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

+61 3 9282 1000
nufarm.com

19 May 2022

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

ELECTRONIC LODGEMENT

Dear Sir or Madam

Nufarm 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;
2. Directors' Report;
3. Half-Year Results and Operations Review: and
4. Half-Year Financial Report,

for the half-year ended 31 March 2022.

Nufarm will conduct an investor briefing on the half-year results at 10am AEST. To join the conference call, please register at https://s1.c-conf.com/diamondpass/10021592-UT8Nac.html. The briefing will also be webcast live at https://webcast.openbriefing.com/8680/.

This announcement has been released simultaneously to the New Zealand Stock Exchange. Authorised for lodgement by:

K Hall

Kate Hall
Company Secretary

Investor and media contact:
Rachel Scully
rachel.scully@nufarm.com
+61 438 601 942

Interim financial report incorporating Appendix 4D

Nufarm Limited and its controlled entities
For the six months ended 31 March 2022, under Listing Rule 4.2A

Grow a better tomorrow

Appendix 4D

Nufarm Limited
ABN 37 091 323 312

INTERIM FINANCIAL REPORT FOR THE 6 MONTHS ENDED 31 MARCH 2022

This statement includes the consolidated results for Nufarm Limited group for the 6 months ended 31 March 2022 compared with the 6 months ended 31 March 2021.

1. Results for announcement to the market

Trading results	6 months ended 31 March 2022 $000	Restated* 6 months ended 31 March 2021 $000	Movement $000	Movement %
Revenue from ordinary activities	2,165,553	1,649,647	515,906	31.3%
Profit/(loss) from ordinary activities after tax attributable to members				
- before material items	133,178	62,740	70,438	112.3%
- after material items	98,717	61,267	37,450	61.1%

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

2. Dividends and distributions

Dividends to shareholders	Interim dividend 31 March 2022	Interim dividend (prior year) 31 March 2021	Full year dividend (prior year) 30 September 2021
Amount per security	4 cents	nil	4 cents
Franked amount per security at 30%	nil	nil	nil
Amount per security of foreign source	4 cents	nil	4 cents
Dividend			
Date payable	17 June 2022	n/a	17 December 2021
Record date for entitlement	27 May 2022	n/a	26 November 2021

The dividend reinvestment plan (DRP) will be made available to shareholders for the interim dividend. Directors have determined that the issue price will be calculated on the volume weighted average price of the company's ordinary shares on the ASX over the 10-day period commencing on 23 May 2022 and ending on 3 June 2022. The last election date for shareholders who are not yet participants in the DRP, is Monday, 30 May 2022.

Nufarm Step-up securities distribution	Distribution rate (%)	Total amount ($000)
15 October 2020	4.15	5,216
15 April 2021	4.01	5,013
15 October 2021	4.00	5,029
15 April 2022	3.97	4,963

3. Other summary data

Metric	31 March 2022	Restated* 31 March 2021
Net tangible assets per ordinary share	A$2.61	A$2.22
Staff employed	2,737	2,729

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

4. Entities where control was gained during the period

Entities	Date
Nufarm Nordics AB	29 March 2022

5. Details of equity accounted investees

Entity	31 March 2022	31 March 2021
Seedtech Pty Ltd	25.00%	25.00%
Leshan Nong Fu Trading Co., Ltd	35.00%	35.00%
Crop.zone GmbH	11.56%	nil

6. Commentary

Additional Appendix 4D disclosure requirements and further information including commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results for the current period are contained in the interim financial report for the 6 months ended 31 March 2022. The condensed consolidated interim financial statements contained within the interim financial report for the 6 months ended 31 March 2022, on which this report is based, have been reviewed by KPMG.

Directors' report

In accordance with a resolution of the Board of Directors (the Board), the Directors present their report on the consolidated entity (Nufarm Limited) consisting of Nufarm Limited and the entities it controlled at the end of or during the 6 months ended 31 March 2022.

Directors

Directors who held office during the 6 months ended 31 March 2022 and until the date of this report are as follows:

Director	Period of directorship
John C Gillam	Chairman since 24 September 2020, Director since 31 July 2020
Gordon R Davis	Director since 31 May 2011
Frank A Ford	Director since 10 October 2012, Resigned 17 December 2021
David J Jones	Director since 23 June 2021
Peter M Margin	Director since 3 October 2011
Marie E McDonald	Director since 22 March 2017
Lynne D Saint	Director since 18 December 2020
Toshikazu Takasaki	Director since 6 December 2012
Greg A Hunt	Managing Director since 5 May 2015 and Chief Executive Officer since February 2015

Results and review of operations

Information on the operations and the results of those operations for Nufarm Limited during the 6 months ended 31 March 2022 is set out on pages 5 to 13 as the Operating and Financial Review, accompanying this Directors' report.

Events subsequent to reporting date

On 15 April 2022 a distribution was paid by Nufarm Finance (NZ) on the Nufarm Step-Up Securities. The distribution rate was 3.97% resulting in a gross distribution of $4.963 million.

An interim dividend of four cents per share, totalling $15.199 million, was declared on 19 May 2022 and will be paid on 17 June 2022 (2021: no interim dividend declared).

Auditors' independence declaration

A copy of the Auditors' independence declaration is on page 4 and forms part of this report.

Rounding of amounts

Nufarm Limited is a company of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and issued pursuant to section 341(1) of the *Corporations Act 2001*. As a result, amounts in this report and the accompanying financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

This report is made on 19 May 2022 in accordance with a resolution of the Directors.

John Gillam
Chairman
19 May 2022

Greg A Hunt
Managing Director and Chief Executive Officer
19 May 2022

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nufarm Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Nufarm Limited for the half-year ended 31 March 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Chris Sargent

Partner

Melbourne

19 May 2022

Operating and Financial Review

Group results

This Operating and Financial Review includes financial information based on interim financial statements prepared in accordance with IAS 134 *Interim Financial Reporting* (IFRS) and reviewed by KPMG. Information is presented on a continuing operations basis unless otherwise specified. Non-IFRS measures including underlying EBIT and underlying EBITDA are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review. All amounts are in Australian dollars unless otherwise specified.

Summary financial results	6 months ended 31 Mar 22 $000	Restated[1] 6 months ended 31 Mar 21 $000	Change
Revenue	2,165,553	1,649,647	31 %
Revenue excluding corporate revenue[2]	1,982,147	1,573,637	26 %
Gross profit	573,491	462,531	24 %
Gross profit margin	26.5 %	28.0%	(150) bps
Underlying gross profit	593,532	462,531	28 %
Underlying gross profit margin excluding corporate revenue	29.9 %	29.4%	50 bps
Underlying SG&A	(357,798)	(312,584)	(14)%
Research & development expenses	(17,115)	(19,661)	13 %
Underlying EBITDA	329,773	233,246	41 %
Underlying EBIT	221,684	133,663	66 %
Operating profit / (loss)	184,659	132,049	40 %
Underlying net external interest	(28,189)	(28,563)	1 %
Foreign exchange gains / (losses)	(1,669)	(2,776)	40 %
Underlying net financing costs	(29,858)	(31,339)	5 %
Net financing costs	(55,630)	(31,339)	(78) %
Underlying net profit / (loss) after tax	133,178	62,740	112.3 %
Net profit / (loss) after tax	98,717	61,267	61 %
Statutory effective tax rate	23.5 %	39.2%	(1,570) bps
Basic earnings per share - excluding material items (cents)	34.1	15.5	19 cps
Basic earnings per share (cents)	25.0	15.1	10 cps
Total dividend per share declared in respect of period (cents)	4.0	-	4 cps
Underlying ROFE - total group	9.5 %	6.2 %	330 bps

Earnings

Improved seasonal conditions and commodity prices generated strong demand for Nufarm crop protection products and seed technologies. This resulted in revenue growth of 31% relative to the comparative period while operating profit increased by 40% to $185 million.

Increases in non-operating corporate revenue (representing sales to Sumitomo Chemical Company Ltd under supply agreements following the Latin American operations divestment) represented increased prices of active ingredients that were passed on to Sumitomo Chemical Company Ltd under the terms of the supply agreements.

1 Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the interim financial statements

2 Corporate revenue is defined as the non-operating corporate segment revenue as presented in note 5 to the interim financial statements

Gross profit for the period was $573 million, which included material items of $20 million. Excluding the impacts of the material items, and non-operating corporate revenue, gross profit margin increased from 29% to 30% over the prior comparative period.

Net profit after tax increased to $99 million from $61 million in the prior comparative period. This movement helped to lift basic earnings per share to 25 cents.

Underlying EBITDA of $330 million increased by $97 million, representing growth of 41% for the 6 months ended 31 March 2022.

Underlying selling, general and administration costs (underlying SG&A) increased by $45 million as compared to the prior comparative period across a number of expense categories. This included underlying SG&A costs associated with supporting growth opportunities in respect of Nuseed and Crop Protection. Research and development expenditure reduced by $3 million as compared to the prior comparative period.

Depreciation and amortisation expense, excluding material items, of $108 million was $9 million higher than the prior comparative period related primarily to increased amortisation in Europe and Seed Technology.

Net financing costs increased to $56 million for the 6 months ended 31 March 2022 which included one off expenses (including the accelerated amortisation of previously capitalised transaction costs) of $26 million incurred in respect of the high yield bond refinancing in January 2022. This transaction will result in annualised interest savings of US$9.8 million from the lower fixed rate coupon and reduced face value of the new Notes. The new Notes provide ongoing funding diversification, access to long-term unsecured debt which extends the debt maturity profile and further strengthens Nufarm's capital structure. Excluding the one-off expenses and foreign exchange losses, the underlying net external interest was $28 million compared to $29 million in the prior comparative period.

Foreign exchange losses were $2 million despite higher foreign currency denominated raw material prices, pricing volatility and the impact of the war in Ukraine and Russia. The Group has implemented a targeted currency exposure risk mitigation program to assist in the management of foreign exchange risk.

The effective tax rate was 24% which included the impacts of bringing to account previously unrecognised deferred tax assets. Excluding material items, the underlying effective tax rate is 31%.

Underlying net profit after tax increased to $133 million from $63 million in the prior comparative period. Underlying return of funds employed (Underlying ROFE) improved to 9.5%, with the increase in underlying EBIT contributing to the improvement.

Cash flow

Cash flow results	6 months ended 31 Mar 22 $000	Restated[1] 6 months ended 31 Mar 21 $000	Change %
Underlying net operating cash flow	(60,735)	62,134	(large)%
Net operating cash flow - material items	(4,283)	(8,640)	(50)%
Total net operation cashflow	(65,018)	53,494	(large)%
Underlying net investing cash flow	(61,663)	(53,592)	(15)%
Net investing cash flow - material items	-	-	-
Total net investing cash flow	(61,663)	(53,592)	(15)%
Total underlying net operating and investing cash flow	(122,398)	8,542	(large)%
Total net operating and investing cash flow	(126,681)	(98)	(large)%

The group's total net operating and investing cash flow for the 6-month period ended 31 March 2022 was a cash outflow of $127 million, which included $4 million of outflows related to individually material items. This largely reflects the seasonality in working capital which results in net cash consumption in the first half of the financial year and net cash generation in the second half of the financial year. This outflow has been pronounced during the half due to the high raw material prices and corresponding increase in selling prices which were experienced throughout the period.

1 Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the interim financial statements

Underlying net operating cash flow was a $61 million outflow with the improvement in underlying earnings more than offset by the seasonal outflow in working capital. Operating cash flow generation is highly correlated with changes in Net Working Capital and underlying EBITDA.

Net cash outflow from investing activities increased 15% with the majority of the increase due to investment in plant and equipment.

Balance Sheet Management

Financial position	As at 31 Mar 22 $000	Restated[1] As at 31 Mar 21 $000	Change %
Net debt (total group)	493,577	526,380	(6)%
Net working capital	1,140,288	1,115,846	2 %
ANWC/sales excluding external corporate (%)	29.8%	37.2%	(740)bps
ANWC/sales (%)	27.4%	35.0%	(760)bps
Leverage[3] (includes lease liabilities)	1.1 times	1.4 times	(0.3) times
Gearing %	19%	20%	(100)bps

Net debt has reduced 6% from 31 March 2021 with the reduction largely due to the improved underlying EBITDA performance of the group.

The Average net working capital to sales (ANWC/sales (%)) ratio continued to improve to 27% (30% excluding non-operating corporate revenue). Management has a clear focus on maintaining this metric between a targeted range of 35% to 40% via a range of actions including customer terms, supplier negotiations and effective stock management.

Statutory core leverage of 1.1x remains below the group target of 1.5x – 2.0x at 31 March 2022.

Capital Management

In FY21, we completed a review of our capital structure and capital management principles with the aim of maintaining a robust and durable capital structure and clear guidelines for the application of free cashflow generated from business operations.

Our financing arrangements aim to ensure we have the required financial resilience to withstand adverse trading cycles without experiencing undue balance sheet stress.

Our capital management framework provides the basis for capital allocation decisions, including the application of free cashflow. An ongoing commitment to continuous improvement in net working capital management is the cornerstone to expand Nufarm's capacity to be consistently cash generative.

Nufarm has adopted a cascading approach to capital allocation decisions that is consistent with maintaining targeted credit metrics and a sound financial structure. This cascading approach to capital allocation and the application of free cashflow encompasses both capital investment decisions and distributions paid to shareholders. While the Board retains discretion, it is intended that Nufarm applies free cashflow from business operations in the following manner:

1. Application of free cashflow to investment growth projects and/or small bolt-on acquisitions where the projected returns satisfy internal ROFE measures that exceed Nufarm's weighted average cost of capital.
2. Consideration of the payment of a dividend from part of free cashflow, subject to compliance with a core target leverage (statutory) range of 1.5x – 2.0x, under the adoption of a new dividend policy.
3. Consideration of any excess capital to be returned to shareholders in circumstances where Nufarm is below its targeted leverage metrics and insufficient growth opportunities exist to utilize excess free cashflow. These capital return measures include special dividends and share buy-backs.

1 Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the interim financial statements
3 Leverage is calculated using rolling 12 months Underlying EBITDA

Dividend

As part of our review of the capital management framework, the Board has adopted a change in the dividend policy to align dividend payments to free cash flow generation, subject to the balance sheet meeting our target leverage range of 1.5x – 2.0x and there being insufficient growth opportunities. Nufarm's dividend policy ensures elevated attention to cash generation, especially net working capital management, and greater focus on maintaining an appropriate capital structure for the Group.

Today, the Board has determined to pay an unfranked interim dividend of 4 cents per share on the expectation of positive free cash flow generation for the full year. The interim dividend will be paid on 17 June 2022 to the holders of all fully paid shares in the company as at the close of business on 26 May 2022. The dividend reinvestment plan (DRP) will be made available to shareholders for the interim dividend. Directors have determined that the issue price will be calculated on the volume weighted average price of the company's ordinary shares on the ASX over the 10-day period commencing on 23 May 2022 and ending on 3 June 2022. The last election date for shareholders who are not yet participants in the DRP, is Monday, 30 May 2022.

Review of operations

Nufarm's business has two main reporting segments, crop protection and seed technologies. The crop protection business is focused on major agricultural markets in Asia Pacific (APAC), Europe and North America. The seed technologies business operates in more than 30 countries across the globe.

Revenue - Underlying

($000s)	6 months ended 31 Mar 22	Restated[1] 6 months ended 31 Mar 21	Change $000	Change %
Crop protection				
APAC	580,713	433,556	147,157	34%
North America	718,550	517,759	200,791	39%
Europe	497,985	478,186	19,799	4%
Total Crop protection	***1,797,248***	***1,429,501***	***367,747***	***26%***
Seed Technologies - global	184,899	144,136	40,763	28%
Corporate	183,406	76,010	107,396	141%
Nufarm Group	**2,165,553**	**1,649,647**	**515,906**	**31%**

EBITDA - Underlying

($000s)	6 months ended 31 Mar 22	Restated[1] 6 months ended 31 Mar 21	Change $000	Change %
Crop protection				
APAC	98,784	68,232	30,552	45%
North America	93,405	32,922	60,483	184%
Europe	118,188	119,984	(1,796)	(1%)
Total Crop protection	***310,377***	***221,138***	***89,239***	***40%***
Seed Technologies - global	46,024	37,104	8,920	24%
Corporate	(26,628)	(24,996)	(1,632)	(7%)
Nufarm Group	**329,773**	**233,246**	**96,527**	**41%**

EBIT - Underlying

($000s)	6 months ended 31 Mar 22	Restated[1] 6 months ended 31 Mar 21	Change $000	Change %
Crop protection				
APAC	90,180	60,282	29,898	50%
North America	78,145	17,344	60,801	351%
Europe	50,467	59,602	(9,135)	(15%)
Total Crop protection	***218,792***	***137,228***	***81,564***	***59%***
Seed Technologies - global	29,957	22,808	7,149	31%
Corporate	(27,065)	(26,373)	(692)	(3%)
Nufarm Group	**221,684**	**133,663**	**88,021**	**66%**

1 Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the interim financial statements

APAC

Revenue of $581 million increased 34% relative to the prior comparative period with favourable seasonal conditions, strong commodity prices and tight global supply conditions generating solid demand. Higher raw material and freight costs correlated with external selling prices which contributed to the increase in revenue.

Continued momentum from successful product launches in Australia and Indonesia and an increase in the proportion of Nufarm branded sales volumes in Australia contributed to a favourable product mix and higher margins. Increased sales of higher margin Croplands spraying equipment also contributed to improved margins.

Overall, the segment delivered a strong result for the first half of the financial year with Underlying EBITDA of $99 million, an increase of 45% on the prior comparative period.

Europe

Revenue of $498 million increased 4% relative to the prior comparative period. Sales performance in Romania, Baltics, Poland, UK, Germany and France were particularly strong due to targeted campaigns, strong customer relationships via our key account management programs and reliable supply under difficult logistic conditions. Revenue growth has been achieved despite €26m lost from sales of products which were phased out in FY21.

Operating costs increased relative to the prior comparative period due in part to increased freight and logistics rates and increased energy costs. Covid-19 restrictions have eased which resulted in increased travel and other discretionary expenditure which was limited by Covid-19 during the prior comparative period. The financial benefits from the closure of the 2,4-D synthesis manufacturing facility in Austria in March 2021 are being realised through the ability to source alternative supply at more relatively competitive pricing after consideration of price increases in technical inputs for synthesis activities.

Overall, the segment has performed well despite the challenges faced during the first half of the financial year resulting in underlying EBITDA of $118 million, down 1% vs the prior comparative period.

North America

Revenue of $719 million increased 39% relative to the prior comparative period. Strong commodity prices and favourable seasonal conditions have underpinned demand for crop protection products. Increased active ingredient prices and supply chain and logistics rates correlated with external selling prices which contributed to the increase in revenue. The North America segment has focused on customer support and key relationship management during these challenging times to sustain and grow our market positions.

Operating costs increased relative to the prior comparative period as logistics and warehousing rates increased. Also, with Covid-19 restrictions easing, travel for customer visits and industry conferences has continued to rebound toward pre-pandemic levels contributing to the increase.

Overall, the segment has delivered a strong first half performance with underlying EBITDA of $93 million, an increase of 184% relative to the prior comparative period in which the segment was impacted by supply challenges.

Seed Technologies

The Seed Technologies segment includes sales of seed and downstream oil products managed by the Nuseed business and seed treatment products.

Revenue of $185 million increased 28% relative to prior comparative period. Increased revenue from Nuseed's core seeds business resulted from stronger first half demand for Nuseed's hybrid canola varieties in Australia, South America and Canada; Sorghum in Brazil, USA and other international markets; and Sunflower in key global markets with the exception of Ukraine due to conflict in this country.

Underlying EBITDA of $46 million was up 24% on the prior comparative period. The strong segment result represents broad based profitable growth across the Nuseed business platforms.

Further to the financial results, this was an important period for our Omega-3 Canola platform. As Covid-19 related impacts continued to subside, demand for salmon recovered and this helped generate increased demand and sales orders of Aquaterra® to our Chilean aquaculture customers, all of whom have now placed repeat orders. Nuseed resumed crop production in the USA, with sufficient acreage contracted to support demand and customer expansion into FY23.

In March 2022, Nutriterra® was recognised as a safe ingredient for food with U.S. Food and Drug Administration's (FDA) having no more questions, supporting commercial launch and partnering discussions. This finding is in addition to notice that was received from the FDA recognising Nutriterra® Total Omega-3 as a New Dietary Ingredient (NDI).

During the half, Nuseed Carinata was further recognised as a leading biofuel feedstock, following the listing by ICAO – the International Civil Aviation Organization - as a feedstock for Sustainable Aviation Fuel (SAF) in FY21. Nuseed Carinata is a non-food cover crop that is being used to produce low-carbon biofuel feedstock that is independently certified, sustainable and scalable.

In February, Nuseed entered into a long-term strategic offtake and market development agreement with BP Products North America Inc. that will see bp, or its affiliates, purchase Nuseed Carinata oil that it plans to process or sell into growing markets for the production of sustainable biofuels. The agreement enables Nuseed to accelerate the expansion of Carinata production to increase biofuel feedstock sustainably, while supporting higher economic returns on Nuseed's investment in the Carinata platform. Nuseed launched its first hybrid Carinata, Nujet 400, in Argentina with significant yield improvement performance which has generated strong interest and expanded grower contract adoption for 2022 planting.

Outlook

The outlook for soft commodity prices remains positive and improved seasonal conditions in key grain producing regions is resulting in strong demand for crop protection products.

There continues to be uncertainty and volatility in relation to active ingredient pricing, global supply chain and logistics challenges. These uncertainties have the potential to quickly change market dynamics and increase the competitive environment across all regions. This uncertainty has contributed to an increase in forward sales in the first half of 2022.

Full year uEBITDA is anticipated to be proportionately more weighted to the first half compared to FY21, given the elevated forward sales due to the uncertainty and volatility. For the full FY22 financial year, assuming consistent currency translation to FY21, the Group is projecting:

- Depreciation and amortisation to be materially in line with the 6 months ended 31 March 2022 run rate
- Increased capital expenditure to be approximately $190 million with carry over CAPEX from FY21 and targeted investments in growth opportunities
- An underlying effective tax rate which is materially in line with the half year assuming the mix of geographical earnings is consistent with FY21

Individually material items

Individually material items are those items where their nature, including the expected frequency of the events giving rise to them, and/or amount is considered material to the consolidated interim financial report. Such items included within the group's profit for the period are detailed below.

Deferred tax adjustments

Recognition of previously unrecognised tax losses as a result of improved financial performance and outlook for the group.

Debt refinancing costs

During the period the group refinanced its high yield bond and incurred costs related to early redemption call premium and accelerated amortisation of deferred debt establishment transaction costs.

Transactions related to South American business disposal – onerous contract provision reversal

During the year ended 31 July 2020 the group entered into a supply agreement contract signed as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the 6 months ended 31 March 2022 market conditions in relation to the terms of the contract have improved. The group has assessed that the full provision will no longer be required and it has therefore been fully reversed. The contract has expired as at March 2022.

Transactions related to Russia and Ukraine

During the 6 months ended 31 March 2022, the group has assessed the recoverability of assets, primarily trade receivables and inventories, in respect of the group's operations in Russia and Ukraine and has recognised a pre-tax expense of $38.1 million following this assessment.

IFRS and Non-IFRS financial information

Nufarm results are reported under International Financial Reporting Standards (IFRS) including underlying EBIT and underlying EBITDA which are used to measure segment performance. This release also includes certain non-IFRS measures including underlying net profit after tax and gross profit margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review.

The following notes explain the terms used throughout this profit release:

(1) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is underlying EBIT before depreciation and amortisation. We believe that underlying EBIT and underlying EBITDA provide useful information, but should not be considered as an indication of, or an alternative to, profit / (loss) for the period as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.

(2) Underlying EBITDA is used to reflect the underlying performance of Nufarm's operations. Underlying EBITDA is reconciled to operating profit below on a continuing basis.

Operating profit reconciliation	6 months ended 31 Mar 22 $000	Restated[1] 6 months ended 31 Mar 21 $000
Underlying EBITDA	329,773	233,246
add Depreciation and amortisation excluding material items	(108,089)	(99,583)
Underlying EBIT	221,684	133,663
Material items impacting operating profit	(37,025)	(1,614)
Operating profit	184,659	132,049
Underlying EBIT	221,684	133,663
Statutory depreciation and amortisation	*111,900*	*99,583*
less material items	*(3,811)*	-
add Depreciation and amortisation excluding material items	108,089	99,583
Underlying EBITDA	329,773	233,623

1 Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii) to the interim financial statements

(3) Non-IFRS measures are defined as follows:

Term	Definition
Gross profit margin	Gross profit as a percentage of revenue
Underlying gross profit	Gross profit less material items
Underlying gross profit margin excluding corporate revenue	Underlying gross profit as a percentage of revenue excluding non-operating corporate revenue
Underlying SG&A	Sales, marketing and distribution expenses plus General and administrative expenses less material items
Underlying EBIT	Earnings before net financing costs, taxation less material items
Underlying EBITDA	Underlying EBIT before depreciation and amortisation less material items
Underlying net external interest	Financial income, plus interest expense – external, plus interest expense - amortisation of debt establishment transaction costs, plus lease liability – interest expense, less material items.
Underlying net financing costs	Net financing costs less material items
Underlying net profit after tax	Profit/(loss) for the period attributable to the equity holders of Nufarm Limited less material items
Underlying income tax benefit/(expense)	Income tax benefit/(expense) excluding material items
Underlying effective tax rate	Underlying income tax benefit/(expense) divided by underlying net profit after tax
Net debt	Current loans and borrowings, plus non-current loans and borrowings, plus cash and cash equivalents
Net working capital	Current trade and other receivables, plus inventories less current trade and other payables
Average net working capital	Net working capital measured at each month end as an average
ANWC/sales (%)	Average net working capital as a percentage of rolling 12 months revenue
ANWC/sales excluding external corporate (%)	Average net working capital as a percentage of rolling 12 months revenue excluding non-operating corporate revenue
Leverage	Net debt / rolling 12 months underlying EBITDA
Interest coverage ratio	Rolling 12 months underlying EBITDA / rolling 12 months net external interest
Gearing %	Net debt / (net debt plus equity)
Underlying return of funds employed (Underlying ROFE)	12 months rolling underlying EBIT divided by the average of opening and closing funds employed (total equity plus net debt)
Underlying net operating cash flow	Net cash from operating activities excluding material items cash flows
Underlying net investing cash flow	Net cash from investing activities excluding material items cash flows
Constant currency revenue	Comparison removing the impact of exchange rates. It is the 6 months ended 31 March 2022 result translated at the corresponding monthly exchange rates from the 6 months ended 31 March 2021

Condensed consolidated statement of profit or loss and other comprehensive income

For the 6 months ended 31 March 2022

	Note	Consolidated 6 months ended 31 Mar 2022 $000	Restated* 6 months ended 31 Mar 2021 $000
Revenue	5	2,165,553	1,649,647
Cost of sales		(1,592,062)	(1,187,116)
Gross profit		573,491	462,531
Other income		3,184	3,255
Sales, marketing and distribution expenses		(263,009)	(237,825)
General and administrative expenses		(111,773)	(76,373)
Research and development expenses		(17,115)	(19,661)
Share of net profits/(losses) of equity accounted investees	9	(119)	122
Operating profits/(losses)		184,659	132,049
Financial income		1,042	748
Financial expenses excluding foreign exchange gains/(losses)		(55,003)	(29,311)
Net foreign exchange gains/(losses)		(1,669)	(2,776)
Net financial expenses		(56,672)	(32,087)
Net financing costs	8	(55,630)	(31,339)
Profit/(loss) before income tax		129,029	100,710
Income tax (expense)/benefit		(30,312)	(39,443)
Profit/(loss) for the period		98,717	61,267
Attributable to:			
Equity holders of the group		98,717	61,267

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Condensed consolidated statement of profit or loss and other comprehensive income

For the 6 months ended 31 March 2022

	Note	Consolidated 6 months ended 31 Mar 2022 $000	Restated* 6 months ended 31 Mar 2021 $000
Profit/(loss) for the period		98,717	61,267
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss, net of income tax:			
Foreign exchange translation differences for foreign operations		(98,932)	(37,954)
Effective portion of changes in fair value of cash flow hedges		(500)	(47)
Effective portion of changes in fair value of net investment hedges		6,293	9,255
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans		12,633	8,564
Gains/(losses) due to changes in fair value of other investments		(142)	-
Income tax on share based payment transactions		797	306
Other comprehensive income for the period, net of income tax		(79,851)	(19,876)
Total comprehensive income for the period		18,866	41,391
Attributable to:			
Equity holders of the group		18,866	41,391
Earnings per share			
Basic earnings/(loss) per share	14	25.0	15.1
Diluted earnings/(loss) per share	14	24.9	15.1

The amounts recognised directly in equity are disclosed net of tax.

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Condensed consolidated balance sheet

As at 31 March 2022

	Note	Consolidated 31 Mar 2022 $000	30 Sep 2021 $000	Restated* 31 Mar 2021 $000
Current assets				
Cash and cash equivalents	12	460,726	724,215	500,673
Trade and other receivables		1,245,635	811,714	1,200,912
Inventories		1,181,850	976,163	999,483
Current tax assets		11,157	22,709	19,134
Assets held for sale	7	3,438	-	-
Total current assets		2,902,806	2,534,801	2,720,202
Non-current assets				
Trade and other receivables		1,103	1,427	1,350
Investments in equity accounted investees	9	5,305	3,750	2,332
Other investments		4,101	4,267	1,282
Deferred tax assets		165,450	142,612	127,874
Property, plant and equipment		426,344	441,367	410,866
Intangible assets		1,131,758	1,243,831	1,220,078
Total non-current assets		1,734,061	1,837,254	1,763,782
TOTAL ASSETS		4,636,867	4,372,055	4,483,984
Current liabilities				
Trade and other payables		1,287,197	933,446	1,084,549
Loans and borrowings	12	365,156	252,536	282,463
Employee benefits		29,303	19,234	15,955
Current tax payable		20,607	4,434	23,056
Provisions		8,187	13,778	24,940
Total current liabilities		1,710,450	1,223,428	1,430,963
Non-current liabilities				
Payables		5,428	5,777	5,686
Loans and borrowings	12	589,147	788,496	744,590
Deferred tax liabilities		137,071	133,893	136,110
Employee benefits		70,560	98,998	96,367
Total non-current liabilities		802,206	1,027,164	982,753
TOTAL LIABILITIES		2,512,656	2,250,592	2,413,716
NET ASSETS		2,124,211	2,121,463	2,070,268
Equity				
Share capital		1,836,461	1,835,888	1,835,220
Reserves		4,720	94,992	48,158
(Accumulated losses)/retained earnings		36,098	(56,349)	(60,042)
Equity attributable to equity holders of the group		1,877,279	1,874,531	1,823,336
Other securities		246,932	246,932	246,932
TOTAL EQUITY		2,124,211	2,121,463	2,070,268

The condensed consolidated balance sheet is to be read in conjunction with the attached notes.

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Condensed consolidated statement of cash flows

For the 6 months ended 31 March 2022

	Note	Consolidated 6 months ended 31 Mar 2022 $000	Restated* 6 months ended 31 Mar 2021 $000
Cash flows from operating activities			
Profit/(loss) for the period - after tax		98,717	61,267
Adjustments for:			
Tax expense/(benefit)		30,312	39,443
Net finance expense		53,961	28,562
Depreciation and amortisation		111,900	99,583
Other		362	39
Movements in working capital items:			
(Increase)/decrease in receivables		(433,595)	(340,105)
(Increase)/decrease in inventories		(205,688)	47,446
Increase/(decrease) in payables		354,012	160,880
Exchange rate change on foreign controlled entities working capital items		(18,133)	(8,058)
Cash generated from/(used in) operations		(8,152)	89,057
Interest received		1,042	748
Interest paid		(39,954)	(26,529)
Taxes paid		(17,954)	(9,782)
Net operating cash flows		(65,018)	53,494
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		360	601
Payments for plant and equipment	10	(26,785)	(13,125)
Payments for other investments, associates or joint ventures		(1,781)	-
Payments for acquired intangibles and major product development expenditure	11	(33,457)	(41,068)
Net investing cash flows		(61,663)	(53,592)
Cash flows from financing activities			
Debt establishment transaction costs		(10,726)	(1,243)
Proceeds from borrowings		262,639	276,906
Repayment of borrowings including redemption costs		(331,453)	(169,386)
Lease liability payments		(10,332)	(8,528)
Distribution to other securities holders	13	(5,029)	(5,216)
Dividends paid	13	(15,195)	-
Net financing cash flows		(110,096)	92,533
Net increase/(decrease) in cash and cash equivalents		(236,777)	92,435
Cash at the beginning of the period		724,215	423,914
Exchange rate fluctuations on foreign cash balances		(26,712)	(15,676)
Cash and cash equivalents at period end date	12	460,726	500,673

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

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Condensed consolidated statement of changes in equity

For the 6 months ended 31 March 2022

Consolidated	Share capital $000	Translation reserve $000	Capital profit reserve $000	Other reserve $000	Retained earnings $000	Total $000	Other securities $000	Total equity $000
	Attributable to equity holders of the group							
Balance at 1 October 2020*	1,834,934	46,796	33,627	(5,744)	(109,810)	1,799,803	246,932	2,046,735
Change in accounting policy	-	-	-	-	(16,307)	(16,307)	-	(16,307)
Balance as at 1 August 2020 (restated)	1,834,934	46,796	33,627	(5,744)	(126,117)	1,783,496	246,932	2,030,428
Restated profit/(loss) for the period*	-	-	-	-	61,267	61,267	-	61,267
Other comprehensive income								
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	8,564	8,564	-	8,564
Foreign exchange translation differences	-	(37,954)	-	-	-	(37,954)	-	(37,954)
Gains/(losses) on cash flow hedges taken to equity	-	-	-	(47)	-	(47)	-	(47)
Gains/(losses) on net investment hedges taken to equity	-	-	-	9,255	-	9,255	-	9,255
Income tax on share based payment transactions	-	-	-	306	-	306	-	306
Total comprehensive income/(loss) for the period	-	(37,954)	-	9,514	69,831	41,391	-	41,391
Transactions with owners, recorded directly in equity								
Employee share award entitlements and share issuances	286	-	-	1,919	-	2,205	-	2,205
Dividends paid to shareholders	-	-	-	-	-	-	-	-
Dividend reinvestment plan	-	-	-	-	-	-	-	-
Distributions to other security holders	-	-	-	-	(3,756)	(3,756)	-	(3,756)
Balance at 31 March 2021 (restated)	1,835,220	8,842	33,627	5,689	(60,042)	1,823,336	246,932	2,070,268
Balance at 1 October 2021	1,835,888	61,161	33,627	204	(56,349)	1,874,531	246,932	2,121,463
Profit/(loss) for the period from continuing operations	-	-	-	-	98,717	98,717	-	98,717
Other comprehensive income								
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	12,633	12,633	-	12,633
Foreign exchange translation differences	-	(98,932)	-	-	-	(98,932)	-	(98,932)
Gains/(losses) on cash flow hedges taken to equity	-	-	-	(500)	-	(500)	-	(500)
Gains/(losses) on net investment hedges taken to equity	-	-	-	6,293	-	6,293	-	6,293
Gains/(losses) due to changes in fair value of other investments	-	-	-	(142)	-	(142)	-	(142)
Income tax on share based payment transactions	-	-	-	797	-	797	-	797
Total comprehensive income/(loss) for the period	-	(98,932)	-	6,448	111,350	18,866	-	18,866
Transactions with owners, recorded directly in equity								
Employee share award entitlements and share issuances	573	-	-	2,212	-	2,785	-	2,785
Dividends paid to shareholders	-	-	-	-	(15,195)	(15,195)	-	(15,195)
Dividend reinvestment plan	-	-	-	-	-	-	-	-
Distributions to other security holders	-	-	-	-	(3,708)	(3,708)	-	(3,708)
Balance at 31 March 2022	1,836,461	(37,771)	33,627	8,864	36,098	1,877,279	246,932	2,124,211

The amounts recognised directly in equity are disclosed net of tax.
The condensed consolidated statement of changes in equity is to be read in conjunction with the attached notes.

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Condensed notes to the consolidated interim financial report

1 Reporting entity

Nufarm Limited (the 'company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the company as at and for the 6 months ended 31 March 2022 comprise the company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in associates and jointly controlled entities.

The consolidated annual financial statements of the group as at and for the period ended 30 September 2021 are available from the company's registered office at 103-105 Pipe Road, Laverton North, Australia or at http://www.nufarm.com/investor-centre/

2 Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting, the Corporations Act 2001 and IAS 134 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group as at and for the period ended 30 September 2021.

Changes to significant accounting policies are described in note 3.

These condensed consolidated interim financial statements were approved by the Board of Directors on 19 May 2022.

(b) Rounding of amounts

Amounts in this financial report have, unless otherwise indicated, been rounded to the nearest thousand dollars.

3 Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the group's consolidated financial statements as at and for the period ended 30 September 2021. A number of new standards were effective from 1 October 2021 but they do not have a material effect on the group's financial statements.

(a) Impact of new accounting standards and interpretation and changes in accounting policies

(i) New and amended accounting standards and interpretations adopted by the group

In the current year the group has adopted all of the following new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current financial reporting period. Their adoption has not had a material impact on the disclosures or amounts reported in these financial statements. In the prior period the group adopted the International Financial Reporting Standards Interpretations Committee (IFRIC) agenda decisions on Cloud Computing Arrangement Costs. The adoption of these decisions resulted in a restatement of comparative balances as described below:

(ii) IFRIC agenda decisions on Cloud Computing Arrangement Costs

IFRIC issued two final agenda decisions which impacted the group's accounting policy with respect to Cloud Computing arrangements (commonly known as Software-as-a-Service (SaaS)) arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.

- Configuration or customisation costs in a cloud computing arrangement (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The group's accounting policy had historically been to capitalise all costs related to the configuration and customisation of SaaS arrangements as intangible assets in the Statement of Financial Position. The adoption of the above agenda decisions resulted in a reclassification of these intangible assets to an expense in the Statement of Comprehensive Income.

Historical financial information has been restated to account for the impact of the change in accounting policy in relation to SaaS arrangements, as follows:

Condensed notes to the consolidated interim financial report

3 Significant accounting policies (continued)

(a) Impact of new accounting standards and interpretation and changes in accounting policies (continued)

(ii) IFRIC agenda decisions on Cloud Computing Arrangement Costs (continued)

Impact on consolidated balance sheet

31 March 2021	As previously reported $000	SaaS restatement $000	Restated $000
Intangible assets	1,239,359	(19,281)	1,220,078
Deferred tax assets	122,522	5,352	127,874
Non-current assets	**1,777,711**	**(13,929)**	**1,763,782**
Total assets	**4,497,913**	**(13,929)**	**4,483,984**
Net assets	**2,084,197**	**(13,929)**	**2,070,268**
Retained earnings	(46,113)	(13,929)	(60,042)
Total equity	**2,084,197**	**(13,929)**	**2,070,268**

Impact on consolidated statement of profit or loss and other comprehensive income

6 months ended 31 March 2021	As previously reported $000	SaaS restatement $000	Restated $000
General and administrative expenses	(79,649)	3,276	(76,373)
Operating profits/(losses)	**128,773**	**3,276**	**132,049**
Profit/(loss) before income tax	**97,434**	**3,276**	**100,710**
Income tax benefit/(expense)	(38,545)	(898)	(39,443)
Profit/(loss) for the period	**58,889**	**2,378**	**61,267**
Total comprehensive profit/(loss) for the period	**39,013**	**2,378**	**41,391**
Earnings per Share (cents)			
Basic			
Diluted	14.5	0.6	15.1
	14.5	0.6	15.1

Impact on consolidated statement of cash flows

6 months ended 31 March 2021	As previously reported $000	SaaS restatement $000	Restated $000
Profit/(loss) for the period - after tax	58,889	2,378	61,267
Tax expense/(benefit)	38,545	898	39,443
Depreciation & amortisation	103,236	(3,653)	99,583
Cash generated from operations	89,434	(377)	89,057
Net operating cash flows	**53,871**	**(377)**	**53,494**
Payments for acquired intangibles and major product development expenditure	(41,445)	377	(41,068)
Net investing cash flows	**(53,969)**	**377**	**(53,592)**

(iii) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

There are no standards that are not yet effective that would be expected to have a material impact on the group in the current or future reporting periods.

4 Estimates and judgements

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, except as noted below, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 30 September 2021.

(a) Russia and Ukraine conflict

The group has carefully considered the effect of the Russian and Ukrainian conflict in preparing its interim financial report for the 6 months ended 31 March 2022. Where applicable, the group has incorporated judgements, estimates and assumptions specific to the impact of the conflict in determining the amounts recognised in the interim financial report. This was done based on conditions existing at balance sheet date, recognising that an element of uncertainty still exists.

5 Operating segments

Segment information is presented in respect of the group's key operating segments. The operating segments are based on the group's management and internal reporting structure.

Operating segments

The group operates predominantly along two business lines, being crop protection and seed technologies.

The crop protection business deals in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease. It is managed by major geographic segments, being Australia, New Zealand and Asia (together "APAC"), Europe and North America.

The seed technologies business deals in the sale of seeds and seed treatment products. The seed technologies business is managed on a worldwide basis.

Information regarding the results of each operating segment is included below. Performance is measured based on underlying EBITDA, as defined on following page, as included in the internal management reports that are reviewed by the group's CEO. Underlying EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Segment revenue is based on the geographic location of customers.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The non-operating corporate segment comprises mainly corporate expenses, interest-bearing loans, borrowings and corporate assets. The non-operating corporate segment revenue represents revenue earned on delivering products under a supply agreement with Sumitomo Chemical Company Ltd via our global procurement operations.

5 Operating segments (continued)

6 months ended 31 Mar 2022 Operating Segments	APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Revenue							
Total segment revenue	580,713	497,985	718,550	1,797,248	184,899	183,406	2,165,553
Results							
Underlying EBITDA [(a)]	98,784	118,188	93,405	310,377	46,024	(26,628)	329,773
Depreciation & amortisation excluding material items	(8,604)	(67,721)	(15,260)	(91,585)	(16,067)	(437)	(108,089)
Underlying EBIT [(a)]	**90,180**	**50,467**	**78,145**	**218,792**	**29,957**	**(27,065)**	**221,684**
Material items included in operating profit (refer note 6)							37,025
Material items included in net financing costs (refer note 6)							25,772
Total material items (refer note 6)							62,797
Net financing costs (excluding material items)							(81,402)
Profit/(loss) before tax							**203,079**

6 months ended 31 Mar 2021 (restated*) Operating Segments	APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Revenue							
Total segment revenue	433,556	478,186	517,759	1,429,501	144,136	76,010	1,649,647
Results							
Underlying EBITDA (a)	68,232	119,984	32,922	221,138	37,104	(24,996)	233,246
Depreciation & amortisation excluding material items*	(7,950)	(60,382)	(15,578)	(83,910)	(14,296)	(1,377)	(99,583)
Underlying EBIT (a)	**60,282**	**59,602**	**17,344**	**137,228**	**22,808**	**(26,373)**	**133,663**
Material items included in operating profit (refer note 6)							(1,614)
Total material items (refer note 6)							(1,614)
Net financing costs (excluding material items)							(31,339)
Profit/(loss) before tax							**100,710**

(a) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is Underlying EBIT, before depreciation, amortisation and impairments.

As at 31 Mar 2022 Operating Segments	APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Segment assets	716,253	1,390,535	1,208,509	3,315,297	608,304	709,828	4,633,429
Assets held for sale	3,438	-	-	3,438	-	-	3,438
Segment liabilities	326,167	274,207	315,472	915,846	97,576	1,499,234	2,512,656

As at 30 Sep 2021 Operating Segments	APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Segment assets	667,866	1,306,106	947,116	2,921,088	562,871	884,346	4,368,305
Segment liabilities	561,395	238,480	223,379	1,023,254	41,570	1,185,768	2,250,592

As at 31 Mar 2021 (restated*) Operating Segments	APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Segment assets*	538,779	1,662,461	992,531	3,193,771	580,984	539,545	4,314,300
Segment liabilities	546,064	285,842	317,550	1,149,456	81,712	1,182,548	2,413,716

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

5 Operating segments (continued)

Geographical information - revenue by location of customer

	Revenue	
	6 months ended 31 Mar 2022 $000	6 months ended 31 Mar 2021 $000
United States of America	604,812	442,402
Australia	417,962	342,423
Rest of world [(b)]	1,142,779	864,822
Total	2,165,553	1,649,647

(b) Other than Australia and the United States of America sales to other countries are individually less than 10% of the group's total continuing revenues.

6 Individually material income and expense items

Individually material items are those items where their nature, including the expected frequency of the events giving rise to them, and/or amount is considered material to the consolidated interim financial report. Such items included within the group's profit for the period are detailed below.

	Consolidated		Consolidated	
	6 months ended 31 Mar 2022 $000 pre-tax	6 months ended 31 Mar 2022 $000 after-tax	6 months ended 31 Mar 2021 $000 pre-tax	6 months ended 31 Mar 2021 $000 after-tax
Material items by category:				
Asset rationalisation and restructuring	-	-	(1,351)	(1,210)
Legal costs	-	-	(263)	(263)
Deferred tax asset recognition	-	20,119	-	-
Debt refinancing costs	(25,772)	(18,767)	-	-
Transactions related to South American business disposal	1,080	1,080	-	-
Transactions related to Russia and Ukraine	(38,105)	(36,893)	-	-
Total	(62,797)	(34,461)	(1,614)	(1,473)

6 Individually material income and expense items (continued)

31 March 2022 Material items

Deferred tax adjustments

Recognition of previously unrecognised tax losses as a result of improved financial performance and outlook for the group.

Debt refinancing costs

During the period the group refinanced its high yield bond and incurred costs related to early redemption call premium and accelerated amortisation of deferred debt establishment transaction costs.

Transactions related to South American business disposal – onerous contract provision reversal

During the period ended 31 July 2020 the group entered into a supply agreement contract signed as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the 6 months ended 31 March 2022 market conditions in relation to the terms of the contract have improved. The group has assessed that the full provision will no longer be required and it has therefore been fully reversed. The contract has expired as at March 2022.

Transactions related to Russia and Ukraine

During the 6 months ended 31 March 2022, the group has assessed the recoverability of assets, primarily trade receivables and inventories, in respect of the group's operations in Russia and Ukraine and has recognised a pre tax expense of $38.1 million following this assessment.

31 March 2021 Material items

Asset rationalisation and restructuring

Expenses continue to be incurred on the group wide performance improvement program, relating to asset rationalisation and organisational restructuring.

Legal costs

During the period the group incurred additional legal costs associated with the enforcement of Omega-3 canola trademark and patent matters.

6 Items of material income and expense (continued)

Material items are classified by function as follows:

6 months ended 31 March 2022 $000	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
High yield bond refinancing	-	-	-	(25,772)	(25,772)
Transactions related to South American business disposal	-	-	1,080	-	1,080
Transactions related to Russia and Ukraine	(20,041)	-	(18,064)	-	(38,105)
Total material items	(20,041)	-	(16,984)	(25,772)	(62,797)
Total material items included in operating profit	(20,041)	-	(16,984)	(25,772)	(62,797)

6 months ended 31 March 2021 $000	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
Legal costs	-	-	(263)	-	(263)
Asset rationalisation and restructuring	-	-	(1,351)	-	(1,351)
Total material items	-	-	(1,614)	-	(1,614)
Total material items included in operating profit	-	-	(1,614)	-	(1,614)

Material items impacting cash flows are as follows:

6 months ended 31 March 2022	Underlying $000	Material items $000	Total group $000
Cash flows from operating activities			
Net operating cash flows	(60,735)	(4,283)	(65,018)
Cash flows from investing activities			
Net investing cash flows	(61,663)	-	(61,663)
Cash flows from financing activities			
Net financing cash flows	(91,108)	(18,988)	(110,096)
Net operating, investing and financing cash flows	(213,506)	(23,271)	(236,777)

6 months ended 31 March 2021	Underlying continuing $000	Material items continuing $000	Total group $000
Cash flows from operating activities			
Net operating cash flows*	62,134	(8,640)	53,494
Cash flows from investing activities			
Net investing cash flows*	(53,592)	-	(53,592)
Cash flows from financing activities			
Net financing cash flows	92,533	-	92,533
Net operating, investing and financing cash flows*	101,075	(8,640)	92,435

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Condensed notes to the consolidated interim financial report

7 Assets held for sale

During the period ended 31 July 2020 the group announced a group wide preformance improvement program, relating to asset rationalisation and organisational restructuring. As part of this program, the manufacturing operations of the Raymond Road site in Laverton Australia, forming part of the APAC segment, were closed. During the 6 months ended 31 March 2022 the group has approved the sale of the Raymond Road site and has entered into a sales agreement with settlement expected to occur within the next 12 months. As such, the relevant land and buildings are deemed to be held for sale as at 31 March 2022.

	As at 31 Mar 2022 $000
Land and buildings	3,438
Total assets held for sale	3,438

8 Finance income and expense

	6 months ended 31 Mar 2022 $000	6 months ended 31 Mar 2021 $000
Other financial income	1,042	748
Financial income	1,042	748
Interest expense - external	(24,043)	(24,190)
Interest expense - amortisation of debt establishment transaction costs	(8,097)	(1,608)
Debt redemption costs	(18,988)	-
Lease liability - interest expense	(3,875)	(3,513)
Net foreign exchange gains/(losses)	(1,669)	(2,776)
Net financial expenses	(56,672)	(32,087)
Net financing costs	(55,630)	(31,339)

9 Investments accounted for using the equity method

The group accounts for investments in associates and joint ventures using the equity method.

The group had the following individually immaterial associates and joint ventures during the period:

	Nature of relationship	Country	Balance date date of associate	Ownership and voting interest As at 31 Mar 2022	As at 30 Sep 2021	As at 31 Mar 2021
Seedtech Pty Ltd	Associate (1)	Australia	31 December	25.00%	25.00%	25.00%
Leshan Nong Fu Trading Co., Ltd	Joint Venture (2)	China	31 December	35.00%	35.00%	35.00%
Crop.zone GmbH	Associate (3)	Germany	31 December	11.56%	10.71%	-

	Carrying amount			Share of profit/(loss)		
	As at 31 Mar 2022 $000	As at 30 Sep 2021 $000	As at 31 Mar 2021 $000	6 months ended 31 Mar 2022 $000	12 months ended 30 Sep 2021 $000	6 months ended 31 Mar 2021 $000
Seedtech Pty Ltd	663	663	549	-	115	-
Leshan Nong Fu Trading Co., Ltd	1,991	2,146	1,783	(119)	343	122
Crop.zone GmbH	2,651	941	-	-	(31)	-
	5,305	3,750	2,332	(119)	427	122

(1) Seedtech is a company that offers services to the seed industry such as cleaning, packaging, distribution and storage of seeds.

(2) Leshan Nong Fu Trading is a joint venture in which the group has joint control and a 35 percent ownership interest. The joint venture is focused on sales and marketing of formulated crop protection products in the Chinese domestic market. It is structured as a separate vehicle. In accordance with the agreement under which Leshan Nong Fu Trading was established, the investors in the joint venture have agreed to make capital contributions in proportion to their ownership interests to make up any losses up to a maximum amount of RMB 100 million ($20.040 million). This commitment has not been recognised in this consolidated financial report.

(3) Crop.zone is an Agtech start-up which provides electrophysical solutions to replace chemical herbicides in select market segments. The 11.56 per cent investment in Crop.zone is equity accounted as Nufarm has additional powers under its shareholders agreement such that it is able to exert significant influence over the operations of Crop.zone.

10 Property, plant and equipment

Acquisition and disposals

During the 6 months ended 31 March 2022, the group acquired assets with a cost of $39.894 million (6 months ended 31 March 2021: $18.828 million), which included $13.109 million of additional right-of-use assets.

Assets with a book value of $2.140 million were disposed of during the 6 months ended 31 March 2022 (6 months ended 31 March 2021: $1.781 million), which included $2.012 million of right-of-use assets.

During the 6 months ended 31 March 2022 the group reclassified assets with a carrying value of $3.438 million (6 months ended 31 March 2021: $nil) to assets held for sale (refer note 7).

Capital commitments

The group had contractual obligations to purchase plant and equipment for $15.925 million at 31 March 2022 (31 March 2021: $13.194 million).

11 Intangible assets

Acquisition and disposals

During the 6 months ended 31 March 2022, the group acquired computer software intangible assets with a cost of $0.661 million (6 months ended 31 March 2021*: $Nil), capitalised development cost intangibles with a cost of $32.622 million (6 months ended 31 March 2021: $33.973 million), and other intangible assets with a cost of $0.174 million (6 months ended 31 March 2021: $6.885 million).

Intangible assets with a book value of $1.314 million were disposed of during the 6 months ended 31 March 2022 (6 months ended 31 March 2021: $0.240 million).

*Comparative information has been restated as a result of a change in accounting policy detailed in note 3(a)(ii)

Impairment testing for cash-generating units containing goodwill

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

As at 31 March 2022, having regard to the performance of the group for the period and the outlook compared to those used in impairment tests performed in prior periods, the group is satisfied that there are no impairment indicators that would require a formal impairment test to be performed.

ANZ cash generating unit

At 30 September 2021 the group used a value in use (VIU) methodology to estimate the recoverable amount of the ANZ cash generating unit (CGU). At that time the value in use of the ANZ CGU was determined to be higher than its carrying amount and an impairment loss was recognised in that period. While management has determined that no indicators of impairment exist as at 31 March 2022, any future adverse movement in a key assumption including discount rates, terminal growth rates, or projected ANZ cash flows, in the absence of other factors, may lead to further impairment.

Europe cash generating unit

At 30 September 2021 the group used a value in use (VIU) methodology to estimate the recoverable amount of the Europe cash generating unit (CGU). At that time the value in use of the Europe CGU was determined to be higher than its carrying amount and no impairment loss was recognised in that period. While management has determined that no indicators of impairment exist as at 31 March 2022, any future adverse movement in a key assumption including discount rates, terminal growth rates, or projected Europe cash flows, in the absence of other factors, may lead to further impairment.

Condensed notes to the consolidated interim financial report

12 Net debt

	31 Mar 2022 $000	30 Sep 2021 $000	31 Mar 2021 $000
Current			
Bank loans - secured	336,825	227,872	257,216
Bank loans - unsecured	13,021	9,009	11,039
Deferred debt establishment costs	(2,113)	(2,444)	(2,772)
Lease Liabilities	17,423	18,099	16,980
Loans and borrowings - current	365,156	252,536	282,463
Non current			
Bank loans - secured	-	-	-
Bank loans - unsecured	244	63	85
Senior unsecured notes	468,165	659,447	623,360
Deferred debt establishment costs	(8,251)	(5,292)	(6,309)
Lease Liabilities	120,498	125,464	119,122
Other loans - unsecured	8,491	8,814	8,332
Loans and borrowings - non current	589,147	788,496	744,590
Cash and cash equivalents	(460,726)	(724,215)	(500,673)
Net cash and cash equivalents	(460,726)	(724,215)	(500,673)
Net debt	493,577	316,817	526,380

	31 Mar 2022 $000	30 Sep 2021 $000	31 Mar 2021 $000
Accessible			
Bank loan facilities and senior unsecured notes	1,370,909	1,493,689	1,475,287
Other facilities	8,491	8,814	8,332
Total financing facilities	1,379,400	1,502,503	1,483,619
Utilised			
Bank loan facilities and senior unsecured notes	818,255	1,541,028	891,700
Other facilities	8,491	8,919	8,332
Total financing facilities	826,746	1,549,947	900,032

Financing facilities

Refer to the section entitled "Liquidity Risk" in note 15 for detail regarding the group's financing facilities.

13 Capital and reserves

Share capital	Group Number of ordinary shares 31 Mar 2022	Number of ordinary shares 30 Sep 2021	Number of ordinary shares 31 Mar 2021
Opening balance for period	379,907,116	379,694,706	379,694,706
Issue of shares	112,040	212,410	58,889
Closing balance for period	380,019,156	379,907,116	379,753,595

The group does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

On 17 December 2021, 50,399 shares at $4.61 were issued under the Dividend Reinvestment Plan. On 28 February 2022 61,641 shares at $5.54 were issued under the Global Share Plan.

Dividends

An interim dividend of four cents per share, totalling $15.199 million, was declared on 19 May 2022 and will be paid on 17 June 2022 (2021: no interim dividend declared).

Distributions

Nufarm Step-up Securities

The following distributions were paid by Nufarm Finance (NZ) Ltd:	Distribution rate	Consolidated Total amount $000	Payment date
6 months ended 31 Mar 2022			
Distribution	4.00%	5,029	15 Oct 2021
		5,029	
6 months ended 31 Mar 2021			
Distribution	4.15%	5,216	15 Oct 2020
		5,216	

The distribution on the Nufarm Step-up Securities reported in the equity movement schedule has been reduced by the tax benefit on the gross distribution, giving an after-tax amount of $3.708 million (6 months ended 31 March 2021: $3.756 million).

14 Earnings per share

	Consolidated 6 months ended 31 Mar 2022 $000	Restated* 6 months ended 31 Mar 2021 $000
Net profit/(loss) for the period	98,717	61,267
Net profit/(loss) attributable to equity holders of the group	98,717	61,267
Other securities distributions (net of tax)	(3,708)	(3,756)
Earnings/(loss) used in the calculations of basic and diluted earnings per share	95,009	57,511
Subtract/(add back) items of material income/(expense)	(34,461)	(1,473)
Earnings/(loss) excluding items of material income/(expense) used in the calculation of underlying earnings per share	129,470	58,984

For the purposes of determining basic and diluted earnings per share, the after-tax distributions on Other Securities are deducted from net profit.

	Number of shares 31 Mar 2022	31 Mar 2021
Weighted average number of ordinary shares used in calculation of basic earnings per share	379,734,005	379,704,737
Weighted average number of ordinary shares used in calculation of diluted earnings per share	381,738,524	380,728,525

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of ordinary shares since the reporting date and before the completion of this interim financial report.

Earnings per share	Cents per share 6 months ended 31 Mar 2022	Restated* 6 months ended 31 Mar 2021
Basic earnings per share	25.0	15.1
Diluted earnings per share	24.9	15.1
Underlying earnings per share (excluding items of material income/expense - see note 6)		
Basic earnings per share	34.1	15.5
Diluted earnings per share	33.9	15.5

Condensed notes to the consolidated interim financial report

15 Financial risk management and financial instruments

Financial risk management

The group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the 6 months ended 31 March 2022.

The group holds a number of derivative contracts to manage its exposure to foreign currency, as well as access to financial instruments in banking markets to manage interest rate risk. A selection of these derivative contracts are designated and accounted for as cash flow hedges as at 31 March 2022.

The movement in the foreign currency translation reserve relates to the translation differences from converting the net assets of overseas subsidiaries from their functional currencies to the presentation currency of the group, which is Australian dollars.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group'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 group's reputation.

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).

15 Financial instruments (continued)

Debt facilities (continued)

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 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.

Fair values

All financial assets and financial liabilities, other than derivatives and investments held through other comprehensive income, are initially recognised at the fair value of consideration paid or received, net of transaction costs as appropriate and subsequently carried at fair value or amortised cost, as indicated in the following tables. Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value.

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate to the fair values. In the case of the centrally managed fixed rate debt not swapped to floating rate totalling $468.165 million (30 September 2021: $659.447 million; 31 March 2021: $623.360 million), the fair value at 31 March 2022 is $462.570 million (30 September 2021: $677.582 million; 31 March 2021: $642.060 million).

15 Financial instruments (continued)

Fair values (continued)

Consolidated 31 Mar 2022	Note	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Financial assets / liabilities at FVOCI $000	Total $000
Cash and cash equivalents	12	-	-	462,507	-	462,507
Trade and other receivables excluding derivatives		-	-	1,224,731	-	1,224,731
Other investments		-	-	-	3,745	3,745
Forward exchange contracts:						
Assets		22,005	-	-	-	22,005
Liabilities		(14,641)	-	-	-	(14,641)
Trade and other payables excluding derivatives		-	-	(1,277,986)		(1,277,986)
Secured bank loans	12	-	-	(336,825)	-	(336,825)
Unsecured bank loans	12	-	-	(13,265)	-	(13,265)
Senior unsecured notes	12	-	-	(468,165)	-	(468,165)
Other loans	12	-	-	(8,492)	-	(8,492)
Lease liabilities	12	-	-	(137,921)	-	(137,921)
		7,364	-	(555,416)	3,745	(544,307)

Consolidated 30 Sep 2021	Note	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Financial assets / liabilities at FVOCI $000	Total $000
Cash and cash equivalents	12	-	-	460,726	-	460,726
Trade and other receivables excluding						-
derivatives		-	-	807,031	-	807,031
Other investments		-	-	-	3,887	3,887
Forward exchange contracts:						
Assets		6,110	-	-	-	6,110
Liabilities		(4,779)	-	-	-	(4,779)
Trade and other payables excluding derivatives		-	-	(934,444)	-	(934,444)
Secured bank loans	12	-	-	(227,872)	-	(227,872)
Unsecured bank loans	12	-	-	(9,072)	-	(9,072)
Senior unsecured notes	12	-	-	(659,447)	-	(659,447)
Other loans	12	-	-	(8,814)	-	(8,814)
Lease liabilities	12	-	-	(143,563)	-	(143,563)
		1,331	-	(715,455)	3,887	(710,237)

15 Financial instruments (continued)

Fair values (continued)

Consolidated 31 Mar 2021	Note	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Financial assets / liabilities at FVOCI $000	Total $000
Cash and cash equivalents	12	-	-	500,673	-	500,673
Trade and other receivables excluding derivatives		-	-	1,192,312	-	1,192,312
Other investments		-	-	-	-	-
Forward exchange contracts:						
Assets		9,949	-	-	-	9,949
Liabilities		(7,484)	-	-	-	(7,484)
Trade and other payables excluding derivatives		-	-	(1,082,748)	-	(1,082,748)
Secured bank loans	12	-	-	(257,216)	-	(257,216)
Unsecured bank loans	12	-	-	(11,124)	-	(11,124)
Senior unsecured notes	12	-	-	(623,360)	-	(623,360)
Other loans	12	-	-	(8,332)	-	(8,332)
Lease liabilities	12	-	-	(136,102)	-	(136,102)
		2,465	-	(425,897)	-	(423,432)

15 Financial instruments (continued)

Fair values (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

* Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
* Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
* Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Consolidated		
	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
31 Mar 2022				
Derivative financial assets	-	22,005	-	22,005
Other investments	-	-	3,745	3,745
	-	22,005	3,745	25,750
Derivative financial liabilities	-	(14,641)	-	(14,641)
	-	(14,641)	-	(14,641)
30 Sep 2021				
Derivative financial assets	-	6,110	-	6,110
Other investments	-	-	3,887	3,887
	-	6,110	3,887	9,997
Derivative financial liabilities	-	(4,779)	-	(4,779)
	-	(4,779)	-	(4,779)
31 Mar 2021				
Derivative financial assets	-	9,949	-	9,949
	-	9,949	-	9,949
Derivative financial liabilities	-	(7,484)	-	(7,484)
	-	(7,484)	-	(7,484)

There have been no transfers between levels in either the 6 months ended 31 March 2022 or the 6 months ended 31 March 2021.

Valuation techniques used to derive fair values

The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

16 Contingent assets and liabilities

Obligations may arise in the future due to currently unknown lawsuits and claims including those pertaining to product liability, safety and health, environmental and tax matters which may be instituted or asserted against the group. While the amounts claimed may be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that existed at balance date. Nonetheless, it is possible that results of Nufarm's operations or liquidity in a particular period could be materially affected by such claims.

17 Subsequent events

On 15 April 2022 a distribution was paid by Nufarm Finance (NZ) on the Nufarm Step-Up Securities. The distribution rate was 3.97% resulting in a gross distribution of $4.963 million.

A interim dividend of four cents per share, totalling $15.199 million, was declared on 19 May 2022 and will be paid on 17 June 2022 (2021: no interim dividend declared).

No other matters or circumstances have arisen in the interval between 31 March 2022 and the date of this report that, in the opinion of the directors, have or may significantly affect the operations, results or state of affairs of the group in subsequent accounting periods.

Directors' declaration

1 In the opinion of the directors of Nufarm Limited (the company):

(a) the financial statements and notes set out in this report are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the group's financial position as at 31 March 2022 and of its performance for the six months ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting,* the Corporations Regulations 2001 and IAS 34: *Interim Financial Reporting*

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Melbourne this 19th day of May 2022

JC Gillam
Director

GA Hunt
Director

Independent Auditor's Review Report

To the shareholders of Nufarm Limited

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Nufarm Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Nufarm Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 March 2022 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- The Condensed Consolidated Balance Sheet as at 31 March 2022
- The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the six months ended on that date
- Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration

The ***Group*** comprises Nufarm Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2022 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Chris Sargent

Partner

Melbourne

19 May 2022