Elders

ANNUAL REPORT

2023

For Australian Agriculture

Elders Limited ABN 34 004 336 636

Contents

Chair's Report

Elders and its clients have experienced many challenges in the past year, characterised by fluctuations in commodity prices and changing market and seasonal conditions. Despite this we have delivered a strong financial result, the second highest in the last 10 years, with particularly good cash flow generation, allowing us to declare dividends totalling 46 cents per share.

Resilience is not a new concept for farmers or Elders. It is an attribute that we are proud to possess and it's why we are optimistic when assessing fluctuations in commodity markets, unexpected weather patterns or changes to policy that may affect us. All these factors are important, and play into decision making, but the strategic approach to running and governing Elders remains paramount. The business fundamentals of consistent, methodical growth are omnipresent in all our decision making.

Although FY23 was a very different year from the previous financial year, the results remain strong and are true to our goal of making great returns in good years and good returns in average years. Elders continues to deliver resilient earnings with geographical, product and service diversification insulating us at a portfolio level against weather and commodity price variability.

We are committed to achieving the ambitions set out in our new Eight Point Plan, which include creating compelling shareholder returns, industry leading sustainability outcomes, and being the most trusted agribusiness brand with farmers. The accomplishment of these ambitions depends on many things, some outside of our control, but many within it. As always, our approach at Elders is to control the things that we can, and so we remain focused on the many opportunities where we can continue to build value for shareholders, as well as add value for clients to ensure their businesses prosper and are sustainable for years to come.

Led by a talented and passionate team of individuals with a shared vision for the success of the company and sector, Elders is investing in initiatives that will benefit investors, clients, and the more than 2,700 employees who proudly wear the pink shirt.

This requires that Elders offers a best-in-class value proposition for current and future employees across all levels of the organisation, particularly in relation to promoting equity, diversity and inclusion. In FY21 we reviewed and began work to address our equal pay gap to ensure that employees with similar skills, knowledge, qualifications, experience and performance are paid equally for the same or comparable work. In FY23 this process continued. To improve further, we are extending our analysis and reporting to quarterly reviews of pay decisions arising from recruitment, promotion and out-of-cycle requests to ensure any systemic biases are identified and corrected.

We continue to strive for our diversity targets. By 30 September 2025 we intend to lift the representation of women in senior positions to 25%, from the current 20%, and reach 40% of women in Senior Executive positions from 37.5% at FY23. Pleasingly, the representation of women in Non-Executive Director roles remains above our target of 40% or above. It is our ambition to increase the overall diversity of the Elders workforce generally and in FY23 sponsored a range of diversity leadership programs and women in agriculture initiatives to help support greater industry representation.

This year we were tremendously pleased to announce the continuation of Mark Allison as Managing Director and Chief Executive Officer. Mr Allison's understanding of the business is unparalleled and will hold us in good stead as the business journeys through key transformational projects, including Systems Modernisation, Rural Products supply chain optimisation, and Elders Wool, which will drive significant benefits in cost and capital efficiencies.

Mr Allison's position is complemented by a very strong executive leadership team whose diverse skill sets and thorough understanding of Australian agriculture will be instrumental in Elders' next phase of growth. The executive team has grown this year with the appointment of Anna Bennett to the role of Executive General Manager Strategy, Sustainability and Innovation in January. Ms Bennett possesses significant experience in the development of transformational strategies within complex and dynamic businesses and has carriage of Elders' growing focus on integrating our sustainability and innovation agenda into our everyday operations. She has been instrumental in the development of Elders' fourth Eight Point Plan, which will encompass the three years concluding FY26.

Peter Lourey was appointed to the role of Executive General Manager Wholesale in October, allowing the business to benefit from his broad industry experience to grow the profitability of Elders' wholesale operations. He will be responsible for optimising the product and service offerings provided to the AIRR member network, the Elders retail network and any additional retail customers and distribution channels.

In October, Nick Fazekas was appointed to the role of Executive General Manager Rural Products, where he will bring an extensive background in state and retail strategy to strengthen and expand the Elders Retail and Rural Products offering, through the development and implementation of an appropriate capital light, return on capital-driven operating model.

During the year we also saw some changes to the Elders Board as we contemplated the board renewal process, as I previously shared in my last term. Matthew Quinn resigned, followed by Diana Eilert's departure on 30 September. On behalf of shareholders, I thank them for their contribution.

In September, we announced the appointment of John Lloyd as Non-Executive Director, effective 1 December 2023. Mr Lloyd possesses significant industry expertise that will complement the skills of our Board and provide deep insight into industry issues as we continue to evolve the Elders business. We are delighted to have him join us.

Looking ahead, Elders is well placed to take advantage of current conditions in agriculture and pursue opportunities for growth and diversification. Climatic conditions and commodity prices will always fluctuate through the cycles; our response remains to stay focused on the controllables and delivering value for stakeholders with a strategically diversified business model.

Ian Wilton
Chair

CEO's Report

In 2024, Elders will celebrate its 185th year serving Australian agribusiness. We are a company steeped in history that continues to deliver value for its shareholders, customers, and employees, nearly two centuries later. I am very proud to lead Elders through a significant period of modernisation.

Brand

The value of 185 years of business tenure cannot be understated. The trust that the Elders brand has built with farming communities over many decades creates a value that we do not take for granted. In 2023, Elders continues to be the most trusted agribusiness brand amongst farmers in rural and regional Australia, according to Roy Morgan brand trust research, showing that regardless of fluctuations in agricultural markets and weather events, Elders remains a trusted and steadfast advisor to farming businesses.

We attribute this to employing the best people in rural Australia to deliver valuable advice and products to help farmers grow the highest quality food and fibre in the world.

Safety and wellbeing

Perhaps the greatest responsibility we have in employing our people is in ensuring that their workplace upholds the highest standards of safety so they can go home safely each day. I am pleased that in FY23 we saw a continued improvement in this area, with Total Recordable Injury Frequency Rate (TRIFR) reduced to 10.1 and an average of 4.7 recordable injuries per month. Lost time injuries reduced by half for the FY23 period down to three.

Working with livestock and manual handling continue to be our highest risk areas. To minimise these risks, we implemented a range of initiatives including Safe Livestock Handling Training, which is being delivered to livestock employees and trainees; face to face manual handling training; and tailored driver training programs for mobile plant and equipment. These initiatives have been critical in ensuring Elders continues to provide a safe working environment for its staff.

Our commitment to wellbeing extends beyond safety measures. With the support of Elders' dedicated Wellbeing Committee, we organised resilience training sessions and launched a national staff step challenge which saw 640 employees across the country take over 171 million steps in a six-week period.

Resilient financial performance

In FY23, our underlying earnings before interest and tax (EBIT) was $170.8 million, a decrease of 26% on last year. The year was met with challenging trading conditions and in spite of this, Elders achieved its second highest EBIT result in the last 10 years. This resilience was achieved due to our geographically diverse multi-product portfolio, which generated strong average earnings across the group.

We remain committed to achieving our strategic priorities via our Eight Point Plan. We continue to expand our market share through acquisitions and organic growth, and we have further progressed our transformational initiatives, such as Systems Modernisation and Elders Wool, Elders' new wool handling business.

Pleasingly, we have not compromised our unflinching financial discipline to achieve this growth. We have finished the year with an underlying return on capital (ROC) of 16.0%, which exceeds our benchmark target of 15%. We have accomplished this result despite adverse market headwinds, including inflation, rising interest rates, falling input prices, and significantly declining livestock prices.

Summary of the FY23 results includes:

- sales of $3,321.4 million (down 4%) and gross margin of $619.0 million (down 5%), with softening input prices offsetting volume growth
- costs of $448.2 million, up 7%, driven primarily by people cost inflation
- EBIT of $170.8 million, down 26%
- return on capital of 16.0%, which exceeds our target benchmark of 15% per the Eight Point Plan
- operating cash inflow of $169.2 million, resulting in a cash conversion of 163%
- leverage ratio of 1.4 times, which is in line with our capital management framework

Sustainability and innovation

The Elders Eight Point Plan establishes that one of Elders' strategic ambitions is to have industry leading sustainability outcomes across health and safety, community, environment and governance. The business has excelled in this area in the past year, with full details contained in the FY23 Sustainability Report.

During the year we established Thomas Elder Sustainable Agriculture (TESA), a division of the business which will support Elders' innovation efforts, collaborating with the Elders network, and providing farmers with future-focused solutions that will allow them to achieve productive, profitable, and sustainable outcomes against the backdrop of a changing climate and increasing attention on sustainability.

Through our branch network and TESA, Elders aspires to play a greater role in supporting farmers' productivity and sustainability ambitions. This includes supporting farmers with utilising innovative technologies, adopting practices to mitigate the impact of the changing climate, and implementing sustainable land management practices with a view to supporting natural capital. Elders' geographical spread and customer reach, along with its reputation in the industry and regional communities, means we are in a privileged position to reach farmers with new practices and agricultural technology aimed at improving their productivity and resilience in the face of seasonal variations. This has real and lasting impacts on-farm and at large within the sector. Our work here is complemented by our ongoing relationship with AgriFutures Australia with whom we have continued our platinum sponsorship of evokeAG, Australia's premium agrifood tech event.

Elders is intrinsically linked to rural and regional communities, and we are proud of the role that our people and our business plays in supporting them at a grassroots level and through significant financial contribution. In the past year we channelled $3.3 million into sponsorships and donations, and sponsored over 1,000 local community sports teams and events. To further our community outreach, we announced the Elders Community Giving Project which will offer grants up to $20,000 for charities, not-for-profit and grassroots organisations with an aim to provide sustainable, tangible and long-term benefits for communities.

Growth and reinvestment

In FY23 Elders made significant advances in its growth by acquisition strategy, welcoming 15 points of presence and over 90 employees to its network. These businesses fill strategic or geographic gaps and enhance our diversified business model for greater earnings resilience. I was pleased to open four greenfield sites in Kempsey, Coffs Harbour, Lismore, and Murgon.

Our pipeline of bolt on acquisitions remains encouraging for FY24.

Wave 1 of the Systems Modernisation project was completed in FY23 and is already creating efficiencies and improvements to ways of working with the delivery of a new Human Resources system, a new intranet and a new website with increased capability to service customers. Wave 1 also included the implementation of the first modules of Microsoft Dynamics 365, encompassing indirect procurement and fixed assets. We expect to see the financial benefits from Systems Modernisation to commence in FY24, but will be more pronounced in FY25 and beyond, following Wave 2 which includes new retail and supply chain systems for both in-branch and back-office operations.

Elders reached significant milestones in the new Elders Wool business, which will streamline the wool supply chain, introduce efficiencies for clients, and aims to be best in class in terms of sustainability and safety credentials. We have opened our new wool handling facility in Rockingham which is already delivering an improved level of customer service in Western Australia. We have reached practical completion on the Ravenhall facility and expect to commence operations in early 2024. This business is a world-first automated wool handling warehouse that is expected to generate in excess of 15% ROC.

Looking forward

In FY23, while conditions have been difficult, Elders continued to advance the ambitions set out in its guiding strategy, the Eight Point Plan. This plan continues to align us towards our goals and ensure we are investing in the right people and initiatives.

In this milestone 185th year we are commencing our fourth Eight Point Plan which will take us through to 30 September 2026 and guide us to deliver compelling shareholder returns and industry leading sustainability outcomes, while remaining the most trusted agribusiness brand amongst farmers. This plan is built around the following points;

Continuing to optimise the existing business by:

- deepening customer relationships to drive loyalty and growth
- investing in our people to ensure we have the right people in the right places who are set up for success
- maintaining unflinching discipline and commitment to cost and capital efficiency

Future-proofing our business with our transformational projects:

- streamlining our supply chains to fully optimise all parts of our integrated value chains
- modernising our systems with leading technology solutions to enhance customer experience, drive efficiencies and support growth

Continuing to expand our portfolio by:

- growing our portfolio of products, services, geographic footprint and channels
- enhancing margins through value chain expansion and integration
- innovating to create sustainable solutions for our customers and communities

Thank you to our valued clients for trusting Elders. I am proud to say that Elders has been a source of continuous and reliable support for agricultural communities across Australia in FY23. I also thank our committed team throughout the country, our exceptional leaders, and our Board, who have together made this possible. Thank you to our shareholders and industry colleagues whose support has been invaluable this year. With your backing, I am confident the strong foundations of this business will take us towards achieving our ambitions in FY24.

Mark C Allison
Managing Director
and CEO

3
LOST TIME INJURIES

#1
MOST TRUSTED AGRIBUSINESS BRAND
amongst farmers for the fourth year in a row

77%
EMPLOYEE ENGAGEMENT

48
NET PROMOTER SCORE

YEAR IN BRIEF

Sales revenue **$3.3b**

volume growth offset by softening input prices

Costs **$448.2m**

investment in people and transformational projects

Gross margin **$619.0m**

diversified portfolio mitigating adverse headwinds

Return on capital **16.0%**

exceeds target of 15% per Eight Point Plan

Underlying EBIT **$170.8m**

second highest result in the last 10 years

Leverage ratio **1.4x**

within target range per capital management framework

Dividends per share **46c**

resulting in a dividend payout ratio of 69%

Cash conversion **163%**

exceeds target of 90% per capital management framework

Sustainable practices key to profitability

Australia's producers know that long-term efficiency and profitability is reliant on how they optimise the performance of their land, which includes prioritising sustainability and conservation.

Elders shares in this commitment with Australian farmers, as evidenced in work underway across the country.

One such example lies in the eastern Gippsland region of Victoria, where Bairnsdale branch manager and horticultural agronomist Noel Jansz works with clients to optimise their cropping regimes. Mr Jansz spends most days on farm, completing crop checks and farm scouts, conducting specialist testing, and developing tailored plans and programs.

"Some days I will be performing soil tests to determine soil health and nutrient levels, and others I could be using drones to analyse data on crop yields and plant health," Mr Jansz said.

"I also develop and implement full-scale crop management plans, including planting schedules, irrigation strategies using moisture probes, and pest management techniques.

"But the most important part of my role is helping farmers improve their yields, reduce environmental impact and ensure sustainable practices."

Elders' network of agronomists and Thomas Elder consultants supports thousands of clients across Australia in managing the productivity and sustainability of their farms, facilitating thousands of soil tests every year.

A growing segment of Mr Jansz's workday is helping his clients transition to farming practices with enhanced sustainability outcomes. In his region, escalating resistance to some forms of crop protection is increasing willingness for horticulture producers to try new, alternative practices. His emphasis is on helping growers solve such issues, improving their yield and profitability, while also demonstrating stewardship of their land.

"The main focus is on improving soil health for my clients by making incremental changes in machinery or products used. The goal is to benefit the whole farming system, from soil health to water conservation and biodiversity," Mr Jansz said.

"Not only does this have a positive environmental impact, but it also improves business success, driving higher yields and improved profitability.

"Practices can also drive better nutrient density in a crop, which could support future market access and product premiums."

The Gippsland horticulture industry has experienced significant growth over the past few years, making it an even more exciting and rewarding industry to be part of.

"With favourable conditions, an increased focus on sustainability, and technological advancements, the Gippsland horticulture industry is well-positioned for growth and has the potential to become a significant player in the market," Noel said.

"There is an increasing trend in the use of technologies such as precision agriculture, automation, and accelerating genetic improvement in farming practices. As farmers begin to incorporate these advanced technologies, it is likely that the industry will become even more efficient and productive."

Elders Executive General Manager of Sustainability, Strategy & Innovation, Anna Bennett, said that Elders is at the forefront of understanding producer needs and wants around sustainable agriculture.

"If there is one learning to be extracted from the work that agronomists like Noel do, and the RD&E work that Elders is involved in, it's that there is incredible potential for the implementation of decision agriculture to generate major lifts in the gross value of agricultural production, estimated at $20.3 billion[11]. Here lies a crucial role for Elders to improve access to technology, information, and markets to help them extract this value," Ms Bennett said.

"We aim to do this through Thomas Elder Sustainable Agriculture (TESA), dedicating a purposefully built arm of our business to ensuring that innovation has meaningful economic and environmental outcomes for producers."

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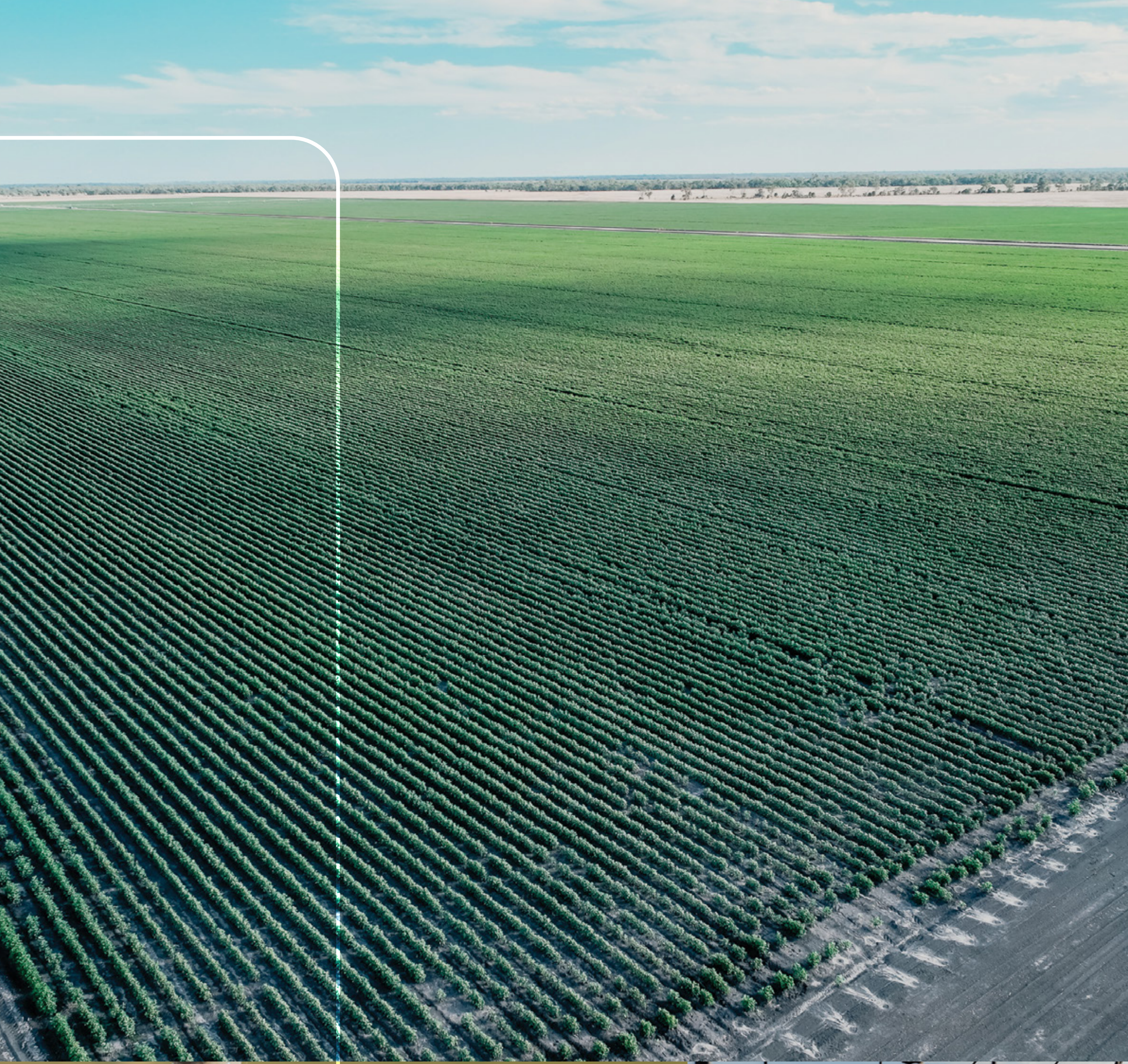
1 *Accelerating Precision to Decision Agriculture, Cotton Research and Development Corporation (CRDC)*

“The main focus is on improving soil health for my clients, through making incremental changes in machinery or products used. The goal is to benefit the whole farming system, from soil health to water conservation and biodiversity."

Noel Jansz
Branch Manager and Horticultural Agronomist,

Elders Bairnsdale



OPERATING AND FINANCIAL REVIEW

2023

Operating and Financial Review

Elders reported its second highest underlying earnings before interest and tax (EBIT) in the last 10 years, notwithstanding challenging market conditions, including volatile input prices, significantly declining livestock prices, inflationary pressures, and rising interest rates.

We have benefited from our product, channel and geographical diversification, which has partly mitigated the impacts of market volatility. We continue to invest in our Eight Point Plan ambition of 5-10% growth in underlying EBIT and underlying earnings per share (EPS) through the agricultural cycles.

Key metrics for the full year ended 30 September 2023:

- second highest **underlying EBIT** at $170.8 million
- resilient **gross margin** result of $619.0 million, with softening input prices offsetting volume growth
- **cost** increase of 7%, driven primarily by people cost inflation
- **return on capital** of 16.0% and **leverage ratio** of 1.4, in line with our capital management framework
- operating **cash inflow** of $169.2 million and **cash conversion** of 163%
- nine new businesses **acquired** and 21 additional **points of presence** to expand our product and geographical footprint
- providing shareholder returns of **underlying EPS** of 66.3 cents and **dividends per share** of 46.0 cents
- ongoing commitment to **safety** with the total recordable injury frequency rate decreasing to 10.1
- delivering on **sustainability** priorities, including achieving key milestones relating to climate change, energy, and waste reduction
- **diverse working environment**, with 43% women in the workforce and 20% in leadership positions
- awarded Australia's **most trusted agribusiness brand** amongst farmers for the fourth year in a row

Elders expects continued resilience in FY24:

- our diversified portfolio is anticipated to mitigate expected market headwinds
  - dry seasonal outlook may see reduced summer crop planting in FY24, however, Rural Products margins are forecast to benefit from the rebasing of fertiliser and crop protection prices
  - while cattle and sheep price pressure may persist, volumes are forecast to increase on FY23
  - inflation is expected to decline through FY24 in line with the Reserve Bank forecast, and pressure on the cost base is expected to be partially offset by disciplined focus on cost management
- we continue to explore key product and geographical opportunities to increase our points of presence via acquisition or greenfield expansion
- acquisition of toll formulation business Eureka!, which is a step further in Elders' backward integration strategy
- 100% capacity expected at our Elders wool handling facilities
- ongoing investment in our Systems Modernisation project, as well as other transformational initiatives to enhance capabilities and capture efficiencies

Profit and Loss

Profit: Reported and Underlying

$million	FY23	FY22	Change	Change %
Sales	3,321.4	3,445.3	(123.9)	(4%)
Gross margin				
Retail Products	306.9	310.0	(3.1)	(1%)
Wholesale Products	71.7	73.1	(1.4)	(2%)
Agency Services	113.7	147.0	(33.3)	(23%)
Real Estate Services	59.5	61.6	(2.1)	(3%)
Financial Services	53.5	44.2	9.3	21%
Feed and Processing Services	13.7	16.8	(3.1)	(18%)
Total gross margin	**619.0**	**652.7**	**(33.7)**	**(5%)**
Costs (distribution and administration)	(448.2)	(420.6)	(27.6)	(7%)
Underlying earnings before interest and tax	**170.8**	**232.1**	**(61.3)**	**(26%)**
Finance Costs	(22.9)	(8.6)	(14.3)	(166%)
Underlying profit before tax	**147.9**	**223.5**	**(75.6)**	**(34%)**
Tax	(39.1)	(64.1)	25.0	39%
Non-Controlling Interests	(5.0)	(7.1)	2.1	30%
Underlying profit to shareholders	**103.7**	**152.2**	**(48.5)**	**(32%)**
Items excluded from underlying profit	**(2.9)**	**10.7**	**(13.6)**	**(127%)**
Reported profit after tax to shareholders	**100.8**	**162.9**	**(62.1)**	**(38%)**
Underlying earnings before interest, tax, depreciation and amortisation	228.4	279.3	(50.9)	(18%)
Underlying earnings per share (cents)	66.3	97.3	(31.0)	(32%)

Items Excluded from Underlying Profit

The statutory result included items that are unrelated to operating financial results. Measurement and analysis of financial results excluding these items are considered to give a meaningful representation of like-for-like performance from ongoing operations ("underlying profit"). Underlying profit is a non-IFRS measure and is not audited or reviewed.

$million	FY23	FY22	Commentary
Business transformation costs	(4.5)	-	Recognition of one off costs for transformational activity
Business closure costs and reversals	1.5	(7.0)	Current year includes reversal of unused/excess provisions raised in FY22 to exit the China business
Platform and system modernisation	(5.4)	(0.7)	Relates to platform modernisation costs that are one off in nature and cannot be capitalised
Profit on sale	-	22.0	Profit on sale of StockCo investment
Tax adjustments	6.1	(3.6)	Tax benefits from temporary differences on one off costs and reversal of prior your provisions for closure costs
Other	(0.6)	-	Other one off costs
Total	**(2.9)**	**10.7**	

Sales

Sales decreased $123.9 million or 4% compared to the prior year, which was a strong result, despite adverse market headwinds, including softening input prices for key agricultural chemical and fertilisers, significantly declining livestock prices, as well as inflationary pressures and rising interest rates. Retail Products increased volumes sold across most categories, however, this was more than offset by lower prices. Key upsides during FY23 include strong performances in animal health and seed, as well as in our Elders Insurance investment.

Gross Margin

Retail Products

Retail Products benefited from the progression of our backward integration strategy through Titan AG, however, margin was negatively impacted by softening input prices, particularly for crop protection and fertiliser. Pleasingly, Elders achieved volume growth across most products, which has contributed to organic and market share growth in this business unit.

Wholesale Products

Wholesale Products achieved sales growth in the animal health and general merchandise portfolio, notwithstanding margin pressure in key crop protection products from falling input prices and a softening market.

Agency Services

Agency Services margin decreased largely driven by declining sheep and cattle prices and reduced cattle head sold, partially offset by improved sheep volumes.

Real Estate Services

Real Estate Services margin declined predominantly due to rising interest rates slowing broadacre and residential turnover. This was partially offset by increased property management, which benefited from acquisitions and ongoing rent roll growth.

Financial Services

Financial Services earnings improved mostly attributable to improved performance within the Elders Insurance business (20% Elders, 80% QBE) and own balance sheet livestock lending. This was partially offset by our LIT (Livestock in Transit) Delivery Warranty margin, which has declined in line with reduced livestock activity.

Feed and Processing Services

Feed and Processing Services margins were adversely impacted in FY23 by the lag effect of higher cattle prices at Killara Feedlot.

Costs

Costs grew $27.6 million or 7% compared to last year, although H2 costs declined $1.8 million from FY22 to FY23. People costs were the key driver in the increase in costs ($11.8 million or 4%), as well as acquisitions ($9.6 million). This is mainly due to an additional 184 full time equivalents (FTE), with +94 FTE acquisitions, +36 FTE network and business growth, +29 FTE graduates, +25 FTE transformational projects, coupled with inflationary wage growth.

Net Profit After Tax

Net profit after tax includes the recognition of underlying tax expense ($39.1 million), effective from 1 October 2021. The physical payment of tax is forecast to commence in FY25.

EBIT by Geography

$million	FY23	FY22	Change	Change %
Wholesale Products	32.1	37.3	(5.2)	(14%)
New South Wales	44.6	52.4	(7.8)	(15%)
Queensland and Northern Territory	21.0	34.4	(13.4)	(39%)
Victoria and Riverina	57.1	80.6	(23.5)	(29%)
South Australia	36.4	43.7	(7.3)	(17%)
Tasmania	5.0	6.9	(1.9)	(28%)
Western Australia	50.5	63.7	(13.2)	(21%)
International (China)	-	(0.8)	0.8	100%
Corporate Overheads	(75.9)	(86.1)	10.2	12%
Underlying earnings before interest and tax	**170.8**	**232.1**	**(61.3)**	**(26%)**

Wholesale Products
Wholesale Products EBIT was lower than last year primarily due to Apparent product underperformance, in line with falling commodity prices. Strategic investment in warehouse expansion to grow market share has also added cost during the year.

New South Wales
Real Estate gross margin was a key upside, with favourable broadacre and residential turnover. This was more than offset by costs, due to 76 additional FTE and 58 additional motor vehicles (42 FTE and 37 motor vehicles relate to the Emms Mooney acquisition) and higher property costs. Killara Feedlot also contributed a further margin decline, impacted by the lag effect of higher cattle prices.

Queensland and Northern Territory
Queensland and Northern Territory EBIT fell predominantly due to gross margin declines across most products, and inflation in people costs.

Victoria and Riverina
Livestock margin decreased in line with falling prices and lower cattle volumes, while softening commodity prices resulted in downsides in Retail margin. Inflation in people and motor vehicle costs have also further contributed to EBIT reduction.

South Australia
Livestock margins were significantly impacted by both lower prices and volumes, however, this was partially offset by increased crop protection sales, supporting an improved Retail result. Inflation in people and motor vehicle costs also impacted the EBIT decline.

Tasmania
Tasmania's EBIT fell primarily due to lower cattle price and volumes, and inflation in people and motor vehicle costs.

Western Australia
Lower cattle volumes and falling sheep prices drove down Livestock margins, while fertiliser and crop protection sales were negatively impacted by softening commodity prices. Inflation in people costs and motor vehicle costs also contributed to the EBIT decrease.

Corporate Overheads
Corporate Overheads declined mainly due to lower incentives in line with performance. This was partially offset by inflation in people costs, and increased strategic initiative spend, including acquisitions and the Systems Modernisation project.

Capital Management

Balance Sheet

$million	FY23	FY22	Change	Change %
Trade and other receivables	738.2	819.5	(81.3)	(10%)
Inventory	491.7	484.5	7.2	1%
Livestock	49.1	73.4	(24.3)	(33%)
Trade and other payables	(646.2)	(752.5)	106.3	14%
Working capital	**632.8**	**624.9**	**7.9**	**1%**
Property, plant and equipment	70.6	47.0	23.6	50%
Right-of-use assets	199.2	119.3	79.9	67%
Equity accounted investments and other financial assets	79.9	48.8	31.1	64%
Intangibles	409.3	364.3	45.0	12%
Provisions	(76.6)	(98.2)	21.6	22%
Capital (net operating assets)	**1,315.2**	**1,106.1**	**209.1**	**19%**
Borrowings: working capital and other facilities	(281.2)	(179.2)	(102.0)	(57%)
Lease liabilities	(203.6)	(123.5)	(80.1)	(65%)
Cash and cash equivalents	21.5	17.8	3.7	21%
Net debt	**(463.3)**	**(284.9)**	**(178.4)**	**(63%)**
Tax assets	14.9	39.5	(24.6)	(62%)
Shareholders' equity	**866.8**	**860.7**	**6.1**	**1%**

Working Capital

$million	FY23	FY22	Change	Change %
Retail Products	463.8	401.9	61.9	15%
Wholesale Products	116.1	99.9	16.2	16%
Agency Services	40.9	58.7	(17.8)	(30%)
Real Estate Services	1.3	0.4	0.9	225%
Financial Services	10.4	9.4	1.0	11%
Feed and Processing Services	54.8	83.4	(28.6)	(34%)
Other	(54.5)	(28.8)	(25.7)	(89%)
Working capital (balance date)	**632.8**	**624.9**	**7.9**	**1%**
Working capital (average)	**733.8**	**606.5**	**127.3**	**21%**

Key movements in working capital

Working capital as of balance date closed at $632.8 million, up $7.9 million or 1%, primarily due to the decrease in trade and other payables more than offsetting movements in trade and other receivables and inventory:

- trade and other receivables decreased $81.3 million or 10%, mainly due to reduced livestock debtors (down 39%), mostly in line with livestock turnover (down 25%)
- inventory (including livestock) declined $17.1 million or 3% on last year, mostly at Killara Feedlot ($24.1 million or 33%), with the key driver pertaining to lower cattle prices (31%)
- trade and other payables fell $106.3 million or 14%, predominantly due to reduced livestock creditors (down 43%), in line with livestock turnover (down 25%)

Key movements in net operating assets

Net operating assets at balance date increased a further $209.1 million or 19% on last year to close at $1,315.2 million:

- intangibles grew $45.0 million or 12%, driven by goodwill on acquisitions in FY23
- provisions declined $21.6 million or 22%, pertaining mostly to lower incentives, in line with EBIT decline year on year
- property, plant and equipment increased $23.6 million or 50%, largely relating to investment spend in our transformational initiatives
- right-of-use assets are up $79.9 million or 67%, resulting from renegotiated lease contracts, which resets the right-of-use value, as well as new locations such as Elders Wool (Ravenhall), which contributed $29.4 million of the increase

Net Debt

Net debt at balance date was $463.3 million, which is up $178.4 million or 63% on the prior year. Lease liabilities comprises $203.6 million of the total balance and $80.1 million of the movement. Despite a positive operating cash inflow, this is mainly offset by acquisition spend on nine businesses, as well as further capital expenditure on our transformational initiatives.

Capital management ratios

Key Ratios - rolling 12 months	**FY23**	FY22	**Change**	**Change %**
Underlying return on capital (%)	16.0%	26.2%	(10.2%)	n/m
Leverage ratio (balance date net debt to EBITDA) (times)	1.4	0.7	0.8	116%
Interest cover ratio (EBITDA to net interest) (times)	9.2	41.1	(31.9)	(78%)
Gearing ratio (balance date net debt to closing equity) (%)	30.0%	18.7%	11.2%	n/m

Leverage excluding AASB 16 (Elders' preferred measure) totalled 1.4 times and bank covenant leverage, which excludes the Rabobank debtor facility 0.1 times against a covenant limit of less than 2.5 times. Our undrawn facilities as at 30 September 2023 were $314.2 million out of total committed facilities of $600.0 million.

Tax Assets

Tax assets balance, which includes both deferred tax assets and tax liabilities, decreased $24.6 million or 62% to $14.9 million at balance date. This is driven by the recognition of underlying tax expense of $39.1 million.

Shareholders' Equity

Shareholders' equity at balance date closed at $866.8 million, an increase of $6.1 million or 1% on last year. This movement primarily pertains to FY23 reported net profit of $100.8 million, partially offset by dividend distribution to shareholders of $79.8 million.

Return on Capital

Elders' underlying return on capital finished the year at 16.0%, which is a decrease of 10.2% compared to last year. Despite the significant investment spend on our strategic initiatives increasing average capital, as well as a decline in EBIT due to challenging conditions, we have maintained our return on capital in excess of our benchmark target of 15%.

Cash Flow

$million	FY23	FY22	Change	Change %
Operating cash flows	169.2	113.7	55.5	49%
Investing cash flows	(132.1)	(45.1)	(87.0)	(193%)
Financing cash flows	(33.5)	(98.7)	65.2	66%
Net cash flow	**3.6**	**(30.2)**	**33.8**	**n/m**
Cash conversion (%)	163%	75%	88%	n/m

Operating cash flow

Operating cash flow was a net inflow of $169.2 million, represented by a strong underlying EBITDA adjusted for non-cash items of $239.1 million, partially offset by movements in assets and liabilities of $69.9 million:

- trade and other receivables decreased $81.3 million or 10%, mainly due to reduced livestock debtors (down 39%), mostly in line with livestock turnover (down 25%)
- inventory (including livestock) declined $17.1 million or 3% on last year, mostly at Killara Feedlot ($24.1 million or 33%), with the key driver pertaining to lower cattle prices (31%)
- trade and other payables fell $106.3 million or 14%, predominantly due to reduced livestock creditors (down 43%), mainly in line with livestock turnover (down 25%)
- remaining $62.0 million, which includes movements in provisions and balances acquired via business acquisitions

Despite an EBIT decline year on year, operating cash flow increased $55.5 million or 49% from the prior year, mostly due to favourable movement in asset and liabilities. The operating cash inflow resulted in a strong cash conversion of 163%, up 88% on last year, which was achieved on lower earnings.

Investing cash flow

Investing cash flow was a net outflow of $132.1 million at balance date, driven by acquisition spend on nine businesses and the strategic investment in PGG Wrightson, as well as further capital expenditure on our transformational initiatives.

Financing cash flow

Financing cash flow was an outflow of $33.5 million, primarily representing full year FY22 and half year FY23 dividends paid to shareholders of $73.3 million and $44.5 million payment for lease liabilities, largely offset by $102.0 million proceeds from borrowings.

Material Business Risks

Elders faces a variety of financial and non-financial risks that might impact its operations and outcomes.

While some of these risks are unique to Elders, others are general risks associated with any stock market investment. Elders has an established risk appetite set by the Board and has implemented a Resilience and Risk Management Framework and strategy with internal checks and balances to address these risks. Nonetheless, the nature and severity of these risks can evolve, and Elders' approach to managing them is adaptive.

The following overview lists key risks faced in pursuit of Elders' objectives. This list is not exhaustive and does not rank the risks by materiality. Elders continues to identify, analyse, evaluate, manage and monitor risks, aiming to capitalise on opportunities and minimise potential losses.

More detail on Elders' approach to managing risk is contained in the Corporate Governance Statement on Elders' website at elders.com.au/for-investors/performance/periodic-reports/.

In line with ASX Corporate Governance Council recommendation 7.4, Elders has identified those risks of a specific environmental or social risk type:

Environmental
The potential negative consequences to a listed entity if its activities adversely affect the natural environment or if its activities are adversely affected by changes in the natural environment.

Social
The potential negative consequences to a listed entity if its activities adversely affect human society or its activities are adversely affected by changes in human society.

Material Business Risk	Our risk management approach
Health and safety	
Safety risk is inherent in Elders' business activities. Key safety risks include livestock handling, remote driving, manual handling, and chemical handling. Beyond these physical risks, we recognise the impact of psychosocial risks in the workplace. These include challenges like excessive workloads, limited job control, unsupported organisational environments, and issues such as bullying and harassment.	The safety of our people, and an effective safety culture, at Elders are critical and non-negotiable corporate objectives. Elders' Health, Safety and Environment team provides guidance on culture, behaviours, processes, metrics and reporting. Our One Elders Awards program, held monthly, celebrates and rewards safe practices and initiatives. This program not only acknowledges safety but also deepens its significance across all our operations. We also hold an annual safety week, concentrating on fundamental safety aspects within Elders. Elders has Critical Risk Teams to facilitate a team-based approach to identify and implement improved controls for safety risks across the business. Safety is a standing agenda item in each team meeting.
Animal welfare	
The safety and welfare of livestock is of paramount importance to Elders and the company has controls in place to ensure the wellbeing and proper treatment of all animals within our control. Failure to protect the welfare of livestock in our control might result in stakeholder activity, business disruption and reputational damage.	Elders has a "zero tolerance" policy for poor treatment of livestock. We ensure our people are trained and adhere to safe livestock handling procedures, aiming to surpass government requirements. Beyond compliance we're committed to proactive engagement with the broader industry and stakeholders, pushing for enhanced animal welfare practices where possible.

Material Business Risk	Our risk management approach
Pandemic	
Pandemic events can jeopardise health and wellbeing, and can lead to considerable economic, operational and societal upheavals, with the potential to impact Elders' ability to conduct its business. The safety of our people, customers and clients, the general community and business continuity are at risk during such events.	To address such events, Elders mobilises our Business Continuity and Incident Response teams. Throughout COVID-19, Elders established a COVID-19 Committee, comprised of executive level business unit representatives and functional experts, chaired by the Company Secretary and General Counsel.
Commodity pricing	
Elders has exposure to commodity price fluctuations in its Agency, Rural Products, and Feed and Processing operations where movements in commodity prices, exchange rates and/or a change in the volume of Australian rural production could affect margins in the future.	Exposures are managed through diversification of income streams by product, channel and geography, controlled inventory levels and flexible remuneration models for the Agency business which allow for cost base adjustments in response to fluctuations.
Climate variability and severe weather events	
Adverse weather conditions and other natural catastrophe events can cause variability in the volume production of agricultural yields, which may reduce the output of relevant agricultural products and affect the operation of Elders' business. Natural events, particularly those that are influenced by weather conditions, such as frost, drought, flood and fire can have an impact. Such conditions can influence the supply of and demand for rural products and services provided by Elders, resulting in varied revenue levels.	Elders manages its exposure to cyclical weather conditions and events via its geographical spread of operations and the diversification of its product, channel and service range. In its operational planning, Elders integrates forecasting and supply management, taking into account usual weather patterns. These strategies are designed to bolster the flexibility of our supply chain, enabling us to swiftly adapt to weather-induced challenges.
Climate change	
Physical risks (such as hotter and drier conditions and more extreme weather events) and transitional risks (such as those relating to the reduction of greenhouse gas emissions) may have significant implications for the environment and conditions in which Elders operates.	In FY23, Elders continued to develop its approach to identifying and managing climate related risks. This included progress on climate change scenario analysis and maintaining 100% renewable electricity at its Australian sites through LGC procurement and onsite solar generation. Further detail on our management of climate related risks and performance on managing energy and emissions is available in Elders' 2023 Sustainability Report. Our disclosures are reported with reference to the recommendations of the Taskforce on Climate-related Financial Disclosures.
Biosecurity	
Australia's expansive agricultural landscape means companies like Elders are vulnerable to biosecurity threats impacting crops and livestock. An outbreak can trigger quarantine measures across rural areas, potentially halting trading and transport operations. Such outbreaks can also initiate or exacerbate international trade restrictions, directly influencing market access and profitability. Furthermore, producers might curtail their demand for goods and services due to these biosecurity challenges, or even find their operational capacities severely hampered.	Elders is committed to being a proactive part of the solution to biosecurity challenges. We have instated disease management protocols and maintain a robust business continuity framework to ensure resilience against unforeseen disruptions. We scan for and recognise threats, especially from Foot-and-Mouth Disease and Lumpy Skin Disease occurring in regions near Australia. Beyond our internal measures, we actively engage with regulators who monitor these biosecurity threats, ensuring that we not only stay informed but also adhere to their recommendations and directives. We are dedicated to safeguarding our operations and contributing positively to the broader agricultural community.
Food	
Elders' Feed and Processing operations handle livestock destined for human consumption, presenting a possible risk of food product contamination.	Elders enforces strict animal health controls in its feedlot, supported by a dedicated business continuity framework.

Material Business Risk	Our risk management approach
Fraud and corruption	
Elders is exposed to fraud, bribery and corruption risks, including in foreign markets in which it operates.	Elders has several controls to counter these risks, including appropriate segregation of duties, the terms of its Code of Conduct, compliance policies, anti-fraud policy, anti-bribery and corruption policy, training throughout the business, financial reconciliation processes, whistleblower policy and reporting hotline, leave management protocols and an Internal Audit program which is complemented by periodic reviews conducted by the external auditor.
Global and domestic economic conditions	
The demand for Elders' products and services can be influenced by worldwide and local demographic and economic trends, encompassing factors like population growth and shifts in living standards. A pronounced global economic decline or recession in key areas could result in altered consumer demands, affecting the demand for products and services.	Exposures are managed through diversification of income streams by product and geography, controlled inventory levels and flexible remuneration models for the Agency business and appropriate debt facility management.
Counterparty	
Elders engages with numerous counterparties. We extend credit to approved parties and may experience losses from a customer's inability to settle debts. Additionally, we are exposed to supply counterparty risk where there is potential for suppliers or partners to default or not meet their service, supply, or contractual obligations.	Elders manages counterparty risks through credit assessments, underpinned by credit policies and procedures. Oversight is provided by the Credit Committee, complemented by monitoring, reporting of debtors and trade credit insurance. The CEO, CFO, and when relevant, the Board review notable credit issues. To address supply counterparty risks, Elders incorporates standard contract clauses, conducts due diligence, adheres to procurement procedures and emphasises the establishment of long-term relationships with trusted suppliers.
Geopolitical	
Elders operates in domestic and foreign jurisdictions and is an importer of agricultural commodities and inputs. Elders is vulnerable to geopolitical tensions and may be affected by changes implemented by governments. In addition, subsidies given to foreign rural producers may adversely affect the competitive position of Australian rural outputs.	Elders controls consequential exposure to this risk through contractual means wherever practicable and seeks to cultivate a diverse range of international markets to reduce concentration risk. The Board maintains control and oversight over ventures in new jurisdictions.
Key personnel and human resource	
The loss of critical employees, or difficulties in recruiting, retaining, or motivating skilled talent, can affect Elders. As a company with a national footprint across various regions, Elders faces increased talent complexities compared to businesses operating in a single location. Staff changes, particularly in pivotal and senior roles, has the potential to create disruptions, impacting Elders' financial standing and its forward-looking strategy.	Essential personnel and positions with Elders have been identified, with corresponding succession and retention plans formulated. Compensation and incentive guidelines have been established to assist Elders in effectively attracting and retaining skilled talent.
Compliance and regulation	
Elders' adherence to local laws and regulations is paramount to maintaining our licence to operate. Non-compliance could expose us to investigations, penalties, liabilities, reputational damage and other adverse consequences.	Elders has established policies and procedures to facilitate legislative and regulatory compliance. Central to these is our Code of Conduct, which delineates the expected behaviours of our people. In addition to our internal legal team we have dedicated Compliance resources that support compliance education and offer insights into legislative and regulatory compliance matters. To further enhance our commitment to ethical operations, we operate a whistleblower program, allowing employees to report any conduct that may be unethical, illegal or fraudulent.

Material Business Risk	Our risk management approach
Social licence	
Elders is influenced by shifting stakeholder expectations on human rights, worker welfare, animal treatment, and environmental stewardship. These evolving expectations can impact our social licence to operate. Failing to meet these expectations can lead to reputational consequences, operational disruptions, and increased scrutiny by regulators.	Elders manages its exposure to risks by monitoring social trends with potential business implications. Our dedicated sustainability team is at the forefront of identifying, analysing, and addressing these societal shifts. While the team spearheads these efforts, the Board provides overarching supervision across all jurisdictions. To navigate these complexities, our approach is threefold: proactive stakeholder engagement, a commitment to sustainable practices, and transparent communication. This strategy not only mitigates risks but also ensures our business operations resonate with the broader societal and Elders specific values we uphold.
Technology and cyber security	
Elders is reliant on both its own information technology infrastructure and third-party systems for daily operations. Risks exist in two main areas: first, the potential for Elders' technology to become outdated or inadequate in the face of rapidly evolving industry standards; and second, vulnerabilities in cyber security which might lead to disruptions or unauthorised data access.	Elders is committed to ensuring our IT infrastructure remains current and safe. To directly address the risks of technological inadequacy, Elders is running a Systems Modernisation Program. This initiative aims to elevate customer experience, enhance people engagement, and streamline processes and administration for better adaptability to change. We have also heightened our investment in cyber security and established a Data Governance Committee, to further enhance data security and privacy controls within the organisation.
Supply chain	
Elders operates in complex supply chains, reliant on multiple third-party suppliers, including those located in China. The availability and cost of inputs can be affected by disruptions, evolving environmental standards, and policy shifts. Such interruptions can increase our expenses and impede order fulfilment. Additionally, extreme weather events, due to changing climatic conditions, pose risks to our infrastructure and supply chain, which could impact financial results. Furthermore, our dependence on diverse suppliers exposes potential risks of modern slavery and labour exploitation, especially in those regions with lower standards of labour oversight.	In 2023, Elders remains aware of supply chain risks, magnified by the residual impacts of the pandemic, geopolitical events, economic fluctuations and climatic events. To fortify against these challenges and ensure alignment with strategic goals, Elders actively manages its Rural Products supply chain vulnerabilities. Furthermore, Elders has embarked on a comprehensive multi-year initiative to enhance resilience and excellence throughout its supply chain ecosystem. Our actions addressing the risk of modern slavery in operations and supply chains are explained in our annual Modern Slavery Statement. We outline the minimum ethical expectations we have of our suppliers in our Responsible Sourcing Code.

REVIEW OF OPERATIONS

2023

OPERATING HIGHLIGHTS

Retail Products Sales

$2.4b

down **2%** on FY22 results

Wholesale Products Sales

$0.4b

down **2%** on FY22 results

Head of Cattle Sold

1.3m

down **5%** on FY22 results

Head of Sheep Sold

9.8m

up **9%** on FY22 results

Broadacre Sales Turnover

$2.0b

down **20%** on FY22 results

Residential Sales Turnover

$1.7b

down **3%** on FY22 results

Gross Written Premiums

$1.2b

up **23%** on FY22 results

Killara Head of Cattle Sold

57k

down **14%** on FY22 results

Rural Products

Elders is one of Australia's leading suppliers of rural farm inputs, including seeds, fertilisers, agricultural chemicals, animal health products and general rural merchandise.

Our Retail Products division supplies these rural products to primary producers and corporate farm customers through 242 Elders owned retail stores. Additionally, we also provide professional production and cropping advice with 256 agronomists nationwide, including additional specialists operating through Elders Technical Services.

Elders also operates a Wholesale Products business supplying independently owned member stores, utilising the AIRR branding. AIRR also provides retail services through corporate owned stores and the Ag, Horse & Pet brand to independently owned member stores.

Our backward integration strategy is facilitated through various brands and channels.

Performance

Retail Products margin declined $3.1 million or 1% compared to the prior year. Crop protection benefited from the maturing of our backward integration strategy, with Titan AG sales increasing as a percentage of the total crop protection portfolio. This resulted in a gross margin uplift of $8.3 million or 17%. Overall, we achieved volume growth across most categories (sales uplift of $315.3 million), however this was offset by a negative sales impact from commodity price declines (sales reduction of $340.0 million), particularly in herbicide crop protection products and fertiliser. Other Retail gross margin increased $15.3 million or 39%, mainly due to sales outperformance in seed.

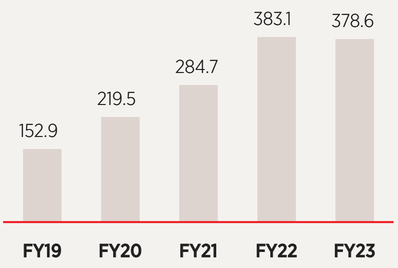
Wholesale Products margin fell $1.4 million or 2% year on year, largely due to Apparent product underperformance, in line with falling commodity prices. This was partially offset by gross margin improvement in animal health products and pet food, driven by sales growth.

Strategy

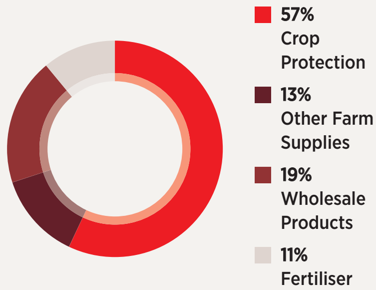
To deliver profitable growth through execution of our backward integration strategy, capturing more gross margin through optimised pricing and supply chain efficiency, and winning market share through customer centricity, sales force effectiveness and strategic acquisitions.

Strategy	Achievement	Plan
Expand own brand product segment	• Increased crop protection share of Titan AG brand across most actives • 12 new Titan AG product registrations in FY23 • Increased focus on sales of Elders' seed varieties • Employed formulation specialists at Titan AG	• Continued focus on Titan AG share of wallet growth within branches • Expand the innovation function and identify strategic opportunities • Acquired Eureka! on 1 October 2023 to enhance toll formulation capabilities
Margin management and efficiency improvements	• Resilient performance amidst softening commodity market • Increased sales volume growth across most product categories, offset by declining commodity prices • Growth in animal health and seed portfolio	• Ongoing improvement in margin management sophistication through technology solutions • Develop an enhanced pricing strategy • Establish national supply chain function to deliver supply chain efficiencies and support risk management
Customer focus and expanded store footprint	• Added 12 new retail locations, through six acquisitions and four greenfield developments across the country • Customers supported by 256 agronomists (including 21 graduates) and 16 livestock production advisors	• Continue to fill geographic gaps with strategic acquisitions and greenfield developments, combined with organic growth from capturing additional market share
Growth of Wholesale Products	• Ongoing warehouse footprint expansion to grow market share • Continued success in delivering procurement synergies and enhanced maturity of sales through the Elders network • Three new Corporate Ag, Horse & Pet locations, as well as further expansion of private label brands and Brookfield acquisition • Growth of online presence via Farmers Mailbox acquisition	• Launch range of member services via Fetch Pet Insurance referral program • Continue to increase the warehouse footprint in Brisbane and Rockhampton, and streamline with robotics within Queensland warehouse • Implement POS scanning with current retail sites • Expand retail footprint through strategic acquisitions in key areas • Grow the member base

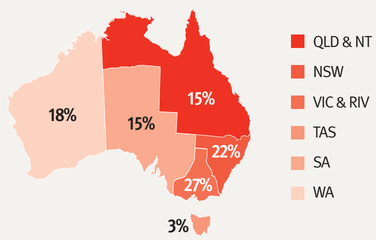
Rural Products margin ($million)



Margin by product



Margin split by geography



Agency Services

Elders provides a range of marketing options for livestock, wool and grain. Elders' livestock network comprises livestock employees and agents operating across Australia conducting on-farm sales to third parties, regular physical and online public livestock auctions and direct sales into Elders-owned and third-party feedlots and livestock exporters.

Elders is one of the largest wool agents for the sale of Australian greasy wool and operates a brokering service for wool growers. Our team of dedicated wool specialists assists clients with wool marketing, in-shed wool preparation, ram selection and sheep classing.

In 2023, Elders commenced its wool handling operations, a $25 million investment in the Australian wool industry with operations in Perth and Melbourne. Its operations are expected to reach full capacity in FY24, which will deliver greater efficiency and longer-term cost savings within the wool supply chain.

Elders also has a 50% interest in AuctionsPlus, an online livestock auction platform, and a 30% interest in Clear Grain Exchange (CGX), which is an online grain trading platform.

Performance

Agency Services margin decreased $33.3 million or 23% on last year, mainly due to Livestock, with gross margin declining $33.2 million or 26%. Livestock prices experienced significant declines in FY23 with the average transacted cattle price down 22% and 29% for sheep. FY23 experienced the fastest revision in the Eastern States Young Cattle Indictator (EYCI) prices this century (down 64%), while mutton prices have fallen 77% since September 2022. However, whilst there was a reduction in cattle volumes of 5% during the period, sheep volumes increased 9% on the prior year.

Wool gross margin was mostly in line with the prior year (slightly down $0.3 million or 2%), with a small reduction in bales sold (3%), offset by a higher earn per bale (2%), despite a lower Eastern Market Indicator (EMI).

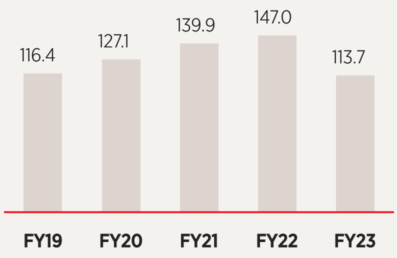
Grain margin increased as a result of higher shareholder distributions from CGX driven by higher grain volume transacted.

Strategy

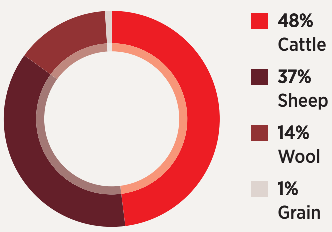
To deliver profitable growth of the Agency Services portfolio through business improvement, recruitment and acquisition for our Livestock and Wool businesses and through focused growth of our investments in AuctionsPlus and CGX.

Strategy	Achievement	Plan
Operating model	• Commencement of Elders wool handling operations • Acquisition of Emms Mooney and a business in key geographic area, Dubbo • Launched new digital livestock hub, Livestock Now • Launched new livestock handling and animal welfare policies and procedures	• Elders wool handling to reach 100% capacity in FY24 • Continue to strengthen, expand and improve our livestock finance and livestock production advice offerings • Identify and capture strategic opportunities in key geographic locations via acquisitions
People	• Continued growth and uptake of our Livestock trainee program • Commenced roll out of national livestock safety and handling training • Launched Livestock Academy	• Increased investment in training young staff through Elders Livestock Academy • Increase wool handling capability and knowledge through recruitment and training • Continued recruitment of high performing staff in key geographical areas

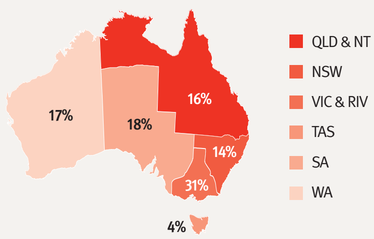
Agency Services margin ($ million) [1]



Margin by product



Margin split by geography



1 *Includes equity earnings from investments.*

Real Estate Services

Elders' Real Estate Services includes company owned rural agencies primarily involved in the marketing of farms, stations and lifestyle estates. It also includes a network of residential real estate agencies providing sales and property management services in major population centres and regional areas through company owned and franchise offices. Other services include water broking and commercial real estate.

Performance

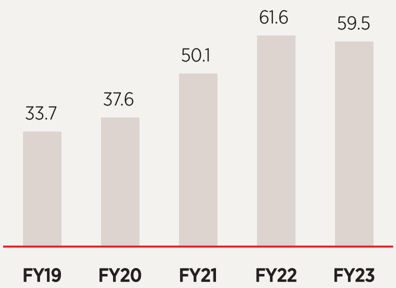
Real Estate Services margin declined by $2.1 million or 3% year on year. Turnover for both broadacre and residential properties was adversely impacted by rising interest rates (down 20% and 3% respectively), although demand for quality property remains strong. Property management gross margin increased $4.0 million or 22% year on year, benefiting from acquisitions, rental inflation and ongoing rent roll growth.

Strategy

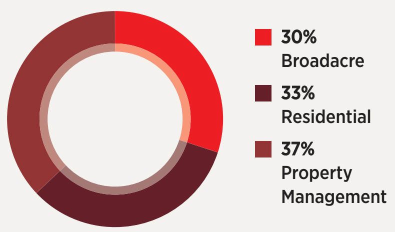
To increase market share and deliver profitable growth of the Real Estate Services portfolio, through increased productivity, recruitment and acquisition across rural, residential and property management.

Strategy	Achievement	Plan
Operating model	• Three key acquisitions, including Emms Mooney and two businesses in key geographical areas, Rockingham and Dubbo • Continued implementation of numerous business improvement initiatives, primarily focused on brand enhancement, digital strategy, system modernisation and people development • Increased rent roll assets via organic and acquisitive growth • Remained transaction adviser of choice in corporate agriculture and facilitated numerous on and off-market investment scale broadacre transactions • Successfully onboarded several new real estate businesses through acquisition, and new agents through targeted recruitment	• Continue to grow company owned broadacre agency, residential agency and property management market share in major regional centres and capital cities through acquisition, franchise and agent recruitment • Continue to grow market share in water broking • Enhance productivity and efficiency initiatives in our property management business • Leverage new proptech solutions for agency operations, including use of data, and driving cross referral opportunities • Grow the number of properties under management for company owned operations • Deliver new campaigns to drive brand awareness of the real estate business • Continued enhancement of digital marketing and lead generation activity
People	• Continued to position key personnel as leading transaction advisers for corporate scale transactions • Maintained a strong attraction and retention proposition • Retained high performing sales agents • Significant increase in participation levels in a modern learning and development program	• Ongoing recruitment of high performing real estate sales representatives and water brokers • Recruitment of real estate franchisees • Increased productivity through technology initiatives and training • Ongoing investment in capability in the broadacre investment space to provide a whole of investment life cycle service offering

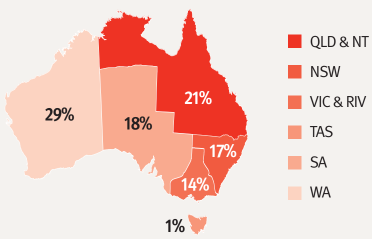
Real Estate Services margin ($ million)



Margin by product



Margin split by geography



Financial Services

Elders distributes a wide range of banking, finance, insurance and warranty products and services through its Australian network. We work together with a number of partners to deliver some of these offerings; Rural Bank for banking, StockCo for livestock funding products and Elders Insurance (a QBE subsidiary) for general insurance.

In addition, Elders provides Livestock Funding and a Livestock in Transit Delivery (LIT) Warranty Service, both which complement our Agency business, and Home Loans and Commercial Finance brokerage model. Collectively, these relationships and business units enable us to offer a broad spectrum of products designed to help our customers grow their business and manage cash flow and risk.

Performance

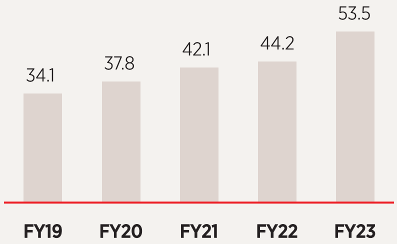
Financial Services margin increased $9.3 million or 21% in comparison to the prior year, of which the largest benefit was seen in our Insurance business ($9.1 million or 49%). Elders' own Livestock Funding, as well as via StockCo, were other key upsides in the Financial Services portfolio, with head numbers financed up 30%. LIT Delivery Warranty margin declined year on year, in line with reduced livestock turnover, however this was partially offset by growth in client penetration rates.

Strategy

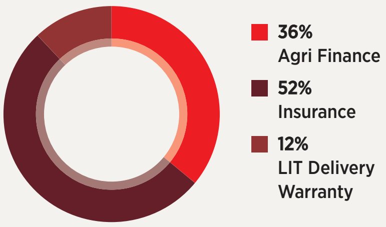
To deliver profitable growth of the Financial Services portfolio through business improvement, product development, and enhanced referral culture in our services business.

Strategy	Achievement	Plan
Deeper, more productive partnerships	• Launched re-engagement program with all partners to optimise joint operations and deliver mutual growth and profit • Established new distribution agreement with Fetch Pet Insurance	• Increase Financial Services product suite further into the AIRR business • Introduce financial services product suite to bolt-on acquisitions in a systematic manner • Increase joint management initiatives between Elders and partners to capitalise on opportunities
Grow Elders issued offerings	• Significant growth in livestock financing earn • Improvement in LIT Delivery Warranty penetration rate • Doubled Home Loan Broker numbers through business development activities and acquisition	• Continue to increase Livestock Funding, subject to normal capital allocation processes • Establish Commercial Finance product to compliment home loan offering
Referral culture and staff training	• Established formal internal referral system for Home Loans • Led first round of internal training to bolster staff understanding and marketing approaches to financial service offerings	• Expand referral systems and processes to all Financial Services offerings and adjacencies • Expand internal training program

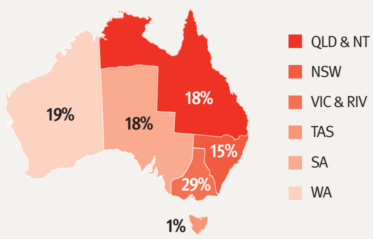
Financial Services margin ($ million)[1]



Margin by product



Margin split by geography



1 *Includes equity earnings from investments.*

Feed and Processing Services

In Australia, Elders operates Killara Feedlot, a diversified business incorporating grain-fed beef distribution, grass-fattening operations, cow manure processing and irrigated corn production in Quirindi, New South Wales.

Performance

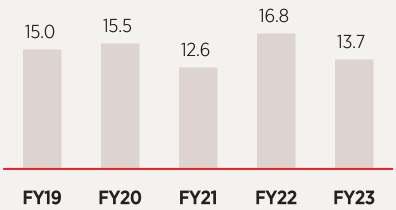
Feed and Processing Services margin declined $3.1 million, or 18% year on year, mainly due to Killara Feedlot which was $2.4 million or 15% down. The key driver was margin erosion due to the lag effect of higher cost of goods on principally-owned cattle, despite high residency, as well as a reduction in cattle exits (down 14%). Operations in Elders Fine Foods in China ceased in FY23.

Strategy

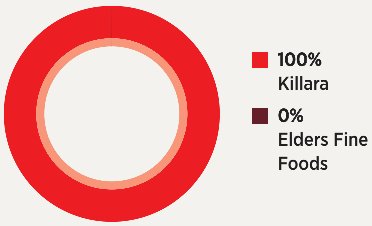
To deliver continuous improvement in EBIT and ROC for all businesses with active portfolio composition management.

Strategy	Achievement	Plan
Grow Killara Feedlot	• Completion of new batching shed to expand grass fed operations • Purchased two additional neighbouring properties to expand farming and grass finishing operations • Finalisation of new livestock induction facility to improve safety of people and the animal welfare of cattle • Construction of two new centre pivots to expand irrigation corn silage business • Completion of manure processing facility on site to expand diversification of the business • Commenced implementation of solar farming to transition towards carbon neutrality	• Progressing implementation of new feed mill and steam flake processing facility • Expansion of feedlot capacity and licence by 10% for residency levels • New hay processing facility
Closure of Elders Fine Foods (China) in FY23	• Ceased trading operations during the year	

Feed and Processing Services margin ($ million)



Margin by product



Outlook

Elders expects some of the market headwinds encountered in FY23 to continue in FY24.

We anticipate much of this can be mitigated by our product, channel and geographical diversification, as well as growth via acquisitions and capturing further market share.

We will continue to invest in our strategic initiatives, in line with our Eight Point Plan strategy, particularly in our Systems Modernisation project with benefits commencing from FY24.

Rural Products

- Dry and El Niño outlook expected to see more caution from growers and potential decrease in crop plantings
- Gross margin expected to improve on FY23 as fertiliser and crop protection prices stabilise at more sustainable levels
- Summer crop conditions will continue to be favourable with full water allocations in most irrigated areas. However, summer dryland crops may be constrained by the anticipated drier conditions
- Further progress on our backward integration strategy via acquisition of Eureka! to enhance our toll formulation capabilities
- Continued expansion of our store footprint, as well as our own brand product segment through strategic opportunities

Agency Services

- Cattle and sheep volumes are expected to increase underpinned by currently high national herd and flock numbers and increased production
- Cattle prices anticipated to remain under pressure in the short-term but forecast to increase in the medium-term, as export prices rise underpinned by the expected US herd rebuild
- Lamb and mutton prices are expected to remain subdued into 2024 due to increased supply and limited processor capacity
- Wool prices are expected to remain steady

Real Estate Services

- Interest rate pressures may see potential for subdued demand for regional residential properties
- Continued challenging market conditions and lower livestock prices may place further pressure on broadacre turnover
- Full year benefit of Emms Mooney and other acquisitions

Financial Services

- Continued uptake of livestock funding product forecast to increase margin
- Home Loans and Commercial Finance Brokerage model relaunch to drive referrals activity from network

Feed and Processing Services

- High residency, continued strong demand for both grain and grass finished product, and lower cattle prices are expected to provide margin relief across all feeding programs
- Expansion in grass operations via additional land acquisition
- Ration prices forecast to rise but expected to pass through supply chain
- Further growth and demand for irrigated corn operations and Killara branded organic fertiliser

Costs and Capital

- Maintain unflinching financial discipline for cost and capital efficiency
- Cost savings expected to mitigate interest rate and inflationary pressures
- Continued investment spend on acquisition growth, as well as on our transformational initiatives such as Systems Modernisation, which we expect to deliver returns in excess of 15% return on capital incrementally from FY24 onwards

Eight Point Plan

- Elders commences its fourth Eight Point Plan in FY24; our three-year strategy taking us through to FY26
- We continue to strive for compelling shareholder returns, industry leading sustainability outcomes, being the most trusted agribusiness brand in rural and regional Australia
- Our strategic priorities are categorised in three key areas: Run, Transform, and Innovate & Grow, focusing on optimising the existing business, future-proofing our business, and expanding and innovating our portfolio

Innovation essential for livestock productivity

In 2023 the Australian livestock industry has continued to deliver produce of high quantity and quality, to feed a growing global population and demand for protein.

The engine room of this supply chain is the Australian farming sector, which continues to grow amidst ongoing challenges presented by a changing climate, and global market pressures.

New products and practices that support more efficient and sustainable animal husbandry are key to ensuring the sector reaches its growth ambitions. At the forefront of agricultural innovation, Elders livestock production advisors provide future focused solutions for clients, ensuring their businesses remain resilient and profitable.

Townsville based Todd Donaldson is one such specialist. With over two decades of experience in ruminant nutrition and animal health, his passion lies in helping clients enhance the productivity and profitability of their livestock businesses; ensuring they remain productive and resilient for years to come.

Mr Donaldson has been instrumental in the development of an innovative new product which is showing measurable results in cattle's ability to increase glucose utilisation, reducing the effects of both heat and cold stress and other flow-on conditions.

He works closely with cattle producers across northern Australia, who experience warm conditions almost year-round. With overnight temperatures sometimes remaining at up to 25 degrees centigrade, it is not uncommon for cattle to become heat stressed, which in turn exacerbates other conditions such as leaky gut. Leaky gut is a condition where bad bacteria and toxins are let into the animal's wider system. According to Mr Donaldson, 70 per cent of immune system functionality resides in the gastrointestinal tract.

"When bad bacteria are let in, the animal goes into an immune response to try to remove the toxins, using significant nutrients, which would normally go towards producing fat, muscle, or milk," he said.

"This is where producers may see declines in the health of the animal, and the productivity of their herd."

Keen to help solve this issue for his clients, Mr Donaldson began researching emerging supplementation systems, and after extensive systematic trials, developed an innovative new lick block containing chromium, now known as KEMTRACE™.

He explained that this new adaptation to a supplement, which was co-developed with Olsson's, will help increase glucose utilisation.

"The first thing that really caught my eye with chromium was the ability to stimulate insulin receptors and increase glucose availability," Mr Donaldson said.

"And the deeper I have gone into the research, the more I realised this condition can become a real problem for my clients – heat stressed cows are at a much higher risk of developing leaky gut.

"KEMTRACE stimulates insulin receptors, allowing more opened pathways in the animal's cells so that more glucose, and therefore energy, can be absorbed into its cells system, in turn removing impacts of that stress."

While chromium supplementation has existed in the feedlot and dairy industry for some time, Elders is expanding its use.

“This kind of supplement is being used by a few select nutritionists in total mixed rations,” Mr Donaldson said.

“But we are really trying to bring it mainstream, pioneering its extension.”

Extension work like Mr Donaldson's is far from isolated, with Elders staff participating in research and development work around the country each year to develop new products and practices that improve the productivity of the agriculture sector.

With extensive geographical spread and an outstanding reputation in the industry , Elders is well placed to reach producers with new practices, products, and technologies that add significant long-term value to their operations.

SUSTAINABILITY PERFORMANCE

CLIMATE TARGETS TO REDUCE GREENHOUSE GAS EMISSIONS[1]

TARGET	FY23
2025 100% renewable electricity in all Australian sites by 2025	**Target achieved through on-site solar generation and procurement and retirement of Large-scale Generation Certificates (LGCs)** 30 new solar installations at our branches
2030 50% reduction in Scope 1 and 2 emissions intensity (tCO_2e/\$m revenue) by 2030, against a baseline year of 2021[2]	**25% reduction in Scope 1 and 2 emissions intensity against baseline year of 2021** 17.93 tCO_2e/\$m revenue in 2023 Down from 18.80 tCO_2e in 2022 and 23.86 tCO_2e in 2021
2050 Net zero Scope 1 and 2 emissions by 2050	**59,551 tCO_2e this year** (Scope 1 and 2) Down from 64,772 tCO_2e in 2022

[1] Targets are based on Elders' financial year ending 30 September.
[2] Subject to commercially viable technology being available to address feedlot cattle emissions.

DIVERSITY AND INCLUSION

60%

Board positions held by women

For more information, please see the 'Governance' section of this report

20%

Women in senior management
Improvement programs in place

HEALTH AND SAFETY

3

Lost Time Injuries (down from 6 in FY22)
$2m invested in safety capital expenditure

10.1

TRIFR
Down from 12.6 in FY22

COMMUNITY IMPACT AND INVESTMENT

$3.33m

Donations and sponsorships

1,000+

Local community sports teams
and events sponsored

WASTE MANAGEMENT

46,000+

Agricultural chemical containers collected
for reuse or recycling

2.18t

Bags collected for recycling. Elders now
a member of Big Bag Recovery

Elders Sustainability Framework

Our ambition is to lead sustainability and productivity to benefit our customers, communities, industry, people and shareholders.

This is highlighted in our latest Eight Point Plan, which sets out Elders' key strategic priorities from 1 October 2023 through to 30 September 2026. Our Eight Point Plan was developed by our Board and Executive Committee through a series of workshops and strategy sessions in 2023.

OUR PRINCIPLES	We provide our customers and clients with the goods and services they need	We support our people and industries and communities in which we operate	We do our part to look after the environment and animals in our care	We operate ethically and to the highest standard
OUR PRIORITIES	**1 HEALTH AND SAFETY** Prioritise the safety and wellbeing of our people	**2 SUSTAINABLE FARMING** Enable customers to achieve sustainability and productivity goals amid diverse and demanding conditions, leveraging innovation and technology	**3 EMPLOYEE ATTRACTION AND RETENTION** Invest in our people and cultivate diversity, inclusion and growth for collective empowerment and success	**4 CLIMATE CHANGE** Reduce our carbon footprint and support our customers in climate adaptation and resilience
	5 ANIMAL WELFARE Safeguard the wellbeing of animals in our care and collaborate with our industry to promote livestock welfare and responsible stewardship	**6 CORPORATE GOVERNANCE** Secure our standing as the most trusted agribusiness brand by upholding ethical operations	**7 COMMUNITY IMPACT AND INVESTMENT** Support rural and regional Australia to positively impact our communities	**8 WASTE MANAGEMENT** Collaborate with industry to minimise waste for positive environmental outcomes

Climate Change

Australia's changing climate presents systemic challenges to the agriculture sector, as well as to our clients and farming activities.

Hotter and drier conditions, prolonged droughts and more extreme weather events have profound effects on farmers, associated businesses, the communities in which we operate and Australia's economy more broadly.

Reducing emissions and benefiting the environment, while improving farm productivity and building resilience presents challenges as well as opportunities. As a valued partner of the agriculture sector, we have an important role to play in contributing to the sector's resilience and helping develop technologies to assist with emissions mitigation and climate change adaptation. We also acknowledge our own responsibility to address climate change and in particular, manage and reduce greenhouse gas emissions associated with our own operations.

Our climate-related disclosures presented within this report are supplemented with additional information, including disclosures relating to climate change scenario analysis and metrics and targets, in our 2023 Sustainability Report.[1]

[1] *Available at https://elders.com.au/for-investors/performance/periodic-reports/.*

Elders Climate Action Roadmap

FY20

- Published our first Sustainability Report including our emissions profile and our climate-risk management processes, roles and responsibilities
- Initiated internal and independent review of climate-related risks and opportunities
- Set action plan for full alignment with the TCFD Recommendations

FY21

- Disclosed our climate-related risk assessment methodology and our climate-related risks and mitigation actions
- Identified climate-related opportunities
- Set climate change targets

FY22

- Qualitatively assessed future climate-related risks and impacts using appropriate climate scenarios
- Reported on performance against our targets
- Achieved 100% renewable electricity in all Australian sites*
- Developed our Scope 3 emissions profile

FY23

WE'RE HERE

- Undertook quantitative analysis of climate-related risks and impacts
- Maintained 100% renewable electricity in all Australian sites*
- Increased the number of sites with onsite solar generation capability

FY24

- Further explore transitional climate-related risks and opportunities through scenario analysis
- Begin quantifying our Scope 3 emissions, beginning with key categories

FY25 ONWARDS

- Maintain 100% renewable electricity in all Australian sites
- Develop and implement a strategy to reduce fleet fuel related emissions

FY25 ONWARDS

- Continue to support research, development and extension to the agriculture sector in the areas of emissions reduction and climate change resilience
- Quantify our Scope 3 emissions and aim to set appropriate targets
- Aim to reduce our emissions in line with our 2030 climate target

2050

AIMING FOR NET ZERO SCOPE 1 AND SCOPE 2 EMISSIONS

**Achieved through procurement and retirement of Large-scale Generation Certificates and onsite solar generation.*

Climate change governance

Elders considers climate change to be a material business risk with potential impacts on our economic, environmental, and social sustainability. Our Climate Change Policy[2] sets out:

- our commitment to supporting the global effort to reduce greenhouse gas emissions in alignment with the recommendations of the Paris Agreement established by the UNFCCC (United Nations Framework Convention on Climate Change)
- the role of our Board and Executive in managing climate change strategy, risks and opportunities

Both the operational and strategic risks posed by climate change are captured under our current governance, risk management and resilience frameworks.

We aim to align our disclosure of climate-related risks with the TCFD Recommendations and in the coming years, with the International Sustainability Standards Board's (ISSB) standards, as they are adopted in Australia. Our Board has been briefed on the requirements of the TCFD recommendations and is responsible for reviewing and approving the climate-related disclosures contained within this report.

Strategy and risk management

Climate change presents both risks and opportunities to Elders' businesses. We recognise that it will impact regions within Australia differently, requiring targeted strategies for adaptation. We manage the impact of climate change through:

- the implementation of emissions reduction targets that guide business activities
- our diverse product and service offerings across our national footprint, which supports risk mitigation and the ability to meet our clients' needs as they adapt and respond to climate-related impacts
- due diligence processes that facilitate the evaluation of potential business acquisitions against our key sustainability principles, relevant climate trends and impacts (i.e. industry and geography) and our emissions profile

Assessing risks and opportunities

In assessing the specific climate-related risks and opportunities for our business, we consider both short-term (0-3 years) and medium to long-term (3-30 years) physical and transition impacts. Climate-related risks are then assessed in accordance with our Resilience and Risk Framework, with added analysis on the shift in risk ratings projected over the long term.

Below is an overview of the key risks identified by Elders. The risks noted are not exhaustive and are in no particular order.

TCFD risk categories

Physical risks: A – Acute **C** – Chronic

Transitional risks: PL – Policy & Legal **M** – Markets **R** – Reputation **L** – Liability

TCFD opportunity categories

RE – Resource efficiency **E** – Energy source **PS** – Products/Services **M** – Markets **R** - Resilience

Climate-related risks and strategies

	Risks and impacts		Our strategy
	Crop yields		
C	Crop yields may be adversely impacted by a fall in total annual rainfall; prolonged drought; future rainfall occurring in fewer, heavier events; higher temperatures; increased fire risk and an increased prevalence of pests, diseases and weeds. These events could impact farm profitability and the demand for the goods and services which Elders supplies.	PS	Continue to offer supportive rural products, including water-efficient and heat-tolerant plant varieties and plants with shorter growing seasons.
		PS	Continue to offer agronomic advisory services and supportive AgTech assisting farmers with effective cropping, pest, disease and weed management and farm adaptation.
		R	Maintain effective inventory management practices to mitigate the impact of demand variability.
		PS	Investigate opportunities to partner with additional suppliers providing climate-resilient plant varieties.
	Health and safety		
C	Increased frequency and severity of extreme heat days may result in reduced productivity, increased changes of heat-related illness, exposure to heat-related injury and exposure to diseases which may become more prevalent, such as mosquito-borne diseases.	R	Continue to implement and improve our WHSMS, provide appropriate, sun-safe uniforms and PPE and maintain appropriate and effective incident management plans.
	Livestock production		
C	Livestock production may be affected by variability in pasture quality driven by prolonged drought, higher temperatures and heat stress and flood-related mortality. This could impact the demand for animal health, feed products and agency services. Killara Feedlot may also be impacted due to increased mitigation requirements.	M	Retain our geographically diverse livestock agency base to serve clients across the country and mitigate the impacts of regional adverse conditions.
		PS	Continue to offer supportive rural products, including pasture varieties that maximise water use efficiency, heat tolerance and shorter growing seasons, and feed supplements that mitigate the effects of heat stress, dehydration and physical stress in animals in extreme weather.
		PS	Continue to offer livestock production advisory services, advising farmers on the selection of animals based on genetic resilience, and appropriate seedstock and commercial replacements.
		R	Further scenario analysis and an increased understanding of the likely geographical shifts of livestock production may identify further opportunities and controls.

[2] *Available at https://investors.elderslimited.com/investor-centre/?page=corporate-governance.*

	Risks and impacts		Our strategy
	Severe weather		
A	Tropical storms and cyclones may increase the risk of heavy, prolonged rainfall events and the potential for widespread flooding and destruction of infrastructure, physical assets, crops and livestock.	**M**	Retain and grow our national footprint to serve customers and clients across the country in responding to the impacts of severe weather.
		R	Maintain our incident management, emergency evacuation and business continuity plans.
		R	Maintain effective inventory management practices to mitigate the impact of demand variability.
	Storm impacts		
A	Coastal events like cyclones, storms and associated storm surges may result in damage to port infrastructure, vessels or goods, which could impact Elders' supply chains.	**M**	Maintain and diversify our supplier base to mitigate supply chain disruptions.
		R	Continue working with suppliers to manage risks and implement effective inventory management practices, including holding stock in our Australia-based AIRR warehouses and working with local suppliers.
	Water availability		
C	Decreases in average rainfall and an increase in the frequency and duration of drought conditions limits the replenishment of dams, reservoirs and aquifers. This could impact both water supply for on-site usage (drinking and irrigation), trading, and could see changes to licence terms. Water scarcity could impact farm operations and reduce the demand for the goods and services which we supply.	**RE**	Monitor and maintain Killara Feedlot's water licences, centre pivot irrigation system and relationships with third party feed suppliers.
		M	Continue to explore opportunities to increase our offering of water capture and storage equipment, including through our business, Sunfam, which provides irrigation and pumping equipment from its base in Bundaberg, Queensland.
	Demand for key products		
R	Consumer preferences shifting to 'green' labelled products may result in a decreased demand for some of Elders' product lines.	**PS**	Maintain and grow our diverse product offering.
		M	Continue to investigate opportunities to expand our range to accommodate changes in demand.
	Climate change policy and carbon charges		
PL	International pressure or changes at a Federal government level have the potential to rapidly shift the types of obligations faced by Australian companies in the coming years. Changes may include the introduction of a carbon charge, which may impact Elders' operational costs and that of its customer base. International changes may also impact customers' ability to conduct business in foreign jurisdictions, which may impact the demand for the products and services which we supply.	**R**	Align our climate-related disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures, and other emerging reporting standards as required.
		RE	Implement strategies to reduce Elders' greenhouse gas emissions in alignment with our emissions reduction targets.
		PS	Continue to offer products and services which support sustainable farming practices which deliver climate change mitigation and adaptation.
	Achieving our climate-related targets		
R	Delayed or lack of innovation could affect Elders' ability to meet its 2030 and 2050 climate-related emissions targets, which may require an investment in carbon offsets.	**RE**	Continue to monitor developments in technology through industry partnerships and aim to implement innovative technology as it becomes commercially viable.

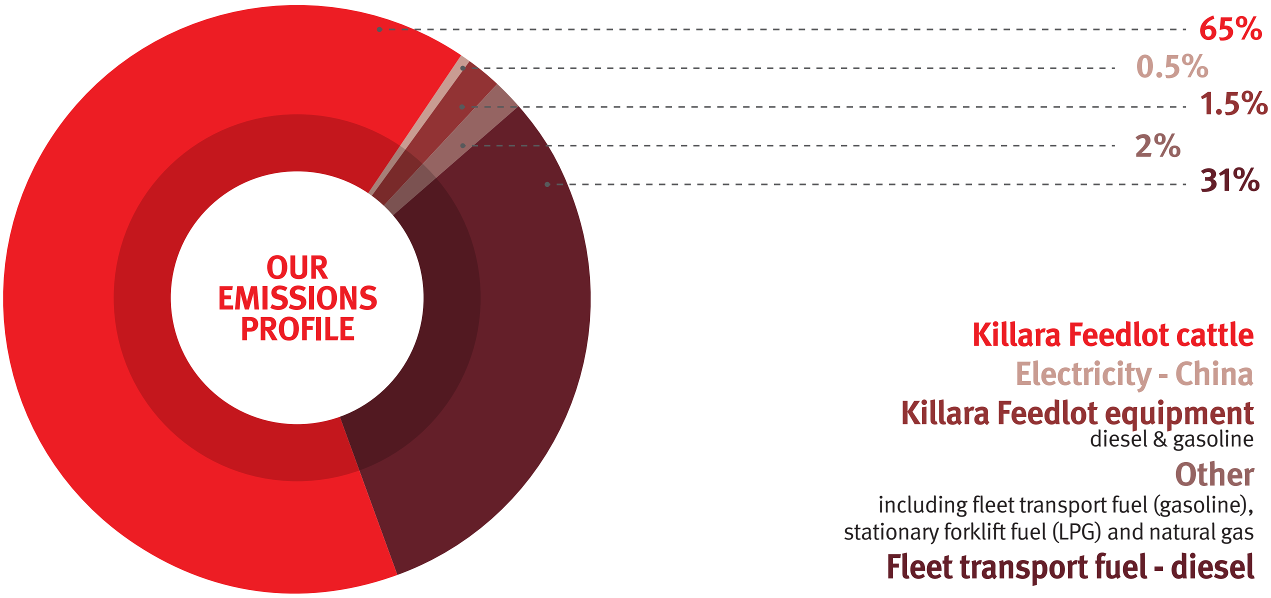
Our Emissions Profile

Energy is essential to our business. Understanding how it is used and the associated greenhouse gas emissions produced is key to reducing Elders' impact on the environment and ensuring our ability to transition to a low carbon economy.

Scope 1 and 2 emissions

Our emissions profile reflects our emissions between 1 July 2022 and 30 June 2023, and was calculated using the following methodologies:

- For electricity use in our Australian sites: We have procured and retired a number of Large-scale Generation Certificates (LGCs) equivalent to our usage, less a number of LGCs which we have assumed have been surrendered by our electricity retailers on our behalf
- For fuel use: the methodology set out in the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (as updated from time to time)
- For cattle production: the methodology set out in the Greenhouse Gas Accounting Framework for Feedlots produced by the University of Melbourne and based on the Australian National Greenhouse Gas Inventory methodology,[3] with global warming potential factors updated to align with the IPCC 5th Assessment Report.[4] This methodology is unable to account for sequestered carbon from minimum till farming practices at the feedlot, cattle in Killara's "grass fed" program, or specific manure and fertiliser management practices used by the feedlot.



Our emissions profile

Scope 1 Emissions - Source	tCO_2e	Scope 2 Emissions - Source	tCO_2e
Killara Feedlot cattle	38,786	Electricity - Australian sites	0
Fleet transport fuel - diesel	18,616	Electricity - China Sites	330[1]
Killara Feedlot equipment fuel (diesel and gasoline)	828		
Other (including fleet transport fuel (gasoline), stationary forklift fuel (LPG) and natural gas)	991		

Total Scope 1 and 2: 59,551 tCO_2e

1 In FY22, Elders made the decision to close its Shanghai-based meat distribution business, Elders Fine Foods. Its operations have been progressively wound down throughout FY23. As a result, whilst the emissions data related to Elders Fine Foods has been included in this report, Elders does not intend to include this in future reports.

3 Available at www.piccc.org.au/resources/Tools.
4 The Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change.

Elders, for stronger regional communities

A thriving agriculture sector is dependent on strong supporting regions and communities. Investing in regional economies encourages both sustainable growth in the sector and the long-term resilience and viability of local communities across Australia.

The Elders culture is true to the value of community spirit. Whether facing drought, fire, flood, or something else, Elders people are on the frontlines in our communities.

This year, the team at Elders Albury joined forces with Paull & Scollard Nutrien to hold a dedicated store sale in support of mental health organisation This Is A Conversation Starter (TIACS). Staff from both branches replaced their pink and green shirts with loud and colourful TradeMutt shirts for the sale, with the aim of making an invisible issue impossible to ignore.

Further north, the Elders branch in Griffith was responsible for organising the largest fundraising event for Angel Flight in the charity's 20-year history. 250 people attended a gala dinner hosted by the branch, raising almost $64,000.

To highlight and build on this community focus, this year Elders was pleased to launch the brand-new Community Giving Project. Structured across six pillars, grants of up to $20,000 will be offered to not-for-profit and other organisations investing in and supporting regional initiatives with impact at a grassroots level.

Elders is proud to invest in initiatives centred around people, environmental consciousness, innovation, healthy lifestyles, diversity and safety. These six pillars make up the key areas and spaces that will have targeted impact; encouraging sustainable, focused, and long-term change in communities.

In FY23, Elders gave $3.3 million in sponsorships and donations, and sponsored over 1,000 local community sports teams and events.

Elders also re-signed a long-standing partnership with the Royal Flying Doctor Service (RFDS) Central Operations, further boosting investment in the health and wellbeing of rural and regional communities. The Elders-sponsored RFDS plane, 'Whiskey', flew 588,481 kilometres this financial year, transporting 1,177 patients from 62 rural and remote locations.

CEO & MD Mark Allison said that partnerships with other community focused organisations, including Motherland, Rural Aid, and the Regional Australia Institute, allowed Elders to further extend its impact in rural Australia and create meaningful change.

"Investing in regional economies encourages sustainable growth in our sector; Australian agriculture is only as strong as its supporting townships and communities," Mr Allison said.

"Elders' links to communities go far beyond our agricultural products and services, and we are invested in supporting discussion and decision-making about the issues that affect them now and into the future.

"Community spirit is something our people embody and we are proud to foster this across our business."

“Investing in regional economies encourages sustainable growth in our sector; Australian agriculture is only as strong as its supporting townships and communities."

Mark Allison
MD & CEO, Elders

DIRECTORS' REPORT

2023

Directors' Report

Your Directors present their report on the consolidated entity consisting of Elders Limited (Elders) and the entities it controlled at the end of, or during, the year ended 30 September 2023.

Ian Wilton

MSc, FCCA, FCPA, CA, FAICD

Appointed Chair on 11 September 2019 and Non-Executive Director since 2014, Ian is also Chair (appointed 11 September 2019) of the Nomination and Prudential Committee. Ian is a member of the Audit, Risk and Compliance Committee (former Chair), the Remuneration, People and Culture Committee and the Safety and Sustainability Committee (Chair September 2019 to February 2023, re-appointed 22 September 2023).

Ian is an experienced non-executive director and former senior executive with extensive knowledge of the agricultural sector. He has held Chief Financial Officer positions with Ridley Corporation Limited, CSR Sugar and GrainCorp Limited. He was President and Chief Executive Officer of GrainCorp Malt.

Ian is a Non-Executive Director of Namoi Cotton Limited (since June 2020).

Ian was previously Chair of the advisory board of Mackay's Banana Marketing and Non-Executive Director of Sheep CRC Ltd (Nov 2015 – Sept 2020).

Ian is a resident of New South Wales.

Mark Allison

BAgrSc, BEcon, GDM, AMP (HBS), DUniv (hc) (Adel), FAICD

Mark joined Elders Limited as a Non-Executive Director in November 2009, served as Chairman and Executive Chairman, before being appointed Managing Director and Chief Executive Officer in May 2014.

Mark's 43-year agribusiness career spans technical, manufacturing, supply and distribution roles and businesses. Previous roles include Managing Director/CEO of GrainGrowers Limited, Jeminex Limited, Farmoz Pty Ltd, Wesfarmers Landmark Limited, Wesfarmers CSBP Limited, CropCare Australasia Pty Ltd and General Manager of Incitec Fertilisers.

Mark is currently Chair of the Agriculture and Natural Resources End-User Advisory Board of the SmartSat CRC, the Agrifood and Wine Advisory Board of the University of Adelaide, and a member of the Rabobank Food and Agriculture Advisory Board.

He is the previous Chair of Agribusiness Australia, AuctionsPlus, CropLife, Agsafe, the APVMA, as well as a number of other agricultural and industrial and safety businesses.

Mark oversaw the development and implementation of the four Elders' Eight Point Plans from 2014. This strategic plan returned the company to a pure play agribusiness and resulted in the first shareholder distribution in nearly a decade in 2017. Since 2014 Elders has grown from a market capitalisation of $50 million to a peak of $2.3 billion.

On 19 September 2023 he was awarded an Honorary Doctorate from the University of Adelaide for his experience and lifelong contribution to agriculture and agribusiness.

Mark is from far north Queensland, and is a passionate advocate of agriculture, and regional and rural Australia.

Robyn Clubb AM

BEc, CA, F Fin, MAICD

Non-Executive Director since September 2015, Robyn is Chair of the Audit, Risk and Compliance Committee (appointed 11 September 2019) and a member of the Remuneration, People and Culture Committee (former Chair), the Safety and Sustainability Committee and the Nomination and Prudential Committee.

Robyn is an experienced Non-Executive Director, a Chartered Accountant and Fellow of the Finance and Securities Institute of Australia. She has over 20 years' experience as a senior executive in the financial services industry, working for organisations including AMP Limited and Citibank Limited.

Robyn is currently Chair of ProTen Limited (Director since Apr 2019), Non-Executive Director of Essential Energy (since Apr 2018), and a Director of Australia Post (since Sept 2022). Robyn was previously a Director of Craig Mostyn Holdings Pty Ltd (Feb 2017 - Dec 2022), Chair of the Australian Wool Exchange Limited (Aug 2016 - Nov 2022) and Chair of FCFA Leasing Limited (Director Aug 2021 - Mar 2023).

Robyn is a resident of New South Wales.

Raelene Murphy

BBus, FCA, GAICD

Non-Executive Director since January 2021, Raelene is Chair of the Remuneration, People and Culture Committee (appointed 22 September 2023) and a member of the Audit, Risk and Compliance Committee, Safety and Sustainability Committee and Nomination and Prudential Committee.

Raelene has strong non-executive director experience in the Australian listed company environment, across a range of industry sectors. She holds a Bachelor of Business (Accounting), is a Fellow of the Institute of Chartered Accountants and a Graduate of the Australian Institute of Company Directors. She also has many years' experience as a senior executive, having previously been the CEO of the Delta Group and Managing Director of 333 Management.

Raelene's current ASX non-executive director roles are at Bega Cheese Limited (since June 2015), Integral Diagnostics Limited (since Oct 2017) and Tabcorp Holdings Limited (since Aug 2022). Raelene was also previously a non-executive director of Altium Limited (Sept 2016 - Nov 2022) and Clean Seas Seafood Limited (July 2018 - Oct 2020).

Raelene is a resident of Victoria.

Directors and Secretaries

Elders' Directors in office during the financial year and until the date of this report were:

Non-Executive Directors

- Ian Wilton, Chair
- Robyn Clubb
- Raelene Murphy

Executive Director

- Mark Charles Allison, Managing Director and Chief Executive Officer

Ceased Directors

- Diana Eilert was a Non-Executive Director of Elders from the beginning of the financial year until 30 September 2023
- Matthew Quinn was a Non-Executive Director of Elders from the beginning of the financial year until 4 June 2023

New Director

- On 22 September 2023, the Board resolved to appoint a new Director, John Lloyd (*BSc, MBA*). His appointment is effective 1 December 2023. John Lloyd will stand for election by Shareholders at the 2023 Annual General Meeting.

Elders' Company Secretaries during the financial year and until the date of this report were:

Company Secretaries

- **Peter Gordon Hastings**,
  BA, LLB, GDLP, FGIA, Grad Dip Applied Corporate Governance, GAICD
  Mr Hastings was appointed Company Secretary in February 2010. He held the position of Group Solicitor with the Elders Group between 1995 and 1999 and again between 2003 and 2010. He has also held the position of General Counsel since February 2010. Peter is also Chair of Walford Anglican School for Girls.

- **Shannon Hope Doecke**,
  BAcc, Grad Dip Applied Corporate Governance, MAICD, AGIA
  Ms Doecke was appointed as a Company Secretary in July 2020. Ms Doecke has served as the Assistant Company Secretary since April 2019. Ms Doecke previously worked for AustCham Shanghai, between 2014 and 2019, as Governance Manager, then Company Secretary.

Principal Activities

The principal activities of Elders during the year were:

- the provision of retail products and associated services to the rural sector
- the provision of wholesale products to independent rural and regional farm supplies retailers
- the provision of livestock and wool agency services
- the provision of real estate sales agency services (both company-owned and franchised) and property management services
- arrangements for the provision of financial services to rural and regional customers, including a 20% investment in Elders Insurance (Underwriting Agency) Pty Ltd
- the provision of digital and technical services and investments in the AuctionsPlus and Clear Grain Exchange online trading platforms
- feedlotting of cattle
- co-ordinating the manufacture, blending, and importation of, and selling, own-brand agricultural chemicals and animal health products.

Results and Review of Operations

The consolidated entity recorded a profit for the year, after tax and non-controlling interests, of $100.8 million (2022: profit of $162.9 million). A review of the operations and results of the consolidated entity and its principal businesses during the year is contained in pages 25 to 32.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity that are not otherwise disclosed elsewhere in this annual report.

Impacts of COVID-19

Throughout Elders' network we have, through our COVID-safe plans, worked to minimise the spread of COVID-19. Fortunately, the impact to our business has been minimal and contingency plans have enabled Elders to continue to service our customers.

In May 2023, the World Health Organisation determined that COVID-19 no longer fits the definition of a Public Health Emergency of International Concern. Notwithstanding that, the pandemic is not over. Elders has considered the impact of COVID-19 when preparing the consolidated financial statements and related note disclosures, and continues to monitor the impact on our employees, demand for Elders' products and services, customers, communities and supply chains.

Events Subsequent to Balance Date

There was no matter or circumstance that has arisen since 30 September 2023 which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may affect the operations of Elders, the results of those operations or the state of affairs of Elders and its controlled entities in subsequent financial periods.

Likely Developments and Future Results

Discussion of other likely developments in the operations of the consolidated entity and the expected results for those operations in future financial years is included on page 33 of this report.

Insurance of Officers and Indemnities

The consolidated entity paid an insurance premium in respect of a contract insuring each of the Directors of Elders named earlier in this report and each full time Executive Officer, Director and Secretary of Australian group entities against liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The terms of the policy prohibit disclosure of the premiums paid.

As at 30 September 2023, Elders has provided each Director and Officer a Deed of Access, Insurance and Indemnity. These deeds provide:

- that Elders will maintain an insurance policy insuring the Officer against any liability incurred by the Officer in the Officer's capacity as an Officer of Elders or another group entity, or other entity (where required by the Officer's employment with Elders) to the extent allowed by law
- for indemnity against liability as an officer, except to the extent of indemnity under the insurance policy or where prohibited by law
- for access to company documents and records, subject to undertakings as to confidentiality

Directors' Interests

The relevant interests of the Directors in shares and other equity securities of Elders, as at the date of this report, are detailed on page 73 of the Remuneration Report.

Remuneration of Directors and Senior Executives

Details of the remuneration arrangements in place for Elders' Key Management Personnel are set out in the Remuneration Report commencing on page 56. In compiling this report, Elders has met the disclosure requirements prescribed in the Australian accounting standards and Corporations Act 2001.

Attendance at Meetings by Directors

Director attendance at meetings in the 12 months to 30 September 2023 is set out below.

Committee attendance is only recorded where a director is a member of the relevant committee. Although Mr Allison is recorded as a non-member for some committees, he attended all meetings held for each of those committees.

	Board of Directors		Safety and Sustainability Committee		Audit, Risk and Compliance Committee		Remuneration, People and Culture Committee		Nomination and Prudential Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**
I Wilton	11	11	3	3	5	5	4	4	2	2
M Allison	11	11	-	-	-	-	-	-	2	2
R Clubb	10	11	3	3	5	5	3	4	2	2
D Eilert	11	11	3	3	5	5	4	4	2	2
M Quinn	8	8	2	2	3	3	2	2	1	1
R Murphy	11	11	3	3	5	5	4	4	2	2

Dividends and Other Equity Distributions

On 10 November 2023, the Directors determined to pay a final dividend of $0.23 per ordinary share, franked at 30%, bringing dividends for FY23 to $0.46 per share. In accordance with a determination made by the Directors, Elders' Dividend Reinvestment Plan (DRP) remains in operation. To encourage participation in the DRP, for the FY23 final dividend a discount of 1.5% has been offered on the DRP price.

Dividends paid during the year were

Dividend	Date Determined	Date Paid	Dividend per Share	Franking Rate	Total Dividend
Final Dividend for Half Year Ended 30 September 2022	11 November 2022	16 December 2022	$0.28	30%	$43,813,440.72
Interim Dividend for Half Year Ended 31 March 2023	12 May 2023	22 June 2023	$0.23	30%	$35,989,612.02

Share and Other Equity Issues During the Year

The total number of ordinary shares on issue at the date of this report is 156,476,574.

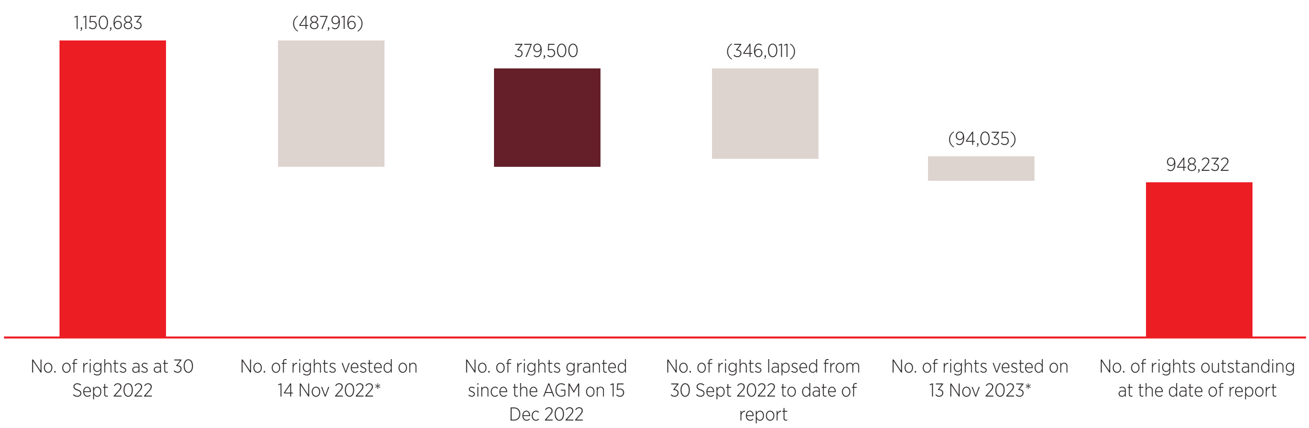
During FY23, shares allocated under Elders' incentive plans and the DRP were purchased on market. There has been no change to the number of ordinary shares on issue between 1 October 2022 and the date of this report.

Share Options and Performance Rights

Share options and rights may be granted to company executives under the Long-Term Incentive Plan that is part of Elders' remuneration structure. Information about the Long-Term Incentive Plan can be found in the Remuneration Report on pages 56 to 73 of this Annual Report.

The number of performance rights on issue at 30 September 2023, which were held by 26 Long-Term Incentive Plan participants, is disclosed in note 27 to the Financial Statements. If each of these rights vested, this would represent 0.67% of the Company's current issued ordinary shares.

These performance rights are Elders' only unquoted equity securities and represent the number of performance rights outstanding at the date of this report. The representation below differs from note 27 in the financial statements which does not take into account performance rights that vested after the reporting date. The closing performance rights per note 27 of the financial statements includes the 94,035 rights that vested on 13 November 2023.*



** in accordance with Australian accounting standards*

The performance rights granted to the five most highly remunerated officers as part of their remuneration, between 30 September 2022 and the date of this report, are shown below.

Name of Officer	Number of Rights Granted between 30 September 2022 and 13 November 2023
Mark Allison	107,000
Thomas Russo	25,900
Vivian Da Ros	21,200
Peter Hastings	19,400
Anna Bennett	18,000

Restricted Securities and Voluntary Escrow

As at the date of this report, Elders has no restricted securities on offer.

Nonetheless, pursuant to the FY22 Short-Term Incentive (STI) plan, 40% of the STI earned by executives was delivered in shares that are subject to trading restrictions. As at the date of this report, a total of 39,573 shares that were allocated to STI plan participants remain subject to trading restrictions.

Further information about the FY22 STI plan is included in the 2023 Remuneration Report, commencing on page 55.

Rounding of Amounts

The parent entity is a Group of the kind specified in ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191 issued by the Australian Securities and Investments Commission. In accordance with that class order, amounts in the Financial Report and Directors' Report have been rounded to the nearest thousand dollars unless otherwise stated.

Non-Audit Services

In accordance with the Company policy, based on advice received from the Audit, Risk and Compliance Committee, the Directors are satisfied that the provision of non-audit and audit-related services is compatible with the general standard of independence for auditors and imposed under the Corporations Act 2001, for the following reasons:

- all non-audit and audit-related services have been reviewed by the Audit, Risk and Compliance Committee to ensure they do not impact on the impartiality or objectivity of the auditor
- the nature and scope of the non-audit services provided means that auditor independence was not compromised

The amount received or due to be received for the provision of non-audit services is disclosed in note 28 of the financial report, Auditor's Remuneration.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 131.

Environmental Performance Regulation

A number of Elders' operations are subject to environmental legislation. Such legislation is diverse and varies between states, territories, local authorities and various regulators. Compliance with relevant legislation is managed on the ground by our branches and overseen and guided by our internal Safety, Risk and Environment Business Partners, Legal Team and Compliance Team. Environmental risks and hazards are managed in accordance with our Resilience and Risk Framework. Our performance in relation to environmental management and the various applicable environmental regulations across our businesses over the reporting period is as follows.

Killara Feedlot

Elders operates Killara Feedlot, a beef cattle feedlot in Quirindi, New South Wales. Killara is subject to both state and local government environmental legislation, and its operation is conditional on it maintaining its environment protection and water licences.

In accordance with its environment protection licence (EP Licence), Killara is required to undertake a significant number of environmental management activities to ensure that it is managing its waste, dust and odour emissions to minimise pollution of the surrounding community and to avoid groundwater and soil contamination. Failure to manage these emissions can affect the amenity of the local community and contaminate private and public property.

Emissions are monitored internally by Killara, and externally by the New South Wales Environment Protection Authority (NSW EPA) and the National Pollutant Inventory (NPI). Killara submits reports to the NPI detailing emissions of NPI substances (including ammonia, carbon monoxide and oxides of nitrogen) and activities Killara has participated in to reduce these emissions. Killara also submits annual reports to the New South Wales EPA describing (amongst other things) management systems in place to manage soil health and nutrient levels, odour and dust, waste, protection of local waterways and any pollution complaints received in the reporting year. These reports are prepared by an external consultant.

No confirmed breaches of environmental regulations or pollution complaints relating to Killara were reported during the year ended 30 September 2023. Killara's performance on water management and consumption and waste management is detailed on pages 20 and 53 of Elders' 2023 Sustainability Report.

Saleyards

Saleyards are subject to various state, territory and local government environmental requirements, particularly relating to effluent management, dust and noise. These obligations vary from place to place and generally only apply to saleyards above a prescribed size. Elders expects its saleyard operations, irrespective of their size, to abide by the applicable laws and regulations.

No breaches of environmental regulations affecting Elders' saleyards were reported during the year ended 30 September 2023.

Retail and Wholesale Operations

Elders' retail and wholesale operations are subject to state environmental regulations relating to the storage, handling, transport and sale of dangerous goods, which include some of the agricultural chemicals, fertilisers and poisons we supply. Although these regulations are based on nationally recognised standards, the regulatory environment for the transporting, handling, storage, sale and use of such dangerous goods, chemicals and scheduled poisons is complex and subject to regulations imposed by each state and territory. Elders' Safety, Risk and Environment Business Partners monitor compliance with these regulations. In addition, many of Elders' branches and personnel participate in an accreditation, training and audit program operated by AgSafe. These assurance activities are being progressively rolled out to our wholesale operations.

Elders is not aware of any breaches of environmental regulations affecting Elders' retail or wholesale operations that were reported during the year ended 30 September 2023.

This report, including the Remuneration Report commencing on page 56, is made in accordance with a resolution of Directors.

Ian Wilton Chair	**Mark Allison** Managing Director

13 November 2023

REMUNERATION REPORT

2023

Remuneration Report

Following is the Remuneration Report for the consolidated entity for the year ended 30 September 2023. The Remuneration Report provides shareholders with an understanding of Elders' remuneration policies and the link between our remuneration approach and our performance, in particular with regard to Elders' Key Management Personnel (KMP)

The remuneration outcomes presented in this report reflect the results of Financial Year 2023, and demonstrates the strong alignment of remuneration arrangements at Elders with the shareholder experience.

The information provided in this report has been audited, unless otherwise indicated, as required by the Corporations Act 2001 (Cth) and forms part of the Directors' Report.

Remuneration at a Glance

Our Year

Elders recorded a strong FY23 earnings performance, despite adverse market headwinds, including softening input prices for key agricultural chemicals and fertilisers, significantly declining livestock prices, as well as inflationary pressures and rising interest rates. Elders' product, channel and geographical diversification was key to mitigating those headwinds, which contributed to Elders' second highest earnings before interest and tax (EBIT) in the last 10 years. We continue to invest in our Eight Point Plan ambition of 5-10% growth in underlying EBIT and underlying earnings per share (EPS) through the agricultural cycles.

Our FY23 underlying EBIT of $170.8 million represents a decrease of 26% on FY22.

As a result of the decline in underlying EBIT in FY23 the threshold EBIT target was not met and no short term incentives were awarded to Executive KMP and Senior Executives.

The FY21 Long-Term Incentive (LTI) grant, which has a 3 year performance period concluding on 30 September 2023, resulted in 28% of the plan vesting as tested against EPS compound annual growth rate (CAGR) over the period, with strong EBIT growth from the base year (FY20).

KMP Changes

The Board reviewed the KMP for FY23 and determined the following persons are KMP:

- Non-Executive Directors
- Managing Director and Chief Executive Officer (MD & CEO)
- Chief Financial Officer (CFO)

The following changes to Non-Executive Directors were announced during FY23:

- Matthew Quinn resigned as a Non-Executive Director effective 4 June 2023
- Diana Eilert resigned as a Non-Executive Director effective 30 September 2023

The following changes were made to the Executive KMP during FY23:

- Paul Rossiter was announced as Acting Chief Financial Officer (CFO) on 9 August 2022, and then appointed to the role of CFO on 7 July 2023
- Mark Allison was confirmed as continuing in the role as Managing Director and Chief Executive Officer effective 1 June 2023

Remuneration Changes Implemented in FY23

Elders' Reward Framework was reviewed in FY23 and remains relevant to Elders, with recent changes:

- **FY23 Short-Term Incentive** (STI) changes to gateways:
  - removal of a greater than prior year EBIT gateway
  - EBIT threshold gateway increased from 90% to 95% of EBIT budget
  - MD & CEO performance scorecard to reflect Elders' focus on sustainability objectives

  Further details are in section 3.1 of this Remuneration Report.
- **FY23 Long-Term Incentive** relative total shareholder return (TSR) comparator peer group to comprise all companies in the S&P/ASX 200 to align with shareholder expectations. Previously, this peer group included S&P/ASX 200 with the exclusion of companies in the S&P/ASX 100. Further details are in section 3.1 of this Remuneration Report.

MD & CEO Remuneration Arrangements

As communicated to shareholders on 5 June 2023, with Mr Allison agreeing to continue in the role as MD & CEO, the following arrangements were put in place as part of his continued employment:

Total Fixed Remuneration (TFR)

Increased to $1,500,000.

Retention Bonus

Two cash retention bonuses:

1. $500,000 cash (gross) if Mr Allison remains employed by Elders on 1 June 2024; and
2. $500,000 cash (gross) if Mr Allison remains employed by Elders on 1 June 2025.

Grant of Service Rights

Subject to approval of shareholders at Elders 2023 AGM, Mr Allison will be granted the following service rights under Elders' Long Term Incentive Plan for no consideration:

1. 90,000 service rights. Each service right will vest, entitling Mr Allison to one Ordinary Fully Paid share if Mr Allison remains employed by Elders on 1 June 2024; and
2. 90,000 service rights. Each service right will vest, entitling Mr Allison to one Ordinary Fully Paid share, if Mr Allison remains employed by Elders on 1 June 2025.

The Board, in its discretion, may choose to satisfy conversion of the service rights by the issue of new shares or purchase of shares on market.

These retention arrangements were considered by the Board as necessary and appropriate to retain Mr Allison, in order to ensure stability of leadership, and in the best interests of shareholders.

In November 2022, Mr Allison announced his intention to retire from Elders Limited on or before 14 November 2023. Through the comprehensive domestic and international search process for a suitable candidate to succeed Mr Allison, it became apparent that the time frame for the placement of candidates with the requisite skills and industry experience would create an unacceptable risk in the delivery of Elders systems modernisation and supply chain streamline projects. In addition, delays in the appointment of a successor would continue to create uncertainty in the market at a time when El Niño and broader macro-economic conditions were beginning to impact our customer purchasing patterns and business outlook.

The Board asked, and Mr Allison agreed to continue in the role, in order to enable the CEO succession process to continue on a different timeline than originally planned.

In the process of determining a successor for Mr Allison it was also clear that the candidate pool and market generally had moved in relation to remuneration expectations. For these reasons, the Board felt it was appropriate to adjust Mr Allison's remuneration arrangements and to put in place a package that has been assessed for market competitiveness and alignment with shareholders, to ensure that his services were retained beyond his planned retirement.

The current CEO succession program will continue to focus on the further development of suitable internal candidates and the addition of new talent to the executive leadership team to complement the existing skill base and external search, as determined through the CEO succession program.

Overview of FY23 Remuneration Outcomes

Non Executive Directors

Non- Executive Director Fee Pool

At the 2022 AGM, shareholders voted to approve an increase in the Fee Pool by $300,000, from $1,200,000 to $1,500,000. In addition to Mr Lloyd, who will join the Board on 1 December 2023, the Board expects to appoint new directors in FY24.

Non-Executive Director Fees

The Board reviewed Non-Executive Director (NED) fees against market data and applied an increase of 3.0% to the Chair fee and Board member fees effective 1 January 2023. The Committee fee structure was revised, as detailed in section 5.2 of this Remuneration Report.

Executive KMP

Total Fixed Remuneration (TFR)

TFR for the MD & CEO increased by 3.2% to $1,159,000 following the FY23 annual review process, effective 1 January 2023, and then as communicated to shareholders, increased to $1,500,000 from 1 June 2023 as part of the arrangements put in place to retain Mr. Allison in the role. The full package of Mr Allison's revised remuneration arrangements are outlined under the details of remuneration changes implemented in FY23.

TFR for the Chief Financial Officer was unchanged during FY23.

The review of TFR for the MD & CEO and CFO considers market movements, individual performance and benchmarking to relevant peers.

Variable Remuneration

Short-Term Incentives

Elders' Short-Term Incentive pool for executive participants is aligned with company performance and shareholders' interests. As a result of the decline in underlying EBIT in FY23 the threshold EBIT target was not met and no short term incentives were awarded to Executive KMP and Senior Executives.

Further details are in section 2.1 of this Remuneration Report.

Long-Term Incentives vesting

The FY21 LTI grant 3 year performance period ended 30 September 2023. 28.0% of this grant vested. This outcome was the result of:

- an absolute TSR outcome of -38.9% which resulted in a ranking at less than the 50th percentile of the comparator group. As this was below the minimum performance hurdle none of tranche 1 vested.
- an EPS CAGR outcome of 7.8% which resulted in 56.0% of tranche 2 vesting.

Further details of this outcome are in section 2.2 of this Remuneration Report.

Remuneration Changes for FY24

FY24 Short-Term Incentive

- No changes to FY24 STI arrangements for Executive KMP.
- For FY24, equity deferral for non-KMP Senior Executive has been revised to 20% of any STI earned being awarded via restricted Elders shares, to be held for one year before being released. All other requirements for deferral and restrictions remain unchanged.

Contents

Key Management Personnel

In this report, KMP are determined in accordance with the definition under the Accounting Standard AASB124 Related Party Disclosures as those persons with authority and responsibility for planning, directing, and controlling the activities of Elders during the financial year.

The MD & CEO and Senior Executives considered KMP are referred to collectively as "Executive KMP" in this report.

FY23 Key Management Personnel

Name	Position	Status	Date as KMP (if not a full year)
Non-Executive Directors			
I Wilton	*Chair*	Full year	
R Clubb	*Director*	Full year	
D Eilert	*Director*	Full year	Resigned 30 September 2023
R Murphy	*Director*	Full year	
M Quinn	*Director*	Part year	Resigned 4 June 2023
Executive KMP			
M C Allison	*Managing Director and CEO*	Full year	
P Rossiter	*Chief Financial Officer*	Part year	Acting CFO from 9 August 2022, then considered KMP when appointed to the role of CFO permanently on 7 July 2023

Section 1 – Overview of FY23 Executive Remuneration

Elders' remuneration framework is designed to attract, retain and motivate whilst driving Elders' culture and delivering our business strategy, long-term company performance and creation of shareholder value.

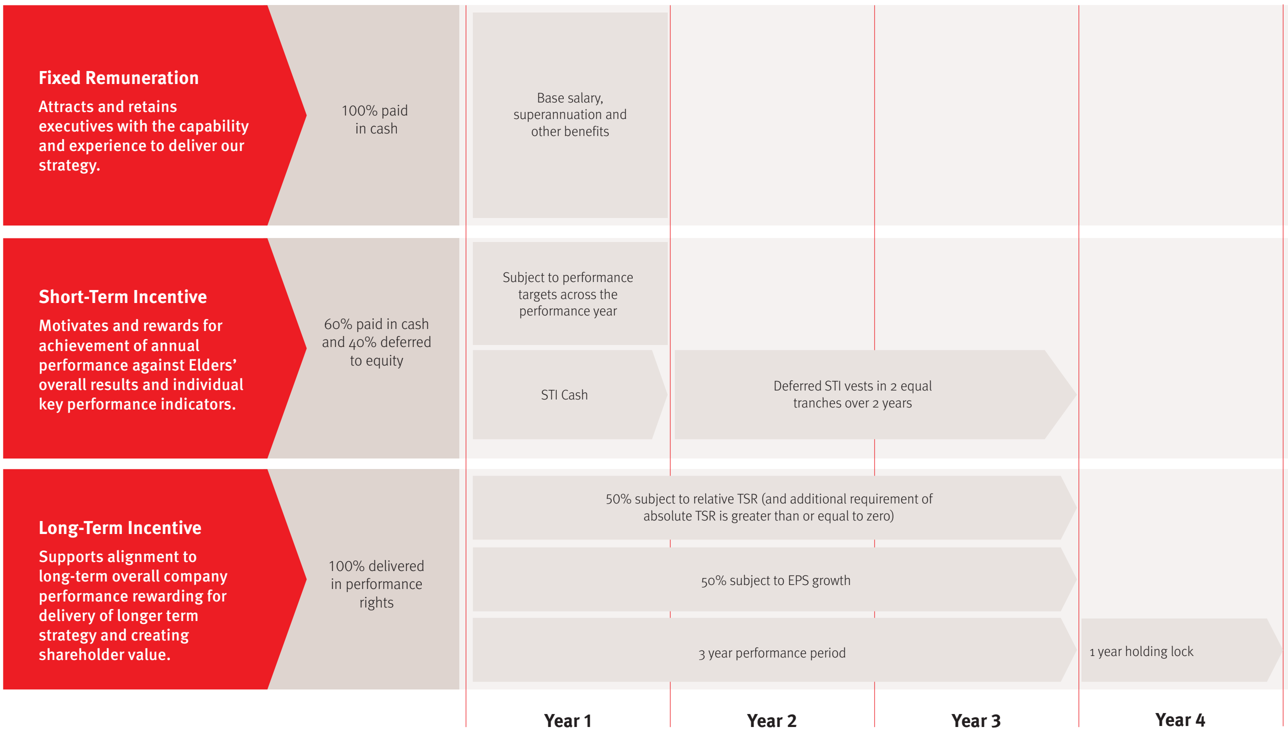
1.1 Remuneration Principles

To drive and support delivery of Elders' strategy and create long-term shareholder value.	Drive outcomes and provide a balance between motivation, risk and reward.	Market competitive to attract and retain key talent.	Reward is commensurate with performance. Decisions are objective and consistent.	Simple and flexible – allowing for business growth.	Reinforces Elders' culture, vision and values.

1.2 Remuneration Structure and Mix

Remuneration is structured so a portion of an Executive KMP's and other Senior Executive's reward depends on meeting individual, business unit and Elders' targets and objectives, including maximising returns for shareholders.

Executive KMP and other Senior Executives remuneration elements, structure and delivery



Executive KMP FY23 remuneration mix at maximum

MD & CEO

Performance Based

Total Fixed Remuneration 32%	Maximum STI 32%	Maximum LTI 36%

Senior Executives
(including Executive KMP other than the MD & CEO)

Performance Based

Total Fixed Remuneration 49%	Maximum STI 24%	Maximum LTI 27%

Section 2 – Link Between Elders' Financial Performance and FY23 Remuneration Outcomes

2.1 Overview of STI Outcomes for FY23

Senior Executive KMP (other than MD & CEO) FY23 STI performance measures

Category	Performance measure	Weighting	Why was it chosen?	How is it measured?
Gateway	Achievement of threshold performance for underlying EBIT, greater than prior year EBIT outcome, zero fatalities, adherence to Elders Code of Conduct and no significant environmental event	-	Ensures Executive KMP will only be awarded where threshold financial, Code of Conduct, safety and environmental performance has been achieved.	Threshold is based on achievement of: • 95% of the Board approved underlying EBIT budget • adherence to Elders Code of Conduct • zero fatalities • no significant environmental event. Below the EBIT threshold no STI is payable to Executive KMP.
Financial measures	Financial and operational performance	40%	Key indicators of Elders' financial performance and aligned to Elders' Eight Point Plan objectives.	Achievement of Board approved budget financial outcomes, including underlying EBIT, Operating Cash Flow and ROC targets.
Strategic measures	Strategic Priorities	30%	The Board believes the strategic priorities of Elders' Eight Point Plan are fundamental key drivers of long-term value creation.	The MD & CEO is measured by the overall key milestones of the Eight Point Plan which is translated into an Annual Operating Plan. Other Executive KMP are measured on achievement of their Business Unit's key milestones in this Plan.
	People and safety	10%	Focusing on our people through diversity and employee engagement is critical to continue to attract and retain the talent needed to deliver our strategy. Safety is about driving significant progress in achieving a "zero harm" workplace.	People is measured through positive movement in the representation of women in management and employee engagement and enablement. Safety is measured through reduction in total recordable injury frequency rate and completion of risk radar actions.
	Sustainability	10%	Focusing on delivering sustainability priorities as identified.	Achievement of FY23 Sustainability action plan, including: • Climate Change – Scenario Analysis Phase 2 • Climate Change – TCFD disclosure alignment • Energy – emissions reduction/sustainable facilities strategy implementation • Waste reduction – strategy implementation
	Customer	10%	Focusing on building and maintaining effective customer relationships is key to a long-term sustainable business.	Measured through the Roy Morgan Trust Survey and customer Net Promoter Score.

MD & CEO FY23 STI outcomes

The FY23 threshold EBIT performance was not met and as a result no STI was awarded.

Key Priority	Measures	Target	Outcome		FY23 Performance Commentary
Financial Measures (60%)	Underlying EBIT	$232m	$170.8m	■	EBIT gateway not achieved, so none of this key priority was awarded.
	Operating Cash Flow (over 12-month period) 90% - 100% of net profit after tax (NPAT)	90%	163%	●	Operating cash flow exceeded stretch target.
	Return on Capital	22.3%	16.0%	■	ROC target not achieved.
Strategic Priorities (10%)	Deliver System Modernisation project as per Board approved business case	Key Milestones Delivered	Target	▲	Project milestones delivered at or below budget.
	Deliver Project Casino	Key Milestones Delivered	Target	▲	Project milestones delivered at or below budget.
Sustainability (10%)	Deliver sustainability priorities as identified **Achievement of FY23 Sustainability action plan** Climate Change – Scenario Analysis Phase 2 Climate Change – TCFD disclosure alignment Energy – emissions reduction/sustainable facilities strategy implementation Waste reduction – strategy implementation	Key milestones achieved as per FY23 Sustainability Action Plan	Target Achieved	▲	Elders' actions on a variety of sustainability-related initiatives are reflected in Elders' 2023 Sustainability Report. This includes progress on climate-related disclosures, climate change scenario analysis, sustainable facilities strategy implementation and waste strategy development.
People & Safety (10%)	**Total recordable injury frequency rate** (TRIFR)	11.0	10.1	▲	Target performance generally achieved or exceeded. Key diversity objectives on track for achievement.
	Severity Measure (average lost work days per million employee hours worked)	65.9	38.5	▲	
	Achievement of four diversity objectives by 2025:			▲	
	Maintain representation of women in Senior Exec positions > 40%	40%	On Track		
	Increase representation of women in senior positions > 25%[1]	21%	On Track		
	Increase overall diversity of workforce[2]	34%	On Track		
	Maintain the feeling of belonging	85%	On Track		
	Overall Employee Engagement	79%	77%	■	
Customer (10%)	Roy Morgan Trust Survey Results for most Trusted Brand in Regional Australia	No. 1	No. 1	▲	Target performance achieved.
	Customer Net Promoter Score (average across year)	50%	50.5%	▲	

● Maximum performance achieved ▲ Threshold/Minimum performance achieved ■ Threshold/Minimum performance not met

Executive KMP FY23 STI outcomes and performance against targets

KMP	Financial Measures (60%)	Sustainability (10%)	Strategic Priorities (20%)		People and Safety (10%)	Customer (10%)	Maximum STI Opportunity	Awarded STI as % of Maximum	Forfeited STI as % of Maximum
	Company	Company	Company	Business Unit	Company	Company	$	%	%
M C Allison, MD & CEO	Gateway not met	Meets target	Meets target	-	Meets target	Meets Target	1,123,200	0.0%	100.0%
P Rossiter, CFO	Gateway not met	Meets Target	-	Meets Target	Meets Target	Meets Target	127,500	0.0%	100.0%

2.2 Overview of LTI Outcomes for FY23

The FY21 LTI grant, with a performance period of 3 years, concluded 30 September 2023. The testing resulted in 28% vesting.

Finalised LTI – FY21 grant

2.2 Overview of FY23 LTI Outcomes
% of Total Grant Performance Measures | **Outcome of Testing**

Tranche 1 – Total Shareholder Return (TSR)

50% Based on Elders' TSR performance relative to the TSR performance of comparator companies over the three year performance period 1 October 2020 ending on 30 September 2023. The percentage of TSR rights that vest were determined as follows:

Absolute TSR over the performance period	% of Rights that vest
Less than 50th percentile	Nil
At 50th percentile	50%
Between 50th and 75th percentile	50-100%, on a straight-line sliding scale
At 75th percentile or greater	100%

Absolute TSR was measured using opening and closing share prices determined as follows:

- the opening share price value of $10.84
- the closing share price value based on the 5 trading day Volume Weighted Average Price (VWAP) up to and including the last day of the performance period
- dividends paid in the performance period

Outcome of Testing:

Elders' absolute TSR over the performance period was (38.9%).

Resulting in 0% vesting of this tranche.

Notes regarding calculation:
The starting share price to calculate the Elders TSR was Elders' 5 trading day VWAP up to and including 30 September 2020 of $10.84 and the closing share price of Elders' 5 trading day VWAP as at 30 September 2023 of $5.81.

Dividends paid over the performance period were $1.34 per share.

An external consultant (PFS Consulting) was engaged to calculate the TSR outcome.

Tranche 2 – Earnings per Share Growth

50% EPS rights vest subject to achievement of Target or above EPS Compound Annual Growth Rate (CAGR) over the performance period as follows:

EPS CAGR over the performance period	% of Rights that vest
Less than 7.5%	Nil
Equals 7.5%	50%
Greater than 7.5% but less than 10%	50-100%, on a straight-line sliding scale
Equal to or greater than 10%	100%

Outcome of Testing:

Elders' EPS CAGR over the performance period was 7.8%.

Resulting in 56.0% vesting of this tranche.

As communicated in FY20, EPS for the purposes of LTI will be calculated using the weighted average shares as the denominator and underlying NPAT[2] as numerator. The EPS outcome for FY23 was determined as follows:

	FY20	FY21	FY22	**FY23**
Weighted avg. no. of shares[1] (000)	154,094	156,305	156,477	156,477
Underlying NPAT ($ million)	107.7	151.1	152.2	137.0[2]
EPS (cents)	69.9[3]	96.7	97.3	87.6[2]
CAGR				7.8%

For a reconciliation between underlying and NPAT please see the Operating and Financial Review section of the Annual Report.

The weighted average shares are displayed in note 4 of the Financial Statements.

1 Shares do not include performance rights which have not yet vested. For FY23 , no rights were deemed to be dilutive. Refer to note 4 of the finanical statements.

2 As approved by the Board, the underlying NPAT component of the EPS calculation was adjusted for certain tax charges recognised during the year. This is to present the underlying NPAT on a comparable basis to align tax treatment across the periods.

3 Elders adopted the accounting standard AASB 16 Leases from 1 October 2019. Underlying EPS was 69.9c in FY20 including the impact of this standard (70.7c excluding the impact from AASB 16 Leases). This standard has been applied consistently across the performance period of the FY21 LTI grant.

One fully paid share in Elders will be allocated for each vested performance right. The total number of vested performance rights under the FY21 grant is 94,035. Individual vesting outcomes are outlined in section 7.

Finalised LTI - FY21 grant (continued)

Reconciliation of statutory profit to underlying profit used to calculate EPS for the FY21 LTI grant vesting FY23

Statutory Profit ($ million)	**100.8**
Basic EPS (cents) – Statutory Profit	*64.4*
Adjustment for non-underlying items ($ million)	**2.9**
Underlying NPAT ($ million)	**103.7**
Basic EPS (cents) - Underlying NPAT	*66.3*
Adjustment for tax expense	33.3
Adjusted NPAT ($ million)	**137.0**
Basic EPS (cents) - Adjusted NPAT	*87.6*

Weighted average shares (millions of shares)	**156.5**

Reconciliation of tax expense adjustment	
Statutory tax expense	33.0
Add back of tax expense relating to entity outside the tax consolidated group	(5.8)
Add back of non-underlying tax expense	6.1
Adjustment for tax expense	**33.3**

For a reconciliation between underlying and NPAT please see the Operating and Financial Review section of the Annual Report.

The weighted average shares are displayed in note 4 of the Financial Statements.

2.3 Summary of FY23 Executive KMP Outcomes

This table presents actual remuneration paid or payable, or vested for the Executive KMP in respect of FY23. The information is voluntary, unaudited, different from and additional to that required by Australian accounting standards and statutory requirements, which is provided in section 6.2.

Executive KMP Remuneration outcomes for FY23 (unaudited and non-IFRS)

		Base salary	Total STI[1]	Values of Shares Vested[2]	Super-annuation	Other[3]	Termination benefits	Total
		$	$	$	$	$	$	$
M C Allison	*MD & CEO*	1,237,064	-	1,884,248	25,819	-	-	3,147,131
P Rossiter[4]	*CFO*	399,222	-	-	25,819	100,000	-	525,041
Total		**1,636,286**	**-**	**1,884,248**	**51,638**	**100,000**	**-**	**3,672,172**

1 *STI cash and deferral component not awarded in FY23 as threshold EBIT performance not met.*

2 *Value of the FY20 LTI grant that vested in the FY23 year. Value based on total number of shares issued as a result of FY20 LTI vesting and 5 day VWAP of price prior to vesting date.*

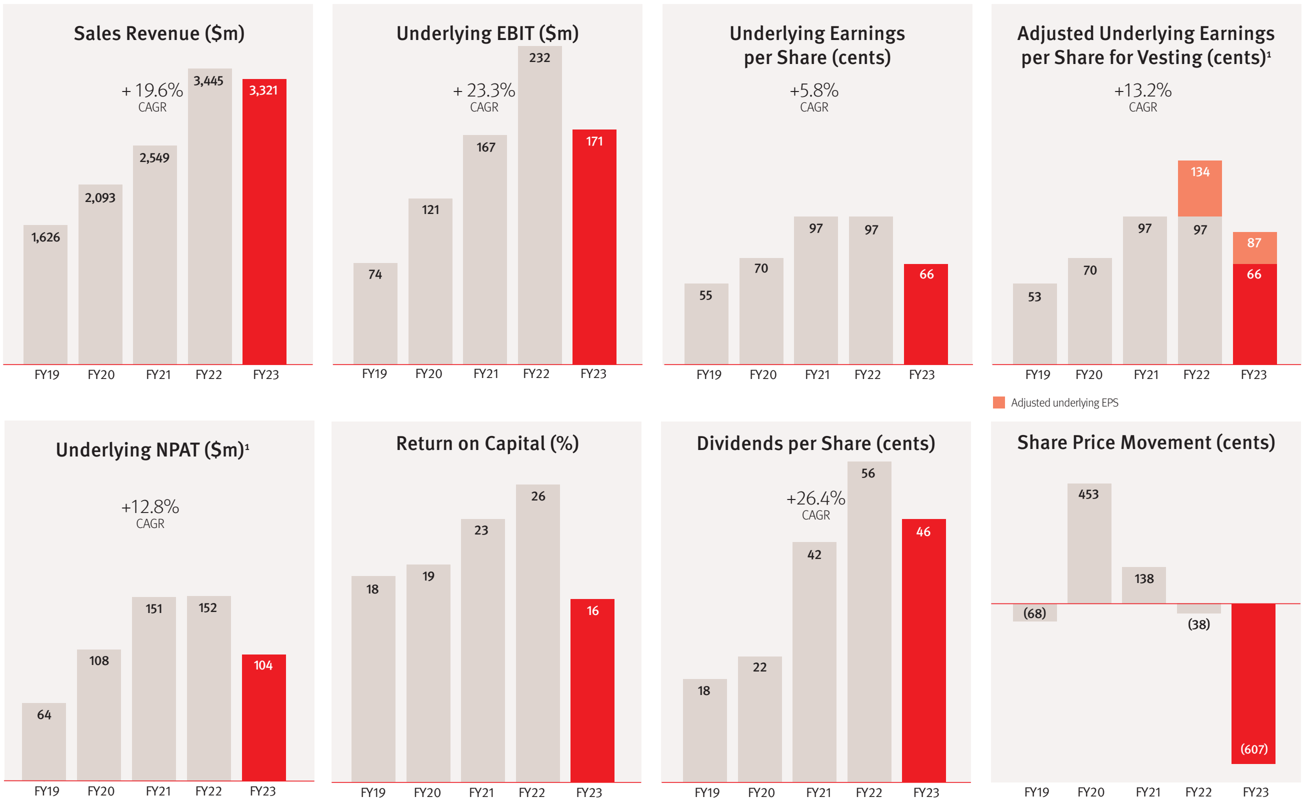
3 *Cash payment awarded for initial period as Acting CFO, in lieu of salary adjustment.*

4 *(i) In the interests of transparency, the amounts reported are for the full period of FY23 (12 months).*
(ii) The portion of the amounts relating to the period as KMP can be calculated by dividing the amount in the table by 365 days and multiply by 85 days (being the period from 7 Jul 23 to 30 Sep 23).

2.4 Historical Five Year Performance

Highlights Elders' key financial performance over the past five years and link to the Senior Executive KMPs' STI and LTI remuneration outcomes.

Elders' CAGR Performance FY19 to FY23[1]



1 *As approved by the Board, the underlying NPAT component of the EPS calculation was adjusted for certain tax charges recognised during the year. This is to present the underlying NPAT on a comparable basis to align tax treatment across the periods. The Board utilised its discretion on the treatment of tax.*

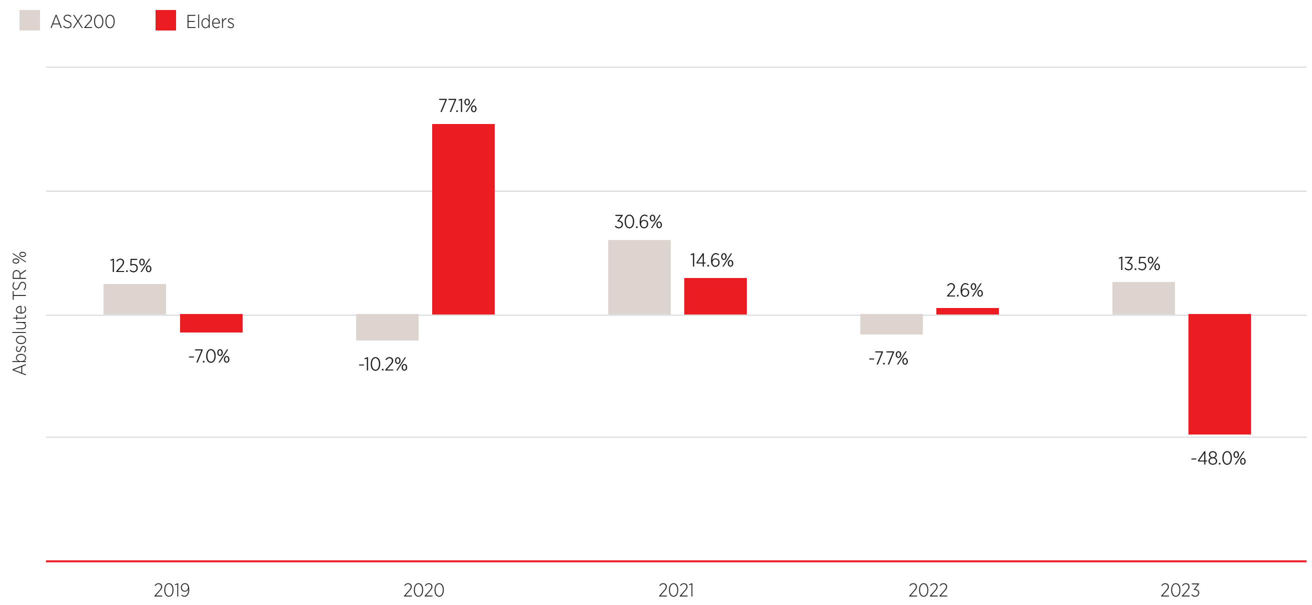
Elders' Remuneration Outcomes

Remuneration outcomes	2019	2020	2021	2022	2023
STI – average % received of maximum opportunity	0%	94%	95%	87%	0%
LTI – vesting %	75%	75%	100%	100%	28%

2.4 Historical Five Year Performance (cont.)

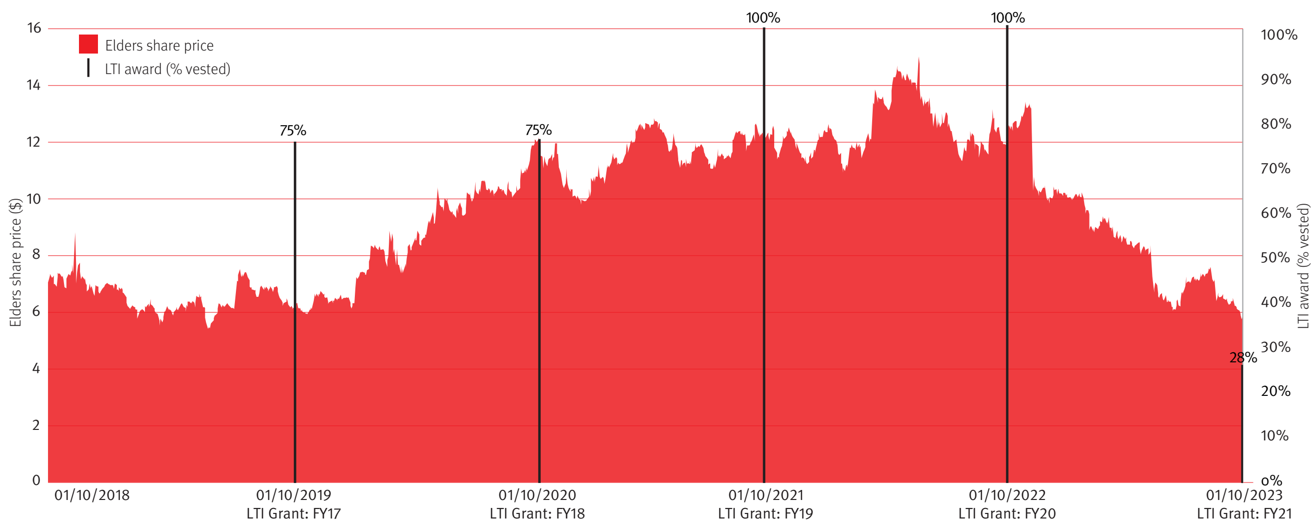
This chart shows Elders' annual TSR performance over the last five years against the S&P/ASX 200 Accumulation Index. Elders' LTI Plans for FY18, FY19 and FY20 include an absolute TSR performance condition. Full vesting of the TSR tranche (50% of total grant for FY18 and FY19, and 33.3% of FY20) was achieved for grants under the FY18, FY19 and FY20 LTI Offers.

Absolute TSR %



This chart compares Elders' total LTI vesting results for grants made in FY17 to FY21, and vesting in FY19 to FY23, to Elders' share price during the same period.

LTI Plan performance outcomes relative to Elders' share price



Section 3 – Details of the Executive Remuneration Framework

3.1 Current Short-Term and Long-Term Incentive Plan Structures

Current STI Structure

	MD & CEO	Senior Executives
Performance Period	Annual aligned with financial year – 1 October 2022 to 30 September 2023	
Maximum STI Opportunity as % of TFR	100% of TFR	50% of TFR
Performance Measure(s)	**Gateway**: Underlying EBIT (95% of Target), zero fatalities, adherence to Elders Code of Conduct and no significant environmental events are achieved. Once the gateway has been achieved, individual STI for the Executive KMPs are awarded based on achievement of individual KPIs which contain a balance of challenging financial and operational targets and are aligned to business strategy. Refer to section 2.1 for further details on Executive KMP FY23 STI performance measures.	
Equity Deferral	40% of any STI earned by Executive KMP is delivered in locked Elders shares with half released at the end of year one and the balance released at the end of year two. These shares are held in trust subject to trading restrictions and are contingent on the Executive KMP remaining employed at the end of each period. During the restriction periods, the shares are subject to forfeiture if the Executive KMP resigns or is terminated for cause, unless the Board determines otherwise. No further performance conditions apply and shares fully vest to the participant at the end of the restriction period if the continued service requirement is met. As the shares are awarded in lieu of cash and relate to an incentive that has already been earned, during the restriction period Executive KMP are entitled to all dividend and voting entitlements applying to the shares held in trust in their name.	
Exercise of Discretion	The MD & CEO may recommend discretionary incentive payments to Senior Executives for approval by the Board. The Board has overriding discretion in determining an Executive KMP's individual STI outcome and may take into account factors such as any material risk events identified and the impact and accountability of the Executive in those events, and any other special circumstances (e.g. acquisitions and divestments). The Board has discretion to reduce or deny individual STI outcomes in relation to any significant breach of Elders' Code of Conduct, One Elders values or significant environmental events.	
Clawback	Elders may recover amounts paid where the STI was calculated on financial results due to: • a material non-compliance with any financial reporting requirement; or • misconduct of any employees, contractors or advisers; and as a result of which the actual metrics and outcomes used to determine the STI were incorrect, and as such a lower payment would have been made based on the restated results.	

3.1 Current Short-Term and Long-Term Incentive Plan Structures (continued)

Current LTI Plan Structure

<table>
<tr><th></th><th colspan="2">FY22</th><th colspan="2">FY23</th></tr>
<tr><td>Maximum LTI Opportunity % of TFR</td><td colspan="4">MD & CEO – 110%,
Senior Executives (including Executive KMP other than the MD & CEO)– 55%</td></tr>
<tr><td>Performance Period (3 years)</td><td colspan="2">1 October 2021 to 30 September 2024</td><td colspan="2">1 October 2022 to 30 September 2025</td></tr>
<tr><td rowspan="2">Grant Date</td><td>16-Dec-21</td><td>MD & CEO (M C Allison)</td><td>15-Dec-22</td><td>MD & CEO (M C Allison)</td></tr>
<tr><td>22-Dec-21</td><td>Other participants</td><td>23-Dec-22</td><td>Other participants</td></tr>
<tr><td rowspan="3">As at 30 September 2023
Executive KMP & Other Participants
No. of Rights Outstanding</td><td>MD & CEO (M C Allison)</td><td>102,400 Rights</td><td>MD & CEO (M C Allison)</td><td>107,000 Rights</td></tr>
<tr><td>CFO (P Rossiter)</td><td>0 Rights</td><td>CFO (P Rossiter)</td><td>0 Rights</td></tr>
<tr><td>19 other participants</td><td>223,700 Rights</td><td>21 other participants</td><td>272,500 Rights</td></tr>
<tr><td>Grant Methodology</td><td colspan="4">Performance rights allocated under this plan are determined using “face value methodology” being the 5 trading day VWAP at the day prior to the start of the Performance Period (i.e. 30 September).</td></tr>
<tr><td rowspan="3">Performance Conditions</td><td colspan="4">The performance rights are split into two tranches.</td></tr>
<tr><td>Tranche 1</td><td colspan="2">Relative TSR</td><td>50% weighting</td></tr>
<tr><td>Tranche 2</td><td colspan="2">EPS Growth</td><td>50% weighting</td></tr>
<tr><td>Performance Measures and Vesting</td><td colspan="4">Tranche 1 – Relative TSR Against Comparator Companies Performance Rights
50% of rights vest subject to Elders' TSR performance relative to the TSR performance of the Comparator Companies over the Performance Period (subject to Elders' absolute TSR over the Performance Period being greater than or equal to zero).
<table><tr><th>Elders' TSR Percentile Rank</th><th>% of Tranche that Vest</th></tr><tr><td>Target: 50th Percentile</td><td>50%</td></tr><tr><td>Stretch: 75th Percentile or above</td><td>100%</td></tr></table>• less than Target no rights vest
• if greater than Target but less than Stretch is achieved, 50-100% of rights vest on a straight line sliding scale

The Comparator Companies for this tranche comprises the companies in the S&P/ASX 200 index as at the start of the Performance Period. Any companies that are delisted from the ASX during the Performance Period or suspended from trading at the end of the Performance Period will be removed from the vesting assessment.

Tranche 2 – EPS Growth Performance Rights
50% of rights vest in full if EPS CAGR is greater than or equal to Target for the performance period. The starting EPS value is EPS as at 30 September prior to the commencement of the performance period.
<table><tr><th></th><th>EPS CAGR</th><th>% of Tranche that Vest</th></tr><tr><td>Target</td><td>7.5%</td><td>50%</td></tr><tr><td>Stretch</td><td>10%</td><td>100%</td></tr></table>• less than Target no rights vest
• if greater than Target but less than Stretch is achieved, 50-100% of rights vest on a straight line sliding scale</td></tr>
</table>

3.1 Current Short-Term and Long-Term Incentive Plan Structures (continued)

Current LTI Plans Structure

Holding Lock	A 12 month holding lock on shares awarded under the LTI plan. A participant is entitled to receive dividends and other distributions and exercise full voting rights.
Performance Testing	Testing of the performance conditions will occur once the results for the relevant performance period have been audited and approved by the Board. There will be no re-testing of performance.
Clawback	The Board may determine that any unvested rights will lapse or be forfeited, and/or the participant must pay or repay as a debt, proceeds from shares allocated in certain circumstances such as, but not limited to, fraud, gross misconduct, breach of duties or obligations.
Dividends	No compensation for the value of dividends not received.
Treatment of Unvested Rights on Cessation of Employment	The Board has overriding discretion over the treatment of unvested performance rights when a participant ceases employment. On cessation of employment the Board may, amongst other options, allow the participant to retain a pro-rated number of rights based on the portion of the performance period the participant has worked or to lapse all rights.
Dealing in Securities	Participants are prohibited from taking out derivatives over performance rights. In addition, after vesting of performance rights, all dealings in shares issued to a participant are regulated by Elders' Securities Dealing Policy which requires, amongst other things, that dealings only take place during open periods specified by Elders.
Change of Control	In the event of a transaction, event or state of affairs that, in the Board's opinion, is likely to result in a change of control of the Company, the Board may, in its absolute discretion, determine that all or a specified number of a participant's unvested performance rights and/or options vest or cease to be subject to restrictions. If the Board does not make a determination, participants will retain all of their incentive securities and the incentive securities will continue to be subject to the original terms of the grant.
Corporate Actions/Reconstructions	Prior to allocation of shares to a participant upon vesting of performance rights or exercise of options (as the case may be), the Board may make any adjustments it considers appropriate to the terms of a performance right and/ or option granted to a participant in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action or capital reconstruction.
Board Discretion	The Board may exercise its discretion to make adjustments it considers appropriate in light of the purpose and intent of the Plan and the performance conditions. This may include making adjustments to ensure that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant. The Board uses a number of principles to assess whether to make an adjustment, including: • maintaining the desired level of stretch for targets • maintaining the integrity and intention of the reward • aligning outcomes with general market and shareholder expectations • consistent treatment across remuneration elements and performance period • preserving the success and intent of transactions or other actions that have materially benefited the company If discretion is to be exercised, it may be a result of events such as: • acquisitions and acquisition costs • divestments • changes to tax treatments • legislative or accounting standard changes • capital reconstructions or corporate actions • internal reorganisation of the business and/or group assets • events affecting comparator companies including, but not limited to, takeovers, mergers or de-mergers that might occur during the Performance Period • events, circumstances or significant items outside of the control of management or which are not reflective of management performance
Future Considerations	From FY22 onwards, Elders has resolved to include items of tax expense and/or benefit in underlying NPAT. As Elders has recognised all tax losses on balance sheet in FY21, the underlying tax expense will no longer be offset by an income tax benefit as a result of tax losses recognition. The Board will seek to exercise its discretion on the EPS outcomes of future LTI vesting by adjusting the tax expense across the Performance Period to ensure comparability across the performance period. The performance measures will be as intended as the Board originally set. Shareholders will be provided with a reconciliation.

3.2 Current Retention Arrangements

In addition to these incentive arrangements the Board has put in place specific retention arrangements to secure the continued services of Mr Allison as Managing Director and Chief Executive Officer.

Retention Bonus

Two cash retention bonuses:
1. $500,000 cash (gross) if Mr Allison remains employed by Elders on 1 June 2024; and
2. $500,000 cash (gross) if Mr Allison remains employed by Elders on 1 June 2025.

Grant of Service Rights

Subject to approval of shareholders at Elders' 2023 AGM, Mr Allison will be granted the following service rights under Elders' Long Term Incentive Plan for no consideration:
1. 90,000 service rights. Each service right will vest, entitling Mr Allison to one Ordinary Fully Paid share, if Mr Allison remains employed by Elders on 1 June 2024; and
2. 90,000 service rights. Each service right will vest, entitling Mr Allison to one Ordinary Fully Paid share, if Mr Allison remains employed by Elders on 1 June 2025.

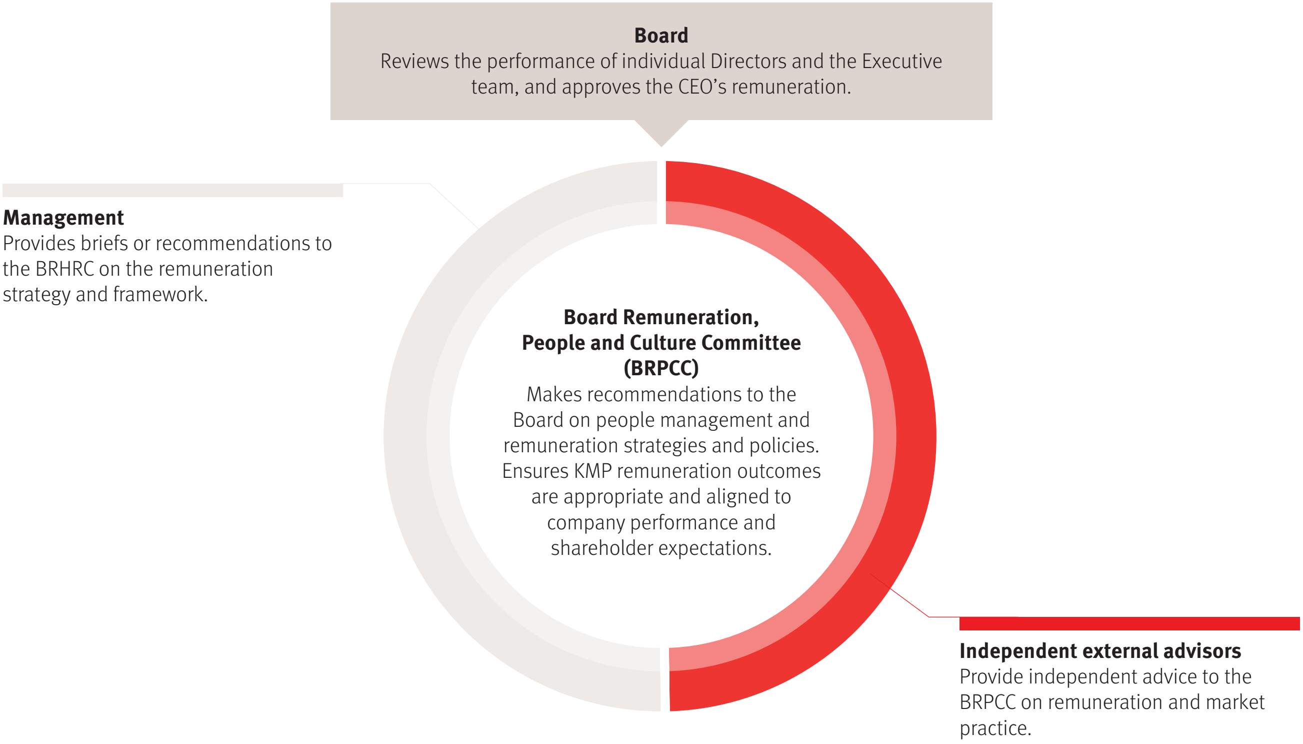
The Board in its discretion may choose to satisfy conversion of the service rights by the issue of new shares or purchase of shares on market.

Section 4 – Remuneration Governance

The Board Remuneration, People and Culture Committee operates in accordance with the guidance set out in the 4th Edition of the ASX Corporate Governance Council Principles and Recommendations.

Further information on the role and responsibilities of the Committee is set out in the Corporate Governance Statement, which along with the Committee's Charter, is published on the Elders Investor Centre[1].

The Committee is comprised entirely of independent Non-Executive Directors.



4.1 Independent remuneration advice

The Committee is briefed by management, however, the Committee makes all decisions free of the influence of management.

Further to the management briefings, to assist in its decision-making, the Committee may, from time to time, seek independent advice from remuneration advisors, and in so doing will directly engage with the advisor without management involvement.

In the year ending 30 September 2023, the Committee has not sought independent advice from remuneration advisors, therefore no remuneration recommendations, as defined by the *Corporations Act 2001* (Cth), were made by remuneration advisors.

[1] *Elders' 2023 Corporate Governance Statement can be found online at https://elders.com.au/for-investors/performance/periodic-reports/*

Section 5 – Non-Executive Director Remuneration and Statutory Remuneration

5.1 Remuneration Framework and Policy

Non-Executive Directors are remunerated by way of fees in the form of cash and superannuation.

NEDs do not participate in Elders' cash or equity incentive plans and do not receive retirement benefits other than superannuation contributions disclosed in this report.

NED fees are reviewed by the Board on an annual basis, taking into consideration the accountability and time commitment of each director, supported, where appropriate and necessary, by information from external remuneration advisors.

The Board believes Elders' NEDs should own securities in Elders to further align their interests with the interests of other shareholders. Elders' Minimum Shareholding Policy now requires NEDs to hold at least 100% of NED Base fees (including superannuation) within three years from appointment. Details of NEDs' shareholdings in Elders can be found in section 7.

5.2 Non-Executive Director Fees in FY23

Total fees for the financial year ended 30 September 2023 remain within the aggregate fee limit of $1,500,000 per annum, (including superannuation guarantee), as approved by shareholders at the 2022 AGM .

The Board reviewed the NED fees during FY23 and applied a 3.0% increase to the Board Chair and Member fees from 1 January 2023, and revised the Committee fee structure per the schedule below.

Non-Executive Directors fees

	FY23 fee including superannuation[1]	
	Chair	**Member**
	$	**$**
Board	307,900[2]	135,200
Audit, Risk and Compliance Committee	25,000	12,500
Remuneration, People and Culture Committee	25,000	12,500
Safety and Sustainability Committee	25,000	12,500
Nomination and Prudential Committee	Nil	Nil

1 Showing fees effective 1 January 2023. NED Board fees previously presented excluding superannuation.

2 The Chair of the Board does not receive additional Committee fees.

Non-Executive Director remuneration

		Short-term payments		**Post-employment**	**Total**
		Base Board fee	**Board Committee fees**	**Superannuation**	
		$	**$**	**$**	**$**
I Wilton	2023	279,848	-	25,819	305,667
	2022	273,619	-	23,999	297,618
R Clubb	2023	121,327	44,040	17,572	182,940
	2022	118,620	40,554	16,117	175,291
D Eilert[1]	2023	121,327	43,024	17,465	181,815
	2022	118,620	36,498	15,706	170,824
R Murphy	2023	121,327	32,014	16,295	169,637
	2022	118,620	26,360	14,680	159,660
M Quinn[2]	2023	81,067	25,796	11,277	118,140
	2022	118,620	26,360	14,680	159,660
Total	2023	724,896	144,874	88,429	958,198
	2022	748,099	129,772	85,182	963,053

1 Resigned 30 September 2023

2 Resigned 4 June 2023

Section 6 – Key Terms of Executive KMP Employment Contracts and Statutory Remuneration

6.1 Contractual Arrangements of Executive KMP

Contractual arrangements

Component	MD & CEO	Senior Executives
Contract Duration	Ongoing until terminated by either party	
Notice (without cause) initiated by:		
Elders	12 months	6 months
Individual	6 months	3 months
	Payment in lieu of notice may be made equivalent to the remuneration the MD & CEO and Senior Executive would have received over the notice period. Payment may be awarded under a Short-Term or Long-Term Incentive Plan in accordance with plan rules.	
Notice for Serious Misconduct	Elders may terminate immediately. No payment in lieu of notice or other termination payments are payable under the employment agreement.	
Redundancy	Not applicable	Due to genuine redundancy, as defined by the *Fair Work Act 2010 (Cth)*, the Senior Executive is entitled to a retrenchment payment in accordance with Elders' policy. This payment is also subject to the rules and limitations specified in the *Corporations Act 2001 (Cth)* and *Corporations Regulations*.
Change of Control	Not specifically referenced in contract.	In the event of a Change of Control or Disposal of Business resulting in a material diminution in the roles and responsibility of the Senior Executive, the Senior Executive may terminate their contract on three months' notice.

6.2 Executive KMP Statutory Remuneration

Executive KMP remuneration

		Short-term payments				Post-employment	Share-based payments[1]		Long-term payments		Termination benefits[2]	Total	% performance related[3]
		Base salary	Cash STI	Annual Leave	Other	Super-annuation	Deferred STI shares	LTI Rights	Long service leave	Other			
		$	$	$	$	$	$	$	$		$	$	%
M C Allison	**2023**	1,237,064	-	36,827	-	25,819	166,294	370,404[4]	231,599	243,578[5]	-	**2,311,585**	23%
	2022	1,093,695	502,183	(63,655)	-	23,999	310,075	619,801	(219,140)	-	-	2,266,958	63%
P Rossiter	**2023**[6]	399,222		3,562	100,000[7]	25,819	-	-	11,444	-		**540,047**	0%
	2022	-	-	-	-	-	-	-	-	-	-	-	0%
Former KMP													
T Foster[8]	**2023**	-	-	-	-	-	-	-	-	-	-	**-**	0%
	2022	573,850	313,700[9]	32,726	50,570	23,999	-	81,695	-		301,053	1,377,593	29%
Total	**2023**	1,636,286	-	40,389	100,000	51,638	166,294	370,404	243,043	243,578	-	**2,851,632**	
	2022	1,667,545	815,883	(30,929)	50,570	47,998	310,075	701,496	(219,140)	-	301,053	3,644,551	

1 Includes the value of Service Rights announced on 5 June 2023, as part of retention arrangements for the MD & CEO, and subject to shareholder approval.

2 Comprised of any redundancy payments under Elders' redundancy policy and/or payments in lieu of notice and comply with Part 2D.2 of the Corporations Act 2001 (Cth).

3 Performance related remuneration consists of cash STI and share based payments (including deferred STI) as a percentage of total remuneration.

4 Includes the FY23 value of both LTI performance rights ($117,862) and Service Rights announced 5 June 2023 ($252,542).
Service Rights are subject to shareholder approval, and the benefit value attributable to FY23 is reported pending this approval; value is based on share price as at 29-Sep-23.

5 FY23 value of cash retention arrangements announced on 5 June 2023.

6 (i) In the interests of transparency, the amounts reported are for the full period of FY23 (12 months).
(ii) The portion of the amounts relating to the period as KMP can be calculated by dividing the amount in the table by 365 days and multiply by 85 days (being the period from 7 Jul 23 to 30 Sep 23).

7 Cash payment awarded for initial period as Acting CFO, in lieu of salary adjustment.

8 Employment with Elders ceased on 31 August 2022.

9 For FY22 T Foster's STI was paid fully in cash.

Section 7 – Additional Required Disclosures

7.1 KMP equity

Details of Executive KMP current LTI grants and STI restricted shares

	Type[1]	Grant date[2]	Balance at start of period	Granted	Vesting date[3]	Vested[4]		Lapsed		Balance[5]	Expensed at end of period	Fair Value at grant date[6]	Rights maximum value yet to vest[7]
			No.	No.		No.	%	No.	%	No.	$	$	$
M C Allison	LTI	12-Dec-19	166,000	-	Nov-22	166,000	100	-	-	-	-	793,480	-
	LTI	17-Dec-20	101,000[8]	-	Nov-23	-	-	-	-	101,000	16,319	683,265	133,889
	LTI	16-Dec-21	102,400	-	Nov-24	-	-	-	-	102,400	(65,249)	797,184	136,581
	LTI	15-Dec-22		107,000	Nov-25	-	-	-	-	107,000	166,792	694,965	528,173
	LTI Total		**369,400**	**107,000**		**166,000**	**100**	**-**	**-**	**310,400**	**117,862**	**2,968,894**	**798,643**
	STI	22-Dec-21	16,727	-	Sep-22	16,727	100	-	-	-	-	204,738	-
	STI	22-Dec-21	16,726	-	Sep-23	-	-	-	-	16,726	68,242	204,726	-
	STI	23-Dec-22	-	14,082	Sep-23	-	-	-	-	14,082	58,831	142,510	-
	STI	23-Dec-22	-	14,082	Sep-24	-	-	-	-	14,082	39,221	142,510	47,503
	STI Total		**33,453**	**28,164**		**16,727**	**100**	**-**	**-**	**44,890**	**166,294**	**694,484**	**47,503**
P Rossiter	LTI		-	-		-	-	-	-	-	-	-	-
	LTI Total		**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	STI		-	-		-	-	-	-	-	-	-	-
	STI Total		**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

1 *Planned issue of Service Rights to Mr Allison, as detailed elsewhere in this report, are not reported in this table as they are still subject to shareholder approval at the 2023 AGM. These have been expensed on a pro-rata basis, pending this approval.*

2 *The grant dates are aligned to the requirements under the Accounting Standards.*

3 *The vesting date for LTI performance rights does not include the 12 month holding lock period which is a vesting requirement in relation to the service requirement.*

4 *The exercise price for the rights was nil.*

5 *The balance represents unvested rights as of 30 September 2023.*

6 *Fair value is used to calculate the value of performance rights when granted. The fair value at Grant Date is independently determined using Monte Carlo simulation techniques which take into account the exercise price, the term of the rights, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option for TSR tranche. A discounted cash flow model was used for the fair value of the EPS tranche.*
Fair value utilised for FY23 LTI Grant- Tranche 1- $3.95 and Tranche 2- $9.04 (for more information see note 27 financial statements).
Fair value is used to calculate the value of restricted shares for the STI Plan. Fair value for FY22 STI restricted shares is $10.12 per share, based on market share price at grant date.

7 *The maximum value of yet to vest of performance rights and restricted shares represents the fair value amount at grant date that is yet to be expensed. The minimum value of performance rights and deferred shares yet to vest is nil, as the rights/shares will be forfeited if the vesting conditions are not met.*

8 *It is expected that this offer will vest in November 2023, with 28,280 rights vesting and 72,720 rights being forfeited. This outcome will be updated in FY24 reporting.*

Executive KMP shareholding

	Shares held at start of year 1 October 2022	Shares acquired during the year as part of remuneration	Shares acquired during the year through the vesting of LTI	Other shares acquired (disposed of) during the year	Balance of shares held at end of financial period
M C Allison	988,746	28,164[1]	180,104	-	1,197,014
P Rossiter	-	-	-	-	-
Total	988,746	28,164	180,104	-	1,197,014

1 *Represents the deferred component of FY21 STI in restricted shares.*

Non-Executive Directors shareholding

	Shares held at start of year 1 October 2022	Shares acquired during the year as part of remuneration	Other shares acquired (disposed of) during the year	Balance of shares held at end of financial period
I Wilton	131,193	-	15,652[1]	146,845
R Clubb	14,000	-	1,000	15,000
D Eilert[2]	13,769	-	-	13,769
M Quinn[3]	21,339	-	7,837[4]	29,176
R Murphy	6,500	-	2,500	9,000
Total	**186,801**	**-**	**26,989**	**213,790**

1 Includes 652 shares acquired via Deferred Employee Share Plan.

2 Resigned 30 September 2023.

3 Resigned 4 June 2023 and balance of shares held as at that date.

4 Includes 249 shares acquired via Deferred Employee Share Plan.

Elders takes its obligations to prevent insider trading very seriously. In conformity with that approach, Directors take a conservative view of when they can deal in Elders shares, in accordance with the Securities Dealing Policy, seeking to avoid both real and perceived trading on inside information. This approach limits the opportunities for Non-Executive Directors to acquire Elders' shares.

7.2 Other equity schemes in which one or more KMP participate

Deferred Employee Share Plan (DESP)

This plan enables participants to salary sacrifice remuneration up to $5,000 to acquire restricted shares. Tax can be deferred up to 15 years. Elders makes no contribution to this plan other than funding the costs of administration. There are no further performance or service conditions once shares are purchased.

For NED participants, amounts are sacrificed from monthly Board fees and shares are purchased on market during share trading windows after announcement of full year and half year results.

7.3 Other transactions and loans with KMP

There are no loans to KMP outstanding in the current or prior year.

From time to time, sales and purchases occur during the year between subsidiaries in the Group and entities that certain directors of Elders have direct, or indirect control over. These transactions are conducted on the same terms and conditions as those entered into by other Elders' customers on an arm's length basis and are trivial or domestic in nature.

Executive Management

Mark Allison

Managing Director and Chief Executive Officer
BAgrSc, BEcon, GDM, FAICD, AMP (HBS), DUniv (hc) (Adel)

Mark joined Elders Limited as a Non-Executive Director in November 2009, served as Chairman and Executive Chairman, before being appointed Managing Director and Chief Executive Officer in May 2014.

Mark's 43-year agribusiness career spans technical, manufacturing, supply and distribution roles and businesses. Previous roles include Managing Director/CEO of GrainGrowers Limited, Jeminex Limited, Farmoz Pty Ltd, Wesfarmers Landmark Limited, Wesfarmers CSBP Limited, CropCare Australasia Pty Ltd and General Manager of Incitec Fertilisers.

Mark is currently Chair of the Agriculture and Natural Resources End-User Advisory Board of the SmartSat CRC, the Agrifood and Wine Advisory Board of the University of Adelaide, and a member of the Rabobank Food and Agriculture Advisory Board.

He was the previous Chair of Agribusiness Australia, AuctionsPlus, CropLife, Agsafe, the APVMA, as well as a number of other agricultural and industrial and safety businesses.

Mark oversaw the development and implementation of the four Elders' Eight Point Plans from 2014. This strategic plan returned the company to a pure play agribusiness and resulted in the first shareholder distribution in nearly a decade in 2017. Since 2014 Elders has grown from a market capitalisation of $50 million to a peak of $2.3 billion.

On 19 September 2023 he was awarded an Honorary Doctorate from the University of Adelaide for his experience and lifelong contribution to agriculture and agribusiness.

Mark is from far north Queensland, and is a passionate advocate of agriculture, and regional and rural Australia.

Paul Rossiter

Chief Financial Officer
BAcc, CPA, FINSIA

Paul was appointed to the role of Chief Financial Officer in July 2023, after serving the business since 2004. Paul has been Group Treasurer since 2012. Prior to joining Elders, Paul worked for employers in the finance sector including Credit Suisse in Sydney and Morgan Stanley in London.

Paul is a Certified Practising Accountant, with a Bachelor of Accountancy from the University of South Australia, and a Fellow of the Financial Services Institute of Australasia (FINSIA). Paul is an experienced finance, accounting and risk management professional in the fields of banking, financial markets and agriculture.

Tom Russo

Executive General Manager Network
LLB (Hons), BA, Grad Dip LP, Dip Prop Serv (Agency Mgt)

Tom was appointed Executive General Manager Network in 2022, prior to which he held several other roles within the Elders group. Most recently, Tom was Executive General Manager Real Estate, Brand & Communications. During his tenure in that role the gross margin contribution of the real estate product more than doubled and Tom established himself as a leading transaction adviser in the broadacre investment space. He is a trusted adviser to many of Elders' largest clients. Tom previously played a pivotal role in devising and implementing the turnaround strategy for Elders, including executing a number of large and complex divestment initiatives.

Prior to Elders, Tom was the Chief Executive of a specialist international law firm and practiced as a corporate lawyer with a focus on mergers and acquisitions, corporate finance, complex contractual projects, corporate governance and intellectual property.

Peter Hastings

Company Secretary & General Counsel
BA, LLB, GDLP, FGIA, Grad Dip Applied Corporate Governance, GAICD

Peter was appointed Elders' Company Secretary and General Counsel in 2010. He has responsibility for the Company's legal, compliance, company secretarial, risk and insurance functions.

Peter was an integral member of the Elders team that worked hard to protect shareholder interests through many years of financial distress and which, subsequently, successfully implemented stabilisation, and now growth strategies. Peter has three decades of experience gained in legal and governance roles with Elders, other inhouse legal positions and in private and government legal practice.

Viv Da Ros

Chief Information Officer
MBA (Manchester), MPM, GAICD

Viv was appointed to the position of Chief Information Officer (CIO) in 2021 and is responsible for leading the technology/business transformation program at Elders – a strategic multiyear change program that introduces enabling technologies to simplify and enhance interactions with its customer base through traditional and digital channels.
The transformation is well underway and has already successfully delivered new capabilities for people management, finance and operations, reporting and analytics, public websites and our intranet.

The next wave of change will see exciting transformations in retail, supply chain and livestock operations.

Viv's 30+ years of experience includes senior leadership positions in Australia, Asia and Europe, predominantly in the retail sector with the AS Watson Group, Tesco, KPMG and Dairy Farm International. More recently, Viv spent four years running the technology and digital functions for Caltex Australia, based out of Sydney.

Kiim Lim

Executive General Manager Business Development
BCom, CPA , GAICD

Kiim was appointed Executive General Manager Business Development in 2018.

She has successfully led the completion and integration of many acquisitions underpinning the growth of Elders, including Australian Independent Rural Retailers (AIRR), Titan AG and over 70 retail, agency and real estate bolt-ons. Her focus is to ensure long term sustainable growth through the acquisition of high-quality businesses in strategic areas throughout the network and supply chain. Her team has also embedded a systemised business development process at Elders which will allow the business to continue this business discipline into the future.

Kiim commenced with Elders in March 2006, and has held various roles within the finance team. Prior to Elders, Kiim worked with PwC in Malaysia and Adelaide.

Anna Bennett

Executive General Manager Strategy, Sustainability and Innovation
MBA, M.Eng, B.Eng (Hons)

Anna was appointed Executive General Manager Strategy, Sustainability and Innovation in January 2023.

She has responsibility for overall group strategy as well as leading Elders' sustainability and innovation agendas. This includes the establishment of Thomas Elder Sustainable Agriculture, an external innovation venture with a focus on sustainable farming solutions that benefit our customers and broader industry.

Prior to joining Elders, Anna was General Manager Corporate Strategy at Australia Post, where she led the development of transformation strategies during a period of significant growth and disruption of the core business. Anna was a management consultant with Bain & Company for over five years with a focus on customer experience, performance improvement, and response to digital disruption. Anna started her career as an engineer and project manager in the engineering and construction sector before completing an MBA.

Nick Fazekas

Executive General Manager Rural Products
BAgrSc, GAICD

Nick was appointed to the position of Executive General Manager Rural Products, effective 1 October 2023.

Since joining Elders in early 2009, Nick has held numerous key roles including General Manager Key Accounts. He also held a similar role of General Manager Retail, prior to taking up his most recent geographic role. Nick was the State General Manager Western Australia from October 2019 to September 2023, during which period he led the team to more than double WA's EBIT. He was also responsible for the addition of eight new businesses to WA's footprint.

Nick has 32 years of experience in agricultural services, and in his new role he will focus on driving efficiencies within supply chain, with improved sales and operation planning processes. This will assist with better working capital usage and profitability.

Peter Lourey

Executive General Manager Wholesale

Peter Lourey was appointed to the role of EGM Wholesale in September 2023, with 36 years of experience within the agriculture, retail and manufacturing industries. Prior to his current position, Peter was AIRR General Manager where he demonstrated his ability to drive sales, build a strategic procurement team and foster strong client relationships that saw the business double in three years since being acquired by Elders. His journey also includes a successful 19 years as the Business Unit Manager Ruminant division at MSD Animal Health.

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Japanese wool delegation visits Queensland wool producer

Elders' commitment to the Australian wool industry has only grown since the Elder family first began buying, financing and handling wool in the mid-1800s.

Having handled approximately 350,000 bales of wool in FY23, Elders continues to adapt and innovate in a changing wool industry, with a key focus on clients at every stage of the wool growing process.

Wool is a desirable fibre for retailers who service increasingly environmentally conscious customers seeking to understand the origin and provenance of their clothing.

Elders District Wool Manager and Walgett wool grower, Brett Smith, is a leader in the wool industry who this year welcomed a Japanese delegation from fashion brand and retailer, Uniqlo.

As a global retailer with over 2,000 stores globally, Uniqlo is a brand committed to better understanding and optimising the sustainability of their clothing supply chain.

Mr Smith, who both works with wool clients and on his family property, "Tralee", said that fashion brands like Uniqlo are looking to better understand the environmental footprint of wool and its credentials as a sustainable fibre.

"They hear all of this terminology associated with wool quality, but I think what helped them is making a qualitative story out of quantitative data by walking them through that supply chain process," Mr Smith said.

The delegation was very impressed by practices that Australian growers use on-farm, particularly in the areas of methane emission reduction and traceability.

"Emissions can't be looked at in isolation and reduction should be viewed as part of the larger farming system, where we examine not just output from the animal, but what is happening on-farm that is sequestering carbon or reducing the overall footprint," he said.

"I've worked with many clients on carbon accounting, which is the process of calculating their footprint, how much they can sequester, and the potential of attaining credits.

"At the end of the day, it's about working out net emissions and where you sit with carbon year-to-year to get a baseline. From there you can figure out emissions intensity and what drives that. It's a whole of system approach."

To better understand traceability, the delegation was taken through some of the initiatives currently in place to make Australian wool more traceable to origin. In 2023, Elders introduced QR code tracking on Elders bales.

"The wool that we produce on-farm is a very long way from a consumer buying a garment. The chain is long and it's important to understand the whole system, to work out traceability," Mr Smith said.

With an already well-established brand and reputation for being environmentally friendly, Australian wool has strong legs to stand on in terms of its 'clean' credentials. Mr Smith states that understanding what the end consumer is looking for in this regard is important for brands to be able to strengthen their supply chain, and to ensure that as many growers as possible are working on their product and business being sustainable.

"Wool is the quintessential renewable product, it's very clean and low impact, and sheep can utilise a lot of country that is otherwise unusable," he said.

"This makes it desirable for consumers and brands seeking a more sustainable fibre. It's our job to ensure we meet the standards as growers, and work with industry to put in place processes that keep stakeholders accountable across the supply chain."

Part of this sustainability journey involves the responsible and efficient handling of wool once it leaves the farm. In FY23, Elders commenced its new wool handling business opening the first of two new facilities in its Elders Wool business.

Elders Wool will provide clients a full end-to-end service and a quick and easy delivery experience from farm-gate. The new business will improve efficiency and outcomes, aiming to get wool to market faster and with exceptional service. The centralised business model also puts Elders in the best place possible to keep growers' costs down over the long-term.

Elders General Manager Agency Dave Adamson said the business will offer cutting-edge innovations.

"The project's efficiency improvements end to end aim to increase speed to market and keep costs down over time for clients," Mr Adamson said.

Elders Wool will also be underpinned by key sustainability objectives. The business will aim to mitigate scope 1 and 2 greenhouse gas emissions through the use of solar power, renewable energy, LED lighting and energy efficient equipment.

The Melbourne facility, which is targeting a 4-Star Green Star Design and As Built Certification rating, will move bales using Autonomous Guided Vehicles (AGVs), a world-first for the wool industry. AGVs are low-energy self-driving vehicles which use significantly less energy than human-driven forklifts. The AGVs also reduce safety risks to people and are intended to be powered by on-roof solar.

Mr Adamson explained these initiatives will improve sustainability outcomes within the wool supply chain.

“The use of electric handling equipment and investment in solar power generation will reduce greenhouse emissions compared with an equivalent-sized traditional wool handling operation, with the aim of being fully powered by solar over time,” he said.

“This, paired with the introduction of new technology to improve efficiency and drive down costs, will make measurable improvements to sustainability across the supply chain.”

In making this $25 million investment in Australian wool, the largest single investment in wool handling this century, Elders stands with its clients, striving to deliver the best, sustainable wool supply globally.

FINANCIAL REPORT
2023

Elders Limited Annual Financial Report

30 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2023

		2023	2022
	Note	**$000**	**$000**
Continuing operations			
Sales revenue	2	3,321,420	3,445,254
Cost of sales		(2,716,576)	(2,805,343)
Gross profit		604,844	639,911
Equity accounted profits	12	14,116	12,725
Distribution expenses		(370,478)	(333,221)
Administrative expenses		(77,682)	(87,334)
Finance costs	2	(23,019)	(8,571)
Other items of income/(expense)	2	(8,913)	14,227
Profit before income tax expense		138,868	237,737
Income tax expense	3	(33,028)	(67,727)
Net profit for the period		105,840	170,010
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		636	(84)
Net gains on cash flow hedges		(594)	(357)
Items that will not be reclassified to profit and loss			
Changes in the fair value of financial assets at fair value through other comprehensive income	13	(6,251)	-
Other comprehensive profit/(loss) for the period, net of tax		(6,209)	(441)
Total comprehensive income for the period		99,631	169,569
Profit for the period is attributable to:			
Non-controlling interest		5,000	7,144
Owners of the parent		100,840	162,866
Net profit for the period		105,840	170,010
Total comprehensive income for the period is attributable to:			
Non-controlling interest		5,000	7,144
Owners of the parent		94,631	162,425
Total comprehensive income for the period		99,631	169,569
Reported operations			
Basic earnings per share (cents per share)	4	64.4¢	104.1¢
Diluted earnings per share (cents per share)	4	64.4¢	104.1¢

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		2023	2022
	Note	**$000**	**$000**
Current assets			
Cash and cash equivalents	15	21,483	17,840
Trade and other receivables	5	738,169	819,504
Livestock	6	49,120	73,371
Inventory	7	491,660	484,482
Total current assets		1,300,432	1,395,197
Non current assets			
Other financial assets	13	32,586	1,269
Equity accounted investments	12	47,332	47,547
Property, plant and equipment	9	70,583	46,953
Right-of-use assets	10	199,216	119,304
Intangibles	11	409,314	364,320
Deferred tax assets	3	15,049	45,406
Total non current assets		774,080	624,799
Total assets		2,074,512	2,019,996
Current liabilities			
Trade and other payables	8	636,696	736,373
Interest bearing loans and borrowings	16	265,814	179,210
Lease liabilities	10	36,041	32,716
Current tax payable	3	149	5,869
Provisions	14	72,183	94,348
Total current liabilities		1,010,883	1,048,516
Non current liabilities			
Other payables	8	9,469	16,059
Interest bearing loans and borrowings	16	15,356	-
Lease liabilities	10	167,583	90,827
Provisions	14	4,386	3,877
Total non current liabilities		196,794	110,763
Total liabilities		1,207,677	1,159,279
Net assets		866,835	860,717
Equity			
Contributed equity	18	1,643,419	1,646,630
Reserves	19	(37,387)	(27,705)
Retained earnings		(743,551)	(764,066)
Total parent entity equity interest		862,481	854,859
Non-controlling interests		4,354	5,858
Total equity		866,835	860,717

The accompanying notes form an integral part of this consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2023

	Note	2023 $000	2022 $000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,037,814	12,885,381
Payments to suppliers and employees (inclusive of GST)		(11,852,325)	(12,769,549)
Dividends received	12	14,330	11,806
Interest and other finance costs paid		(22,060)	(7,941)
Income tax (paid)		(8,516)	(6,036)
Net operating cash flows	15	169,243	113,661
Cash flows from investing activities			
Payments for property, plant and equipment	9	(30,099)	(16,361)
Payments for equity accounted investments		-	(123)
Payments for intangibles	11	(17,663)	(8,803)
Payments for acquisitions through business combinations, net of cash acquired	23	(47,022)	(53,965)
Proceeds from sale of property, plant and equipment		1,206	716
Proceeds from sale of equity accounted investments		-	33,400
Acquisition of other financial assets	13	(38,568)	-
Net investing cash flows		(132,146)	(45,136)
Cash flows from financing activities			
Purchase of shares		(11,047)	(9,584)
(Repayment)/proceeds of borrowings		101,960	24,945
Payments of lease liabilities		(44,526)	(35,908)
Dividends paid		(73,337)	(73,748)
Partnership profit distributions/dividends paid		(6,504)	(4,453)
Net financing cash flows		(33,454)	(98,748)
Net increase/(decrease) in cash held		3,643	(30,223)
Cash at the beginning of the financial period		17,840	48,063
Cash at the end of the financial period	15	21,483	17,840

The accompanying notes form an integral part of this consolidated statement of cash flows.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2023

	Issued capital	Reserves	Retained earnings	Non-controlling interest	Total equity
	$000	$000	$000	$000	$000
As at 1 October 2022	1,646,630	(27,705)	(764,066)	5,858	860,717
Profit for the period	-	-	100,840	5,000	105,840
Other comprehensive income/(loss):					
Exchange differences on translation of foreign operations	-	636	-	-	636
Cash flow hedge and fair value of derivatives, net of tax	-	(594)	-	-	(594)
Changes in the fair value of financial assets at fair value through other comprehensive income	-	(6,251)	-	-	(6,251)
Total comprehensive income/(loss) for the period	-	(6,209)	100,840	5,000	99,631
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	(75,043)	-	(75,043)
Dividend reinvestment plan	4,762	-	(4,762)	-	-
Other movements in retained earnings	-	-	(520)	-	(520)
Partnership profit distributions/dividends paid	-	-	-	(6,504)	(6,504)
Cost of share based payments	-	(399)	-	-	(399)
Reallocation of equity	3,074	(3,074)	-	-	-
Shares purchased	(11,047)	-	-	-	(11,047)
As at 30 September 2023	1,643,419	(37,387)	(743,551)	4,354	866,835
As at 1 October 2021	1,651,006	(26,887)	(848,694)	3,167	778,592
Profit for the period	-	-	162,866	7,144	170,010
Other comprehensive income/(loss):					
Exchange differences on translation of foreign operations	-	(84)	-	-	(84)
Cash flow hedge and fair value of derivatives, net of tax	-	(357)	-	-	(357)
Total comprehensive income/(loss) for the period	-	(441)	162,866	7,144	169,569
Transactions with owners in their capacity as owners:					
Put option revaluation	-	(2,234)	-	-	(2,234)
Dividends paid	-	-	(74,855)	-	(74,855)
Dividend reinvestment plan	3,383	-	(3,383)	-	-
Deferred performance shares	112	-	-	-	112
Partnership profit distributions/dividends paid	-	-	-	(4,453)	(4,453)
Cost of share based payments	-	3,570	-	-	3,570
Reallocation of equity	1,713	(1,713)	-	-	-
Shares purchased	(9,584)	-	-	-	(9,584)
As at 30 September 2022	1,646,630	(27,705)	(764,066)	5,858	860,717

The accompanying notes form an integral part of this consolidated statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

ABOUT THIS REPORT

Corporate information

The consolidated financial report of Elders Limited for the year ended 30 September 2023 was authorised for issue on 13 November 2023 by the Directors. Elders Limited (the Parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the Directors' Report. References in this consolidated financial report to 'Elders' are to Elders Limited and each of its controlled entities unless the context requires otherwise.

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian accounting standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost basis, except for derivative financial instruments and fair value of financial assets at fair value through other comprehensive income which have been measured at fair value, and biological assets that are measured at fair value less costs to sell.

The financial report is presented in Australian dollars and under the *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

Both the functional and presentation currency of Elders and its Australian subsidiaries is Australian Dollars (AUD). Subsidiaries incorporated in countries other than Australia, which have a functional currency other than Australian Dollars, are translated to the presentation currency.

Transactions in foreign currencies are initially recorded by subsidiaries at their respective functional currency rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The financial report has been prepared on a going concern basis.

Comparative information which relates to prior periods is rearranged to be comparable with current year disclosures.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Elders Limited and its subsidiaries as at 30 September 2023. Control is achieved when Elders is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When Elders has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee.

Elders re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date Elders gains control until the date Elders ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of Elders and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Elders' accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of Elders are eliminated in full on consolidation.

Significant accounting judgements, estimates and assumptions

The preparation of Elders' consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial result or the financial position reported in future periods. Judgements, estimates and assumptions which are material to the financial report are found in the following notes:

Note 7	Accounting for rebates
Note 9	Impairment of non-financial assets other than brand names and goodwill
Note 10	Accounting for leases
Note 11	Impairment of brand names and goodwill

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

ABOUT THIS REPORT

Impacts of climate change

Elders has considered climate change risk and the necessary measures to meet its emissions reduction targets. While the effects of climate change risk and the implementation of the emissions reduction targets do not materially change the significant judgements, estimates, and assumptions used in the preparation of the consolidated financial statements, it has increased the accounting estimation uncertainty and resulted in application of further judgement within those identified areas. Elders has used accounting estimates based on forecasts developed on market information available at balance date.

Elders has reviewed the following material accounting judgements, estimates and assumptions within the accounting policies that have potential to be impacted by climate change risk and the implementation of Elders' emissions reduction targets:

Impairment testing

Cash flow projections used in the impairment testing process are based upon financial budgets approved by the Board, external forecasts of market growth rates and expected operating margins and capital expenditure, including projected expenditure required to meet Elders' emissions reduction targets.

Capital expenditure and research and development

Elders' research and development and capital expenditures are aligned to Elders' strategy focusing on new and alternative technologies and products, in line with Elders' emissions reduction targets, impacting either capital expenditure or the Statement of Comprehensive Income.

Taxes

Climate-related matters have been considered in the assessment of the future taxable profits on which the recognition of deferred tax assets are based. Business plans used for the recognition of deferred tax assets have been aligned with those used in the impairment testing process taking into account Elders' emissions reduction targets.

Provisions and contingent liabilities

Elders' provisions and contingent liabilities for the 2023 financial year have taken into consideration Elders' current climate-related risk assessments.

Insurance

The change in climate might result in more regular and intense climate events which can have a significant impact on Elders' operations with business interruption, accident or damages. This may increase Elders' insurance costs due to higher premium rates or Elders' costs with more frequent uninsurable events.

Changes to accounting policies

(i) New and Revised Accounting Standards and Interpretations

A number of amendments to standards and interpretations became operative for the financial year ended 30 September 2023. None of these have materially impacted Elders and its policies.

(ii) Accounting Standards and Interpretations and Amendments issued but not yet effective

Elders has not early adopted any standards, interpretations or amendments that has been issued but is not yet effective. Elders has assessed the upcoming standards and interpretations or amendments and concluded there is no material impact expected from the adoption of these new standards, interpretations or amendments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

ABOUT THIS REPORT

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of Elders. They include the applicable accounting policies applied and significant estimates and judgements made. Specific accounting policies are disclosed in their respective notes to the financial statements.

The notes are organised into the following sections:

Group Performance	Provides additional information regarding financial statement lines that are most relevant to explaining Elders' performance during the period.
Working Capital	Provides additional information regarding financial statement lines that are most relevant to explaining the assets used to generate Elders' trading performance during the period and liabilities incurred as a result.
Capital Employed	Provides additional information regarding financial statement lines that are most relevant to explaining the capital investment made that allows Elders to generate its operating result during the period and liabilities incurred as a result.
Net Debt	Provides additional information regarding financial statement lines that are most relevant to explaining Elders' net debt position and borrowings for the period.
Risk Management	Provides information relating to Elders' exposure to various financial risks, its impact on the financial position and performance of Elders and how these risks are managed.
Equity	Provides additional information regarding financial statement lines that are most relevant to explaining the equity position of Elders at the end of the period, including the dividends declared and/or paid during the period.
Group Structure	Summarises how the group structure affects the financial position and performance of Elders as a whole.
Other Notes	Includes other notes that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP PERFORMANCE – NOTE 1: SEGMENT INFORMATION

Identification of reportable segments

Elders has identified its operating segments to be Branch Network, Wholesale Products, Feed and Processing Services and Corporate Services and Other Costs. These operating segments are the basis on which internal reports are reviewed and used by the Managing Director and Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining allocation of resources. Discrete financial information about each of these operating businesses is reported to the Managing Director and Chief Executive Officer on at least a monthly basis. Elders operates predominantly within Australia. All other geographical operations are not material to the financial statements.

Type of product and service

- Branch Network includes the provision of a range of products and services through a common distribution channel, including agricultural retail products, agency and real estate services and financial services.
- Wholesale Products includes the Australian Independent Rural Retailers (AIRR) business based in Shepparton, Victoria, supported by a network of warehouses to supply independent retail stores throughout Australia.
- Feed and Processing Services includes Killara Feedlot, a diversified business incorporating grain-fed beef distribution, grass-fattening operations, cow manure processing and irrigated corn production in Quirindi, New South Wales.
- Corporate Services and Other Costs segment includes the general investment activities not associated with the other business segments and the administrative corporate office activities, including centrally held costs not allocated to the other segments.

Accounting policies and intersegment transactions

The accounting policies used by Elders in reporting segments internally are the same as those contained in the financial statements. Segment results have been determined on a consolidated basis and represent the earnings before corporate net financing costs and income tax expense.

	Branch Network	Wholesale Products	Feed and Processing Services	Corporate Services and Other Costs	Total
	$000	**$000**	**$000**	**$000**	**$000**
2023					
Sale of goods and biological assets	2,389,665	391,971	181,660	1,271	2,964,567
Debtor interest associated with sales	9,481	-	-	-	9,481
Commission revenue	347,372	-	-	-	347,372
Sales revenue	2,746,518	391,971	181,660	1,271	3,321,420
Equity accounted profits	14,116	-	-	-	14,116
Earnings before interest, tax, depreciation and amortisation	250,758	42,518	7,890	(81,667)	219,499
Depreciation and amortisation	(5,803)	(4,395)	(1,223)	(1,196)	(12,617)
Depreciation on right-of-use assets	(35,696)	(5,974)	(591)	(2,734)	(44,995)
Segment result	209,259	32,149	6,076	(85,597)	161,887
Interest expense					(18,815)
Unwinding discount expense in regards to liabilities					(836)
Interest on lease liabilities					(3,368)
Finance costs					(23,019)
Profit before income tax benefit/(expense)					138,868
Segment assets	1,471,664	363,803	88,667	150,378	2,074,512
Segment liabilities	698,258	122,120	11,450	375,849	1,207,677
Net assets	773,406	241,683	77,217	(225,471)	866,835
Carrying value of equity accounted investments	47,332	-	-	-	47,332
Acquisition of non current assets (cash outflow)	94,784	-	-	-	94,784
Non cash income/(expense) other than depreciation and amortisation	(45)	-	78	(76,043)	(76,010)
Profit/(loss) on sale of non current assets	316	-	-	-	316

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP PERFORMANCE – NOTE 1: SEGMENT INFORMATION

	Branch Network	Wholesale Products	Feed and Processing Services	Corporate Services and Other Costs	Total
	$000	$000	$000	$000	$000
2022					
Sale of goods and biological assets	2,432,147	400,258	202,443	1,433	3,036,281
Debtor interest associated with sales	10,052	-	-	-	10,052
Interest revenue from related party advances	1,492	-	-	-	1,492
Commission revenue	397,429	-	-	-	397,429
Sales revenue	2,841,120	400,258	202,443	1,433	3,445,254
Equity accounted profits	12,725	-	-	-	12,725
Earnings before interest, tax, depreciation and amortisation	328,002	46,012	2,577	(83,042)	293,549
Depreciation and amortisation	(4,792)	(4,443)	(1,838)	(723)	(11,796)
Depreciation on right-of-use assets	(28,282)	(4,283)	(583)	(2,297)	(35,445)
Segment result	294,928	37,286	156	(86,062)	246,308
Interest expense					(5,226)
Unwinding discount expense in regards to liabilities					(630)
Interest on lease liabilities					(2,715)
Finance costs					(8,571)
Profit before income tax benefit/(expense)					237,737
Segment assets	1,397,501	338,188	105,500	178,807	2,019,996
Segment liabilities	679,887	109,369	5,606	364,417	1,159,279
Net assets	717,614	228,819	99,894	(185,610)	860,717
Carrying value of equity accounted investments	47,547	-	-	-	47,547
Acquisition of non current assets (cash outflow)	75,327	-	2,197	1,728	79,252
Non cash income/(expense) other than depreciation and amortisation	(284)	-	288	(132,802)	(132,798)
Profit/(loss) on sale of non current assets	22,376	-	-	-	22,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP PERFORMANCE – NOTE 2: REVENUE AND EXPENSES

	Note	2023 $000	2022 $000
Sales revenue			
Sale of goods and biological assets		2,964,567	3,036,281
Debtor interest associated with sales		9,481	10,052
Interest revenue from related party advances	26	-	1,492
Commission revenue		347,372	397,429
Total sales revenue		3,321,420	3,445,254
Other items of income/(expense)			
Sale of equity accounted investment		-	21,956
(Impairment)/Reversal of impairment of foreign operation		1,504	(6,982)
System Modernisation costs		(5,438)	-
One-off costs associated with business transformation		(4,483)	-
Other costs		(496)	(747)
Total other items of income/(expense)		(8,913)	14,227
Finance costs			
Interest expense		(18,815)	(5,226)
Unwinding discount expense in regards to liabilities		(836)	(630)
Interest on lease liabilities	10	(3,368)	(2,715)
Total finance costs		(23,019)	(8,571)
Specific expenses: depreciation and amortisation			
Depreciation and amortisation		(12,617)	(11,796)
Depreciation on right-of-use assets		(44,995)	(35,445)
Total depreciation and amortisation		(57,612)	(47,241)
Specific expenses: employee benefit expense			
Salaries, wages and incentives		(233,366)	(222,267)
Superannuation and other employee costs		(51,934)	(43,865)
Share based payments		651	(3,570)
Total employee benefit expense		(284,649)	(269,702)
Operating lease expenditure		(1,304)	(2,011)

Accounting Policy

Elders recognises revenue as or when each performance obligation from contracts with customers are satisfied and considers whether there are separate elements of each transaction to which a portion of the transaction price needs to be allocated. The majority of Elders' revenue is recognised at a point in time and attributable to the sale of retail products, wholesale products, provision of agency services and real estate services, with the exception being certain financial services revenue which is recognised over a period of time. There were no significant judgements in revenue recognition. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods and biological assets

Revenue from the sale of goods predominantly relates to sale of agricultural retail products and wholesale products, and is recognised at the point in time when control has been transferred to the customer, generally through the execution of a sales agreement at point of sale or when the delivery of goods has occurred.

(ii) Commission revenue

Commission revenue is derived from the rendering of agency services, real estate services and financial services and is generally recognised at the point in time when the service is provided. In some cases, Elders will enter into contracts with customers that contain multiple performance obligations and revenue will be recognised as each of these is satisfied. The transaction price is allocated to each performance obligation accordingly.

(iii) Interest revenue

Interest income predominantly relates to revenue derived from trade receivables related to the sale of agricultural retail products and is recognised as it accrues using the effective interest rate method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP PERFORMANCE – NOTE 3: INCOME TAX

Significant Accounting Judgements, Estimates and Assumptions

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable the future taxable profit will be available to utilise those temporary differences. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

(a) Major components of income tax expense are:

	2023	2022
	$000	$000
Income statement		
Current income tax expense	(19,310)	(70,982)
Adjustments in respect of current income tax of prior periods	(390)	596
Deferred income tax benefit	(13,328)	2,659
Income tax expense reported in the statement of comprehensive income	(33,028)	(67,727)

(b) Reconciliation of income tax expense applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense at Elders' effective income tax rate is as follows:

	2023	2022
Total accounting profit before tax	**138,868**	**237,737**
Income tax expense at 30% (2022: 30%)	(41,660)	(71,321)
Adjustments in respect of current income tax of prior periods	(390)	596
Share of equity accounted profits	4,235	3,825
Non-assessable profits/(losses)	2,852	4,148
Reversals of impairment/(Impairment expense)	2,954	(3,604)
Other	(1,019)	(1,371)
Income tax expense as reported in the statement of comprehensive income	(33,028)	(67,727)
Current tax payable	149	5,869

Capital losses not recognised as an asset

Elders held $103.5 million of capital losses (2022: $103.5 million) measured at 30% of gross value for which no deferred tax asset was recognised in the consolidated statement of financial position. The capital losses are available indefinitely for offset against future capital profits subject to continuing to meet relevant statutory tests.

Tax losses carried forward at the end of the year

	2023	2022
Value of tax losses carried forward (net)	33,518	49,928

Tax Consolidation

Elders and its 100% owned Australian resident subsidiaries are in a tax consolidated group. Elders Limited is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Tax Transparency Report

Elders has prepared a voluntary tax transparency report which is available to view online or to download from Elders' website at elders.com.au. The report sets out relevant tax information for Elders and its controlled entities for the year ended 30 September 2023. The tax transparency report has not been audited and does not form part of the Financial Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP PERFORMANCE – NOTE 3: INCOME TAX

(c) Major components of deferred income tax:

	Statement of Financial Position		Movement	
	2023	2022	**2023**	2022
	$000	$000	**$000**	$000
Deferred income tax assets				
Losses available to offset against future taxable income	33,518	49,928	(16,410)	(60,018)
Lease liabilities	61,087	36,962	24,125	3,970
Provision for employee entitlements	23,005	29,106	(6,101)	4,675
Other provisions	2,719	5,350	(2,631)	1,008
Capitalised expenses	499	3,817	(3,318)	630
Other	338	838	(500)	(291)
Gross deferred income tax assets	121,166	126,001	(4,835)	(50,026)
Deferred income tax liabilities				
Right-of-use assets	(59,681)	(35,780)	(23,901)	(3,511)
Intangibles	(36,004)	(36,760)	756	442
Plant and equipment temporary differences	(6,763)	(3,540)	(3,223)	341
Inventory	(2,302)	(2,121)	(181)	(520)
Other	(1,367)	(2,394)	1,027	(3,992)
Gross deferred income tax liabilities	(106,117)	(80,595)	(25,522)	(7,240)
Net deferred tax asset	15,049	45,406		
Movement in net deferred tax asset			(30,357)	(57,266)

Deferred income tax benefit recognised in the statement of comprehensive income	13,328	(2,659)
Utilisation of booked tax losses	16,904	59,450
Deferred income tax assets/(liabilities) recognised for acquisitions of businesses (principally related to acquired intangibles)	380	627
Deferred income tax (expense)/benefit recognised in equity	(255)	(152)
	30,357	57,266

Accounting Policy

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income.

Deferred income tax is recognised on temporary differences. Deferred income tax assets are recognised for taxable temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current tax assets and liabilities are offset if there is a legally enforceable right to offset and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and when the deferred tax balances relate to income taxes levied by the same tax authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP PERFORMANCE – NOTE 4: EARNINGS PER SHARE

	2023	2022
Weighted average number of ordinary shares ('000) used in calculating basic EPS	156,477	156,477
Dilutive performance rights ('000)	-	-
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	156,477	156,477

For rights issued under the Long-Term Incentive Plan, Elders will purchase the required shares on the market, rather than issuing new shares, hence there is no dilution from the recognition of these performance rights.

The following reflects the net profit/(loss) and share data used in the calculations of earnings per share (EPS):

	2023	2022
	$000	**$000**
Reported operations		
Basic and dilutive		
Net profit attributable to members (after tax)	100,840	162,866
Reported operations earnings per share:		
Basic earnings per share (cents per share)	64.4¢	104.1¢
Diluted earnings per share (cents per share)	64.4¢	104.1¢

Accounting Policy

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of rights issued under a Long-Term Incentive Plan into ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

WORKING CAPITAL – NOTE 5: RECEIVABLES

	2023	2022
	$000	$000
Current		
Trade debtors	664,989	770,528
Loss allowance	(4,580)	(7,034)
	660,409	763,494
Amounts receivable from equity accounted investments	9,490	2,515
Livestock deferred receivables	42,146	33,817
Prepayments	12,046	8,328
Other receivables	14,078	11,350
Total current receivables	738,169	819,504

Included in trade debtors is $60.2 million (2022: $107.3 million) of debt, which is covered by trade credit insurance on various terms and conditions.

Trade debtors are generally on 30 to 90 day terms with the exception of Livestock debtors which are generally on 10 day terms. In some instances, deferred terms in excess of 90 days are offered, on commercial terms agreed by Elders.

In line with AASB 9, trade debtors are reviewed in accordance with the simplified approach to measuring expected credit losses based on the payment profile of sales over a period of five years and the corresponding historical credit losses experienced within this period, which is reassessed annually. The historical loss rates are adjusted to reflect current and forward-looking information (including agricultural specific macroeconomic factors) affecting the ability of the customers to settle the debtors. Elders' assessment of trade receivables and loss allowances was determined as follows:

	Current	1-30 days past due	31-60 days past due	61-90 days past due	+91 days past due	Total
	$000	$000	$000	$000	$000	$000
2023						
Expected loss rate	< 1%	< 1%	< 1%	< 1%	22%	
Gross carrying amount	540,668	81,488	16,553	7,716	18,564	664,989
Loss allowance	301	105	49	7	4,118	4,580
2022						
Expected loss rate	< 1%	< 1%	< 1%	< 1%	44%	
Gross carrying amount	651,748	84,620	11,664	8,083	14,413	770,528
Loss allowance	406	127	35	1	6,465	7,034

Reconciliation of loss allowances for trade debtors at beginning and end of period:

	2023	2022
	$000	$000
Opening loss allowance	7,034	9,257
Increase/(decrease) in loss allowance recognised in profit or loss	(169)	(1,226)
Trade debtors written off	(2,285)	(997)
Closing loss allowance	4,580	7,034

Related party receivables

For terms and conditions of related party receivables, including from equity accounted investments, refer to note 26.

Fair value and credit risk

Due to the short-term nature of trade and other current receivables, their carrying value is assumed to approximate their fair value. For other receivables, the carrying amount is not materially different to their fair values. The maximum exposure to credit risk is the fair value of each class of receivables. Details regarding credit risk exposure are disclosed in note 17.

Foreign exchange and interest rate risk

Details regarding the foreign exchange and interest rate risk exposure are disclosed in note 17, including those relating to derivative related balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

WORKING CAPITAL – NOTE 5: RECEIVABLES

Accounting Policy

Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method, less expected credit losses. To measure the expected credit losses, trade receivables have been grouped on days past due.

The expected credit loss rates are based on payment profile over a historical period and the credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Livestock deferred receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method. All balances hold a maturity of less than 12 months. Interest on livestock deferred receivables is recognised as it accrues using the effective interest rate method.

WORKING CAPITAL – NOTE 6: LIVESTOCK

	2023	2022
	$000	$000
Current		
Total livestock	49,120	73,371

Reconciliation of fair value of livestock at beginning and end of period:

Opening fair value	73,371	56,237
Purchases	148,363	168,395
Cost of sales	(172,692)	(152,315)
Fair value increment/(decrement)	78	1,054
Closing fair value	49,120	73,371

At balance date, 22,057 head of cattle (2022: 22,789) are included in livestock. This represents cattle held in Australia for feedlotting and grass feeding purposes.

Elders is exposed to a number of risks related to its livestock:

Regulatory and environmental risks

Elders is subject to laws and regulations and has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and ensure systems in place are adequate to manage those risks.

Supply and demand risk

Elders is exposed to financial risk in respect to livestock activity. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase and ultimately receiving cash from the sales to third parties. Elders is exposed to risks arising from fluctuations in price and sales volumes, and product substitution. Where possible, Elders manages these risks by aligning volumes with market supply and demand, and through the sale of livestock on forward contracts.

Other risks

Elders' livestock are exposed to the risk of damage from diseases and other natural forces. Elders has processes in place aimed at monitoring and mitigating those risks, including regular health inspections and industry pest and disease surveys.

Accounting Policy

Elders holds biological assets in the form of livestock. Livestock is measured at fair value internally as there is no observable market for them. Where there are unobservable inputs for an asset or liability, these are classified as Level 3 Price Inputs. The value is based on the estimated exit price per kilogram and the value changes for the weight of each animal as it progresses through the feedlot program. The key factors affecting the value of each animal are price/kg, days on feed and the feed conversion ratio. The market value increments or decrements are recorded in profit and loss.

Material changes in any of the significant unobservable valuation inputs for feedlot cattle in isolation would result in significantly higher or lower fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

WORKING CAPITAL – NOTE 7: INVENTORY

Significant Accounting Judgements, Estimates and Assumptions

Accounting for rebates

Elders receives rebates associated with the purchase of retail goods from suppliers. These vary in nature and include price and volume rebates. Rebates received, in line with the relevant contractual arrangements, are recognised as a reduction to cost of sales when the sale of the particular product occurs. Inventory on hand is recognised net of rebates.

Elders pays rebates associated with the sales of wholesale goods to suppliers. These vary in nature and include price and volume rebates. Rebates paid, in line with the relevant contractual arrangements, are recognised as a reduction to sales revenue when the sale of the particular product occurs.

	2023	2022
	$000	$000
Current		
Retail and Wholesale	487,640	484,801
Other	8,117	5,357
Provision for obsolescence	(4,097)	(5,676)
Total inventory	491,660	484,482

Inventory write-downs recognised as an expense totalled $1.7 million (2022: $2.4 million).

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to individual items of inventory predominantly on the basis of weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Supplier rebates received are recognised as a reduction in the cost of inventory and are recorded as a reduction in cost of sales when the inventory is sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

WORKING CAPITAL – NOTE 8: TRADE AND OTHER PAYABLES

	2023	2022
	$000	$000
Current		
Trade creditors	514,726	617,044
Payables associated with supplier financing arrangements	41,127	47,114
Other creditors and accruals	79,122	70,590
Payables to associated companies	1,721	1,625
	636,696	736,373
Non current		
Other creditors and accruals	9,469	16,059
Total trade and other payables	646,165	752,432

Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 17, including those relating to derivative forward contracts.

Accounting Policy

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. The carrying amount of trade and other payables are assumed to be the same as their fair values. They represent liabilities for goods and services provided to Elders prior to the end of the financial year that remain unpaid and arise when Elders becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within supplier terms.

Financial guarantees

Financial guarantee contracts issued by Elders are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specific debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation. Information regarding financial guarantees is set out in note 25.

Payables associated with supplier financing arrangements

To manage the cash flow conversion cycle on some products procured and to ensure that suppliers receive payment in a time period that suits their business model, Elders offers some suppliers the opportunity to use supplier financing arrangements. Elders evaluates supplier financing arrangements against a number of indicators to assess if the balance continues to hold the characteristics of a payable or is required to be reclassified as borrowings. These indicators include whether the payment terms exceed customary payment terms within the industry of typically less than 90 days. During the course of the year and as at 30 September 2023, none of the balances subject to supplier financing arrangements met the characteristics to be reclassified as borrowings and the balances remained in other payables. Balances associated with supplier financing arrangements are unsecured. In the statement of cash flows, supplier financing is classified within cash flows from operating activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Significant Accounting Judgements, Estimates and Assumptions

Impairment of non-financial assets other than brand names and goodwill

Elders assesses impairment of all assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews of asset values, which are used as sources of information to assess for indicators of impairment. Assets have been tested for impairment in accordance with the accounting policies, including the determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Assets under construction	Total
	$000	$000	$000	$000	$000	$000
2023						
Carrying amount at beginning of period	3,569	11,456	5,076	18,297	8,555	46,953
Additions	3,667	254	2,104	10,417	13,657	30,099
Additions through business combinations	-	-	15	444	-	459
Disposals	(32)	-	(37)	(821)	-	(890)
Depreciation expense	-	(781)	(1,299)	(3,643)	-	(5,723)
Impairment/writedown expense	-	-	-	(331)	-	(331)
Transfers from assets under construction	-	83	42	755	(880)	-
Other	-	-	(14)	30	-	16
Carrying amount at end of period	7,204	11,012	5,887	25,148	21,332	70,583
Cost	7,204	21,359	19,587	54,275	21,332	123,757
Accumulated depreciation and impairment	-	(10,347)	(13,700)	(29,127)	-	(53,174)
	7,204	11,012	5,887	25,148	21,332	70,583
2022						
Carrying amount at beginning of period	3,484	11,778	4,396	15,757	603	36,018
Additions	90	748	1,697	5,818	8,008	16,361
Additions through business combinations	-	-	36	1,415	-	1,451
Disposals	(5)	-	(31)	(273)	-	(309)
Depreciation expense	-	(1,102)	(1,027)	(3,715)	-	(5,844)
Impairment/writedown expense	-	-	-	(766)	-	(766)
Exchange fluctuations	-	-	(2)	24	-	22
Transfers from assets under construction	-	32	7	17	(56)	-
Other	-	-	-	20	-	20
Carrying amount at end of period	3,569	11,456	5,076	18,297	8,555	46,953
Cost	3,569	21,022	15,231	45,197	8,555	93,574
Accumulated depreciation and impairment	-	(9,566)	(10,155)	(26,900)	-	(46,621)
	3,569	11,456	5,076	18,297	8,555	46,953

All property, plant and equipment is pledged as security, refer to note 16 for interest bearing loans and borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, Elders recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repairs and maintenance are recognised in profit or loss as incurred.

Property, plant and equipment, excluding freehold land and assets under construction, are depreciated over the estimated useful economic life of specific assets as follows:

	Life	Method
Buildings	50 years	Straight line
Leasehold improvements	Lease term	Straight line
Plant and equipment	3 to 10 years	Straight line
Network infrastructure	5 to 25 years	Straight line

The useful lives are consistent with those of the prior period. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are included in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 10: LEASES

Significant Accounting Judgements, Estimates and Assumptions

Accounting for leases

In determining the lease term, Elders considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Elders holds leases of operational importance (e.g. rural cornerstone property leases) which are expected to be extended for the maximum available lease term. Leases of this nature have been assessed using the extended lease term. For all other leases, the lease term excluding extension and termination options has been applied. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of Elders.

Where Elders is a lessee:

(a) Amounts recognised in the consolidated statement of financial position

Reconciliation of carrying amounts of right-of-use assets at beginning and end of period:

	Properties	Motor vehicles	Other	Total
	$000	$000	$000	$000
2023				
Carrying amount at beginning of period	99,072	19,953	279	119,304
Additions	52,530	20,569	-	73,099
Depreciation expense	(29,155)	(15,617)	(223)	(44,995)
Lease modifications and reassessments	43,025	8,783	-	51,808
Carrying amount at end of period	165,472	33,688	56	199,216
2022				
Carrying amount at beginning of period	89,786	15,419	534	105,739
Additions	10,268	9,382	-	19,650
Depreciation expense	(22,760)	(12,430)	(255)	(35,445)
Lease modifications and reassessments	21,778	7,582	-	29,360
Carrying amount at end of period	99,072	19,953	279	119,304

Reconciliation of carrying amounts of lease liabilities at beginning and end of period:

	2023	2022
	$000	$000
Carrying amount at beginning of period	123,543	110,677
Additions	73,099	19,650
Interest expense	3,368	2,715
Lease modifications and reassessments	51,508	29,124
Repayments of principal and interest	(47,894)	(38,623)
Carrying amount at end of period	203,624	123,543
Lease liabilities of which are:		
• Current lease liabilities	36,041	32,716
• Non current lease liabilities	167,583	90,827
	203,624	123,543

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 10: LEASES

Accounting Policy

Elders leases various offices, warehouses, retail stores and motor vehicles. Rental contracts are typically made for an average period of three years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose on any banking covenants, however leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and interest expense. The interest expense is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option

Lease payments are discounted using Elders' incremental borrowing rate, being the rate Elders would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Elders is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise of IT equipment and office equipment.

Extension and termination options

Extension and termination options are included in Elders' property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of the extension and termination options held are exercisable only by Elders and not by the respective lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 11: INTANGIBLES

Significant Accounting Judgements, Estimates and Assumptions

Impairment of brand names and goodwill

Elders assesses impairment of assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews for indicators of impairment. If indicators exist, assets are tested for impairment through determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

Elders determines whether the brand names and goodwill are impaired or whether it is appropriate to reverse any previous impairments on an annual basis. This requires an estimation of the recoverable amount of the associated cash-generating units, using a value in use discounted cash flow methodology, to which the brand names or goodwill is allocated.

Reconciliation of carrying amounts at beginning and end of period:

Non current	Goodwill	Rent rolls & loan books	Brand names	Distribution rights	Customer intangibles	Software Assets	Other	Total
	$000	$000	$000	$000	$000	$000	$000	$000
2023								
Carrying amount at beginning of period	199,254	15,925	80,993	23,000	37,385	4,235	3,528	364,320
Additions	-	5,975	-	-	-	11,688	-	17,663
Additions through business combinations	32,437	1,791	-	-	-	-	-	34,228
Disposals	-	-	-	-	-	-	(3)	(3)
Amortisation	-	(2,383)	-	-	(3,594)	(223)	(694)	(6,894)
Carrying amount at end of period	231,691	21,308	80,993	23,000	33,791	15,700	2,831	409,314
Cost	231,691	30,221	80,993	23,000	47,620	15,923	4,948	434,396
Accumulated amortisation and impairment	-	(8,913)	-	-	(13,829)	(223)	(2,117)	(25,082)
	231,691	21,308	80,993	23,000	33,791	15,700	2,831	409,314
2022								
Carrying amount at beginning of period	175,151	9,325	80,240	23,000	40,979	-	3,948	332,643
Additions	786	4,407	-	-	-	4,235	182	9,610
Additions through business combinations	23,181	3,949	753	-	-	-	-	27,883
Amortisation	-	(1,756)	-	-	(3,594)	-	(602)	(5,952)
Other	136	-	-	-	-	-	-	136
Carrying amount at end of period	199,254	15,925	80,993	23,000	37,385	4,235	3,528	364,320
Cost	199,254	22,455	80,993	23,000	47,620	4,235	5,127	382,684
Accumulated amortisation and impairment	-	(6,530)	-	-	(10,235)	-	(1,599)	(18,364)
	199,254	15,925	80,993	23,000	37,385	4,235	3,528	364,320

For impairment testing purposes, all intangibles except for the Elders' Brand Name have been allocated to the Branch Network and Wholesale Products cash generating units as applicable. For Branch Network, $150.7 million (2022: $125.0 million) of goodwill, $12.8 million (2022: $12.8 million) of brand names and $23.0 million (2022: $23.0 million) of distribution rights were allocated for impairment testing. For Wholesale Products, $81.0 million (2022: $74.3 million) of goodwill and $7.8 million (2022: $7.6 million) of brand names were allocated for impairment testing. The Elders' Brand Name has not been allocated to individual cash generating units but rather assessed against all cash generating units expected to benefit from it.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 11: INTANGIBLES

The recoverable amount of cash generating units has been determined based on a value in use calculation using cash flow projections approved by management that covers a period of 5 years. Future cash flows are based on budgets and forecasts taking into account current market conditions and known future business events that will impact cash flows. The discount rate applied to the cash flow projections is 11.4% pre-tax (2022: 10.0% pre- tax) which has been determined based on a weighted average cost of capital calculation which incorporates the specific risks relating to the cash generating units identified. The estimated recoverable amount of each of the CGU's is greater than the carrying values at 30 September 2023. Carrying values are not sensitive to a reasonable change in discount rate of +/- 1% and significant headroom remains.

The calculation of value in use for cash generating units was based on the following key assumptions:

Gross margin

- increased earnings from geographical expansion through acquisitions and footprint growth
- higher earnings from continued organic growth focus across our product and service portfolio
- additional growth through the continued expansion of the backward integration strategy

Gross margin assumptions are subject to risk factors associated with the agriculture industry, many of which are beyond the control of Elders such as weather and rainfall conditions, commodity prices and international trade relations. These factors are highly dependent on the outlook and prospects of the Australian farm sector, and the values and volume growth in internationally traded livestock and fibre.

Selling, general and administrative expenses

Ongoing emphasis on cost control will be offset by investment directly linked to margin improvement and control enhancement, including implementation of remuneration models which drive performance and growth.

Growth rate estimates

Cash flows are based on the 2024 budget. Growth rate of 2-3% for years 2 to 5 or perpetuity has been incorporated in the discounted cash flow.

Discount rates

Discount rates reflect management's estimate of the time value of money and the specific risk not already reflected in the cash flows.

Accounting Policy

(i) Brand Names

The brand name intangibles are deemed to have an indefinite useful life and are not amortised. The brand name value represents the value attributed to brands when acquired through business combinations and is carried at cost less accumulated impairment losses. The brand names have been determined to have an indefinite useful life due to there being no foreseeable limit to the period over which they are expected to generate net cash inflows, given the strength and durability of the brands and the level of marketing support. The brands have been in the rural and regional Australian market for many years, and the nature of the industry Elders operates in is such that brand obsolescence is not common, if appropriately supported by advertising and marketing spend.

Expenditure incurred in developing, maintaining or enhancing the brand names is expensed in the year that it occurred.

(ii) Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indicator of impairment.

(iii) Rent rolls and loan books

Rent rolls and loan books have been acquired and are carried at cost less accumulated amortisation and impairment losses. These intangible assets have been determined to have finite useful lives and are amortised over their useful lives of 10 years and tested for impairment whenever there is an indicator of impairment.

(iv) Distribution rights

Amount relates to a livestock and wool delivery guarantee distribution right. After initial recognition, distribution rights are measured at cost less any accumulated impairment losses. These intangible assets have been assigned an indefinite life and are subject to impairment testing on an annual basis or whenever there is an indicator of impairment.

(v) Customer intangibles

Customer intangibles relates to wholesale and member relationships recognised as part of the AIRR acquisition and are carried at cost less accumulated amortisation and impairment losses. These intangible assets have been determined to have finite useful lives and are amortised over their useful lives of 10 to 15 years and tested for impairment whenever there is an indicator present.

(vi) Software assets

Software assets relates to internally generated software and associated assets that form part of the System Modernisation program and are carried at cost until project milestones are completed. When a project milestone is completed, the asset is ready for use and amortised over the asset's useful life of 10 years in line with Elders' policy for core IT systems.

(vii) Other

Other intangibles mainly relate to software and development of IT infrastructure and are carried at cost less accumulated amortisation and impairment losses. Software and IT intangible assets have been determined to have finite useful lives and are amortised over their useful lives of 5 years and tested for impairment whenever there is an indicator of impairment. Other intangibles also include indefinite life assets.

The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate and is thus accounted for on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 12: EQUITY ACCOUNTED INVESTMENTS

	Balance date	Ownership interest	
		2023	2022
		%	%
AuctionsPlus Pty Ltd	30-Jun	50	50
Elders Insurance (Underwriting Agency) Pty Ltd	31-Dec	20	20
StockCo Holdings Pty Ltd	30-Jun	-	*
Clear Grain Pty Ltd	30-Jun	30	30
AgCrest Holdings Pty Ltd	30-Jun	33	33
AgCrest Land Holdings Pty Ltd	30-Jun	33	33

	Consolidated entity investment		Contribution to net profit		Dividends received	
	2023	2022	2023	2022	2023	2022
	$000	$000	$000	$000	$000	$000
AuctionsPlus Pty Ltd	1,395	2,507	316	1,486	1,426	1,617
Elders Insurance (Underwriting Agency) Pty Ltd	43,596	42,982	12,917	10,195	12,304	9,889
StockCo Holdings Pty Ltd	-	-	-	516	-	-
Clear Grain Pty Ltd	2,340	2,020	920	740	600	300
AgCrest Holdings Pty Ltd	1	38	(37)	(212)	-	-
AgCrest Land Holdings Pty Ltd	-	-	-	-	-	-
Equity accounted investments	47,332	47,547	14,116	12,725	14,330	11,806

* Elders sold its 30% equity stake in StockCo holdings during the prior period.

All equity accounted investments are Australian resident companies. Summary financial information for equity accounted investees is as follows:

	Profit/(loss) after income tax	Assets	Liabilities
	$000	$000	$000
2023			
AuctionsPlus Pty Ltd	630	6,715	(3,511)
Elders Insurance (Underwriting Agency) Pty Ltd	64,591	128,670	(119,441)
Clear Grain Pty Ltd	3,068	19,609	(13,572)
AgCrest Holdings Pty Ltd	(124)	-	-
AgCrest Land Holdings Pty Ltd	-	-	-
Total	68,165	154,994	(136,524)
2022			
AuctionsPlus Pty Ltd	2,972	7,636	(2,508)
Elders Insurance (Underwriting Agency) Pty Ltd	51,095	109,708	(98,645)
StockCo Holdings Pty Ltd	1,719	-	-
Clear Grain Pty Ltd	2,466	7,747	(4,810)
AgCrest Holdings Pty Ltd	(642)	896	(4)
AgCrest Land Holdings Pty Ltd	-	-	-
Total	57,610	125,987	(105,967)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 12: EQUITY ACCOUNTED INVESTMENTS

Accounting Policy

Elders' equity accounted investments are accounted for using the equity method of accounting in the consolidated financial statements and at cost in the parent. Equity accounted investments are entities over which Elders has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, equity accounted investments are carried in the consolidated financial statements at cost plus post acquisition changes in Elders' share of net assets of the investment. Goodwill relating to the investment is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects Elders' share of the results of operations of the equity accounted investments.

CAPITAL EMPLOYED – NOTE 13: OTHER FINANCIAL ASSETS

Accounting Policy

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading and which Elders has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and Elders considers this classification to be more relevant.

	2023	2022
	$000	$000
PGG Wrightson Limited	32,317	-
Others	269	1,269
Total other financial assets	32,586	1,269

Gains/(losses) recognised in other comprehensive income	(6,251)	-

During the period, Elders purchased a 12.5% equity interest in PGG Wrightson Limited (NZX:PGW) for a total consideration of $38.6 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 14: PROVISIONS

Reconciliation of carrying amounts at beginning and end of period:

	Employee benefits	Restructuring provisions	Make good	Other	Total
	$000	$000	$000	$000	$000
2023					
As at beginning of period	92,415	2,033	383	3,394	98,225
Arising during year	46,304	-	4,671	1,293	52,268
Utilised	(67,293)	(1,907)	(2,782)	(2,917)	(74,899)
Unused amounts reversed	-	-	-	(532)	(532)
Discount rate adjustment	959	-	-	-	959
Provisions arising from entities acquired	548	-	-	-	548
	72,933	126	2,272	1,238	76,569
Disclosed as:					
Current	68,547	126	2,272	1,238	72,183
Non current	4,386	-	-	-	4,386
Total	72,933	126	2,272	1,238	76,569
2022					
As at beginning of period	81,582	484	996	1,962	85,024
Arising during year	62,731	1,559	-	2,675	66,965
Utilised	(52,514)	(10)	(32)	(1,190)	(53,746)
Unused amounts reversed	-	-	(581)	(53)	(634)
Provisions arising from entities acquired	616	-	-	-	616
	92,415	2,033	383	3,394	98,225
Disclosed as:					
Current	88,538	2,033	383	3,394	94,348
Non current	3,877	-	-	-	3,877
Total	92,415	2,033	383	3,394	98,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

CAPITAL EMPLOYED – NOTE 14: PROVISIONS

Accounting Policy

Provisions are recognised when Elders has a present obligation (legal or constructive) as a result of a past event, which makes it probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When Elders expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. The non current portion of this liability relates to the entitlement that Elders does not expect employees to take within 12 months of the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Incentives

Includes corporate, network and other incentives. These are accrued throughout the reporting period, according to performance based measures.

Restructuring provisions

Provisions are only recognised when general recognition criteria provisions are fulfilled. Additionally, Elders needs to follow a detailed formal plan about the business or part of the business concerned, the location and the number of employees affected, a detailed estimate of the associated costs, and appropriate time line. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

Make Good (Restoration)

Where Elders has entered into leasing arrangements that require the leased asset to be returned at the end of the lease term in its original condition, an estimate is made of the costs of restoration or dismantling of any improvements and a provision is raised.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of complying with the contract. Before a provision is established, Elders recognises any impairment loss on the assets associated with that contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

NET DEBT – NOTE 15: CASH FLOW STATEMENT RECONCILIATION

(a) Reconciliation of net profit after tax to net cash flows from operations

	2023	2022
	$000	**$000**
Profit after income tax expense	105,840	170,010
Adjustments for non cash items:		
Depreciation and amortisation	57,612	47,241
Unwinding of discount in regards to payables	836	630
Equity accounted profits	(14,116)	(12,725)
Dividends from equity accounted investments	14,330	11,806
Other fair value adjustments	(1,582)	(1,054)
Impairments	331	766
Doubtful debts	(169)	(1,226)
Employee entitlements	47,263	62,731
Other provisions	5,432	3,599
Other write downs	-	2,429
Net profit on sale of non current assets	(316)	(22,376)
Net tax movements	24,336	62,272
Other non cash items	(651)	3,570
Total non cash items	133,306	157,663
Total after non cash items	239,146	327,673
• (Increase)/decrease in receivables and other assets	114,235	(99,163)
• (Increase)/decrease in inventories	(2,498)	(165,228)
• Increase/(decrease) in payables and provisions	(181,640)	50,379
Net cash flows from operating activities	169,243	113,661

(b) Cash and cash equivalents

Cash at bank and in hand	21,483	17,840

(c) Net debt reconciliation

Cash and cash equivalents	21,483	17,840
Borrowings - repayment within one year	(265,814)	(179,210)
Borrowings - repayment after one year	(15,356)	-
Lease liabilities	(203,624)	(123,543)
Net debt	(463,311)	(284,913)
Cash and liquid investments	21,483	17,840
Gross debt - fixed interest rates	(203,624)	(123,543)
Gross debt - variable interest rates	(281,170)	(179,210)
Net debt	(463,311)	(284,913)

Non-cash investing and financing activities disclosed in other notes are:

- acquisition of right-of-use assets – note 10
- dividend distributions through the issue of shares under the dividend reinvestment plan – note 20
- shares issued to eligible executives under Elders Long-Term Incentive Plan – note 27

At balance date, Elders held $41.2 million (2022: $46.3 million) of client monies in trust which are off balance sheet. The funds are held on behalf of clients in the Real Estate business and Elders is bound by the relevant legislation in each state in relation to controls and governance over the funds.

Accounting Policy

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash deposits as defined above, net of outstanding bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

NET DEBT – NOTE 16: INTEREST BEARING LOANS AND BORROWINGS

	2023	2022
	$000	$000
Current		
Secured loans	-	4,230
Trade receivables and other working capital funding	265,814	174,980
	265,814	179,210
Non current		
Secured loans	15,356	-
Total current and non current	281,170	179,210

Elders has complied with all applicable bank covenants throughout the reporting period.

Elders also has an ancillary facility in relation to contingent funding, such as bank guarantees. As at 30 September 2023, $5.0 million had been issued (2022: $10.1 million).

Assets pledged as security

Secured loans are secured by various fixed and floating charges over all the assets of Elders (either directly or indirectly) except debtors carried out for trade receivables funding. Trade receivables and other working capital funding is secured over the underlying debtors. This facility expires in December 2025.

Fair value

The carrying value of interest bearing liabilities approximates fair value.

Accounting Policy

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless Elders has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

RISK MANAGEMENT – NOTE 17: FINANCIAL INSTRUMENTS

Elders' principal financial instruments comprise cash, receivables, payables, interest bearing loans and borrowings, and derivatives.

Risk exposures and responses

Elders manages its exposure to key financial risks, including interest rate and currency risk in accordance with its financial risk management policy. The objective of the policy is to support the delivery of financial targets while protecting future financial security. The main risks arising from Elders' financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Elders uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

(a) Interest rate risk

Elders' exposure to market interest rates relates primarily to short-term and long-term debt obligations. The level of debt is disclosed in note 16. At 30 September 2023 there was nil value of secured loans hedged under a floating to fixed arrangement (2022: nil), meaning at balance date, Elders had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	2023	2022
	$000	**$000**
Financial assets		
Cash and cash equivalents	21,483	17,840
Financial liabilities		
Interest bearing loans and liabilities	(281,170)	(179,210)
Net exposure	(259,687)	(161,370)

Elders constantly analyses its interest rate exposure so as to manage its cash flow volatility arising from interest rate changes. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At balance dates, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Post tax profit/equity		
Higher/(lower)		
+ 100 basis points	(2,597)	(1,614)
- 100 basis points	2,597	1,614

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

RISK MANAGEMENT – NOTE 17: FINANCIAL INSTRUMENTS

(b) Liquidity risk

Liquidity risk arises from Elders' financial liabilities and the subsequent ability to meet our obligations to repay financial liabilities as and when they fall due. Elders' objective is to maintain a balance between continuity of funding and flexibility through the use of committed available lines of credit. Elders manages its liquidity risk by monitoring the total cash inflows and outflows expected on a daily basis. Elders has established comprehensive risk reporting covering its business units that reflect expectations of management of the expected settlement of financial assets and liabilities. As at 30 September 2023, Elders has $314.2 million of undrawn facilities (2022: $290.0 million).

(i) Non-derivative financial assets and liabilities

The following liquidity risk disclosures reflect all contractually fixed pay-offs, repayments and interest resulting from the recognised financial liabilities and financial guarantees as of 30 September 2023. For the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

However, where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which Elders can be required to pay. When committed to make amounts available in instalments, each instalment is allocated to the earliest period in which Elders is required to pay. For financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called. The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows of non-derivative financial instruments.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	> 1 years
	$000	$000	$000	$000	$000
2023					
Non-derivative financial assets:					
Trade and other receivables	742,749	742,749	742,749	-	-
	742,749	742,749	742,749	-	-
Non-derivative financial liabilities:					
Interest bearing loans and borrowings	(281,170)	(281,237)	(265,814)	-	(15,423)
Lease liabilities	(203,624)	(208,712)	(15,759)	(23,716)	(169,237)
Trade and other payables	(646,165)	(646,165)	(635,816)	(880)	(9,469)
	(1,130,959)	(1,136,114)	(917,389)	(24,596)	(194,129)
Net inflow/(outflow)	(388,210)	(393,365)	(174,640)	(24,596)	(194,129)
2022					
Non-derivative financial assets:					
Trade and other receivables	826,538	826,538	826,538	-	-
	826,538	826,538	826,538	-	-
Non-derivative financial liabilities:					
Interest bearing loans and borrowings	(179,210)	(179,210)	(179,210)	-	-
Lease liabilities	(123,543)	(126,281)	(15,280)	(15,280)	(95,721)
Trade and other payables	(752,432)	(752,432)	(734,081)	(2,292)	(16,059)
	(1,055,185)	(1,057,923)	(928,571)	(17,572)	(111,780)
Net inflow/(outflow)	(228,647)	(231,385)	(102,033)	(17,572)	(111,780)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

RISK MANAGEMENT – NOTE 17: FINANCIAL INSTRUMENTS

(ii) Derivative financial instruments

Due to the unique characteristics and inherent risks of derivative instruments, Elders separately monitors liquidity risk arising from transacting in derivative instruments. Net settled derivatives comprise interest rate hedges. Net settled derivatives held by Elders at balance date were nil (2022: nil).

(c) Credit risk

Credit risk arises from Elders' financial assets, which comprise cash and cash equivalents, trade and other receivables, and derivative instruments. Elders' exposures to credit risk arise from potential default of the counterparty, with the maximum exposure equal to the carrying amount of the financial assets. The ageing of trade and other receivables at balance date is reported at note 5. The credit risk associated with cash and derivatives is located primarily in Australia.

Trade receivables are reviewed in accordance with the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. To measure expected losses, trade receivables have been grouped on days past due. Expected credit losses are based on the payment profile of sales over a period of 5 years and the historical default experience within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Elders minimises concentrations of credit risk by undertaking transactions with a large number of debtors in various locations. The credit risk amounts do not take into account the value of any collateral or security. The creditworthiness of counterparties is regularly monitored and subject to defined credit policies, procedures, limits and insurance positions. The amounts disclosed do not reflect expected losses and are shown gross of provisions. The maximum exposure to credit risk at the reporting date was:

	2023	**2022**
	\$000	**\$000**
Cash and cash equivalents	21,483	17,840
Trade and other receivables	742,749	826,538
	764,232	844,378
Location of credit risk		
Australia	761,567	840,712
Asia	1,659	3,447
Other	1,006	219
Total	764,232	844,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

RISK MANAGEMENT – NOTE 17: FINANCIAL INSTRUMENTS

(d) Foreign currency risk

Elders is exposed to movements in the exchange rates of a number of currencies. These are primarily generated from the following activities:

- purchase and sale contracts written in foreign currency
- receivables and payables denominated in foreign currencies
- commodity cash prices that are partially determined by movements in exchange rates

Foreign exchange risk is managed within Board approved limits using forward foreign exchange and foreign currency contracts. Where possible, exposures are netted off against each other to minimise the cost of hedging. Hedge accounting is applied effective 1 October 2020. Elders uses cash flow financial instruments to offset foreign currency exposures on purchases of crop protection products from international suppliers, denominated in US Dollars. The cash flow financial instruments are not speculative investments. As at 30 September 2023, Elders held designated cash flow hedges with a notional value of $56.0 million with a fair value asset of $1.1 million (2022: $5.3 million fair value asset). The maturity dates for designated cash flow hedges ranges from October 2023 to May 2024.

As at 30 September 2023, Elders had the following AUD exposures to foreign currencies that were not designated in cash flow financial instruments:

	2023	2022
	$000	$000
Financial assets		
Cash and cash equivalents – CNY	718	1,873
Cash and cash equivalents – IDR	413	464
Cash and cash equivalents – other	1,006	223
Receivables – CNY	82	471
Receivables – IDR	446	639
	2,665	3,670
Financial liabilities		
Payables – CNY	(188)	(2,527)
Payables – IDR	(240)	(240)
	(428)	(2,767)
Net exposure	2,237	903

Given the foreign currency balances included in the statement of financial position at balance date, if the Australian dollar at that date strengthened by 10% with all other variables held constant, then the impact on post tax profit/(loss) arising on the balance sheet exposure would be as follows:

Post tax profit		
Higher/(lower)		
CNY	(61)	18
IDR	(62)	(86)
Other	(100)	(22)

A 10% weakening of the Australian dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables are held constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

RISK MANAGEMENT – NOTE 17: FINANCIAL INSTRUMENTS

Accounting Policy

Elders uses forward currency contracts to hedge risks associated with foreign currency rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. Derivative assets and liabilities are classified as non current in the statement of financial position when the remaining maturity is more than 12 months, or current when the remaining maturity is less than 12 months.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit and loss.

Elders applies the hedge accounting principles contained within AASB 9 Financial Instruments. For all effective cash flow hedges entered into, Elders recognises the movements in fair value of the derivative financial instruments in equity and only recognises the cumulative difference in the statement of comprehensive income when the hedged item is recognised. Amounts accumulated in equity are included within the initial cost of the asset where the hedged item subsequently results in the recognition of a non-financial asset such as inventory. Any ineffective portion of a cash flow hedge is recognised immediately in the profit and loss. Hedge effectiveness is determined at the inception of the hedge relationship, and prospectively assessed to ensure economic relationships remain between the hedging instrument and hedged item.

Elders documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. Elders also documents its risk management objective and strategy for undertaking its hedge transactions.

(e) Financial assets and liabilities measured at fair value

Elders use various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets
- Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data

All forward exchange derivative contracts were measured at fair value using the level 2 method. Fair value of derivative instruments approximates the carrying value. The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The fair value of financial instruments as well as the method used to estimate the fair values are summarised in the table below:

	2023			2022		
	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Valuation technique – non market observable inputs (Level 3)	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Valuation technique – non market observable inputs (Level 3)
	$000	$000	$000	$000	$000	$000
Financial assets and liabilities						
Foreign currency derivatives	-	1,169	-	-	5,264	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

EQUITY – NOTE 18: CONTRIBUTED EQUITY

	2023	2022
	$000	$000
Issued and paid up capital		
156,476,574 ordinary shares (September 2022: 156,476,574)	1,643,419	1,646,630

The movement in the dollar balance of share capital is a result of:
- $11.0 million of treasury shares purchased (2022: $9.6 million)
- $4.8 million of dividends where the shareholders have participated in the dividend reinvestment plan (2022: $3.4 million)
- $3.0 million of shares transferred from treasury upon vesting of performance rights in accordance with Elders' Long-Term Incentive Plan (2022: $1.8 million)

Elders considers both capital and net debt as relevant components of funding, and hence, part of its capital management. When managing capital and net debt, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Treasury Shares

Treasury shares are shares in Elders Limited that are held for the purpose of allocating shares under the Elders Executive Long-Term Incentive and Short-Term Incentive plans (see note 27 for further information).

Shares issued are recognised on a first-in-first-out basis.

	2023		2022	
	Number of Shares	$000	Number of Shares	$000
Balance 1 October	-		-	-
Acquisition of shares - average price $8.86 per share (2022: $12.40)	1,247,168	11,047	772,838	9,584
Allocation of deferred shares under executive performance schemes	(608,523)	(6,285)	(501,077)	(6,201)
Allocation of dividend reinvestment plan shares	(638,645)	(4,762)	(271,761)	(3,383)
Balance 30 September	-	-	-	-

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are included in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

EQUITY – NOTE 19: RESERVES

Reconciliation of carrying amounts at beginning and end of period:

	Business combination reserve	Employee equity benefits reserve	Hedge reserve	Foreign currency translation reserve	Financial assets at FVOCI	Total
	$000	$000	$000	$000	$000	$000
2023						
Carrying amount at beginning of period	(29,730)	6,676	576	(5,227)	-	(27,705)
Exchange differences on translation of foreign operations	-	-	-	636	-	636
Fair value movement in cash flow hedge	-	-	1,143	-	-	1,143
Reclassified to inventory	-	-	(1,992)	-	-	(1,992)
Less deferred tax impact	-	-	255	-	-	255
Cost of share based payments	-	(399)	-	-	-	(399)
Transfer to issued capital	-	(3,074)	-	-	-	(3,074)
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(6,251)	(6,251)
Carrying amount at end of period	(29,730)	3,203	(18)	(4,591)	(6,251)	(37,387)
2022						
Carrying amount at beginning of period	(27,495)	4,819	932	(5,143)	-	(26,887)
Exchange differences on translation of foreign operations	-	-	-	(84)	-	(84)
Fair value movement in cash flow hedge	-	-	6,757	-	-	6,757
Reclassified to inventory	-	-	(7,265)	-	-	(7,265)
Less deferred tax impact	-	-	152	-	-	152
Cost of share based payments	-	3,570	-	-	-	3,570
Transfer to issued capital	-	(1,713)	-	-	-	(1,713)
Revaluation of put option	(2,235)	-	-	-	-	(2,235)
Carrying amount at end of period	(29,730)	6,676	576	(5,227)	-	(27,705)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

EQUITY – NOTE 19: RESERVES

Nature and purpose of reserves

(i) Business combination reserve

This reserve is used to record the differences between the carrying value of non-controlling interests and the consideration paid/received, where there has been a transaction involving non-controlling interests that do not result in a loss of control.

Under agreements entered into with a number of non-controlling interests, the non-controlling shareholders have put options over their interests. These options are exercisable in accordance with the terms of each agreement. The potential liability for Elders under the put options is based on expectations of the exercise price and timing, discounted to present value using Elders' incremental borrowing rate. The recognition of the put options is reflected in the business combination reserve and as a financial liability within current liabilities.

(ii) Employee equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees, including key management personnel as part of their remuneration.

(iii) Hedge reserve

The hedge reserve is used to record the effective portion of gains or losses on derivative financial instruments. Amounts are subsequently included within the initial cost of the asset where the hedged item subsequently results in the recognition of a non-financial asset such as inventory or profit and loss as appropriate.

(iv) Financial assets at fair value through other comprehensive income

Elders has elected to recognise changes in the fair value of certain investments in financial assets in OCI. These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(v) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries, including exchange differences arising from loans which are deemed to be net investments in a foreign operation.

Accounting Policy

The results of subsidiaries incorporated in countries other than Australia, are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of net investments in overseas subsidiaries are taken to the foreign currency translation reserve. If such a subsidiary was disposed of, the proportionate share of exchange differences would be transferred out of equity and recognised in profit or loss.

EQUITY – NOTE 20: DIVIDENDS

On 16 December 2022, Elders paid a partially franked (30%) final dividend of 28 cents per share. This distribution totalled $43.8 million (December 2021: $33.9 million). The cash outflow was $41.2 million (December 2021: $32.5 million), with the difference reinvested by shareholders under dividend reinvestment plan.

On 22 June 2023, Elders paid a partially franked (30%) interim dividend of 23 cents per share. This distribution totalled $36.0 million (June 2022: $43.2 million). The cash flow was $32.1 million (June 2022: $41.2 million), with the difference reinvested by shareholders under dividend reinvestment plan.

	2023	2022
	$000	$000
Subsidiary equity dividends on ordinary shares:		
Dividends paid to non-controlling interests during the year	6,504	4,453
Franking credits available to the parent for subsequent financial years based on tax rate of 30% (2022: 30%)	12,006	11,007

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP STRUCTURE – NOTE 21: INVESTMENTS IN CONTROLLED ENTITIES

(a) Schedule of controlled entities

	Country of Incorporation		% Held by Group	
			2023	2022
Ace Ohlsson Pty Limited	Australia	(a)	100	100
Agsure Pty Ltd	Australia	(a)	100	100
AI Asia Pacific Operations Holding Limited	Hong Kong SAR	(c)	100	100
Air International Asia Pacific Operations Pty Ltd	Australia	(d)	100	100
AIRR Apparent Pty Ltd	Australia	(a)	100	100
AIRR Belmark Pty Ltd	Australia	(a)	100	100
AIRR Holdings Limited	Australia	(a)	100	100
AIRR iO Pty Ltd	Australia	(a)	100	100
APO Administration Limited	Hong Kong SAR		100	100
APT Projects Pty Ltd	Australia	(e)	-	100
Aqa Oysters Pty Ltd	Australia	(e)	-	77
Ashwick (Vic) No 102 Pty Ltd	Australia	(d)	100	100
Australian Independent Rural Retailers Pty Ltd	Australia	(a)	100	100
B & W Rural Pty Ltd	Australia		76	76
BWK Holdings Pty Ltd	Australia	(e)	-	100
Chemseed Australia Pty Ltd	Australia	(d)	100	100
Eastern Rural Pty Ltd	Australia	(d)	100	100
Elders Asset Finance Pty Ltd	Australia	(b) (d)	100	-
Elders Automotive Group Pty Ltd	Australia	(d)	100	100
Elders Burnett Moore WA Pty Ltd	Australia	(e)	-	100
Elders China Trading Company	China		100	100
Elders Communications Pty Ltd	Australia	(e)	-	100
Elders Finance Pty Ltd	Australia	(a)	100	100
Elders Fine Foods (Shanghai) Company	China		100	100
Elders Forestry Finance Pty Ltd	Australia	(d)	100	100
Elders Forestry Management Pty Ltd	Australia	(d)	100	100
Elders Forestry Pty Ltd	Australia	(d)	100	100
Elders Global Wool Holdings Pty Ltd	Australia	(e)	-	100
Elders Home Loans Pty Ltd	Australia	(d)	100	100
Elders Management Services Pty Ltd	Australia	(d)	100	100
Elders PT Indonesia	Indonesia		100	100
Elders Real Estate (Tasmania) Pty Ltd	Australia	(d)	100	100
Elders Real Estate (WA) Pty Ltd	Australia	(d)	100	100
Elders Rural Services Australia Limited	Australia		100	100
Elders Rural Services Limited	Australia	(a)	100	100
Elders Telecommunications Infrastructure Pty Ltd	Australia	(e)	-	100
Elders Toll Formulation Pty Ltd	Australia	(b) (d)	100	-
Emmobi Pty Ltd	Australia	(b) (d)	100	-
Family Hospitals Pty Ltd	Australia	(d)	100	100
ITC Timberlands Pty Ltd	Australia	(d)	100	100
Keratin Holdings Pty Ltd	Australia	(d)	100	100
Killara Feedlot Pty Ltd	Australia	(a)	100	100
Manor Hill Pty Ltd	Australia	(d)	100	100
New Ashwick Pty Ltd	Australia	(e)	-	100
Northern Rural Supplies Pty Ltd	Australia	(d)	100	100
Prels Pty Ltd	Australia	(d)	100	100
Prestige Property Holdings Pty Ltd	Australia	(d)	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP STRUCTURE – NOTE 21: INVESTMENTS IN CONTROLLED ENTITIES

	Country of Incorporation		% Held by Group	
			2023	2022
Primac Exports Pty Ltd (in liq)	Australia	(d) (f)	100	100
Primac Pty Ltd	Australia	(d)	100	100
Redray Enterprises Pty Ltd	Australia	(d)	100	100
Robian Holdings Pty Ltd	Australia	(d)	100	100
SDEA Nominees Pty Ltd	Australia	(a)	100	100
Sunfam Pty Ltd	Australia	(d)	100	100
The Hunter River Company Pty Ltd	Australia	(a)	100	100
Titan Ag Pty Ltd	Australia	(a)	100	100
Ultrasound Australia Pty Ltd	Australia	(a)	100	100
Victorian Producers Co-operative Company Pty Ltd	Australia	(d)	100	100
YP Agricultural Services Pty Ltd	Australia	(d)	100	100

- The parties that comprise the Closed Group are denoted by (a)
- Entities acquired or registered during the period are denoted by (b)
- Entities exempted from audit requirements due to overseas legislation or non-corporate status are denoted by (c)
- Entities classified by the Corporations Act as small proprietary companies relieved from audit requirements are denoted by (d)
- Entities denoted by (e) were disposed of, deregistered or liquidated during the year
- Entities denoted by (f) entered members voluntary liquidation during the year

Accounting Policy

The results of subsidiaries incorporated in countries other than Australia, are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP STRUCTURE – NOTE 21: INVESTMENTS IN CONTROLLED ENTITIES

(b) Deed of Cross Guarantee

Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* dated 29 September 2016, relief has been granted to these controlled entities of Elders Limited from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports and Directors' reports. As a condition of the Class Order, Elders Limited, and the controlled entities subject to the Class Order, entered into a Deed of Cross Guarantee (Deed). The effect of the Deed is that Elders Limited has guaranteed to pay any deficiency in the event of the winding up of any member of the Closed Group, and each member of the Closed Group has given a guarantee to pay any deficiency, in the event that Elders Limited or any other member of the Closed Group is wound up.

Certain members of the Closed Group, in addition to certain controlled entities, are guarantors in connection with the consolidated entity's borrowings facilities disclosed at note 16. A consolidated statement of comprehensive income and consolidated statement of financial position, comprising Elders Limited and the controlled entities which are a party to the Deed, after elimination of all transactions between parties to the Deed, for the year ended 30 September 2023 is set out as follows. The prior period has been adjusted to ensure comparability:

	2023	2022
	$000	$000
Statement of comprehensive income of the Closed Group		
Sales revenue	1,360,290	1,425,122
Cost of sales	(1,142,967)	(1,202,050)
Gross profit	217,323	223,072
Other revenue	59,279	197,476
Distribution expenses	(53,804)	(52,970)
Administrative expenses	(12,920)	(14,831)
Finance costs	(6,963)	(1,865)
Profit/(loss) before income tax benefit/(expense)	202,915	350,882
Income tax benefit/(expense)	(29,913)	(59,459)
Profit/(loss) after income tax benefit/(expense)	173,002	291,423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP STRUCTURE – NOTE 21: INVESTMENTS IN CONTROLLED ENTITIES

	2023	2022
	$000	$000
Consolidated statement of financial position of the Closed Group		
Current assets		
Cash and cash equivalents	21,099	26,154
Trade and other receivables	290,786	332,259
Livestock	52,194	73,722
Inventory	144,832	135,845
Total current assets	508,911	567,980
Non current assets		
Other financial assets	274,179	274,179
Property, plant and equipment	24,582	20,721
Right-of-use assets	25,659	21,326
Intangibles	156,811	161,338
Deferred tax assets	21,513	49,703
Total non current assets	502,744	527,267
Total assets	1,011,655	1,095,247
Current liabilities		
Trade and other payables	514,474	591,952
Lease liabilities	6,396	6,712
Provisions	4,130	8,990
Total current liabilities	525,000	607,654
Non current liabilities		
Interest bearing loans and borrowings	15,000	-
Lease liabilities	18,805	13,424
Total non current liabilities	33,805	13,424
Total liabilities	558,805	621,078
Net assets	452,850	474,169
Equity		
Contributed equity	1,643,419	1,646,630
Reserves	2,691	6,163
Retained earnings	(1,193,260)	(1,178,624)
Total equity	452,850	474,169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP STRUCTURE – NOTE 22: PARENT ENTITY

Information relating to the parent entity of the Group, Elders Limited:

	2023	2022
	$000	$000
Results:		
Net profit for the period after income tax expense	24,154	151,869
Total comprehensive income	24,154	151,869
Financial position:		
Current assets	176,821	209,215
Non current assets	198,857	228,880
Total assets	375,678	438,095
Current liabilities	1,601	1,684
Total liabilities	1,601	1,684
Net assets	374,077	436,411
Issued capital	1,643,419	1,646,630
Retained earnings	(1,272,033)	(1,216,382)
Employee equity reserve	2,691	6,163
Total equity	374,077	436,411

Guarantees

As disclosed in note 21, the parent entity has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that Elders Limited and each of these controlled entities has guaranteed to pay any deficiency of any of the companies party to the Deed in the event of any of those companies being wound up.

The parent entity is a party to various guarantees and indemnities pursuant to bank facilities extended to the Group as disclosed in note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP STRUCTURE – NOTE 23: BUSINESS COMBINATIONS – CHANGES IN THE COMPOSITION OF THE ENTITY

(a) Acquisitions

(i) Prior period acquisitions

In the prior period, Elders acquired a number of small to medium retail and real estate businesses for a total consideration of $39.2 million, including $10.4 million of deferred consideration. These transactions resulted in the recognition of $23.2 million of goodwill.

(ii) Current period acquisitions

During the current period, Elders acquired a number of small to medium retail, livestock and real estate businesses for a total consideration of $42.0 million, including $16.5 million of deferred consideration. These transactions resulted in the recognition of $32.4 million of goodwill.

	2023	2022
	$000	$000
Purchase consideration		
Cash paid	25,516	28,849
Deferred consideration	16,504	10,383
Total purchase consideration	42,020	39,232
The total assets and liabilities recognised as a result of acquisitions are:		
Cash and cash equivalents	-	206
Trade and other receivables	8,098	-
Inventory	4,680	11,670
Property, plant and equipment	459	1,451
Rent roll	1,791	4,014
Brand name	-	753
Trade and other payables	(4,517)	(800)
Provisions	(548)	(616)
Deferred tax assets/(liabilities)	(380)	(627)
Net identifiable assets acquired	9,583	16,051
Goodwill on acquisition	32,437	23,181
Total purchase consideration	42,020	39,232

Payments for acquisitions through business combinations, net of cash acquired

The cash outflow for payments for acquisitions through business combinations, net of cash acquired of $47.0 million (2022: $54.0 million) represents cash paid, net of cash acquired in respect of businesses acquired during the period of $25.5 million (2022: $28.6 million) and payments of deferred consideration relating to acquisitions from prior periods of $21.5 million (2022: $23.7 million).

At 30 September 2023, Elders has $27.8 million (2022: $31.3 million) of deferred consideration amounts related to acquisitions which are included in current and non current other creditors and accruals in note 8.

(b) Disposals

There were no disposals during the current or prior period other than for equity accounted investments (refer to note 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

GROUP STRUCTURE – NOTE 23: BUSINESS COMBINATIONS – CHANGES IN THE COMPOSITION OF THE ENTITY

Accounting Policy

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Elders elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When Elders acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 9 either in profit or loss or as a charge to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of AASB 9, it is measured in accordance with the appropriate AASB standard.

OTHER NOTES – NOTE 24: EXPENDITURE COMMITMENTS

(a) Operating lease commitments – Elders as a lessee

As a result of the application of AASB 16, Elders' expenditure commitments relating to leases have been recognised as lease liabilities with an associated right-of-use asset and are presented in note 10, except for low value leases. Elders' operating lease commitments for low value leases are presented below.

	2023	2022
	$000	$000
Operating lease commitments:		
• Within one year	2,134	1,221
• After one year but not later than five years	3,321	1,464
Total minimum lease payments	5,455	2,685

(b) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2023	2022
	$000	$000
Capital expenditure commitments:		
• Within one year	2,859	27,217
Total minimum payments	2,859	27,217

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

OTHER NOTES – NOTE 25: CONTINGENT LIABILITIES

There are potential legal matters that occur in the ordinary course of business that are being considered by Elders' legal advisors. Based on the current information available, the following applies:

Unquantifiable contingent liabilities

- Elders has contingent obligations in respect of real property let or sub-let by subsidiaries of Elders.
- Elders has contingent obligations in respect of real property sub-let to the purchaser of Elders' former Sandalwood estate.
- Benefits are payable under service agreements with employees of Elders under certain circumstances such as achievement of prescribed performance hurdles, occurrence of certain events or termination of employment for reasons other than serious misconduct.
- Subsidiaries of Elders have, from time to time in the ordinary course, provided parent company guarantees in respect of certain contractual obligations of their subsidiaries. The contingent exposure under those guarantees on a consolidated basis is no greater than the exposure of the subsidiary having the principal contractual obligation.
- Subsidiaries of Elders have from time to time provided warranties and indemnities in connection with the disposal of assets. The Directors are not aware at the present time of any material exposures under the warranties of indemnities.
- Various legal claims for damages resulting from the use of products or services of Elders, and from the contracts entered into or alleged to have been entered into by Elders, are in existence for which no provision has been raised as it is not currently probable that these claims will succeed or it is not practical to estimate the potential effect of these claims. The Directors are of the view that none of these claims based on the net exposure is likely to be material.

Other guarantees

As disclosed in note 21, the parent entity has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that Elders Limited and each of these controlled entities has guaranteed to pay any deficiency of any of the companies party to the Deed in the event of any of those companies being wound up.

The parent entity and certain subsidiaries of Elders are parties to various guarantees and indemnities pursuant to bank facilities extended to Elders.

OTHER NOTES – NOTE 26: RELATED PARTY DISCLOSURES

The ultimate controlling entity of the Group is Elders Limited.

From time to time, Directors of Elders, or third parties of which a Director of Elders is also a Director, engage in transactions with Elders or entities in which Elders has an investment. These transactions are immaterial and generally in the nature of the acquisition of goods or services from Elders or an entity in which Elders has an investment or the supply of services to Elders or an entity in which Elders has an investment. Such transactions are on arm's length commercial terms and procedures are in place to manage any actual or potential conflicts of interest.

As part of sharing office space with branches within the Branch Network segment, Elders incurred costs on behalf of Elders Insurance (Underwriting Agency) Pty Ltd and recharged these at arm's length.

In the prior period, Elders sold its 30% equity stake in StockCo holdings and received a net repayment of $5.0 million on its advance to StockCo Holdings Pty Ltd. As at previous balance date, Elders has no receivable from StockCo Holdings Pty Ltd. As a result, Elders has recognised interest revenue of nil (2022: $1.5 million) and also received trail and exclusivity fees of nil (2022: $1.1 million) from StockCo Holdings Pty Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

OTHER NOTES – NOTE 27: SHARE BASED PAYMENT PLANS

Long-Term Incentive Performance Rights

Performance rights were granted to eligible executives with a three year performance period and split into tranches, each carrying a different performance condition. Upon vesting of performance rights one fully paid share in Elders will be allocated for each performance right.

Set out below are a summary of rights granted under the plans:

	Grant Date	Vesting date	Balance at start of period	Granted	Vested	Lapsed	Balance at end of period
MD & CEO Grant	12-Dec-19	Nov-22	166,000	-	166,000	-	-
Senior Executive Grant	21-Feb-20	Nov-22	321,916	-	321,916	-	-
MD & CEO Grant	17-Dec-20	Nov-23*	101,000	-	-	-	101,000
Senior Executive Grant	12-Mar-21	Nov-23*	235,667	-	-	-	235,667
MD & CEO Grant	16-Dec-21	Nov-24*	102,400	-	-	-	102,400
Senior Executive Grant	22-Dec-21	Nov-24*	223,700	-	-	-	223,700
MD & CEO Grant	15-Dec-22	Nov-25*	-	107,000	-	-	107,000
Senior Executive Grant	23-Dec-22	Nov-25*	-	272,500	-	-	272,500
Total			1,150,683	379,500	487,916	-	1,042,267

**The vesting date does not include the 12 month holding lock period which is an additional service requirement.*

During the period, Long-Term Incentive performance rights benefit of $(0.8) million (2022: $3.0 million expense) was recognised.

For Long-Term Incentive performance rights vesting in November 2023, no additional shares (November 2022: 41,455) will be allocated under the MD & CEO Grant and Senior Executive Grant at the time of vesting for the value of dividends paid but not received on the vested rights during the performance period.

The fair value at grant date of the Long-Term Incentive performance rights issued during the year was:

	MD & CEO Grant	Senior Executive Grant
	$ per right	**$ per right**
2023		
Relative TSR against Comparator Companies Performance Rights	3.95	3.78
EPS Growth Performance Rights	9.04	8.84
2022		
Relative TSR against Comparator Companies Performance Rights	5.13	5.99
EPS Growth Performance Rights	10.44	11.15

Key inputs in calculating the fair value of the Long-Term Incentive performance rights issued during the year include:
- Share price at valuation date: $10.36 for the MD & CEO Grant (2022: $11.54) and $10.12 for the Senior Executive Grant (2022: $12.24)
- Risk free rate: 3.3% for the MD & CEO Grant (2022: 1.0%) and 3.3% for the Senior Executive Grant (2022: 0.8%)
- Volatility: 33% for the MD & CEO Grant (2022: 30%) and 33% for the Senior Executive Grant (2022: 30%)
- Dividend yield: 5.0% for the MD & CEO Grant (2022: 3.6%) and 5.0% for the Senior Executive Grant (2022: 3.4%)

The weighted average remaining life of the Long-Term Incentive performance rights outstanding at the end of the financial year was 1.2 years. (2022: 1.0 years).

Performance rights associated with the 2020 Long-Term Incentive Plan vested during the period. As a result, a total of 487,916 shares were issued to relevant participants.

Short-Term Incentive Restricted Shares

Restricted shares issued to employees are part of the Short-Term Incentive plan. During the period, a total expense of $0.2 million (2022: $0.5 million) was recognised in relation to this.

A total of 79,151 (2022: 86,523) restricted shares were allocated to the plan participants and remain unvested at the end of the year.

The weighted average fair value at the grant date is $10.12 (2022: $12.24).

Other Service Rights

Subject to approval of shareholders at Elders' 2023 AGM, the MD & CEO will be granted service rights under Elders' Long Term Incentive Plan for no consideration as part of the retention plan. During the period, a total expense of $0.2million (2022: Nil) was recognised in relation to this. A total of 180,000 (2022: Nil) service rights were allocated to MD & CEO and remain unvested at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

OTHER NOTES – NOTE 28: AUDITOR'S REMUNERATION

	2023	2022
	$	$
Amounts received or due and receivable by the auditor PricewaterhouseCoopers for:		
• auditing or review of financial statements *	894,630	788,300
• other audit related services	100,113	-
• other non-audit services	-	10,695
Total	994,743	798,995

* *Fees include amounts paid to overseas PricewaterhouseCoopers offices in relation to the statutory audits of the subsidiaries in China and Indonesia.*

OTHER NOTES – NOTE 29: KEY MANAGEMENT PERSONNEL

Remuneration of Directors and other Key Management Personnel

For information on the Remuneration Policy, Structure and the relationship between remuneration payment and performance please refer to the Remuneration Report.

	2023	2022
	$	$
Short-term	1,776,675	2,503,069
Long-term	486,621	(219,140)
Post employment	51,638	47,998
Termination benefits	-	301,053
Share based payments	536,698	1,011,571
Total	2,851,632	3,644,551

For details of Key Management Personnel, see section 6.2 of the Remuneration Report.

OTHER NOTES – NOTE 30: SUBSEQUENT EVENTS

On 1 November 2023, Elders a acquired livestock and real estate business, consisting of five locations across south-west Victoria – Colac, Camperdown, Warrnambool, Hamilton and Ballarat.

Apart from the above, there are no other matters or circumstances that have arisen since 30 September 2023 which are not otherwise dealt with in this report or in the consolidated financial statements that have significantly affected or may significantly affect the operations of Elders, the results of those operations or the state of affairs of Elders in subsequent financial periods.

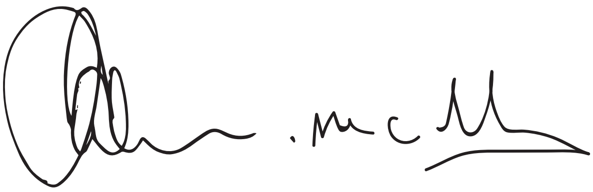
DIRECTORS' DECLARATION

For the year ended 30 September 2023

In accordance with a resolution of the Directors of Elders Limited, the Directors declare:

1. In the opinion of the Directors:
    - (a) the financial statements and notes of Elders Limited for the financial year ended 30 September 2023 are in accordance with the *Corporations Act 2001*, including:
        - (i) Giving a true and fair view of its financial position as at 30 September 2023 and of its performance for the year ended on that date; and
        - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
    - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in the basis of preparation
    - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the C*orporations Act 2001* for the year ended 30 September 2023.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 21 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board,



Ian Wilton
Chair

Mark C Allison
Managing Director and CEO

Adelaide
13 November 2023

Auditor's Independence Declaration

As lead auditor for the audit of Elders Limited for the year ended 30 September 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Elders Limited and the entities it controlled during the period.

M. T. Lojszczyk
Partner
PricewaterhouseCoopers

Adelaide
13 November 2023

Independent auditor's report

To the members of Elders Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Elders Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 September 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 September 2023
- the consolidated statement of comprehensive income for the year then ended
  the consolidated statement of cash flows for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
Level 11, 70 Franklin Street, ADELAIDE SA 5000, GPO Box 418, ADELAIDE SA 5001
T: +61 8 8218 7000, F: +61 8 8218 7999

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit, we used overall Group materiality of $6.9 million, which represents approximately 5% of the Group's profit before tax.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Our audit work focused on the Australian operations' financial information given their financial significance to the Group.
- We performed further audit procedures at a Group level, including procedures over the consolidation of the Group's businesses and the preparation of the financial and remuneration reports.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit, Risk and Compliance Committee.

Key audit matter	*How our audit addressed the key audit matter*

Accounting for supplier rebates ***(Refer to note 7)***
 	
Elders receive rebates on purchases of retail goods for resale from suppliers. These rebates are varied in nature and include price and volume rebates. In accordance with Australian Accounting Standards, rebates should only be recognised as a reduction in cost of sales when the associated performance conditions have been met. This requires a detailed understanding by the Group of the various contractual arrangements.
 	
We considered the accounting for supplier rebates to be a key audit matter because:
• supplier rebates recognised during the year are material to the financial statements;
• supplier arrangements are complex in nature and vary between suppliers; and
• judgement is involved by the Group to determine the amount of rebates that should be recognised in the cost of sales and the amount that should be deferred to inventory.
	We performed the following procedures:
	• for a sample of rebates recognised as a reduction to cost of sales, we:
	  ○ agreed terms to supplier credit notes or individual supplier agreements and recalculated the amount of the rebate; and
	  ○ checked if the rebate amount was only recognised as a reduction in cost of sales when a sale of the relevant product had occurred.
	• for a sample of rebates receivable at balance date, we:
	  ○ agreed the Group's calculation of the rebate receivable to the terms in the relevant supplier agreement; and
	  ○ agreed the key components of rebates receivable, including rebate accruals and amounts received over the course of the year, to relevant underlying evidence.
	• to assess the accuracy of rebates being deferred in inventory as at balance date we:
	  ○ obtained a listing of retail stock on hand and for a sample of items, traced the rebate percentage back to supplier agreements. We also recalculated the rebate amount deferred against inventory; and
	  ○ for a sample of rebates receivable, checked that when the related inventory was still on hand at balance date, the rebate amount had been appropriately deducted from inventory.

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Key audit matter	How our audit addressed the key audit matter
Existence and Valuation of inventory *(Refer to note 7)* At 30 September 2023, the Group held inventory balances of $491.7 million, as disclosed in Note 7 Inventories. Inventories are valued at the lower of cost and net realisable value ('NRV'). Costs are assigned to individual items of inventory predominately on the basis of weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. We considered this a key audit matter due to the judgement required by the Group in estimating the net realisable value and the provision for obsolescence in relation to the inventory. In addition, the distribution of the Group's inventory across a large number of locations may result in an increased risk in relation to existence.	We performed the following procedures amongst others: • developed an understanding of the Group's process for the procurement and accounting for inventory. • for a sample of inventory items, we reperformed the calculation of weighted average cost using the Group's methodology. • attended stocktakes at selected locations. • selected a sample of inventory items from the Group's inventory records and compared the quantity recorded to the actual amount counted during the stock takes. • for a sample of inventory items, traced the inventory quantity counted during the stocktakes to the Group's inventory records. • for a sample of inventory purchases and sales made between the stocktake date and balance sheet date, we checked the inventory movements to the relevant supporting documentation. • for a sample of inventory items sold after the year end, we compared the selling price net of estimated selling costs to the cost of the inventory items at the balance date. • assessed the reasonableness of the financial report disclosures against the requirements of Australian Accounting Standards

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

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Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 56 to 73 of the directors' report for the year ended 30 September 2023.

In our opinion, the remuneration report of Elders Limited for the year ended 30 September 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

M. T. Lojszczyk
Partner

Adelaide
13 November 2023

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ASX Additional Information

a) Distribution of Ordinary Shares as at 1 November 2023

Holdings Ranges	Total Units	Percentage FPO	Holders
1-1,000	5,400,675	3.45%	13,697
1,001-5,000	19,784,992	12.64%	8,035
5,001-10,000	12,008,852	7.68%	1,634
10,001-100,000	26,724,268	17.08%	1,143
100,001-9,999,999,999	92,557,787	59.15%	75
Totals	**156,476,574**	**100.00%**	**24,584**
The number of holders holding less than a marketable parcel			2,089

Distribution of Unquoted Equity Securities at 1 November 2023

As noted on page 51 of the Directors' Report, performance rights are the only unquoted equity securities on issue as at the date of this report.

Holdings Ranges	Total Units	Percentage Unquoted Equity Securities	Holders
1-1,000	0	0.00%	0
1,001-5,000	8,600	0.83%	2
5,001-10,000	15,133	1.45%	2
10,001-100,000	708,134	67.94%	21
100,001-9,999,999,999	310,400	29.78%	1
Totals	**1,042,267**	**100.00%**	**26**

All unvested performance rights on issue were acquired under an employee incentive plan

b) Voting Rights

All ordinary shares carry one vote per share without restriction. Unvested performance rights carry no voting rights.

c) Stock Exchange Quotation

Elders has one class of quoted securities, being the ordinary shares (ELD) which is listed on the Australia Securities Exchange. The Home Exchange is Sydney.

d) Twenty Largest Shareholders as at 1 November 2023

The twenty largest holders of Elders Ordinary Shares were as follows:	No. of shares	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,655,679	18.313%
CITICORP NOMINEES PTY LIMITED	19,285,456	12.325%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	17,139,642	10.953%
NATIONAL NOMINEES LIMITED	5,652,131	3.612%
BNP PARIBAS NOMINEES PTY LTD ‹AGENCY LENDING DRP A/C›	3,309,677	2.115%
BNP PARIBAS NOMS PTY LTD ‹DRP›	3,086,961	1.973%
MR MARK CHARLES ALLISON	1,152,124	0.736%
BNP PARIBAS NOMINEES PTY LTD ‹IB AU NOMS RETAILCLIENT DRP›	895,407	0.572%
VENN MILNER SUPERANNUATION P/L	800,000	0.511%
BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD ‹DRP A/C›	615,062	0.393%
NETWEALTH INVESTMENTS LIMITED ‹WRAP SERVICES A/C›	412,895	0.264%
CITICORP NOMINEES PTY LIMITED ‹COLONIAL FIRST STATE INV A/C›	411,409	0.263%
CERTANE CT PTY LTD ‹ELD DEF A/C›	395,436	0.253%
MR RAYMOND JAMES ALLAN	390,000	0.249%
G HARVEY NOMINEES PTY LIMITED ‹HARVEY 1995 DISCRETION A/C›	378,000	0.242%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED ‹EUROCLEAR BANK SA NV A/C›	348,900	0.223%
PACIFIC AGRIFOODS INVESTMENTS PTY LTD	335,456	0.214%
MR KWOK CHING CHOW & MS PIK YUN PEGGY CHAN	310,000	0.198%
MR JAMES STUART FOLEY	300,000	0.192%
LEUTENEGGER INVESTMENTS PTY LTD ‹LEUTENEGGER S/F A/C›	280,000	0.179%
Total Securities of Top 20 Holdings	**84,154,235**	**53.781%**

The number of shares held by substantial shareholders in the Company, as disclosed in substantial holding notices given to the Company as at 1 November 2023.

Shareholder	No. of shares	Percentage of shares held at date of notice	Date of notice
Vanguard Group	7,839,970	5.010%	19 October 2022
State Street Corporation	9,520,409	6.08%	4 October 2023

e) Corporate Governance Statement

Elders' 2023 Corporate Governance Statement can be found online at elders.com.au/for-investors/performance/periodic-reports/

Shareholder Information

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street,
Sydney, NSW, 2000

1300 737 760

+61 (0)2 9279 0664

enquiries@
boardroomlimited.com.au

boardroomlimited.com.au

Enquiries

Shareholders with enquiries about their shareholdings should contact the Company's share registry, Boardroom, on the above contact details.

Online shareholder information

Shareholders can obtain information about their holdings or view their account instructions online.

For identification and security purposes, you will need to know your Reference Number (HIN/SRN), Surname/Company Name and Post/Country Code to access. This service is accessible via the Investor Centre on the Company's website or direct via the Boardroom website at investorserve.com.au.

Tax and dividend/ interest payments

Elders is obliged to deduct tax from dividend/ interest payments (which are not fully franked) to holders registered in Australia who have not quoted their Tax File Number (TFN) to the Company. Shareholders who have not already quoted their TFN can do so by contacting Boardroom.

Change of address

Issuer Sponsored Shareholders who have changed their address should advise Boardroom in writing. Written notification can be emailed or posted to Boardroom at the address shown adjacent and must include both old and new addresses and the Securityholder Reference Number (SRN) of the holding.

Alternatively, holders can amend their details online via Boardroom's website. Shareholders who have broker sponsored holdings should contact their broker to update these details.

Annual Report mailing list

Shareholders who wish to vary their Annual Report mailing arrangements should advise Boardroom online or in writing.

Electronic versions of the report are available to all via the Company's website. Annual Reports will be mailed to all shareholders who have elected to be placed on the mailing list for this document.

Investor information

Information about the Company is available from a number of sources:

Website:
elders.com.au

Subscribe:
Shareholders can nominate to receive company information electronically via the Company's website.

Additionally, shareholders may elect to receive official company information through InvestorServe on Boardroom's website.

Publications:
The Annual Report is the major printed source of company information. Other publications include the half-yearly report, Sustainability Report, Corporate Governance Statement, company press releases and investor presentations.

All publications can be obtained either through the Company's website or by contacting the Company.

Company Directory

Directors	Ian Wilton — *MSc, FCCA, FCPA, CA, FAICD*
	Mark C Allison — *BAgrSc, BEcon, GDM, AMP (HBS), DUniv (hc) (Adel), FAICD*
	Robyn Clubb AM — *BEc, CA, F Fin, MAICD*
	Raelene Murphy — *BBus, FCA, GAICD*
Secretaries	Peter G Hastings — *BA, LLB, GDLP, FGIA, Grad Dip Applied Corporate Governance, GAICD*
	Shannon Doecke — *BAcc, Grad Dip Applied Corporate Governance, AGIA, MAICD*
Registered Office	Level 10, 80 Grenfell Street, Adelaide, South Australia, 5000
	P (08) 8425 4000
	CompanySecretary@elders.com.au
	elders.com.au
Share Registry	Boardroom Pty Limited, Level 8, 210 George Street, Sydney, NSW, 2000
	P 1300 737 760
	F +61 (0)2 9279 0664
	boardroomlimited.com.au
Auditor	PricewaterhouseCoopers
Bankers	Australia & New Zealand Banking Group
	National Australia Bank
	Cooperatieve Rabobank U.A., Australia Branch
Stock Exchange Listing	Elders Limited ordinary shares are listed on the Australian Securities Exchange under the ticker code “ELD”.