

20 November 2024

FY24 Annual Meeting Chair Address

For the year ending 30 June 2024 we reported an Allied Group net profit before tax of \$7.315 million, compared to \$4.071 million for 2023. This consolidated group result includes profit attributable to NZ Farmers Livestock's minority shareholders. For Allied's shareholders, it is more relevant to highlight the profit attributable just to our shareholders. For FY24 this was \$5.206 million, which was a pleasing increase of 56% from the previous year's \$3.338 million.

Richard will provide more detail in his presentation, but the increased FY24 profit was driven by a one off \$4.2 million gain on the book value of the sale and licence back by NZ Farmers Livestock Limited of its interest in a livestock saleyard, of which \$2.85 million was attributable to Allied Farmers' shareholders.

NZ Rural Land Management's earnings were higher than FY23 on the back of management, performance and transaction fees generated from a number of NZ Rural Land Company activities that were successfully executed by NZ Rural Land Management. However, this was largely offset by lower earnings from NZ Farmers Livestock Limited once its one-off gain is excluded.

Allied Group FY24 profitability was also impacted by this being the first time we have had a full year amortisation of the NZRLM Management Contract acquired in March 2023 - a non-cash impact - together with interest on the Heartland loan to fund its acquisition, suspension of dividends from NZ Rural Land Company, and costs associated with strategic initiatives such as the amendment to Allied Farmers' constitution.

Allied's ability to utilise its tax losses is dependent on meeting shareholder continuity requirements, and we are acutely aware of maintaining shareholder continuity to preserve this valuable asset for shareholders. Accordingly, in July 2024 we obtained shareholder approval to amend our constitution to significantly strengthen our ability to restrict share transfers that would cause a breach of shareholder continuity.

Consistent with recent years, the Board has decided to not pay a dividend for the FY24 financial year. We continue to utilise tax losses, and therefore paying unimputed dividends is not the best use of your funds. The Board strongly believes that in the short term, retaining and redeploying earnings is in your best interests.

The Board continues to focus on delivering earnings per share growth for shareholders, and exploring growth opportunities that leverage its core strengths in the rural and asset management sectors.

Shelley Ruha
Chair