

## Appendix 4E

Nufarm Finance (NZ) Limited  
Incorporation number: 107147

### PRELIMINARY FINAL REPORT FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2024

This statement includes the consolidated results for Nufarm Finance (NZ) group for the twelve months ended 30 September 2024 compared with the twelve months ended 30 September 2023.

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

TRADING RESULTS	Consolidated		increase / (decrease) \$000	increase / (decrease) %
	12 months to 30 Sep 2024 \$000	Restated 12 months to 30 Sep 2023 \$000		
Revenue from ordinary activities	-	-	-	0.0%
Profit/(loss) from ordinary activities after tax attributable to members				
- Before material items	20,303,010	16,900,919	3,402,091	20.1%
- After material items	20,303,010	16,900,919	3,402,091	20.1%
Net profit/(loss) attributable to members				
- Before material items	20,303,010	16,900,919	3,402,091	20.1%
- After material items	20,303,010	16,900,919	3,402,091	20.1%
DIVIDENDS AND DISTRIBUTIONS			12 months to 30 Sep 2024 \$	12 months to 30 Sep 2023 \$
<b>Final Distribution</b>				
Amount per NSS security			4.15	3.68
Total value of distribution			10,412,743	9,227,013
Franked amount per NSS security at 30%			nil	nil
Distribution rate			8.32%	7.37%
Amount per NSS security of foreign source Distribution			4.15	3.68
Date payable			15/04/2024	17/04/2023
Record date for entitlement			5/04/2024	6/04/2023
<b>Interim Distribution</b>				
Amount per NSS security			3.82	2.41
Total value of distribution			9,586,962	6,055,019
Franked amount per NSS security at 30%			nil	nil
Distribution rate			7.66%	4.86%
Amount per NSS security of foreign source Distribution			3.82	2.41
Date paid			16/10/2023	17/10/2022
<b>Total Distributions</b>				
Amount per NSS security			7.97	6.09
<b>Dividend reinvestment plans</b>				
Net tangible assets per security (including ordinary shares)			18.74	18.74
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 2024.

The financial statements contained within the Annual Report for the 12 month period ended 30 September 2024, on which this report is based, have been audited by KPMG.



T. A. Mangold

Director

15 November 2024



# **Nufarm Finance (NZ) Limited**

**Financial Report**  
**For the year ended 30 September 2024**

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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 2024 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 (2023: 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 2024

<u>Size of Holding</u>	<u>Number of Security Holders</u>		<u>Number of Securities</u>	
1 - 499	1,601	67.6%	343,595	13.7%
500 - 999	417	17.6%	267,031	10.6%
1,000 - 4,999	310	13.1%	530,578	21.1%
5,000 - 9,999	20	0.8%	137,807	5.5%
10,000+	22	0.9%	1,230,989	49.0%
	<u>2,370</u>	<u>100%</u>	<u>2,510,000</u>	<u>100.0%</u>
<u>Geographic distribution</u>				
New Zealand	692	29.2%	349,166	13.9%
Australia	1,667	70.3%	2,156,207	85.9%
Rest of World	11	0.5%	4,627	0.2%
	<u>2,370</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.

#### **Climate-related disclosures**

##### New Zealand requirements:

In December 2022, the External Reporting Board ("XRB") published the New Zealand Climate Standards. These include a framework for considering climate related risks and opportunities as well as principles and general requirements to enable climate related disclosures.

Effective 1 January 2023, part 7A of the Financial Markets Conduct Act 2013 made climate related disclosures mandatory for climate reporting entities. The Company is required to meet these requirements for the financial reporting period commencing 30 September 2024.

On 26 June 2023, the International Sustainability Standards Board ("ISSB") issued its first two International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 Climate related Disclosures.

##### Group requirements:

As at the reporting date, the AASB is yet to formally adopt these sustainability reporting disclosures. The Nufarm Group, which is based in Australia, has not early adopted these standards.

##### Exemption detail:

In accordance with the Financial Markets Authority, under section 556 of the Financial Markets Conduct Act 2013, the Company is exempt from climate-related disclosures. The notice is dated 12 April 2024 and applies to the accounting period commencing 1 October 2023 and subsequent accounting periods up to and including the accounting period ending 30 September 2028.

Also in accordance with the notice, as the Company's investor base is predominantly made up of Australian investors, the Company must comply with any Australian requirements. As at balance date, there are currently no requirements to make any climate-related disclosures under the Australian Accounting Standards.

NUFARM FINANCE (NZ) LIMITED

DIRECTORS' REPORT

**Results**

The net profit attributable to members of the Company for the year ended 30 September 2024 is \$20,303,010 (2023: \$16,900,919).

**Directors remuneration and interest**

No directors fees were paid by the Company in the year ended 30 September 2024 (2023: \$Nil).

P Townsend, G Kerr and T Mangold are directors across multiple Nufarm entities.

Signed on behalf of the board of directors, dated 15 November 2024.

Director: \_\_\_\_\_



G. Kerr

Director: \_\_\_\_\_



T.A. Mangold

## **NUFARM FINANCE (NZ) LIMITED**

### **COMPANY DIRECTORY**

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

For more information regarding climate disclosures, refer to the Nufarm Limited disclosures available on Nufarm's website at

<https://nufarm.com/sustainability/sustainability-reports/>



# Independent Auditor's Report

To the shareholder of Nufarm Finance (NZ) Limited (**Company**)

## Report on the audit of the financial statements

### Opinion

In our opinion, the accompanying financial statements of Nufarm Finance (NZ) Limited (the **Company**) on pages 9 to 28 present fairly in all material respects:

- the Company's financial position as at 30 September 2024 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 (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 30 September 2024;
- the statements of comprehensive income, changes in equity and cash flows for the year then ended;
- notes, including material accounting policy information and other explanatory information

### 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 Nufarm Finance (NZ) Limited 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 Annual Report. Other information includes 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 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. 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, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholder for our audit work, this independent auditor's report, or any of the opinions we have formed.



## **Responsibilities of 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 NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the 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;
- assessing the ability of the Company 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 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 it 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 the financial statements.

A further description of our responsibilities for the audit of the 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 in blue ink that reads 'KPMG'.

KPMG

Auckland

15 November 2024

**NUFARM FINANCE (NZ) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	2024 \$	2023 \$
<b>Revenue and other income</b>			
Finance income	5	<u>23,215,904</u>	<u>20,701,167</u>
		<u>23,215,904</u>	<u>20,701,167</u>
<b>Less: expenses</b>			
Finance expenses	6	(2,551,370)	(2,284,058)
Operating expenses		<u>(330,718)</u>	<u>(303,903)</u>
		<u>(2,882,088)</u>	<u>(2,587,961)</u>
<b>Profit before income tax expense</b>		20,333,816	18,113,206
Income tax benefit/ (expense)	7(a)	<u>(30,806)</u>	<u>(1,212,287)</u>
<b>Profit for the year</b>		<u>20,303,010</u>	<u>16,900,919</u>
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u><u>20,303,010</u></u>	<u><u>16,900,919</u></u>
<b>Earnings per share</b>			
Basic & Diluted earnings per share (cents)	11	203.03	169.01

The accompanying notes form part of these financial statements.

**NUFARM FINANCE (NZ) LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024**

	Note	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	8	1,857,461	857,119
Related party receivables	9(b)	<u>1,939,542</u>	<u>512,920</u>
<b>Total current assets</b>		<u>3,797,003</u>	<u>1,370,039</u>
<b>Non-current assets</b>			
Related party receivables	9(c)	258,908,696	262,299,026
Deferred tax assets	7(c)	<u>25,742</u>	<u>60,500</u>
<b>Total non-current assets</b>		<u>258,934,438</u>	<u>262,359,526</u>
<b>Total assets</b>		<u>262,731,441</u>	<u>263,729,565</u>
<b>Current liabilities</b>			
Payables		78,092	79,923
Related party payables	9(d)	214,223	202,308
Income tax payable		<u>29,881</u>	<u>1,008,154</u>
<b>Total current liabilities</b>		<u>322,196</u>	<u>1,290,385</u>
<b>Non-current liabilities</b>			
Related party payables	9(e)	<u>28,000,000</u>	<u>28,000,000</u>
<b>Total non-current liabilities</b>		<u>28,000,000</u>	<u>28,000,000</u>
<b>Total liabilities</b>		<u>28,322,196</u>	<u>29,290,385</u>
<b>Net assets</b>		<u>234,409,245</u>	<u>234,439,180</u>
<b>Equity</b>			
Share capital	10	9,984,530	9,984,530
Accumulated losses		<u>(22,507,433)</u>	<u>(22,477,498)</u>
<b>Total equity attributable to ordinary shareholders</b>		<u>(12,522,903)</u>	<u>(12,492,968)</u>
Nufarm Step-up Securities	10	<u>246,932,148</u>	<u>246,932,148</u>
<b>Total equity</b>		<u>234,409,245</u>	<u>234,439,180</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 2024**

	<b>Note</b>	<b>Contributed equity \$</b>	<b>Accumulated losses \$</b>	<b>Nufarm Step- up securities \$</b>	<b>Total equity \$</b>
<b>Balance as at 1 October 2022</b>		9,984,530	(23,845,924)	246,932,148	233,070,754
Profit for the year		<u>-</u>	<u>16,900,919</u>	<u>-</u>	<u>16,900,919</u>
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>16,900,919</u>	<u>-</u>	<u>16,900,919</u>
<b>Transactions with security holders in their capacity as security holders:</b>					
Nufarm Step-up Securities distribution		<u>-</u>	<u>(15,532,493)</u>	<u>-</u>	<u>(15,532,493)</u>
<b>Transactions with security holders in their capacity as security holders:</b>		<u>-</u>	<u>(15,532,493)</u>	<u>-</u>	<u>(15,532,493)</u>
<b>Balance as at 30 September 2023</b>		<u>9,984,530</u>	<u>(22,477,498)</u>	<u>246,932,148</u>	<u>234,439,180</u>
<b>Balance as at 1 October 2023</b>		9,984,530	(22,477,498)	246,932,148	234,439,180
Profit for the year		<u>-</u>	<u>20,303,010</u>	<u>-</u>	<u>20,303,010</u>
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>20,303,010</u>	<u>-</u>	<u>20,303,010</u>
<b>Transactions with security holders in their capacity as security holders:</b>					
Nufarm Step-up Securities distribution		<u>-</u>	<u>(20,332,945)</u>	<u>-</u>	<u>(20,332,945)</u>
<b>Total transactions with security holders in their capacity as security holders:</b>		<u>-</u>	<u>(20,332,945)</u>	<u>-</u>	<u>(20,332,945)</u>
<b>Balance as at 30 September 2024</b>		<u>9,984,530</u>	<u>(22,507,433)</u>	<u>246,932,148</u>	<u>234,409,245</u>
Dividends per share				<b>2024</b>	<b>2023</b>
Dividends per share on NSS Distribution (dollars)				8.10	6.19

The accompanying notes form part of these financial statements.

**NUFARM FINANCE (NZ) LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>			
Interest received		21,789,282	21,360,682
Payments to suppliers		(339,100)	(286,484)
Income tax paid		(974,321)	(185,001)
Interest paid		<u>(2,532,904)</u>	<u>(2,219,728)</u>
<b>Net cash provided by operating activities</b>	12(a)	<u>17,942,957</u>	<u>18,669,469</u>
<b>Cash flow from investing activities</b>			
Related party loans - repaid/(advanced)		<u>3,390,330</u>	<u>(3,816,402)</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>3,390,330</u>	<u>(3,816,402)</u>
<b>Cash flow from financing activities</b>			
Nufarm Step Securities distribution		<u>(20,332,945)</u>	<u>(15,532,493)</u>
<b>Net cash used in financing activities</b>		<u>(20,332,945)</u>	<u>(15,532,493)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		857,119	1,536,545
Net increase / (decrease) in cash held		<u>1,000,342</u>	<u>(679,426)</u>
<b>Cash at end of financial year</b>	8	<u><u>1,857,461</u></u>	<u><u>857,119</u></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 2024**

**NOTE 1: STATEMENT OF MATERIAL 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 2024.

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 material 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.

*Material 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 2024**

**NOTE 1: STATEMENT OF MATERIAL 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, including in respect of any payments due in relation to the loans from related parties, for a period of not less than 12 months from the date of signing the financial statements for the year ended 30 September 2024. 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.

**(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*

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

## NUFARM FINANCE (NZ) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

#### NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (d) Financial instruments (Continued)

###### *Subsequent measurement - financial assets at amortised cost*

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.

###### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

##### *(ii) Non-derivative financial liabilities*

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

The Company initially recognises debt securities and subordinated liabilities on the date they are originated. All other financial liabilities 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 statement of financial position 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.

## NUFARM FINANCE (NZ) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

#### NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (d) Financial instruments (Continued)

###### *Hybrid securities*

The Nufarm Step-up Securities (NSS) are classified as equity instruments. Distributions thereon are recognised as distributions within equity, with the tax benefit on the distribution recognised in profit or loss. 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.

###### *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 and 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.

##### (e) Finance income and finance costs

The Company's finance income and finance costs include the following: interest income, interest expense and foreign exchange gains and losses.

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

## NUFARM FINANCE (NZ) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

#### NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (f) Income tax

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.

The Organisation for Economic Co-operation and Development (OECD) has introduced the GloBE Pillar Two model rules, which aim to establish a global minimum tax rate of 15 percent across all jurisdictions. Although the New Zealand Government has enacted legislation to implement these OECD Pillar Two rules, the rules come into effect in New Zealand on 1 October 2025. The Company has applied an exemption from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An assessment of the application of the rules has been performed and the Company does not expect a material disclosure, if any, when the legislation is effective.

##### (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.

## NUFARM FINANCE (NZ) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

#### NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### **(h) Material accounting policy information**

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 October 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in the Material Accounting Policies mentioned above (2023: Significant accounting policies) in certain instances in line with the amendments.

#### NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

##### ***(a) Applicability of the going concern basis of accounting***

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.

## NUFARM FINANCE (NZ) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

#### 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 framework. 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.

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 \$262,705,699 (2023: \$263,669,065) consisting of non-current loans receivable from related parties \$258,908,696 (2023: \$262,299,026), current receivables from related parties \$1,939,542 (2023: \$512,920) and cash and cash equivalents \$1,857,461 (2023: \$857,119).

# NUFARM FINANCE (NZ) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

### NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (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 has sufficient liquidity from future interest income and support from Nufarm Limited, to fund interest and distribution payments relating to the Nufarm Step-up Securities (NSS).

The Company's liquidity is considered in the context of the Nufarm Group's liquidity due to reliance on funding from related parties within the Nufarm Group and Nufarm Limited itself. The Group has sufficient liquidity and debt facilities, as well as strong profitability and operational cash flow to continue to fund distributions and repay related party receivables as they fall due. Refer to the Nufarm 30 September 2024 financial statements dated 14 November 2024 (2023: 15 November 2023) and lodged with the ASX for further detail, specifically note 29.

The following table outlines the Company's remaining contractual maturities for non-derivative financial assets and liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the non-derivative instruments, allocated to time bands based on the earliest date on which the Company can be required to pay or expects to receive. Where amounts payable or receivable are not fixed, the amounts disclosed in the below table are determined on the basis of projected rates at the reporting date.

Year ended 30 September 2024	< 6 months \$	6-12 months \$	>12 months \$	Total contractual cash flows \$	Carrying amount \$
Cash and cash equivalents	1,857,461	-	-	1,857,461	1,857,461
Related party - receivables	1,939,542	-	258,908,696	260,848,238	260,848,238
Payables	(78,092)	-	-	(78,092)	(78,092)
Related party - payables	<u>(214,223)</u>	<u>-</u>	<u>(28,000,000)</u>	<u>(28,214,223)</u>	<u>(28,214,223)</u>
Net maturities	<u>3,504,688</u>	<u>-</u>	<u>230,908,696</u>	<u>234,413,384</u>	<u>234,413,384</u>
Year ended 30 September 2023					
Cash and cash equivalents	857,119	-	-	857,119	857,119
Related party - receivables	512,920	-	262,299,026	262,811,946	262,811,946
Payables	(79,923)	-	-	(79,923)	(79,923)
Related party - payables	<u>(202,308)</u>	<u>-</u>	<u>(28,000,000)</u>	<u>(28,202,308)</u>	<u>(28,202,308)</u>
Net maturities	<u>1,087,808</u>	<u>-</u>	<u>234,299,026</u>	<u>235,386,834</u>	<u>235,386,834</u>

## NUFARM FINANCE (NZ) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

#### NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (b) Liquidity risk (Continued)

The Company manages the liquidity risk on related party balances by having an offset arrangement where the interest receivable is settled net of interest payable for Nufarm Holdings (NZ) Ltd and Nufarm NZ Ltd related party balances. Accordingly, the contractual cash flows do not include the interest portion payable due to the liquidity risks being managed by the Company on a net basis.

##### (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% (2023: 3.90%).

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

<b>Variable rate instruments</b>	<b>2024</b>	<b>2023</b>
Related Party Receivable	260,848,238	262,811,946
Nufarm Step-up Securities	(251,000,000)	(251,000,000)
Related Party Payable	<u>(28,000,000)</u>	<u>(28,000,000)</u>
	<u>(18,151,762)</u>	<u>(16,188,054)</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 2024. This analysis is performed on the same basis for 30 September 2023.

<b>Impact on profit and loss</b>	<b>2024</b>	<b>2023</b>
100 bp increase	(130,693)	(116,554)
100 bp decrease	130,693	116,554



# NUFARM FINANCE (NZ) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 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	2024 \$	2023 \$
<b>NOTE 5: FINANCE INCOME</b>			
<i>Interest income</i>			
Interest income from loans to Nufarm Group entities	9(a)	23,168,395	20,670,563
Other interest income		<u>28,570</u>	<u>15,448</u>
		<u>23,196,965</u>	<u>20,686,011</u>
Unrealised foreign exchange gain		<u>18,939</u>	<u>15,156</u>
		<u>23,215,904</u>	<u>20,701,167</u>

### NOTE 6: OPERATING PROFIT

Profit before income tax has been determined after:

<i>Finance costs</i>			
Interest expense from loans from Nufarm Group entities	9(a)	(2,530,851)	(2,282,896)
Realised foreign exchange loss		<u>(20,519)</u>	<u>(1,162)</u>
		<u>(2,551,370)</u>	<u>(2,284,058)</u>
Remuneration of auditors for:			
<i>KPMG (Auckland)</i>			
Audit and assurance services			
- Audit of the financial report		53,140	55,897
- Review of the half year financial report		<u>32,860</u>	<u>25,153</u>
Total remuneration of auditors		<u>86,000</u>	<u>81,050</u>

**NUFARM FINANCE (NZ) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	2024 \$	2023 \$
<b>NOTE 7: INCOME TAX</b>			
<b>(a) Components of tax expense recognised in profit or loss</b>			
Current tax		(3,952)	911,383
Deferred tax		<u>34,758</u>	<u>300,904</u>
		<u><u>30,806</u></u>	<u><u>1,212,287</u></u>
<b>(b) Income tax reconciliation</b>			
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% (2023: 28.0%)		5,693,468	5,071,698
Add tax effect of:			
- Exchange rate translation		<u>30,562</u>	<u>340,850</u>
		30,562	340,850
Less tax effect of:			
- Tax deduction on Nufarm Step-up Securities distribution		<u>5,693,224</u>	<u>4,200,261</u>
Income tax expense attributable to profit		<u><u>30,806</u></u>	<u><u>1,212,287</u></u>
The Company has no imputation credits available for use in subsequent reporting periods as at 30 September 2024 (2023: \$Nil).			
<b>(c) Movement in temporary differences</b>			
<i>Tax losses carried forward</i>			
Opening deferred tax asset		60,500	361,404
Recognised in profit or loss		<u>(34,758)</u>	<u>(300,904)</u>
Closing deferred tax asset		<u><u>25,742</u></u>	<u><u>60,500</u></u>

**NOTE 8: CASH AND CASH EQUIVALENTS**

Cash at bank	<u><u>1,857,461</u></u>	<u><u>857,119</u></u>
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\$57 (2023: \$1,251) 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 2024 the rate was 0% on \$1,796,197 (2023: 0% on \$781,404). The ANZ distribution account was 0% on \$61,207 (2023: 0% on \$74,464).

# NUFARM FINANCE (NZ) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 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 end 30 September:

	2024	2023
	\$	\$
Nufarm Limited (NZ Branch)# - management fee/expenses	(97,974)	(93,795)
Nufarm Holdings (NZ) Ltd^ - interest income	6,379,326	5,743,319
Nufarm Holdings (SAS) Ltd^ - interest income	16,789,069	14,927,244
Nufarm NZ Ltd^ - interest expense	(2,530,851)	(2,282,896)

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

- Legal expenses of NZD 62,151 were paid on behalf of the Company (2023: NZD 12,581)
- Audit fees of NZD 55,700 (2023: NZD 52,453) for prior year audit and NZD 35,587 as an interim for the current financial year audit were paid on behalf of the Company (2023: NZD 27,039).
- Management fees of AUD 97,974 (2023: AUD 93,795)

The Company did not incur any expenses in relation to key management personnel (2023: Nil). 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

	2024	2023
	\$	\$
Nufarm Holdings (NZ) Ltd^	548,375	512,920
Nufarm Holdings (SAS) Ltd^	1,391,167	-
	<u>1,939,542</u>	<u>512,920</u>

#### (c) Related party receivables - non-current

Nufarm Holdings (NZ) Ltd^	73,163,326	76,553,656
Nufarm Holdings (SAS) Ltd^	<u>185,745,370</u>	<u>185,745,370</u>
	<u>258,908,696</u>	<u>262,299,026</u>

# NUFARM FINANCE (NZ) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

### NOTE 9: RELATED PARTY TRANSACTIONS (CONTINUED)

#### Related party receivables - non-current (continued)

The loan to Nufarm Holdings (NZ) Ltd is repayable by the following: \$23,775,552 on 23 November 2028, \$28,000,000 on 24 November 2030, 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 attracted an average interest rate of 9.01% (2023: 8.31%). 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% (2023: 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

Nufarm (NZ) Ltd^	(209,710)	(191,244)
Nufarm Limited (NZ) Branch#	<u>(4,513)</u>	<u>(11,064)</u>
	<u>(214,223)</u>	<u>(202,308)</u>

#### (e) Related party payable - non-current

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

The loan from Nufarm (NZ) Ltd is repayable on 24 November 2030. It attracted an average interest rate of 9.11% (2023: 8.31%) 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% (2023: 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 (2023: 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 (2023: Nil).

## NUFARM FINANCE (NZ) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

#### 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, totaling \$4.2 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% (2023: 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 in 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 16 October 2023 of \$9,690,314 and on 15 April 2024 of \$10,642,631 totaling \$20,332,945 (2023: \$15,532,493). The next distribution payment date is 15 October 2024.

##### 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 2024

### NOTE 11: EARNINGS PER SHARE

#### *Basic and diluted earnings per share*

The calculation of basic and diluted earnings per share at 30 September 2024 was based on the profit attributable to ordinary shareholders of \$20,303,010 (2023: \$16,900,919) and a weighted number of ordinary shares outstanding of 10,000,000, calculated as follows:

	2024 \$	2023 \$
<b>Profit attributable to ordinary shareholders</b>		
Net profit for the year	<u>20,303,010</u>	<u>16,900,919</u>
Net profit attributable to ordinary shareholders	<u>20,303,010</u>	<u>16,900,919</u>
	<b>Ordinary shares</b>	
	<b>2024</b>	<b>2023</b>

#### **Weighted number of ordinary shares**

On issue and fully paid at 30 September	10,000,000	10,000,000
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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.

	2024	2023
<b>Earnings per share</b>		
Basic & Diluted earnings per share (cents)	203.03	169.01

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

### NOTE 12: CASH FLOW INFORMATION

#### **(a) Reconciliation of cash flow from operations with profit after income tax**

Profit from ordinary activities after income tax	20,303,010	16,900,919
<b>Adjustments and non-cash items</b>		
Income tax (benefit)/ expense	30,806	1,212,287
<b>Changes in operating assets and liabilities</b>		
(Decrease)/ increase in other liabilities	(1,831)	6,530
Decrease in related party receivable	(1,426,622)	(552,772)
Increase in related party payables	11,915	75,219
(Decrease)/ increase in tax payable	<u>(974,321)</u>	<u>1,027,286</u>
Cash flows from operating activities	<u>17,942,957</u>	<u>18,669,469</u>

## **NUFARM FINANCE (NZ) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024**

#### **NOTE 13: CONTINGENT LIABILITIES**

Nufarm Limited has a five year \$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 \$210 million Liquidity Facility (the Liquidity Facility) has also been established to sit alongside the ABL Facility to assist in the ongoing funding of Nufarm Limited's working capital requirements. The Company is one of the unsecured guarantors for both of these credit facilities which share the same guarantor group.

#### **NOTE 14: COMMITMENTS**

There were no commitments as at 30 September 2024 (2023: nil).

#### **NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE**

The Company paid a distribution on the NSS of \$10,649,410 on 15 October 2024 and set the interest rate of 8.51% for the next distribution (scheduled 15 April 2025).

There has been no other matter or circumstance, which has arisen since 30 September 2024 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 September 2024, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 September 2024, of the Company.