.50	9.98	3.68
Weighted average number of shares - Basic and Diluted (000's)	28,806	28,806	28,806

Consolidated Statement of other Comprehensive Income

For the 6 months ended 31 Dec 2022

Unaudited

	Group		
	Dec 2022 \$000	June 2022 \$000	Dec 2021 \$000
Profit after tax	2,097	3,532	1,438
Change in value of investment in equity securities	(87)	(53)	104
Total comprehensive income	2,010	3,479	1,542

Consolidated Statement of Cash Flows
For the 6 months ended 31 Dec 2022
Unaudited

	Group		
	Dec 2022	June 2022	Dec 2021
	\$000	\$000	\$000
Cash flows from/(to) operating activities			Restated
Cash receipts from customers	16,403	24,758	18,297
Interest received	206	630	312
Distribution from NZRLM	-	625	400
Cash paid to suppliers and employees	(18,675)	(22,185)	(18,492)
Interest paid	(77)	(292)	(202)
Income tax (paid)/received	(41)	(97)	(62)
Net cash flow from/(used in) operating activities	(2,184)	3,439	253
Cash flows from/(to) investing activities			
Decrease (Increase) in finance receivables NZ Farmers Livestock Finance Ltd/Rural Financial SolutionNZ Ltd	(789)	2,326	(207)
Acquisition of New Zealand Rural Land Company Limited shares	(56)	(1,484)	(660)
Purchase of shares in NZ Farmers Livestock Ltd	(7)	(12)	-
Net disposal/(acquisition) of intangibles, property, plant and equipment	(129)	124	(249)
Net cash flow from/(used in) investing activities	(981)	954	(1,116)
Cash flows from/(to) financing activities			
Drawdown of finance receivables borrowings	-	-	1,000
Repayment livestock trading borrowings	-	(1,115)	(221)
Repayment of finance receivables borrowings	-	(925)	(233)
Repayment of bond	-	(1,000)	(1,000)
Dividends paid to Minority Shareholders in Subsidiaries	(397)	(535)	(549)
Lease principal repayments	(232)	(813)	-
Net cash flow used in financing activities	(629)	(4,388)	(1,003)
Net movement in cash and cash equivalents	(3,794)	5	(1,866)
Opening cash and cash equivalents	4,547	4,542	4,542
Closing cash and cash equivalents	753	4,547	2,676
Reconciliation of Profit to Cash Surplus from Operating Activities			
Profit for the year	2,097	3,532	1,438
<i>Adjustments for items not involving cash flows:</i>			
Impairment on receivables	(8)	41	(3)
(Profit)/loss on sale of assets	3	(31)	(52)
Depreciation	411	892	466
(Increase) Decrease in Deferred Tax	-	(40)	-
Other - including non cash items	(411)	(979)	82
	(5)	(117)	493
Movement in trade and other receivables	1,247	267	2,680
Movement in inventories	(1,166)	(23)	26
Movement in trade, other payables and employee benefits	(4,338)	(188)	(4,322)
Movement in taxation	(19)	(32)	(62)
Cash flow from operating Activities	(2,184)	3,439	253

Acquisition of Property, Plant and Equipment includes Motor Vehicles purchased at the end of lease contracts.

Consolidated Balance Sheet

As at 31 December 2022

Unaudited

	Group		
	Dec	June	Dec
	2022	2022	2021
	\$000	\$000	\$000
Equity			
Share capital	158,204	158,204	158,204
Accumulated Losses	(142,245)	(143,743)	(145,403)
Equity attributable to owners of the Parent	15,959	14,461	12,801
Non-controlling interests	2,150	2,042	1,777
Total equity	18,109	16,503	14,578
Liabilities			
Trade and other payables	6,880	10,849	7,086
Employee benefits	1,145	1,515	1,144
Income tax payable	-	7	-
Finance receivables bank borrowings	-	-	500
Bank borrowings and bonds	-	-	453
Lease liabilities	259	761	866
Total current liabilities	8,284	13,132	10,049
Bank borrowings and bonds	-	-	445
Finance receivables bank borrowings	-	-	1,192
Lease Liabilities	1,626	1,377	1,219
Total non-current liabilities	1,626	1,377	2,856
Total liabilities	9,910	14,509	12,905
Total liabilities and equity	28,019	31,012	27,483
Assets			
Cash and cash equivalents	753	4,547	2,676
Trade Receivables	8,717	9,830	7,241
Inventories	1,240	74	25
Income tax receivable	27	-	34
Finance receivables	3,620	2,830	5,350
Other receivables	167	292	443
Total current assets	14,524	17,573	15,769
Deferred tax assets	993	993	953
Goodwill	742	742	742
Intangible asset - computer software	70	115	208
Investment - New Zealand Rural Land Management GP Limited	2,744	3,665	2,587
Investment - New Zealand Rural Land Company	4,410	3,103	2,394
Investments - Other	5	2	5
Property - owned	3,026	2,932	2,295
Property - right of use assets	1,505	1,887	2,530
Total non-current assets	13,495	13,439	11,714
Total assets	28,019	31,012	27,483
Net Tangible Assets per Share - Consolidated (\$ per share)	0.60	0.54	0.47
Net Tangible Assets per Share - attributable to Allied (\$ per share)	0.54	0.48	0.42

Note: net tangible assets is calculated as equity attributable to Allied from which is deducted goodwill and intangible assets

The Board of Directors of Allied Farmers Limited authorised these financial statements for issue on 28 February 2023.


Christopher Swasbrook
Director

Philip Luscombe
Director

Allied Farmers Group

Consolidated Statement of Changes in Equity

For the 6 months ended 31 Dec 2022

Unaudited

Group	Share Capital	Accumulated losses	Revaluation Reserve	Allied Shareholders Interests	Minority Shareholders Interests	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2021	158,204	(146,431)	(135)	11,638	1,933	13,571
Profit after tax for the period	-	1,059	-	1,059	379	1,438
Revaluation of Equity Securities	-	-	104	104	-	104
Total comprehensive income for the period	-	1,059	104	1,163	379	1,542
Dividends paid	-	-	-	-	(535)	(535)
Total transactions with owners	-	-	-	-	(535)	(535)
Balance at 31 December 2021	158,204	(145,372)	(31)	12,801	1,777	14,578
Balance at 1 January 2022	158,204	(145,372)	(31)	12,801	1,777	14,578
Profit after tax for the period	-	1,817	-	1,817	277	2,094
Revaluation of Equity Securities	-	-	(157)	(157)	-	(157)
Total comprehensive income for the period	-	1,817	(157)	1,660	277	1,937
Dividends paid	-	-	-	-	-	-
AFL Purchase Minority Shareholders Shares	-	-	-	-	(12)	(12)
Total transactions with owners	-	-	-	-	(12)	(12)
Balance at 30 June 2022	158,204	(143,555)	(188)	14,461	2,042	16,503
Balance at 1 July 2022	158,204	(143,555)	(188)	14,461	2,042	16,503
Profit after tax for the period	-	1,585	-	1,585	512	2,097
Revaluation of Equity Securities	-	-	(87)	(87)	-	(87)
Total comprehensive income for the period	-	1,585	(87)	1,498	512	2,010
Dividends paid to Minority Interests	-	-	-	-	(397)	(397)
AFL purchase Minority Shareholders Shares	-	-	-	-	(7)	(7)
Total transactions with owners	-	-	-	-	(404)	(404)
Balance at 31 December 2022	158,204	(141,970)	(275)	15,959	2,150	18,109

A Financial performance

In this section

A1 How we operate and generate returns for shareholders

Livestock services: An agency business facilitating livestock transactions and the procurement and export of veal.

Financial services: Providing and referring livestock finance to farmer clients.

Rural Land Management: Investment in New Zealand Rural Land Management Limited Partnership the contracted asset manager of New Zealand Rural Land Company Limited.

Parent operations: The ultimate holding company for Allied Group's investments and governance activity for the Group.

Segment information (Unaudited)

	Livestock Services			Financial Services			Rural Land Management			Parent Operations			Total		
	Dec 2022 \$000	June 2022 \$000	Dec 2021 \$000	Dec 2022 \$000	June 2022 \$000	Dec 2021 \$000	Dec 2022 \$000	June 2022 \$000	Dec 2021 \$000	Dec 2022 \$000	June 2022 \$000	Dec 2021 \$000	Dec 2022 \$000	June 2022 \$000	Dec 2021 \$000
Commission and fee income	7,016	15,057	7,118	-	-	-	-	-	-	-	-	-	7,016	15,057	7,118
Sale of goods	8,002	9,292	8,794	-	-	-	-	-	-	-	-	-	8,002	9,292	8,794
Interest income	130	216	71	77	414	240	-	-	-	-	-	-	207	630	311
Other Income *	12	158	133	84	15	-	-	-	-	66	42	-	162	215	133
Equity Accounted Earnings NZRLM	-	-	-	-	-	-	417	1,624	325	-	-	-	417	1,624	325
Total Income	15,160	24,723	16,116	161	429	240	417	1,624	325	66	42	-	15,804	26,818	16,681
Cost of goods sold	5,599	7,271	6,916	-	-	-	-	-	-	-	-	-	5,599	7,271	6,916
Personnel expenses	5,014	10,024	4,968	48	46	23	-	-	-	39	76	43	5,101	10,146	5,034
Depreciation and amortisation	411	892	466	-	-	-	-	-	-	-	-	-	411	892	466
Rental and operating leases	-	3	4	-	-	-	-	-	-	-	-	-	-	3	4
Operating expenses	2,095	3,934	2,193	23	77	44	-	-	-	371	647	385	2,489	4,658	2,622
Total Expenses	13,119	22,124	14,547	71	123	67	-	-	-	410	723	428	13,600	22,970	15,042
Finance Costs	(31)	(140)	(111)	(44)	(134)	(72)	-	-	-	-	(18)	(18)	(75)	(292)	(201)
Profit/(loss) before tax	2,010	2,459	1,458	46	172	101	417	1,624	325	(344)	(699)	(446)	2,129	3,556	1,438
Income tax (expense) / benefit	-	-	-	-	-	-	-	-	-	-	-	-	(32)	(24)	-
Profit/(loss) after tax	2,010	2,459	1,458	46	172	101	417	1,624	325	(344)	(699)	(446)	2,097	3,532	1,438
Current Assets	10,027	14,300	9,751	3,620	2,830	5,350	-	-	-	877	443	668	14,524	17,573	15,769
Investments in NZRLC	-	-	-	-	-	-	-	-	-	4,410	3,103	2,394	4,410	3,103	2,394
Investment in Associates and Joint Ventures	-	-	-	-	-	-	2,744	3,665	2,587	-	-	-	2,744	3,665	2,587
Other Non-Current Assets	6,240	6,571	6,633	100	100	100	-	-	-	-	-	-	6,340	6,671	6,733
Assets	16,267	20,871	16,384	3,720	2,930	5,450	2,744	3,665	2,587	5,287	3,546	3,062	28,018	31,012	27,483
Current Liabilities	5,233	13,029	9,486	3,000	-	500	-	-	-	51	103	63	8,284	13,132	10,049
Non-Current Liabilities	1,626	1,377	1,664	-	-	1,192	-	-	-	-	-	-	1,626	1,377	2,856
Liabilities	6,859	14,406	11,150	3,000	-	1,692	-	-	-	51	103	63	9,910	14,509	12,905
Additions of Property, Plant and Equipment, and Right of Use assets	254	771	249	-	-	-	-	-	-	-	-	-	254	771	249

* Other Income Dec 21 includes Covid 19 Wage and Resurgence Subsidy payments \$117,686.

* Other Income in the Financial Services segment includes referral fee income from Heartland Bank Limited to 31 December 2022.

* The Group has unused tax losses of \$187,935,558 as at 31 Dec 2022 (2021 \$192,731,161). The level of losses recognised in the calculation of the deferred tax asset reflects managements expectations of recurring levels of taxable profitability for approximately the next two years. This will be reassessed once the call option to acquire the remaining 50% of New Zealand Rural Land Management Partnership has been settled.

Measurement and Recognition

Commission income on facilitating a livestock sale agreement, grazing agreement or forward livestock sale agreement is recognised when the sale is agreed by a vendor and purchaser. The Group is acting as an agent as it doesn't have inventory risk and isn't able to set a price.

The Group reassessed the reporting of revenue from its subsidiaries and joint operations during the year ended 30 June 2022. As a result the Group has aligned the reporting of livestock related income across all businesses including joint operations to ensure consistent treatment. The effect of this has been to increase fee income for the six month ended 31 December 2021 by \$1.18m, personnel expenses by \$0.86m and operating expenses by \$0.3m with no change to reported profit for the period. Consequently the comparative period Profit and Loss Statement and Statement of Cash Flows have been restated to ensure consistency of reporting.

Sale of goods (veal meat and skins) revenue is recognised once goods are delivered to the customer. The Group is deemed a principal, rather than an agent, as it holds inventory risk.

Fee income relates to RFID scanning fees, yard fees charged at saleyards and valuation fees. The income is recognised when livestock are scanned, a sale is agreed within the auction or when the livestock are weighed. The Group is acting as a principal as it is primarily responsible for the service rendered and is able to set a price.

Finance receivables interest income is recognised using the effective interest method. The calculation of the effective interest rate includes all fees that are integral to the effective interest rate. All fees except those charged to customer accounts in arrears are considered to be integral to the effective interest rate. Fees charged to customer accounts in arrears are recognised as income at the time the fees are charged.

The shares in New Zealand Rural Land Company Limited are equity investments quoted in an active market which the Group has elected to designate as a financial asset at fair value through Other Comprehensive Income. The fair value of these shares at 31 December 2022 is \$4,410,000 (2021: \$2,394,000).

The Company also owns a 50% interest in NZ Rural Land Management Partnership ('NZRLM'). NZRLM is the external manager of New Zealand Rural Land Company Limited. The Group has determined that it has significant influence but not control over NZRLM. Accordingly, the Group applies the equity method of accounting to its investment in NZRLM. Under the equity method the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investors share of the profit or loss of the investee after the date of acquisition. On 19 December 2022 the Company exercised its call option to purchase the 50% of NZRLM shares that it does not currently own. The first step in this transaction is to determine a binding valuation. This exercise has not been completed.

About this report

Allied Farmers Limited is a for-profit entity domiciled in New Zealand and registered under the Companies Act 1993. The company is an FMC Entity in terms of the Financial Markets Conduct Act 2013 and prepares these condensed interim Financial Statements for the purpose of compliance with NZX Main Board Listing Rules.

The consolidated financial statements are for Allied Farmers Limited and its subsidiaries (together referred to as "Allied") and Allied's interests in associates as at the six months ending 31 December 2022.

These interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements. Unless otherwise specified, the same accounting policies and methods of computation are followed in the interim consolidated financial statements as applied in the Group's latest annual audited consolidated financial statements.

These Consolidated Financial Statements ("Financial Statements") have been approved for issue by the Board of Directors on 28 February 2023.

Statement of compliance and basis of preparation

The financial statements have been prepared:

- in accordance with Generally Accepted Accounting Practice (GAAP) in New Zealand and comply with International Financial Reporting Standards (IFRS) and the New Zealand equivalents to IFRS (NZ IFRS) and other applicable financial reporting standards, as appropriate for a Tier 1 for-profit entity, and in particular NZIAS34 Interim Financial Reporting;
- on the basis of going concern. The directors, having considered projected future performance and the availability of financing, consider the going concern basis to be appropriate;
- presented on the basis of historical cost; and
- in New Zealand dollars, with all values rounded to the nearest thousand dollars unless otherwise stated.

In preparing the Group financial statements, all material intragroup transactions, balances, income and expenses have been eliminated. Subsidiaries are consolidated on the date on which control is obtained to the date on which control is lost.

Critical Judgements and Estimates

The financial statements have been prepared using significant estimates and critical judgements disclosed in the 2022 Annual Report.