



21 May 2021

The Manager
Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Nufarm Limited
ACN 091 323 312
103-105 Pipe Road
Laverton North Vic 3026
Australia

+61 3 9282 1000
nufarm.com

ELECTRONIC LODGEMENT

Dear Sir or Madam

Nufarm Finance (NZ) Limited - Financial results for the half-year ended 31 March 2021

In accordance with the Listing Rules, I enclose the following for immediate release to the market:

1. Appendix 4D – Half-Year Report; and
2. Half-Year Financial Report including Directors' Report,

for the half-year ended 31 March 2021.

This announcement has been released simultaneously to the New Zealand Stock Exchange.

Authorised for lodgement by:

A handwritten signature in black ink, appearing to read 'Fiona Smith', is written over a light blue horizontal line.

Fiona Smith
Company Secretary

Investor and media contact:

Nerida Mossop
nerida.mossop@nufarm.com
+61 437 361 433

Appendix 4D

Nufarm Finance (NZ) Limited
Incorporation number: 107147

PRELIMINARY HALF YEAR REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2021

This statement includes the financial results for Nufarm Finance (NZ) Limited for the six months ended 31 March 2021 compared with the six months ended 31 January 2020.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

TRADING RESULTS	Consolidated		increase / (decrease) \$000	increase / (decrease) %
	2021 \$000	2020 \$000		
Revenue from ordinary activities	-	-	-	0.0%
Profit/(loss) from ordinary activities after tax attributable to members				
- Before material items	3,740,005	4,846,550	(1,106,545)	(22.8%)
- After material items	3,740,005	4,846,550	(1,106,545)	(22.8%)
Net profit/(loss) attributable to members				
- Before material items	3,740,005	4,846,550	(1,106,545)	(22.8%)
- After material items	3,740,005	4,846,550	(1,106,545)	(22.8%)
DIVIDENDS AND DISTRIBUTIONS			2021 \$	2020 \$
Interim Distribution				
Amount per NSS security			2.08	2.84
Total value of distribution			5,216,479	7,138,366
Franked amount per NSS security at 30%			nil	nil
Amount per NSS security of foreign source			2.08	2.84
Distribution				
Rate			4.15%	5.67%
Date payable			15-Oct-20	15-Oct-19
Record date for entitlement			07-Oct-20	07-Oct-19
Dividend reinvestment plans			No	No
Net tangible assets per security (including ordinary shares)			18.56	18.48
Control gained over entities			nil	nil
Control lost over entities			nil	nil
Associates and Joint Ventures			nil	nil

AUDIT STATUS

This report is based on accounts which were subject to an independent auditor review.

COMMENTARY

The financial results have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. The results also comply with IFRS.

Nufarm Finance (NZ) Limited acts as a financing company for the Nufarm Limited group, and as such does not earn any revenues from contracts with customers but rather primarily earns finance income from loans to group entities totalling \$5,982,012 (2020: \$7,789,355).

During the financial year, there were no significant changes to the operations of the company and the results are consistent with the prior year being a net profit after tax of \$3,740,005 (2020: \$4,846,550).



T. Mangold
Director

20 May 2021

Nufarm Finance (NZ) Limited

Interim Report

For the 6 months ended 31 March 2021



Nufarm Finance (NZ) Limited

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List of abbreviations

ASX	ASX Limited
FMC	Financial Markets Conduct Act 2013
IFRS	International Financial Reporting Standards
NSS	Nufarm Step-up Securities
Nufarm	Nufarm Limited
Nufarm Finance	Nufarm Finance (NZ) Limited
Nufarm Group	Nufarm Limited and subsidiaries
Nufarm Holdings	Nufarm Holdings (NZ) Limited
NZ GAAP	New Zealand Generally Accepted Accounting Practice
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZDX	NZX Debt Market
NZX	NZX Limited
The Company	Nufarm Finance (NZ) Limited
\$	AUD

Nufarm Finance (NZ) Limited

Directors' Report

The directors of the Company have pleasure in submitting their report together with the condensed financial statements as at and for the six months ended 31 March 2021.

Principal Activities

Nufarm Finance (NZ) Limited acts as a financing company for the Nufarm Group.

NZX Foreign Exempt Issuer

Following the adoption by NZX of new NZX Listing Rules dated 1 January 2019, NZX confirmed the Company's eligibility to be listed as an NZX Foreign Exempt Issuer and to have the Step-up Securities quoted as an NZX Foreign Exempt Issuer. NZX was satisfied that the Company has ASX as its Home Exchange and is subject to the listing rules of ASX in respect to the Step-up Securities.

On 18 April 2019, the Company became an NZX Foreign Exempt Issuer. The listing of the Company as an NZX Foreign Exempt Issuer does not affect the trading of the Step-up Securities. The Step-up Securities continue to be quoted on both the NZDX and ASX.

The Company must comply with the NZX Listing Rules applicable to NZX Foreign Exempt Issuers. The NZX Listing Rules provide that, as an NZX Foreign Exempt Issuer, the Company will be deemed (subject to certain exceptions) to satisfy and comply with all the NZX Listing Rules so long as it remains listed on ASX and the Step-up Securities remain quoted on ASX.

Results

The net profit attributable to members of the Company for the 6 months to 31 March 2021 is \$3,740,005. The comparative figure for the six months to 31 January 2020 was a net profit of \$4,846,550.

For and on behalf of the Board



G. Kerr
Director



T.A. Mangold
Director

Date: 20 May 2021

Nufarm Finance (NZ) Limited

Company directory

Nature of Business	To act as a financing company for the Nufarm Group. The Company has 2,510,000 Nufarm Step-up Securities issued, and is an NZX Foreign Exempt Issuer on the NZDX.
Credit rating	Nufarm Limited has a credit rating of BB- issued by S&P.
Registered Office	6 Manu Street Otahuhu, AUCKLAND Telephone: 09 270 4150 Facsimile: 09 270 4159
Incorporation Number	107147
Directors	Mr G Kerr Mr T A Mangold (appointed 16 September 2020) Mr P Townsend (appointed 8 December 2020) Mr P A Binfield (resigned 8 December 2020) Dr W B Goodfellow (non-executive. Resigned 7 December 2020) Directors' fees of \$4,620 were paid for the 6 months ended 31 March 2021. At the date of this report there are 3 male directors (31 January 2020: 4 male directors)
Directors Interest	Mr G Kerr - Nil Mr T A Mangold - Nil Mr P Townsend - Nil
Parent Company	Nufarm Limited
Auditor	KPMG
Bank	ANZ Bank
Solicitor	Dawson Harford Limited

Distribution of Nufarm Step-up Securities Holders and Nufarm Step-up Securities as at 31 March 2021

Size of Holding

	<u>Number of Security Holders</u>		<u>Number of Securities</u>	
1 - 499	1,881	70.4%	402,921	16.1%
500 - 999	444	16.6%	281,197	11.2%
1,000 - 4,999	306	11.5%	521,409	20.8%
5,000 - 9,999	16	0.6%	104,414	4.2%
10,000+	24	0.9%	1,200,059	47.8%
	<u>2,671</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>

Geographic distribution:

New Zealand	934	35.0%	483,434	19.3%
Australia	1,726	64.6%	2,021,049	80.5%
Rest of World	11	0.4%	5,517	0.2%
	<u>2,671</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>

Nufarm Finance (NZ) Limited

Corporate Governance

The Company recognises its responsibilities to comply with appropriate corporate governance standards and guidelines, including those set out by ASX and, to the extent applicable, NZX.

As a wholly owned subsidiary of Nufarm Limited a company registered in Australia and listed on the ASX, the Company fully complies with the corporate governance practices of Nufarm. Nufarm discloses its compliance with the ASX corporate governance principles and recommendations annually to the ASX. A copy of Nufarm's corporate governance statement and its policies are available to Nufarm Step-up Securities Holders on Nufarm's website at

<https://nufarm.com/investor-centre/corporate-governance/>



Independent Review Report

To the shareholder of Nufarm Finance (NZ) Limited

Report on the condensed financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed financial statements on pages 7 to 19 do not:

- i. present fairly in all material respects the company's financial position as at 31 March 2021 and its financial performance and cash flows for the 6-month period ended on that date; and
- ii. comply with NZ IAS 34 Interim Financial Reporting.

We have completed a review of the accompanying condensed financial statements which comprise:

- the condensed statement of financial position as at 31 March 2021;
- the condensed statements of comprehensive income, changes in equity and cash flows for the 6-month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for conclusion

A review of condensed financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of Nufarm Finance (NZ) Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Other than in our capacity as auditor we have no relationship with, or interests in, the company.



Use of this Independent Review Report

This report is made solely to the shareholder as a body. Our review work has been undertaken so that we might state to the shareholder those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholder as a body for our review work, this report, or any of the opinions we have formed.



Responsibilities of the Directors for the condensed financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the condensed financial statements in accordance with NZ IAS 34 Interim Financial Reporting;
- implementing necessary internal control to enable the preparation of condensed financial statements that are fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the review of the condensed financial statements

Our responsibility is to express a conclusion on the condensed financial statements based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on these condensed financial statements.

This description forms part of our Independent Review Report.

KPMG
Auckland

20 May 2021

Nufarm Finance (NZ) Limited

Condensed statement of comprehensive income For the 6 months ended 31 March 2021

	31 Mar 2021 \$AUD UNAUDITED	31 Jan 2020 \$AUD UNAUDITED
Operating expenses	(222,359)	(182,178)
Finance income	5,987,709	7,789,398
Finance expense	(681,288)	(875,901)
Net finance income	5,306,421	6,913,497
Profit before income tax	5,084,062	6,731,319
Income tax expense	(1,344,057)	(1,884,769)
Profit for the period	3,740,005	4,846,550
Total comprehensive income for the period attributable to the parent	3,740,005	4,846,550
Earnings per share		-
Basic & Diluted earnings per share (cents)	37.40	48.50



The condensed statement of comprehensive income is to be read in conjunction with the attached notes.

Nufarm Finance (NZ) Limited

Condensed statement of financial position As at 31 March 2021

		31 Mar 2021	30 Sep 2020	31 Jan 2020
	Note	\$AUD UNAUDITED	\$AUD AUDITED	\$AUD UNAUDITED
Assets				
Related parties - receivables	4	256,653,205	256,418,949	71,122,142
Deferred tax asset		127,348	44,537	46,549
Total non-current assets		<u>256,780,553</u>	<u>256,463,486</u>	<u>71,168,691</u>
Cash and cash equivalents		3,136,578	3,373,777	1,505,540
Prepayments		-	-	12,708
Related parties - receivables	4	1,014,933	1,010,769	186,945,152
Income tax receivable		-	-	51,165
Total current assets		<u>4,151,511</u>	<u>4,384,546</u>	<u>188,514,565</u>
Total assets		<u>260,932,064</u>	<u>260,848,032</u>	<u>259,683,256</u>
Equity				
Share capital		9,984,530	9,984,530	9,984,530
Retained earnings		(24,676,469)	(24,640,451)	(25,720,512)
Total equity attributable to ordinary shareholders		<u>(14,691,939)</u>	<u>(14,655,921)</u>	<u>(15,735,982)</u>
Nufarm Step-up Securities		246,932,148	246,932,148	246,932,148
Total equity		<u>232,240,209</u>	<u>232,276,227</u>	<u>231,196,166</u>
Liabilities				
Related parties - payables	4	28,000,000	28,000,000	28,000,000
Total non-current liabilities		<u>28,000,000</u>	<u>28,000,000</u>	<u>28,000,000</u>
Payables - other		77,371	157,421	173,558
Related parties - payables	4	477,815	263,849	313,532
Income tax payable		136,669	150,535	-
Total current liabilities		<u>691,855</u>	<u>571,805</u>	<u>487,090</u>
Total liabilities		<u>28,691,855</u>	<u>28,571,805</u>	<u>28,487,090</u>
Total equity and liabilities		<u>260,932,064</u>	<u>260,848,032</u>	<u>259,683,256</u>

The condensed statement of financial position is to be read in conjunction with the attached notes.



Nufarm Finance (NZ) Limited

Condensed statement of cash flows For the 6 months ended 31 March 2021

		31 Mar 2021	31 Jan 2020
		\$AUD	\$AUD
	Note	UNAUDITED	UNAUDITED
Cash flows from operating activities			
Payments to suppliers		(89,070)	(21,606)
Interest received		5,983,545	7,969,773
Interest paid		(680,939)	(868,403)
Taxation paid		-	(112,107)
Net cash from operating activities	8	5,213,536	6,967,657
Cash flows from financing activities			
Nufarm Step Securities distribution		(5,216,479)	(7,138,366)
Related Party Loans - (repaid)/advanced		(234,256)	1,257,330
Net cash used in financing activities		(5,450,735)	(5,881,036)
Net (decrease)/increase in cash and cash equivalents		(237,199)	1,086,621
Opening cash and cash equivalents		3,373,777	418,919
Cash and cash equivalents at period end		3,136,578	1,505,540

The condensed statement of cash flows is to be read in conjunction with the attached notes.



Nufarm Finance (NZ) Limited

Condensed statement of changes in equity For the 6 months ended 31 March 2021

	Share capital	Accumulated Loss	Total equity attributable to ordinary shareholders	Nufarm Step-up securities	Total equity
	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD
31 March 2021					
Balance at 1 October 2020	9,984,530	(24,640,451)	(14,655,921)	246,932,148	232,276,227
Comprehensive income for the year					
Profit or (loss)	-	3,740,005	3,740,005	-	3,740,005
Other comprehensive income					
	-	-	-	-	-
Total comprehensive income for the year	-	3,740,005	3,740,005	-	3,740,005
Nufarm Step-up Securities distribution	-	(5,216,479)	(5,216,479)	-	(5,216,479)
Tax effect of Nufarm Step-up Securities distribution	-	1,440,456	1,440,456	-	1,440,456
Balance at 31 March 2021 (UNAUDITED)	<u>9,984,530</u>	<u>(24,676,469)</u>	<u>(14,691,939)</u>	<u>246,932,148</u>	<u>232,240,209</u>
31 January 2020					
Balance at 1 August 2019	9,984,530	(25,315,341)	(15,330,811)	246,932,148	231,601,337
Comprehensive income for the period					
Profit or (loss)	-	4,846,550	4,846,550	-	4,846,550
Other comprehensive income					
	-	-	-	-	-
Total comprehensive income for the period	-	4,846,550	4,846,550	-	4,846,550
Nufarm Step-up Securities distribution	-	(7,138,366)	(7,138,366)	-	(7,138,366)
Tax effect of Nufarm Step-up Securities distribution	-	1,886,645	1,886,645	-	1,886,645
Balance at 31 January 2020 (UNAUDITED)	<u>9,984,530</u>	<u>(25,720,512)</u>	<u>(15,735,982)</u>	<u>246,932,148</u>	<u>231,196,166</u>

The condensed statement of changes in equity is to be read in conjunction with the attached notes.



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements

For the 6 months ended 31 March 2021

1 Reporting entity

The Company is a company incorporated and domiciled in New Zealand. The Company is registered under the Companies Act 1993. Its Nufarm Step-up Securities are quoted on ASX Limited (ASX) and on the NZX Debt Market (NZDX). The Company is an FMC Reporting Entity as defined in the Financial Markets Conduct Act 2013, and the condensed financial statements have been prepared in accordance with the requirements of that Act and the Financial Reporting Act 2013.

The condensed financial statements and the comparative information of the Company for the 6 months ended 31 March 2021, are unaudited. The comparative information for the period ended 30 September 2020 is audited.

The condensed financial statements have been prepared for the 6 month period ended 31 March 2021, reflecting the Company's new condensed financial reporting period following the change in financial year end from 31 July to 30 September. The comparatives in this financial report reflect the prior condensed financial reporting period being the 6 month period to 31 January 2020.

The Company acts as a financing company for the Nufarm Group. The parent and ultimate parent is Nufarm Limited, an Australian registered and listed company.

2 Basis of Preparation

The condensed financial statements comprise the following: condensed statement of comprehensive income, condensed statement of financial position, condensed statement of changes in equity, condensed statement of cash flows, and accounting policies and notes to the condensed consolidated financial statements.

These condensed consolidated financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting, and should be read in conjunction with the Company's last financial statements as at and for the 2 month period ended 30 September 2020 ('last annual financial statements'). These do not include all of the information required for a complete set of NZ IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last financial statement.

The Company's accounting policies have been applied consistently to all periods presented in these condensed financial statements. The condensed financial statements should be read in conjunction with the financial statements for the two month period ended 30 September 2020.

This financial report of the Company have been prepared on a going concern basis, which assumes the realisation of assets and extinguishment of liabilities in the ordinary course of business. Nufarm Limited, the parent company, has provided the letter of support stating that they will continue to provide ongoing financial support to enable the company to meet its liabilities as and when they fall due for a period of not less than 12 months from the date of signing the financial statements for the 6 month period ended 31 March 2021. The going concern basis is considered appropriate by the Directors having regard to the Company's, and Nufarm Limited's, access to appropriate lines of credit to support its working capital and general corporate financing requirements. Refer to note 7 for further discussion regarding liquidity risk.

The company and parent company, Nufarm Limited has carefully considered the effect of the Covid-19 pandemic in preparing the financial statements for the 6 month period ended 31 March 2021. The company and the parent did not identify any material financial effects, including on the application of critical estimates and judgements.

3 Segment reporting

The Company acts as a financing company for the Nufarm Limited Group. It operates solely within the financing industry in New Zealand. It is listed in both Australia and New Zealand as the Nufarm Step-up Securities were issued to holders in both countries.

The Directors have considered the application of NZ IFRS 8 Operating segments and are of the opinion that the operations of the Company are substantially similar to one another and that the risks and returns of these operations are likewise similar. Resource allocation and the management of the operation is performed on an aggregated basis as reported to the CODM (being the Board of Directors) and as such the company is considered to be a single aggregated business and therefore there is no additional segments information is presented.



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements (continued)

For the 6 months ended 31 March 2021

4 Related parties

Nufarm Limited, an Australian registered and listed company, is the Company's ultimate parent. The company had the following related party transactions during, and as at, the 6 month period ended 31 March 2021:

Name of related party	Type of transaction	31-Mar 2021 \$AUD UNAUDITED	31-Jan 2020 \$AUD UNAUDITED
Nufarm Limited (NZ Branch)#	Management Fee / expenses	(47,891)	(48,130)
Nufarm Holdings (NZ) Ltd^	Interest Income	1,631,976	2,158,506
Nufarm Holdings (SAS) Ltd^	Interest Income	4,350,036	5,630,849
Nufarm NZ Ltd^	Interest Expense	(655,742)	(848,817)
	Relationship of party	31-Mar \$AUD UNAUDITED	30-Sep \$AUD AUDITED
Related party receivables			
<i>Non current</i>			
Nufarm Holdings (NZ) Ltd^	Subsidiary of Nufarm	70,907,835	70,673,579
Nufarm Holdings (SAS) Ltd^	Subsidiary of Nufarm	185,745,370	185,745,370
		256,653,205	256,418,949



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements (continued) For the 6 months ended 31 March 2021

4 Related parties (continued)

		31 March 2021 \$AUD UNAUDITED	30 September 2020 \$AUD AUDITED
	Relationship of party		
<i>Current</i>			
Nufarm Holdings (NZ) Ltd^	Subsidiary of Nufarm	280,546	278,698
Nufarm Holdings (SAS) Ltd^	Subsidiary of Nufarm	734,387	732,071
		<u>1,014,933</u>	<u>1,010,769</u>

The loan to Nufarm Holdings (NZ) Ltd is repayable by the following: \$28,000,000 on 29 July 2022, \$21,520,031 on 23 November 2023 and \$21,387,804 on 30 July 2053. The loan to Nufarm Holdings (SAS) Ltd is repayable on 24 November 2025 and the borrower has the contractual right to repay the loan by giving no less than 5 days' notice.

Both loans attract an interest rate of 4.6552% (30 September 2020: 5.4988%). The interest rate is floating and calculated based on the average mid-rate for Australian denominated bills with a term of six months plus a margin of 4.55% (30 September 2020: 4.55%).

Nufarm Limited, the parent company, has provided the letter of support stating that they will continue to provide ongoing financial support to Nufarm Holdings (NZ) Ltd and Nufarm Holdings (SAS) Ltd to ensure that they have sufficient funds to pay principal and interest as and when required.

		31 March 2021 \$AUD UNAUDITED	30 September 2020 \$AUD AUDITED
Related party payable	Relationship of party		
<i>Non current</i>			
Nufarm (NZ) Ltd^	Subsidiary of Nufarm Holdings	(28,000,000)	(28,000,000)
<i>Current</i>			
Nufarm (NZ) Ltd^	Subsidiary of Nufarm Holdings	(110,704)	(110,355)
Nufarm Limited (NZ Branch)#	Branch office of Nufarm	<u>(367,111)</u>	<u>(153,494)</u>
		(477,815)	(263,849)

The loan from Nufarm (NZ) Ltd is repayable on 29 July 2022. It attracts an interest rate of 4.6552% (30 September 2020: 5.4988%). The interest rate is floating and calculated based on the average mid-rate for Australian denominated bills with a term of six months plus a margin of 4.55%.

The nature of the relationship with the related parties is they are other group companies controlled by Nufarm Limited Group.

The above related party transactions and balances at year end are denominated in the following currencies: ^=AUD, # =NZD

The Company has completed the following transactions with Nufarm Limited (NZ Branch):

- Legal Expenses of \$54,076 were paid on behalf of the Company
- Management fees of \$47,891 (NZD \$51,000)

The Company did not incur any expenses in relation to key management personnel (except for directors fees paid of NZD \$4,620 (31 January 2020: NZD \$12,500)). Those expenses are incurred by Nufarm Limited and disclosed in full in the Nufarm Limited financial statements which are publicly available. There were no other transactions with related parties other than disclosed.



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements (continued)

For the 6 months ended 31 March 2021

5 Equity

Nufarm Step-up Securities

In the year ended 31 July 2007, the company issued a hybrid security called Nufarm Step-up Securities (NSS). The NSS are perpetual step up securities and on 24 November 2006, 2,510,000 NSS were allotted at an issue price of \$100 per security raising \$251 million. The NSS are listed on the ASX under the code 'NFNG' and on the NZDX under the code 'NFFHA'. The after-tax costs associated with the issue of the NSS, totalling \$4.1 million, were deducted from the proceeds.

Distributions on the NSS are at the discretion of the directors and are at a floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The first distribution date for the NSS was 16 April 2007 and on a six-monthly basis after this date. The floating rate is the average mid-rate for Australian denominated bills with a term of six months plus a margin of 3.9% (30 September 2020: 3.9%). On 23 September 2011, Nufarm announced that it would 'step-up' the NSS. This resulted in the interest margin attached to the NSS being stepped up by 2.0 per cent, with the new interest margin being set at 3.9 per cent as at 24 November 2011. No other terms were adjusted and there are no further step-up dates. Nufarm retains the right to redeem or exchange (for Nufarm Limited ordinary shares) the NSS on future distribution dates.



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements (continued)

For the 6 months ended 31 March 2021

5 Equity (continued)

Nufarm Step-up Securities (continued)

The NSS are considered an equity instrument as the Company has no present contractual obligation to deliver cash or another financial asset to the holder of the security. The step up feature does not of itself establish a contractual obligation to pay the distributions or to call the security.

Distributions

Distributions recognised in the 6 months to 31 March on the NSS are:

	Distribution rate	Total amount	Payment date
For the 6 months ended 31 March 2021			
Distribution	4.15%	5,216,479	15-Oct-20
For the 12 months ended 31 July 2020			
Distribution	5.28%	13,240,282	15-Oct-19 and 15-Apr-20
For the 6 months ended 31 January 2020			
Distribution	5.67%	7,138,366	15-Oct-19
		6 months to 31 Mar 2021 UNAUDITED	6 months to 31 Jan 2020 UNAUDITED
Nufarm Step-up securities distributions per unit		2.08	2.84

All distributions payable on the Nufarm Step-up securities have been paid.

The distribution on the Nufarm Step-up Securities reported on the condensed statement of changes in equity has been reduced by the tax benefit on the gross distribution, giving an after tax amount of \$3,776,023 (31 January 2020: \$5,251,721)



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements (continued) For the 6 months ended 31 March 2021

6 Contingent liabilities

The Company is one of the guarantors of Nufarm Limited's AUD\$490 million senior secured syndicated bank facility (SFA) and would be obliged, along with other guarantors, to make payment on the SFA in the unlikely event of a default by one of the borrowers.

In May 2018 the Nufarm Group successfully executed the offer of US\$475 million senior unsecured notes due in April 2026. The company is one of the guarantors of the senior unsecured notes.

Further details about the SFA and the Notes can be found in note 7 Financial instruments - liquidity risk.

7 Financial instruments

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's liquidity is considered in the context of the Nufarm Group (the group), refer to the Nufarm Limited - Financial results for the half-year ended 31 March 2021 and lodged with ASX on 20 May 2021 for further detail.

Principally, the group sources liquidity from cash generated from operations, and where required, external bank facilities.

Working capital fluctuations due to seasonality of the business are supported by the short-term funding available from the group's trade receivable securitisation facility.



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements (continued)

For the 6 months ended 31 March 2021

7 Financial instruments (continued)

Liquidity Risk (continued)

Debt facilities

As at 31 March 2021, the key group facilities include a group trade receivables securitisation facility, a US\$475 million senior unsecured notes offering maturing in April 2026 (30 September 2020: US\$475 million; 31 January 2020: US\$475 million), and a senior secured bank facility of \$490 million (30 September 2020: \$555 million; 31 January 2020: \$695 million).

The US\$475m senior unsecured notes are due in April 2026 with a fixed coupon component of 5.75% ("2026 notes"). The 2026 notes were issued under a dual tranche structure by Nufarm Australia Ltd (US\$266 million) and Nufarm Americas Inc (US\$209 million).

On 31 January 2021 \$65m million of the group's senior secured bank facility (SFA) expired, reducing the limit to \$490 million. Under the facility agreement \$20 million expires on 31 January 2022, \$50 million expires on 30 June 2022 and \$420 million expires on 31 October 2022 (30 September 2020: \$85 million is due in January 2021, and \$470 million is due in January 2022; 31 January 2020: \$100 million is due in April 2020, \$125 million is due in January 2021, and \$470 million is due in January 2022). The SFA includes covenants of a type normally associated with facilities of this kind, and the group was in compliance with these covenants. The facility was undrawn at 31 March 2021 (30 September 2020: facility was undrawn; 31 January 2020: drawn to \$474.890 million).

On 23 August 2011, Nufarm executed a group trade receivables securitisation facility. The facility provides funding that aligns with the working capital cycle of the group. The facility limit varies on a monthly basis to reflect the cyclical nature of the trade receivables being used to secure funding under the program. The monthly facility limit is set at \$500 million for three months of the financial year, \$400 million for one month of the financial year, \$350 million for four months of the financial year, \$300 million for two months of the financial year and \$250 million for two months of the financial year (30 September 2020 and 31 January 2020: facility limit is set to \$500 million for three months of the financial year, \$400 million for one month of the financial year, \$350 million for four months of the financial year, \$300 million for two months of the financial year and \$250 million for two months of the financial year).

The majority of debt facilities that reside outside the notes, SFA and the group trade receivables securitisation facility are regional working capital facilities, primarily located in Europe, which at 31 March 2021 totalled \$122.277 million (30 September 2020: \$129.299 million; 31 January 2020: \$638.699 million).

At 31 March 2021, the group had access to debt of \$1,475 million (30 September 2020: \$1,541 million; 31 January 2020: \$2,293 million) under the notes, SFA, group trade receivables securitisation facility and with other lenders.

A parent guarantee is provided to support working capital facilities in Europe and the notes.

Trade finance

The liquidity of the group is influenced by the terms suppliers extend in respect of purchases of goods and services. The determination of terms provided by suppliers is influenced by a variety of factors including supplier's liquidity. Suppliers may engage financial institutions to facilitate the receipt of payments for goods and services from the group, which are often referred to as supplier financing arrangements. The group is aware that trade payables of \$237.853 million at 31 March 2021 (30 September 2020: \$198.139 million; 31 January 2020: \$232.535 million) are to be settled via such arrangements in future periods. In the event suppliers or financial institutions cease such arrangements the liquidity of the group's suppliers may be affected. If suppliers subsequently seek to reduce terms on group's purchases of goods and services in the future, the group's liquidity will be affected.

To support the liquidity of the group and reduce the credit risk relating to specific customers, trade receivables held by the group are sold to third parties. The sales (or factoring) of receivables to third parties is primarily done on a non-recourse basis, and the group incurs a financing expense at the time of the sale. The group derecognises trade receivables where the terms of the sale allows for derecognition. At 31 March 2021 the group estimates \$5.651 million (30 September 2020: \$10.639 million; 31 January 2020: \$86.255 million of which \$5.589 million related to continuing operations) of derecognised trade receivables were being held by third parties. For clarity, the group trade receivables securitisation facility, noted above, has terms which does not allow the group to derecognise these trade receivables.



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements (continued) For the 6 months ended 31 March 2021

7 Financial instruments (continued) Liquidity risk (continued)

The Company's largest liquidity exposure relates to the NSS security which is classified as equity. The liquidity risk is immaterial because it is largely offset by the related party receivables and distributions on the NSS security are at the discretion of the issuer.

All amounts relating to Other payables are due within the next six months. The tables below present the Company's cash flows by remaining contractual maturities as at balance date.

31 March 2021	Within 6 months	More than 12 months	Total Contractual Cash Flows
	\$AUD	\$AUD	\$AUD
	UNAUDITED	UNAUDITED	UNAUDITED
Non-derivative financial assets			
Cash and cash equivalents	3,136,578	-	3,136,578
Receivables - related parties	1,014,933	-	1,014,933
Loan receivable - related parties	-	256,653,205	256,653,205
Non-derivative financial liabilities			
Payables - other	(77,371)	-	(77,371)
Payables - related parties	(477,815)	-	(477,815)
Loan payable - related parties	-	(28,000,000)	(28,000,000)
	<u>3,596,325</u>	<u>228,653,205</u>	<u>232,249,530</u>

The Company has Nufarm Step up Securities of \$251 million (refer to note 5).

30 September 2020	Within 6 months	More than 12 months	Total Contractual Cash Flows
	\$AUD	\$AUD	\$AUD
	AUDITED	AUDITED	AUDITED
Non-derivative financial assets			
Cash and cash equivalents	3,373,777	-	3,373,777
Receivables - related parties	1,010,769	-	1,010,769
Loan receivable - related parties	-	256,418,949	256,418,949
Non-derivative financial liabilities			
Payables - other	(157,421)	-	(157,421)
Payables - related parties	(263,849)	-	(263,849)
Loan payable - related parties	-	(28,000,000)	(28,000,000)
	<u>3,963,276</u>	<u>228,418,949</u>	<u>232,382,225</u>

There were no financial assets or liabilities with remaining contractual maturities between the 6-12 months bracket at balance date.

The contractual cash flows included in the note do not include interest payments. Management does not believe that this is a significant risk because the all the incoming cash flows are from related parties and all the outflows are related party and NSS distributions. The interest rate used is based on Bank Bill Swap Rate (BBSW) which is similar on cash received and paid.

The carrying value of financial assets and liabilities approximate their fair value.



Nufarm Finance (NZ) Limited

Notes to the condensed financial statements (continued)

For the 6 months ended 31 March 2021

8 Reconciliation of the profit for the period with the net cash flow from operating activities

	6 months to 31 Mar 2021 \$AUD UNAUDITED	6 months to 31 Jan 2020 \$AUD UNAUDITED
Profit for the period	3,740,005	4,846,550
Adjustments for:		
Income tax expense	1,344,057	1,884,769
	<u>5,084,062</u>	<u>6,731,319</u>
Change in other receivables	-	(12,708)
Change in other payables	(80,327)	(76,565)
Change in related party current receivable	(4,164)	159,949
Change in related party current payable	213,965	165,662
Changes in tax balances		
Net cash from operating activities	<u>5,213,536</u>	<u>6,967,657</u>

9 Commitments

There were no commitments as at 31 March 2021 (30 September 2020: Nil)

10 Subsequent Events

The Company has evaluated the period after the balance date to 20 May 2021, which is the date that the financial statements were issued, and determined that there were subsequent events or transactions that required disclosure in the financial statements as noted below:

The company paid a distribution on the NSS of \$5,012,755 on 15 April 2021 and set the interest rate of 3.9962% for the next distribution (scheduled 15 October 2021).

Other than the above, there were no other subsequent events.



Nufarm Finance (NZ) Limited

Directors' declaration

In the opinion of the directors of Nufarm Finance (NZ) Limited, the condensed financial statements and notes, on pages 7 to 19:

(a) comply with New Zealand generally accepted accounting principles and NZ IFRS and give a true and fair view of the Company's condensed financial position as at 31 March 2021 and the results of its operations and cash flows for the six month period ended on that date; and

(b) have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the condensed financial statements with the Financial Reporting Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the condensed financial statements.

The directors are pleased to present the condensed financial statements of Nufarm Finance (NZ) Limited for the 6 month period ended 31 March 2021.

For and on behalf of the Board of Directors:

Dated at Auckland on 20 May 2021



G. Kerr
Director



T. A. Mangold
Director