



20 May 2022

The Manager
Market Announcements Office
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ELECTRONIC LODGEMENT

Dear Sir or Madam

Nufarm Finance (NZ) Limited - Financial results for the half-year ended 31 March 2022

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 2022.

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

Authorised for lodgement by:

A handwritten signature in grey ink that reads 'KHall'.

Kate Hall
Company Secretary

Investor and media contact:

Rachel Scully
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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 2022 compared with the six months ended 31 March 2021.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

TRADING RESULTS	Consolidated		increase / (decrease) \$000	increase / (decrease) %
	2022 \$000	2021 \$000		
Revenue from ordinary activities	-	-	-	0.0%
Profit/(loss) from ordinary activities after tax attributable to members				
- Before material items	3,715,945	3,740,005	(24,060)	(0.6%)
- After material items	3,715,945	3,740,005	(24,060)	(0.6%)
Net profit/(loss) attributable to members				
- Before material items	3,715,945	3,740,005	(24,060)	(0.6%)
- After material items	3,715,945	3,740,005	(24,060)	(0.6%)
DIVIDENDS AND DISTRIBUTIONS			2022 \$	2021 \$
Interim Distribution				
Amount per NSS security			2.00	2.08
Total value of distribution			5,028,971	5,216,479
Franked amount per NSS security at 30%			nil	nil
Amount per NSS security of foreign source			2.00	2.08
Distribution				
Rate			4.00%	4.15%
Date payable			15-Oct-21	15-Oct-20
Record date for entitlement			07-Oct-21	07-Oct-20
Dividend reinvestment plans			No	No
Net tangible assets per security (including ordinary shares)			18.55	18.56
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 \$5,908,029 (2021: \$5,982,012).

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 \$3,715,945 (2021: \$3,740,005).



T Mangold
Director

19 May 2022



Nufarm

Nufarm Finance (NZ) Limited

Interim Report

For the six months ended 31 March 2022

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NUFARM FINANCE (NZ) LIMITED

DIRECTORS' REPORT

The directors present their report together with the condensed financial report of Nufarm Finance (NZ) Limited for the six months ended 31 March 2022 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the six months are:

G. Kerr	Appointed 19 February 2020
T. A. Mangold	Appointed 16 September 2020
P. Townsend	Appointed 8 December 2020

At the date of this report there are 3 male directors (2021: 3 male directors).

Principal activities

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

Distribution of Nufarm Step-up Securities Holders and Nufarm Step-up Securities as at 31 March 2022

<u>Size of Holding</u>	<u>Number of Security Holders</u>		<u>Number of Securities</u>	
1 - 499	1,756	70.5%	375,636	15.0%
500 - 999	415	16.7%	261,682	10.4%
1,000 - 4,999	281	11.2%	484,040	19.3%
5,000 - 9,999	14	0.6%	83,325	3.3%
10,000+	26	1.0%	1,305,317	52.0%
	<u>2,492</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>

Geographic distribution

New Zealand	866	34.8%	458,827	18.3%
Australia	1,615	64.8%	2,045,489	81.5%
Rest of World	11	0.4%	5,684	0.2%
	<u>2,492</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>

NUFARM FINANCE (NZ) LIMITED

DIRECTORS' REPORT

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 ended 31 March 2022 is \$3,715,945 (31 March 2021: \$3,740,005).

Directors remuneration and interest

No director fees were paid by the Company in the 6 months ended 31 March 2022.

P Townsend holds 84,661 shares in Nufarm Limited and is a director across multiple Nufarm entities.

Signed on behalf of the board of directors, dated _____

19 May 2022

Director: _____



G. Kerr

Director: _____



T. A. Mangold

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 (the Ultimate Parent Company) has a credit rating of BB issued by S&P.
Registered office	Baker Tilly Staples Rodway Level 9, 45 Queen Street Auckland 1010
Incorporation Number	107147
Directors	Mr G Kerr Mr T A Mangold Mr P Townsend
Parent company	Nufarm Limited
Auditor	KPMG
Bank	ANZ Bank
Solicitor	Dawson Harford Limited

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 17 do not:

- i. present fairly in all material respects the company's financial position as at 31 March 2022 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 2022;
- 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

19 May 2022

NUFARM FINANCE (NZ) LIMITED

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 31 MARCH 2022**

	Note	31 March 2022 UNAUDITED \$AUD	31 March 2021 UNAUDITED \$AUD
Revenue and other income			
Finance income		<u>5,931,638</u>	<u>5,987,709</u>
		<u>5,931,638</u>	<u>5,987,709</u>
Less: expenses			
Finance expense		(645,632)	(681,288)
Operating expenses		<u>(124,972)</u>	<u>(222,359)</u>
		<u>(770,604)</u>	<u>(903,647)</u>
Profit before income tax expense		5,161,034	5,084,062
Income tax expense		<u>(1,445,089)</u>	<u>(1,344,057)</u>
Net profit for the period		<u>3,715,945</u>	<u>3,740,005</u>
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>3,715,945</u></u>	<u><u>3,740,005</u></u>
 Earnings per share			
Basic & Diluted earnings per share (cents)		37.16	37.40

The accompanying notes form part of these condensed financial statements.



NUFARM FINANCE (NZ) LIMITED

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	31 March 2022	31 March 2021	30 September 2021
Note	UNAUDITED \$AUD	UNAUDITED \$AUD	AUDITED \$AUD
Current assets			
Cash and cash equivalents	1,350,251	3,136,578	2,111,825
Related party receivables	<u>29,011,723</u>	<u>1,014,933</u>	<u>28,985,095</u>
Total current assets	<u>30,361,974</u>	<u>4,151,511</u>	<u>31,096,920</u>
Non-current assets			
Related party receivables	230,061,135	256,653,205	229,921,504
Deferred tax assets	<u>19,512</u>	<u>127,348</u>	<u>20,071</u>
Total non-current assets	<u>230,080,647</u>	<u>256,780,553</u>	<u>229,941,575</u>
Total assets	<u>260,442,621</u>	<u>260,932,064</u>	<u>261,038,495</u>
Current liabilities			
Payables	63,661	77,371	75,029
Related party payables	28,167,509	477,815	28,797,367
Income tax payable	<u>169,728</u>	<u>136,669</u>	<u>132,750</u>
Total current liabilities	<u>28,400,898</u>	<u>691,855</u>	<u>29,005,146</u>
Non-current liability			
Related party payables	<u>-</u>	<u>28,000,000</u>	<u>-</u>
Total non-current liability	<u>-</u>	<u>28,000,000</u>	<u>-</u>
Total liabilities	<u>28,400,898</u>	<u>28,691,855</u>	<u>29,005,146</u>
Net assets	<u>232,041,723</u>	<u>232,240,209</u>	<u>232,033,349</u>
Equity			
Share capital	9,984,530	9,984,530	9,984,530
Accumulated losses	<u>(24,874,955)</u>	<u>(24,676,469)</u>	<u>(24,883,329)</u>
Total equity attributable to ordinary shareholders	<u>(14,890,425)</u>	<u>(14,691,939)</u>	<u>(14,898,799)</u>
Nufarm Step-up Securities	<u>246,932,148</u>	<u>246,932,148</u>	<u>246,932,148</u>
Total equity	<u>232,041,723</u>	<u>232,240,209</u>	<u>232,033,349</u>

The accompanying notes form part of these condensed financial statements.

NUFARM FINANCE (NZ) LIMITED

**CONDENSED STATEMENT OF CASHFLOWS
FOR THE 6 MONTHS ENDED 31 MARCH 2022**

	31 March 2022 UNAUDITED \$AUD	31 March 2021 UNAUDITED \$AUD
Cash flow from operating activities		
Interest received	5,905,010	5,983,545
Payments to suppliers	(769,023)	(89,070)
Interest paid	(642,807)	(680,939)
Income tax paid	<u>(86,152)</u>	<u>-</u>
Net cash provided by operating activities	<u>4,407,028</u>	<u>5,213,536</u>
 Cash flow from financing activities		
Nufarm Step Securities distribution	(5,028,971)	(5,216,479)
Related party loans advanced	<u>(139,631)</u>	<u>(234,256)</u>
Net cash used in financing activities	<u>(5,168,602)</u>	<u>(5,450,735)</u>
 Reconciliation of cash		
Cash at beginning of the period	2,111,825	3,373,777
Net decrease in cash held	<u>(761,574)</u>	<u>(237,199)</u>
Cash at end of period	<u>1,350,251</u>	<u>3,136,578</u>

The accompanying notes form part of these condensed financial statements.



NUFARM FINANCE (NZ) LIMITED

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 31 MARCH 2022**

	Contributed equity \$AUD	Accumulated losses \$AUD	Nufarm Step- up securities \$AUD	Total equity \$AUD
Balance as at 1 October 2020	9,984,530	(24,640,451)	246,932,148	232,276,227
Profit for the period	<u>-</u>	<u>3,740,005</u>	<u>-</u>	<u>3,740,005</u>
Total comprehensive income for the period	<u>-</u>	<u>3,740,005</u>	<u>-</u>	<u>3,740,005</u>
Transactions with security holders in their capacity as security holders:				
Nufarm Step-up Securities distribution	-	(5,216,479)	-	(5,216,479)
Tax effect of Nufarm Step-up Securities distribution	<u>-</u>	<u>1,440,456</u>	<u>-</u>	<u>1,440,456</u>
Total transactions with owners in their capacity as owners	<u>-</u>	<u>(3,776,023)</u>	<u>-</u>	<u>(3,776,023)</u>
Balance as at 31 March 2021 (UNAUDITED)	<u>9,984,530</u>	<u>(24,676,469)</u>	<u>246,932,148</u>	<u>232,240,209</u>
Balance as at 1 October 2021	9,984,530	(24,883,329)	246,932,148	232,033,349
Profit for the period	<u>-</u>	<u>3,715,945</u>	<u>-</u>	<u>3,715,945</u>
Total comprehensive income for the period	<u>-</u>	<u>3,715,945</u>	<u>-</u>	<u>3,715,945</u>
Transactions with owners in their capacity as owners:				
Nufarm Step-up Securities distribution	-	(5,028,971)	-	(5,028,971)
Tax effect of Nufarm Step-up Securities distribution	<u>-</u>	<u>1,321,400</u>	<u>-</u>	<u>1,321,400</u>
Total transactions with owners in their capacity as owners	<u>-</u>	<u>(3,707,571)</u>	<u>-</u>	<u>(3,707,571)</u>
Balance as at 31 March 2022 (UNAUDITED)	<u>9,984,530</u>	<u>(24,874,955)</u>	<u>246,932,148</u>	<u>232,041,723</u>

The accompanying notes form part of these condensed financial statements.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The condensed financial report covers Nufarm Finance (NZ) Limited as an individual entity. Nufarm Finance (NZ) Limited is a Company limited by shares, 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 report has 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 2022, are unaudited. The comparative information for the period ended 30 September 2021 is audited. The comparatives in this condensed financial report reflect the prior condensed financial reporting period being the 6 month period to 31 March 2021.

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.

The condensed financial report was approved by the directors as at the date of the directors' report on page 2.

(a) Basis of preparation of the condensed financial report

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 condensed accounting policies and notes to the condensed financial statements.

These condensed 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 year ended 30 September 2021 ('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 statements.

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 year ended 30 September 2021.

(b) Going concern

The condensed financial statements 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 condensed financial statements for the 6 month period ended 31 March 2022. 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 5 for further discussion regarding liquidity risk.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern (Continued)

The Company and parent company, Nufarm Limited has carefully considered the effect of the Covid-19 pandemic in preparing the condensed financial statements for the 6 month period ended 31 March 2022. The Company and the parent did not identify any material financial effects, including on the application of critical estimates and judgements.

Under the restrictions put in place by the government up until the date of signing of these condensed financial statements, the Company has been able to continue to undertake its normal business activities. Although the COVID-19 pandemic and associated restrictions implemented have lowered overall economic activity, the Company's earnings, cashflow and financial position have not been significantly impacted up to the date of the signing of these condensed financial statements.

(c) 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.

NOTE 2: RELATED PARTY TRANSACTIONS

Nufarm Limited, an Australian registered and listed company, is the Company's ultimate parent.

Related party	Relationship
Nufarm Limited (NZ Branch)	Branch office of Nufarm Limited
Nufarm Holdings (NZ) Ltd	Subsidiary of Nufarm Limited
Nufarm Holdings SAS	Subsidiary of Nufarm Limited
Nufarm NZ Ltd	Subsidiary of Nufarm Holdings (NZ) Limited

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 MARCH 2022**

	31 March 2022	31 March 2021	30 September 2021
Note	UNAUDITED	UNAUDITED	AUDITED
	\$AUD	\$AUD	\$AUD
(a) Transactions with related parties			
Nufarm Limited (NZ) Branch # - management fee/expenses	(48,301)	(47,891)	-
Nufarm Holdings (NZ) Ltd^ - interest income	1,625,217	1,631,976	-
Nufarm Holdings SAS^ - interest income	4,282,812	4,350,036	-
Nufarm NZ Ltd^ - interest expense	(645,632)	(655,742)	-
(b) Related party receivables - current			
Nufarm Holdings (NZ) Ltd^	28,283,662	280,546	28,275,772
Nufarm Holdings SAS^	<u>728,061</u>	<u>734,387</u>	<u>709,323</u>
	<u>29,011,723</u>	<u>1,014,933</u>	<u>28,985,095</u>
(c) Related party receivables - non-current			
Nufarm Holdings (NZ) Ltd^	44,315,765	70,907,835	44,176,134
Nufarm Holdings SAS^	<u>185,745,370</u>	<u>185,745,370</u>	<u>185,745,370</u>
	<u>230,061,135</u>	<u>256,653,205</u>	<u>229,921,504</u>

\$28,000,000 of the loan to Nufarm (NZ) Ltd is repayable on 29 July 2022. The loans to Nufarm Holdings (NZ) Ltd and Nufarm Holdings SAS both attract an interest rate during the year of 4.6151% (September 2021: 4.6462%). 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% (2021: 4.55%).

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

(d) Related party payables - current

Nufarm (NZ) Ltd^	(28,109,751)	(110,704)	(28,106,926)
Nufarm Limited (NZ Branch) #	<u>(57,758)</u>	<u>(367,111)</u>	<u>(690,441)</u>
	<u>(28,167,509)</u>	<u>(477,815)</u>	<u>(28,797,367)</u>

\$28,000,000 of the loan from Nufarm (NZ) Ltd is repayable on 29 July 2022. It attracts an interest rate of 4.6151% (September 2021: 4.6462%) during the year. 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 above related party transactions and balances at year end are denominated in the following currencies:

^=AUD, #=NZD

(e) Related party payables - non-current

Nufarm (NZ) Ltd^	<u>-</u>	<u>(28,000,000)</u>	<u>-</u>
	<u>-</u>	<u>(28,000,000)</u>	<u>-</u>

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 MARCH 2022**

NOTE 3: EQUITY

Nufarm Step-up Securities

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.

	Distribution rate	Total amount	Payment date
For the 6 months ended 31 March 2022			
Distribution	4.00%	5,028,971	15 Oct 21
For the 6 months ended 31 March 2021			
Distribution	4.15%	5,216,479	15 Oct 20
		6 months to 31 Mar 2022 <u>UNAUDITED</u>	6 months to 31 Mar 2021 <u>UNAUDITED</u>
Nufarm Step-up securities distributions per unit		2.00	2.08

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 \$3,707,571 (2021: \$3,776,023).

NOTE 4: 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. The balance had not been drawn down at reporting date.

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 5.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 MARCH 2022

NOTE 5: FINANCIAL RISK MANAGEMENT

(a) 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's liquidity due to reliance on funding from related parties with the Nufarm Group and Nufarm Limited itself. Refer to the Nufarm Limited financial results for the half-year ended 31 March 2022 and lodged with the ASX for further detail.

Sales and operating profit are seasonal and are weighted towards the months of January to June each calendar year reflecting the planting and growing cycle in Australia, North America and Europe. This seasonal operating activity results in seasonal working capital requirements.

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.

Debt facilities

As at 31 March 2022, the key group facilities include a group trade receivables securitisation facility with a maximum seasonal limit of \$500 million (30 September 2021: \$500 million; 31 March 2021: \$500 million), a US\$350 million senior unsecured notes offering maturing in January 2030 (30 September 2021: US\$475 million; 31 March 2021: US\$475 million) and a senior secured bank facility (SFA) of \$490 million (30 September 2021: \$490 million; 31 March 2021: \$490 million).

The senior unsecured notes were refinanced during the 6 months ended 31 March 2022, with the face value decreasing to US\$350 million and now are due in January 2030 (30 September 2021: April 2026; 31 March 2021: April 2026) with a fixed coupon component of 5.0% (30 September 2021: 5.75%; 31 March 2021: 5.75%) and hereby referred to as the "2030 notes". The 2030 notes were issued under a dual tranche structure by Nufarm Australia Ltd (US\$105 million) and Nufarm Americas Inc (US\$245 million).

As at 31 March 2022, \$50 million of the SFA expires on 30 June 2022 and \$440 million expires on 28 April 2023 (30 September 2021: \$20 million expires on 31 January 2022, \$50 million expires on 30 June 2022 and \$420 million expires on 31 October 2022; 31 March 2021: \$20 million expires on 31 January 2022, \$50 million expires on 30 June 2022 and \$420 million expires on 31 October 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 2022 (30 September 2021: undrawn; 31 March 2021: undrawn).

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 2021 and 31 March 2021: 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

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 MARCH 2022

NOTE 5: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Liquidity risk (Continued)

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 2022 totalled \$134.727 million (30 September 2021: \$130.604 million; 31 March 2021: \$122.277 million).

At 31 March 2022, the Group had access to debt of \$1,379 million (30 September 2021: \$1,494 million; 31 March 2021: \$1,475 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 \$349.387 million at 31 March 2022 (30 September 2021: \$297.066 million; 31 March 2021: \$237.853 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 2022 the Group had no derecognised trade receivables held by third parties (30 September 2021: \$18.426 million; 31 March 2021: \$5.651 million). 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
FOR THE 6 MONTHS ENDED 31 MARCH 2022**

NOTE 6: COMMITMENTS

There were no commitments as at 31 March 2022 (30 September 2021: Nil)

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

The Company paid a distribution on the NSS of \$4,962,567 on 19 April 2022 and set the interest rate of 4.8647% for the next distribution (scheduled 17 October 2022).

There has been no matter or circumstance, which has arisen since 31 March 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 March 2022, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 March 2022, of the Company.