



Nufarm Limited
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nufarm.com

17 November 2022

The Manager
Company Announcements Office
ASX
20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir/Madam

Nufarm Finance (NZ) Limited- Financial results for the year ended 30 September 2022

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

1. Appendix 4E – Full-Year Report; and
2. Full-Year Financial Report including Directors' Report

For the year ended 30 September 2022.

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

Authorised for lodgement by

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

Kate Hall
Company Secretary Nufarm Limited

Investor and media contact:

Rachel Scully
rachel.scully@nufarm.com
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Appendix 4E

Nufarm Finance (NZ) Limited
Incorporation number: 107147

PRELIMINARY FINAL REPORT FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2022

This statement includes the consolidated results for Nufarm Finance (NZ) group for the twelve months ended 30 September 2022 compared with the two months ended 30 September 2021.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

TRADING RESULTS	Consolidated		increase /	increase /
	12 months to 30 Sep 2022 \$000	12 months to 30 Sep 2021 \$000	(decrease) \$000	(decrease) %
Revenue from ordinary activities	-	-	-	0.0%
Profit/(loss) from ordinary activities after tax attributable to members				
- Before material items	8,555,458	7,149,788	1,405,670	19.7%
- After material items	8,555,458	7,149,788	1,405,670	19.7%
Net profit/(loss) attributable to members				
- Before material items	8,555,458	7,149,788	1,405,670	19.7%
- After material items	8,555,458	7,149,788	1,405,670	19.7%
DIVIDENDS AND DISTRIBUTIONS			12 months to 30 Sep 2022 \$	12 months to 30 Sep 2021 \$
Final Distribution				
Amount per NSS security			2.02	2.00
Total value of distribution			5,071,634	5,012,754
Franked amount per NSS security at 30%			nil	nil
Amount per NSS security of foreign source Distribution			2.02	2.00
Date payable			19/04/2022	15/04/2021
Record date for entitlement			11/04/2022	7/04/2021
Interim Distribution				
Amount per NSS security			2.00	2.08
Franked amount per NSS security at 30%			nil	nil
Distribution rate			4.00%	4.15%
Distribution				
Date paid			15/10/2021	15/10/2020
Total Distributions				
Amount per NSS security			4.02	4.08
Dividend reinvestment plans			No	No
Net tangible assets per security (including ordinary shares)			18.63	18.55
Control gained over entities			nil	nil
Control lost over entities			nil	nil
Associates and Joint Ventures			nil	nil

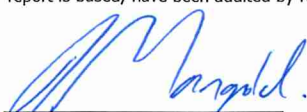
AUDIT STATUS

This Appendix 4E is based on accounts which have been audited, and the accounts, including the audit opinion, is attached.

COMMENTARY

Additional Appendix 4E disclosure requirements and further information of the financial performance are contained in the Annual Report for the 12 month period ended 30 September 2022.

The financial statements contained within the Annual Report for the 12 month period ended 30 September 2022, on which this report is based, have been audited by KPMG.



T.A. Mangold
Director

16 November 2022



Nufarm

Nufarm Finance (NZ) Limited

Financial Report

For the year ended 30 September 2022

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NUFARM FINANCE (NZ) LIMITED

DIRECTORS' REPORT

The directors present their report together with the financial report of Nufarm Finance (NZ) Limited for the year ended 30 September 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 year are:

G. Kerr

T. A. Mangold

P. Townsend

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 30 September 2022

<u>Size of Holding</u>	<u>Number of Security Holders</u>		<u>Number of Securities</u>	
1 - 499	1,736	70.4%	369,875	14.7%
500 - 999	403	16.3%	253,694	10.1%
1,000 - 4,999	293	11.9%	507,635	20.2%
5,000 - 9,999	12	0.5%	74,071	3.0%
10,000+	23	0.9%	1,304,725	52.0%
	<u>2,467</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>

Geographic distribution

New Zealand	838	34.0%	442,298	17.6%
Australia	1,618	65.6%	2,062,018	82.2%
Rest of World	11	0.4%	5,684	0.2%
	<u>2,467</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 year ended 30 September 2022 is \$8,555,458 (2021: \$7,149,788).

Directors remuneration and interest

No directors fees were paid by the Company in the year ended 30 September 2022 (2021: \$2,377).

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

G Kerr is a director across multiple Nufarm entities.

Signed on behalf of the board of directors, dated 16 November 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 Auckland 9th Floor, 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 Auditor's Report

To the shareholder of Nufarm Finance (NZ) Limited

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Nufarm Finance (NZ) Limited (the 'company') on pages 8 to 31 present fairly, in all material respects:

- i. the company's financial position as at 30 September 2022 and its financial performance and cash flows for the year ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 30 September 2022;
- the statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

The Directors, on behalf of the company, are responsible for the other information included in the entity's Annual Report. Other information includes the Directors' report, Company Directory and disclosures relating to Corporate governance. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholder as a body. Our audit work has been undertaken so that we might state to the shareholder those matters we are required to state to them in the independent auditor's 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 audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the financial statements

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

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a set of financial statements that is 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 audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Geoff Lewis.

For and on behalf of

A handwritten signature of the KPMG firm, written in blue ink. The letters 'KPMG' are written in a stylized, cursive font.

KPMG
Auckland

16 November 2022

NUFARM FINANCE (NZ) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 \$	2021 \$
Revenue and other income			
Finance income	5	<u>12,863,401</u>	<u>11,946,724</u>
		<u>12,863,401</u>	<u>11,946,724</u>
Less: expenses			
Finance expenses	6	(1,400,941)	(1,351,134)
Operating expenses		<u>(220,814)</u>	<u>(280,144)</u>
		<u>(1,621,755)</u>	<u>(1,631,278)</u>
Profit before income tax expense		11,241,646	10,315,446
Income tax expense	7(a)	<u>(2,686,188)</u>	<u>(3,165,658)</u>
Profit for the year		<u>8,555,458</u>	<u>7,149,788</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u>8,555,458</u>	<u>7,149,788</u>
Earnings per share			
Basic & Diluted earnings per share (cents)	11	85.55	71.50

The accompanying notes form part of these financial statements.

NUFARM FINANCE (NZ) LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	8	1,536,545	2,111,825
Related party receivables	9(b)	<u>1,172,435</u>	<u>28,985,095</u>
Total current assets		<u>2,708,980</u>	<u>31,096,920</u>
Non-current assets			
Related party receivables	9(c)	258,482,624	229,921,504
Deferred tax assets	7(d)	<u>361,404</u>	<u>20,071</u>
Total non-current assets		<u>258,844,028</u>	<u>229,941,575</u>
Total assets		<u>261,553,008</u>	<u>261,038,495</u>
Current liabilities			
Payables		73,393	75,029
Related party payables	9(d)	127,089	28,797,367
Income tax payable		<u>281,772</u>	<u>132,750</u>
Total current liabilities		<u>482,254</u>	<u>29,005,146</u>
Non-current liabilities			
Related party payables	9(e)	<u>28,000,000</u>	<u>-</u>
Total non-current liabilities		<u>28,000,000</u>	<u>-</u>
Total liabilities		<u>28,482,254</u>	<u>29,005,146</u>
Net assets		<u>233,070,754</u>	<u>232,033,349</u>
Equity			
Share capital	10	9,984,530	9,984,530
Accumulated losses		<u>(23,845,924)</u>	<u>(24,883,329)</u>
Total equity attributable to ordinary shareholders		(13,861,394)	(14,898,799)
Nufarm Step-up Securities	10	<u>246,932,148</u>	<u>246,932,148</u>
Total equity		<u>233,070,754</u>	<u>232,033,349</u>

The accompanying notes form part of these financial statements.

NUFARM FINANCE (NZ) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	Contributed equity \$	Accumulated losses \$	Nufarm Step- up securities \$	Total equity \$
Balance as at 1 October 2020		9,984,530	(24,640,451)	246,932,148	232,276,227
Profit for the year		<u>-</u>	<u>7,149,788</u>	<u>-</u>	<u>7,149,788</u>
Total comprehensive income for the year		<u>-</u>	<u>7,149,788</u>	<u>-</u>	<u>7,149,788</u>
Transactions with owners in their capacity as owners:					
Nufarm Step-up Securities distribution		-	(10,229,223)	-	(10,229,223)
Tax effect of Nufarm Step-up Securities distribution	7(b)	<u>-</u>	<u>2,836,557</u>	<u>-</u>	<u>2,836,557</u>
Total transactions with owners in their capacity as owners		<u>-</u>	<u>(7,392,666)</u>	<u>-</u>	<u>(7,392,666)</u>
Balance as at 30 September 2021		<u>9,984,530</u>	<u>(24,883,329)</u>	<u>246,932,148</u>	<u>232,033,349</u>
Balance as at 1 October 2021		9,984,530	(24,883,329)	246,932,148	232,033,349
Profit for the year		<u>-</u>	<u>8,555,458</u>	<u>-</u>	<u>8,555,458</u>
Total comprehensive income for the year		<u>-</u>	<u>8,555,458</u>	<u>-</u>	<u>8,555,458</u>
Transactions with security holders in their capacity as security holders:					
Nufarm Step-up Securities distribution		-	(10,276,078)	-	(10,276,078)
Tax effect of Nufarm Step-up Securities distribution	7(b)	<u>-</u>	<u>2,758,025</u>	<u>-</u>	<u>2,758,025</u>
Total transactions with security holders in their capacity as security holders:		<u>-</u>	<u>(7,518,053)</u>	<u>-</u>	<u>(7,518,053)</u>
Balance as at 30 September 2022		<u>9,984,530</u>	<u>(23,845,924)</u>	<u>246,932,148</u>	<u>233,070,754</u>

The accompanying notes form part of these financial statements.

NUFARM FINANCE (NZ) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Interest received		12,676,062	11,972,398
Payments to suppliers		(840,880)	(525,572)
Income tax paid		(192,311)	(162,813)
Interest paid		<u>(1,380,953)</u>	<u>(814,187)</u>
Net cash provided by operating activities	12(a)	<u>10,261,918</u>	<u>10,469,826</u>
Cash flow from financing activities			
Nufarm Step Securities distribution		(10,276,078)	(10,229,223)
Related party loans - advanced		<u>(561,120)</u>	<u>(1,502,555)</u>
Net cash used in financing activities		<u>(10,837,198)</u>	<u>(11,731,778)</u>
Reconciliation of cash			
Cash at beginning of the financial year		2,111,825	3,373,777
Net decrease in cash held		<u>(575,280)</u>	<u>(1,261,952)</u>
Cash at end of financial year		<u>1,536,545</u>	<u>2,111,825</u>

The accompanying notes form part of these financial statements.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The 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 financial report has been prepared in accordance with the requirements of that Act and the Financial Reporting Act 2013.

The financial report of the Company is for the year ended 30 September 2022.

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

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the Company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Statement of compliance

The financial statements have been prepared in accordance with NZ GAAP. They comply with the New Zealand equivalent International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards.

Historical Cost Convention

The financial statements are prepared on the historical cost basis.

Significant accounting estimates and judgements

The preparation of financial statements requires Management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern

The financial statements have been prepared on a going concern basis, which assume the realisation of assets and extinguishment of liabilities in the ordinary course of business. Nufarm Limited, the parent company, has provided a 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 year ended 30 September 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 3(b) for further discussion regarding liquidity risk.

The Company and parent company, Nufarm Limited has carefully considered the effect of the coronavirus disease 2019' ('COVID-19') in preparing the financial statements for the year ended 30 September 2022. The Company and the parent did not identify any material financial impacts, including on the application of critical estimates and judgements.

The Company was able to continue to conduct its normal business activities under the COVID-19 restrictions that were put in place. Although the COVID-19 pandemic and associated restrictions implemented 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 financial statements.

(c) Foreign currency transactions and balances

Functional and presentation currency

The financial statements are presented in Australian dollars (AUD) which is the Company's functional currency rounded to the nearest dollar.

Foreign currency

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the profit or loss.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (Continued)

flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus transaction costs on trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Amortised cost
- Fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the Company. Financial assets are measured at amortised cost if both of the following conditions are met and the asset is not designated as FVTPL:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes related party receivables.

The Company does not currently have any financial assets classified as FVOCI or FVTPL.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (Continued)

(ii) Non-derivative financial liabilities

At initial recognition, financial liabilities are classified as measured at amortised cost or FVTPL.

The Company initially recognises debt securities and subordinated liabilities on the date they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method. This includes trade payables that represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

The Company has the following non-derivative financial liabilities: trade and other payables and related party loans.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Hybrid securities

The Nufarm Step-up Securities (NSS) are classified as equity instruments. After-tax distributions thereon are recognised as distributions within equity. Refer to Note 10 for further details on the classification of NSS as equity.

The NSS are perpetual 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 restricted if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears.

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (Continued)

Impairment of financial assets

(i) Non-derivative financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets at amortised cost and debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Objective evidence of impairment includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Directors do not expect any ECL on related party receivables due to no history of defaults and financial strength and liquidity of the parent entity.

(e) Finance income and finance costs

The Company's finance income and finance costs include the following: interest income and interest expense.

Interest income or expense is recognised using the effective interest method.

Finance costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares.

(h) New standards and interpretations not yet adopted

A number of new standards are effective for periods beginning after 1 October 2022 and earlier application is permitted, however the Company has not early adopted the new or amended standards in preparing these financial statements as none of these standards are expected to have a significant impact on the Company's financial statements.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Applicability of the going concern basis of accounting

Whilst the COVID-19 pandemic and the public health, social and economic measures have lowered overall economic activity and confidence, Management have assessed and determined that the Company's application of the going concern basis of accounting remains appropriate. In assessing whether the Company's application of the going concern basis of accounting remains appropriate, Management has applied judgement, having undertaken the responses and considerations described in note 1(b) to reaffirm the Company's application of the going concern basis of accounting remains appropriate.

Management have also taken into account the reliance on the Company's parent, Nufarm Limited, for continued financial support.

(b) Financial Instruments

Impairment of non-derivative financial assets

The Company's sole operations consist of acting as a finance company for the Nufarm Group. As such the Company has made loans to two subsidiary companies within the Nufarm Group. The Company has exercised judgements in the application of the policy for the impairment of non-derivative financial assets. The Company considers the recoverability of non-derivative financial assets using assumptions, projected cashflows and an assessment of Nufarm Limited's liquidity and financial resources which underlie its support of intercompany loans within the Group.

The judgements exercised are subject to risk and uncertainty that may be beyond the control of the Company, hence there is a possibility that changes in circumstances will materially impact the recoverability of non-derivative financial assets.

No expected credit loss provision has been raised in respect of the related party receivables.

NOTE 3: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

Risk Management Framework

Nufarm Finance, as a 100% subsidiary of Nufarm Limited, operates within Nufarm Limited's risk management frameworks. Nufarm Limited's board of directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Nufarm Limited's board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk Management Framework (Continued)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how Management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee assists in its oversight role through internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(a) Credit risk

Credit risk arises from cash, as well as loans and outstanding receivables to related parties. The related parties and the Company have Nufarm Limited, an Australian registered company, as their parent entity. The Company has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet. The carrying amounts of the Company's assets are reviewed at each balance date to determine whether there is any indication of impairment. The Company's credit risk is concentrated within the Nufarm Ltd's group entities as disclosed in note 9 and note 2(b). The Company has assessed that there was no expected credit loss on related party loans receivable.

The maximum exposure to credit risk at the reporting date had a total carrying amount of \$261,191,604 (2021: \$261,018,424) consisting of non-current loans receivable from related parties \$258,482,624 (2021: \$229,921,504), current receivables from related parties \$1,172,435 (2021: \$28,985,095) and cash and cash equivalents \$1,536,545 (2021: \$2,111,825).

(b) 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 30 September 2022 financial statements dated 16 November 2022 and lodged with the ASX for further detail.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

The Group's sales and operating profit are seasonal and are weighted towards the first half of the calendar year in Australia/New Zealand, North America and Europe, reflecting the planting and growing cycle in these regions while in Latin America the sales and operating profit is weighted towards the second half of the calendar year. 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 30 September 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), a US\$350 million senior unsecured notes offering maturing in January 2030 (30 September 2021: US\$475 million) and a senior secured bank facility (SFA) of \$440 million (30 September 2021: \$490 million)

The senior unsecured notes were refinanced during the year ended 30 September 2022, with the face value decreasing to US\$350 million and are due in January 2030 (30 September 2021: April 2026) with a fixed coupon component of 5.0% (30 September 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 30 September 2022, \$440 million of the SFA 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). 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 30 September 2022 (30 September 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: as per the disclosure above).

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 30 September 2022 totalled \$112.372 million (30 September 2021: \$130.604 million).

At 30 September 2022, the Group had access to debt of \$1,303 million (30 September 2021: \$1,494 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.

In November 2022 the Group refinanced its trade receivables securitisation facility and syndicated bank facility. Further information is provided in note 38 of the Nufarm Limited Group Financial Statements.

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

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 \$367.639 million at 30 September 2022 (30 September 2021: \$297.066 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. Details of the Group's trade and other payables are disclosed in note 20 of the Nufarm Limited Group Financial Statements.

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 30 September 2022 the Group did not have any derecognised trade receivables which were being held by third parties (30 September 2021: \$18.426 million). For clarity, the Group trade receivables securitisation facility, noted above, has terms which does not allow the Group to derecognise these trade receivables.

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. Refer to Note 10 for details.

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

The following table outlines the Company's remaining contractual maturities for non-derivative financial instruments. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Company can be required to pay.

Year ended 30 September 2022	< 6 months \$	6-12 months \$	>12 months \$	Total contractual cash flows \$	Carrying amount \$
Cash and cash equivalents	1,536,545	-	-	1,536,545	1,536,545
Related party - receivables	1,172,435	-	258,482,624	259,655,059	259,655,059
Payables	(73,393)	-	-	(73,393)	(73,393)
Related party - payables	<u>(127,089)</u>	<u>-</u>	<u>(28,000,000)</u>	<u>(28,127,089)</u>	<u>(28,127,089)</u>
Net maturities	<u>2,508,498</u>	<u>-</u>	<u>230,482,624</u>	<u>232,991,122</u>	<u>232,991,122</u>
Year ended 30 September 2021					
Cash and cash equivalents	2,111,825	-	-	2,111,825	2,111,825
Related party - receivables	985,095	28,000,000	229,921,504	258,906,599	258,906,599
Payables	(75,029)	-	-	(75,029)	(75,029)
Related party - payables	<u>(797,367)</u>	<u>(28,000,000)</u>	<u>-</u>	<u>(28,797,367)</u>	<u>(28,797,367)</u>
Net maturities	<u>2,224,524</u>	<u>-</u>	<u>229,921,504</u>	<u>232,146,028</u>	<u>232,146,028</u>

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 material outflows are related party and NSS distributions. The interest rate used is based on Bank Bill Swap Rate (BBSW) which is similiar on cash receipted and paid.

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

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

Market risk is the risk that changes in market prices, particularly interest rates, that will affect the Company's financial position. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The distribution rate on the NSS is based on a floating rate of the average mid-rate for bills with a term of six months plus a margin of 3.90%.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Variable rate instruments	2022	2021
Related Party Receivable	259,655,059	258,906,599
Nufarm Step-up Securities	(251,000,000)	(251,000,000)
Related Party Payable	<u>(28,000,000)</u>	<u>(28,000,000)</u>
	<u>(19,344,941)</u>	<u>(20,093,401)</u>

Sensitivity analysis for variable rate instruments

The Company does not hedge the exposures to interest rate risk on the cash and loan receivable balances. A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The sensitivity is calculated on the net debt at 30 September 2022. This analysis is performed on the same basis for 30 September 2021.

Due to the seasonality of the crop protection business, debt levels can vary during the period. The analysis is performed on the same basis for 30 September 2021.

Profit or loss	2022	2021
100 bp increase	(139,284)	(144,672)
100 bp decrease	139,284	144,672

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 4: 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. Refer to Note 9 for details of reliance on customers and geographical locations which consists of only Related Parties.

	Note	2022	2021
		\$	\$
NOTE 5: OTHER REVENUE AND OTHER INCOME			
Other revenue			
Interest income from loans to Nufarm Group entities	9(a)	12,859,031	11,946,724
Unrealised foreign exchange gain		<u>4,370</u>	<u>-</u>
		<u><u>12,863,401</u></u>	<u><u>11,946,724</u></u>

NOTE 6: OPERATING PROFIT

Profit before income tax has been determined after:

Finance costs			
Interest expense from loans from Nufarm Group entities	9(a)	(1,399,102)	(1,308,358)
Other interest		-	(6,919)
Unrealised foreign exchange loss		-	(14,036)
Realised foreign exchange loss		<u>(1,839)</u>	<u>(21,821)</u>
		<u><u>(1,400,941)</u></u>	<u><u>(1,351,134)</u></u>

Remuneration of auditors for:

KPMG (Auckland)

Audit and assurance services			
- Audit of the financial report		45,147	44,227
- Review of the half year financial report		<u>23,780</u>	<u>24,570</u>
Total remuneration of auditors		<u><u>68,927</u></u>	<u><u>68,797</u></u>

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 \$	2021 \$
NOTE 7: INCOME TAX			
(a) Components of tax expense recognised in profit or loss			
Current tax		3,027,521	3,141,192
Deferred tax		<u>(341,333)</u>	<u>24,466</u>
		<u>2,686,188</u>	<u>3,165,658</u>
(b) Components of tax benefit recognised in equity			
Tax benefit of NSS distribution		<u>(2,758,025)</u>	<u>(2,836,557)</u>
(c) Income tax reconciliation			
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:			
Prima facie income tax payable on profit before income tax at 28.0% (2021: 28.0%)		3,147,661	2,888,325
Add tax effect of:			
Exchange rate translation		<u>(461,473)</u>	<u>277,333</u>
Income tax expense attributable to profit		<u>2,686,188</u>	<u>3,165,658</u>
The Company has no imputation credits available for use in subsequent reporting periods as at 30 September 2022 (2021: \$1,531,280).			
(d) Movement in temporary differences			
<i>Tax losses carried forward</i>			
Opening deferred tax asset		20,071	44,537
Recognised in profit or loss		<u>341,333</u>	<u>(24,466)</u>
Closing deferred tax asset		<u>361,404</u>	<u>20,071</u>

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank		<u>1,536,545</u>	<u>2,111,825</u>
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\$36,869 (2021: \$43,155) of the above balance is denominated in NZD.

The Company NZD bank account is grouped under the ANZ Bank Set-Off Arrangement. Under this arrangement the NZD bank accounts of subsidiaries and branches of Nufarm Limited Group (including Nufarm Ltd (NZ Branch), Nufarm Holdings (NZ) Ltd and Nufarm Finance) are offset with the net funds being placed on call. The Company's AUD bank account interest rate is dependent on the daily account balance. At 30 September 2022 the rate was 0% on \$1,415,306 (2021: 0% on \$1,981,367). The ANZ distribution account was 0% on \$84,370 (2021: 0% on \$87,303).

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 9: 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) Ltd	Subsidiary of Nufarm Limited
Nufarm NZ Ltd	Subsidiary of Nufarm Holdings (NZ) Limited

(a) Transactions with related parties

The Company had the following related party transactions during, and as at, the year ended 30 September 2022:

	2022	2021
	\$	\$
Nufarm Limited (NZ Branch)# - management fee/expenses	(94,588)	(168,230)
Nufarm Holdings (NZ) Ltd^ - interest income	3,518,363	3,267,387
Nufarm Holdings (SAS) Ltd^ - interest income	9,340,668	8,679,337
Nufarm NZ Ltd^ - interest expense	(1,399,102)	(1,308,358)

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

- Legal expenses of NZD 1,232 were paid on behalf of the Company (2021: nil)
- Audit fees of NZD 48,668 (2021: NZD 36,750) for prior year audit and NZD 27,038 as an interim for the current financial year audit were paid on behalf of the Company (2021: NZD 27,038).
- Management fees of AUD 94,587 (2021: AUD 95,730)

The Company did not incur any expenses in relation to key management personnel (2021: directors fees paid of NZD 2,377). 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.

(b) Related party receivables - current

Nufarm Holdings (NZ) Ltd^	330,520	28,275,772
Nufarm Holdings (SAS) Ltd^	<u>841,915</u>	<u>709,323</u>
	<u><u>1,172,435</u></u>	<u><u>28,985,095</u></u>

(c) Related party receivables - non-current

Nufarm Holdings (NZ) Ltd^	72,737,254	44,176,134
Nufarm Holdings (SAS) Ltd^	<u>185,745,370</u>	<u>185,745,370</u>
	<u><u>258,482,624</u></u>	<u><u>229,921,504</u></u>

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 9: RELATED PARTY TRANSACTIONS (CONTINUED)

The loan to Nufarm Holdings (NZ) Ltd is repayable by the following: \$23,349,450 on 23 November 2023, \$28,000,000 on 24 November 2025 and \$21,387,804 on 30 July 2053 (2021: \$28,275,772 on 29 July 2022, \$22,788,330 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 both loans by giving no less than 5 days' notice. The directors do not expect the loan to be repaid within the next 12 months.

Both loans attract an interest rate during the year of 5.51470% (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 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.

(d) Related party payable - current

	2022	2021
	\$	\$
Nufarm (NZ) Ltd^	(126,914)	(28,106,926)
Nufarm Limited (NZ) Branch#	<u>(175)</u>	<u>(690,441)</u>
	<u>(127,089)</u>	<u>(28,797,367)</u>

(e) Related party payable - non-current

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

The loan from Nufarm (NZ) Ltd is repayable on 24 November 2025. It attracts an interest rate of 5.51470% (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

NOTE 10: SHARE CAPITAL

Issued and paid-up capital		
10,000,000 (2021: 10,000,000) Ordinary shares	<u>9,984,530</u>	<u>9,984,530</u>

All shares are fully paid and have no par value.

Nufarm Limited holds 100% of the shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time. All shares on winding up, share equally in both dividends and surplus or deficit.

No dividends to the ordinary shareholders were declared in the current year (2021: Nil).

NUFARM FINANCE (NZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTE 10: SHARE CAPITAL (CONTINUED)

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% (2021: 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.

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 were paid in the year covered by these financial statements, on 15 October 2021 of \$5,113,651 and on 19 April 2022 of \$5,162,427 totalling \$10,276,078 (2021: \$10,229,233). The next distribution payment date is 15 October 2022.

Capital management

The Company's capital includes share capital, reserves, retained earnings and the Nufarm Step-up Securities. The Company is part of the Nufarm Group, which is an Australian listed company. Nufarm's group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital management policies are reviewed regularly by the Directors. There have been no material changes in the Company's management of capital during the period.

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 11: EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 September 2022 was based on the profit attributable to ordinary shareholders of \$8,555,458 (2021: \$7,149,788) and a weighted number of ordinary shares outstanding of 10,000,000, calculated as follows:

	2022	2021
	\$	\$
Profit attributable to ordinary shareholders		
Net profit for the year	<u>8,555,458</u>	<u>7,149,788</u>
Net profit attributable to ordinary shareholders	<u>8,555,458</u>	<u>7,149,788</u>
	Ordinary shares	
	2022	2021
Weighted number of ordinary shares		
On issue and fully paid at 30 September	10,000,000	10,000,000

The Company may elect to redeem the NSS for a number of ordinary shares in Nufarm Limited, the parent company, an Australian registered and listed company. This election would therefore not result in a dilutive impact on the number of ordinary shares issued in the Company.

	2022	2021
Earnings per share		
Basic & Diluted earnings per share (cents)	85.55	71.50

The Company has assessed the nature of the NSS distribution and concluded they are antidilutive.

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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	Note	2022	2021
		\$	\$
NOTE 12: CASH FLOW INFORMATION			
(a) Reconciliation of cash flow from operations with profit after income tax			
Profit from ordinary activities after income tax		8,555,458	7,149,788
Adjustments and non-cash items			
Income tax expense		2,686,188	3,165,658
Changes in operating assets and liabilities			
Increase / (decrease) in other liabilities		70,201	(110,020)
Increase / (decrease) in related party receivable		(187,340)	25,674
Increase / (decrease) in related party current payable		(670,278)	533,518
Increase / (decrease) in tax accounts (including tax recorded in equity)		<u>(192,311)</u>	<u>(294,792)</u>
Cash flows from operating activities		<u>10,261,918</u>	<u>10,469,826</u>

NOTE 13: CONTINGENT LIABILITIES

The Company is one of the guarantors of Nufarm Limited's AUD\$440 (2021: 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 3(b) .

NOTE 14: COMMITMENTS

There were no commitments as at 30 September 2022 (2021: nil).

NUFARM FINANCE (NZ) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

The Company paid a distribution on the NSS of \$6,055,019 on 17 October 2022 and set the interest rate of 7.37240% for the next distribution (scheduled 17 April 2023).

On 15 November 2022, it was announced that Nufarm has entered into a five year [A\$800 million] revolving Asset Based Lending credit facility (the ABL Facility) secured against trade receivables and inventory located in Australia, the United States and Canada. A smaller [A\$150 million] Liquidity Facility (the Liquidity Facility) has also been established to sit alongside the ABL Facility to assist in the ongoing funding of Nufarm's working capital requirements. Concurrently, the existing syndicated bank facility (SFA) and group receivables securitisation facility were both terminated and any outstanding loans amounts repaid via proceeds obtained under the new facilities. Nufarm Finance (NZ) Limited is one of the unsecured guarantors of this facility.

There has been no other matter or circumstance, which has arisen since 30 September 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 September 2022, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 September 2022, of the Company.