Tuesday 8th December 2020

Dear Shareholder

Results for Half Year to 30 September 2020

Net Asset Value

Portfolio value is $240m or $13.55 per share, representing an after-tax gain of 8.7% for the six months to September 2020.

Total Shareholder Return

The share price is now trading at $12.05 to $12.25 for A and B Shares respectively, or a discount of between 10-12% to the Directors valuation of $13.55.

The return profile over a longer period continues to be strong despite the recent impact of the pandemic.

Period	Total Shareholder Return pa
YTD	11.4%
1 Year	3.9%
5 Years	10.3%
10 Years	13.8%

Operating Income

We have seen better than expected operating earnings across most of our private businesses given the impact of COVID-19 over the last six months.

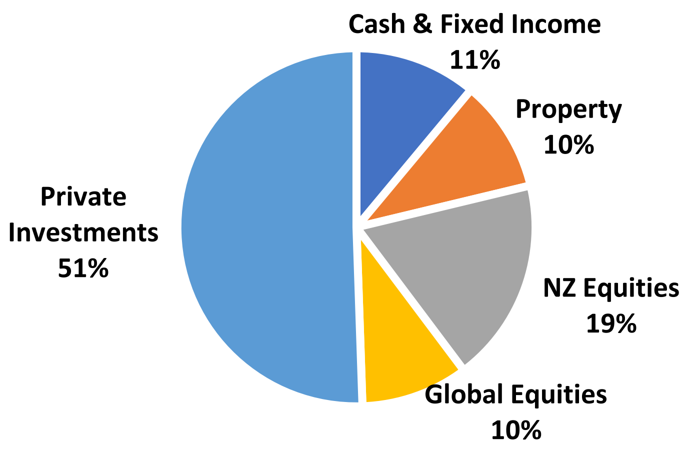
$m	Sept 2020	Sept 2019	Sept 2018
Operating Earnings	6.8	2.6	4.1
Public investments revaluation	10.1	7.8	3.0
Private fund investments revaluation	1.2	1.0	0.5
Operating costs	(0.9)	(0.9)	(0.8)
One off cost	0.0	0.0	(2.7)
Comprehensive income	**17.2**	**10.5**	**4.1**

The largest contributor to improved Operating Earnings was Bio-Strategy. As a net benefactor of COVID-19, it has seen increased demand for its pathology, PPE and diagnostic equipment and consumables. In addition, it completed a restructure which has made a significant reduction to the fixed cost base and picked up a significant new Agency that commenced in July adding to revenues. Further commentary relating to the other private investments is provided below.

With listed markets rebounding from their lows in March we have also seen good returns from our Listed portfolio, which I also comment more on below.

Investment Portfolio

The overall portfolio is well positioned at present. At a high level we are now holding 29% of total funds in listed equities and have had a strong upward share price movement on these since March 2020. We are only holding 6% of cash, so the low interest rates (now less than 1% pa) are creating limited drag on total returns, and our total cash and fixed income holdings (11% of the portfolio) is generating an average gross yield of 4.5% pa. Lastly and as already mentioned, our private investments have generally performed better than we were expecting when the pandemic was at its peak in New Zealand.



Private Investments

Polynesian Spa:

Level three and four lockdown measures led to the shutdown of the Polynesian Spa facilities and an effective closure through May. As restrictions were lifted, the Company repositioned to manage lower customer volumes, including a 40% staff reduction and a 5-day week. The COVID-19 driven losses have now been contained and Polynesian Spa is now no longer reliant on international tourists or government subsidies. We expect the business will be able to trade through without additional capital support.

There is some competitive risk with the announcement of Wai Raki, the development of a new luxury lakefront Hot Springs and Spa complex due to open in 2022.

That aside, with the return of international tourists we expect that the business will return to strong profitability and yield for Rangatira shareholders.

Rainbow's End:

Rainbow's End has come through the last six months as well as could be expected, with a good cash position and improved Park facilities. After lockdown measures were lifted for the second time in Auckland, the Company returned to seven-day trading. We expect domestic volumes to return and the park to perform well into the summer months, weather permitting.

Recent milestones for the company include the addition of a new virtual reality offering at the Park this year (Spectre) and Karen Crabb (CEO) has strengthened management focus on marketing, operations, and finance.

We expect that there will be good opportunities to improve the strong yield for Rangatira shareholders in the coming years.

APC Innovate:

The Company has been able to manage the pandemic impact through cost management and development of in-store COVID-19 solutions. Revenues are gradually returning to historic levels with strong performance in September, October, and November.

APC's market is relatively mature and highly competitive, including the increasing presence of low-cost, offshore competition. As a result, the Company is seeking opportunities to grow its market share or expand out to adjacent markets and there are a few options that we are investigating at present.

In the medium term we expect that the business will continue to provide consistent dividends and returns in the coming years.

Mrs Higgins:

Mrs Higgins sales has returned to pre-COVID-19 levels, benefiting from strong growth in the supermarket channel. Other channels such as food service and vending have been significantly impacted through the lockdowns and are still recovering, although, this did not stop Mrs Higgins recording a "best ever" sales month in October.

Further growth is expected both organically and through future acquisitions and we are investigating options to scale the business up in what is a fragmented industry.

Bio-Strategy:

Bio-Strategy continues to perform well through increased demand from COVID-19, a lower fixed cost base and the benefit of a new agency in Epredia which has added significantly to revenue and margin. Epredia supplies into the pathology industry and is expected to grow revenues by 10% pa.

The company is in the early stages of developing plans for further growth through either finding new agencies and or acquisitions, which will become more of a priority over the next six months.

Magritek:

Magritek has continued to perform well and now seeing order levels of last year. We continue to do well in the market since the introduction of two competitive products in 2019. Considerable product improvements were completed through the lockdown period which will further strengthen our market position, but like us our competitor is also enhancing its products.

We concluded the deal for the Company to purchase VicLink shares last week – combined with this and another smaller purchase our holding is now 29%.

Partners Life

Partners has continued to growth its premium revenue and seen an improvement in performance through lower than expected claims costs and its fixed costs. Having raised capital during the year they are well positioned to respond to any changes as a result of the recent Reserve Bank reviews.

Southern Cross Horticulture:

Southern Cross Horticulture's development has continued in line with both timeframe and budget targets. The Company's SunGold kiwifruit orchards continue to sustain good returns in the face of high demand for the fruit.

We have purchased further Zespri shares so that the Partnership benefits from in-market profits and intellectual property sales. We also look to bid for final licence requirements in the April 2021 auction.

We will have effective ownership of 21 canopy hectares of orchard once completed and 220,000 Zespri shares.

Summary

Across our private investments, we expect to generate good upside in the medium term through our holdings in Bio-Strategy, Partners Life, Magritek, Mrs Higgins, and the Southern Cross Horticulture kiwifruit developments. The remaining tourism assets have performed above our initial expectations coming out of lockdowns, predominantly due to strong domestic demand, but are still not yet back to pre-COVID-19 levels.

Listed Equities – $68m, YTD returns 21.4%

YTD September 2020	$m	TSR	Benchmark
NZ Income	28.0	19.7%	19.7%
NZ Growth	12.0	21.8%	19.7%
NZ Trading	4.4	109.4%	19.7%
International	23.3	15.9%	21.2%
Total	**67.7**	**21.4%**	

The portfolio has continued to perform well since March as markets have rebounded.

Our International portfolio was not exposed to the dramatic rise in some of the big tech stocks this year (e.g. Amazon and Microsoft) and was underweight Apple, hence the reason for the under performance of the International stocks relative to benchmark.

We have only made modest changes to the portfolio over the last six months, mainly to diversify away from such a high weighting to electricity stocks.

International and Domestic equity markets have rebounded since the result of the US election has become clearer, as well as positive progress on the development of a vaccine for COVID-19 allowing a possible return to normal by late 2021 or early 2022. This may still prove to be optimistic.

Nevertheless, our view is that markets will be strong through to the end of this year and into next year as the equity risk premium (difference between the risk-free rate and expected equity returns) are at all-time highs.

Investment Activity

We increased the efforts to find good businesses to invest in which has included looking for potential add-ons for our existing businesses. Through this we have looked closely at a number of possible investments and got close to two. For different reasons we did not complete these investments. Regardless of this we are confident in the pipeline of opportunities being presented to Rangatira and look forward to sharing some positive news with you in the short to medium term.

Interim Dividend

We have declared a partially imputed dividend of 24 cents per share to be payable on 21 December 2020.

In closing I would thank Mark, the Rangatira team and the shareholders for their continued support.

Kind Regards

David Pilkington

Rangatira Group

Condensed Consolidated Income Statement

for the six months ended 30 September 2020

	Note	Group 6 months to 30 Sep 2020 $000	Group 6 months to 30 Sep 2019 $000
Continuing operations			
Revenue		**53,349**	56,655
Other income		**9,163**	812
Share of profit for the period from associate companies	5	**781**	767
Total income		**63,293**	58,234
Depreciation and amortisation expense		**(3,726)**	(3,738)
Employee benefit expense		**(15,386)**	(17,151)
Finance costs		**(1,353)**	(1,490)
Impairment of goodwill and right of use assets		**1,192**	0
Raw materials and consumables used		**(29,723)**	(26,155)
Consulting expense		**(180)**	(140)
Operating expenses		**(3,631)**	(6,441)
Profit before tax from continuing operations		**10,486**	3,119
Tax expense		**(2,224)**	(569)
Profit after tax from continuing operations		**8,262**	2,550
Profit for the year from discontinued operations		**-**	0
Profit after tax		**8,262**	2,550
Profit attributable to:			
Equity holders of the Parent		**6,825**	2,494
Non-controlling interests		**1,437**	56
		8,262	2,550
From continuing and discontinued operations			
Basic and diluted earnings per share (cents)	1	**38.6**	14.1

Rangatira Group

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 September 2020

	Group 6 months to 30 Sep 2020 $000	Group 6 months to 30 Sep 2019 $000
Other comprehensive income		
Investments at fair value through OCI		
- valuation gain/(loss) taken to equity	**10,104**	7,798
Translation of foreign operations	**419**	275
Associate companies		
- share of reserves of associates	**(47)**	-
Movement in cash flow hedge reserve	**-**	-
Other comprehensive income/(loss) recognised directly in equity	**10,476**	8,073
Profit after tax	**8,262**	2,550
Total comprehensive income for the period after tax	**18,738**	10,623
Total comprehensive income attributable to:		
Equity holders of the Parent	**17,175**	10,485
Non-controlling interests	**1,563**	138
	18,738	10,623
Comprehensive income per share (cents)	**97.0**	59.2

Rangatira Group

Condensed Consolidated Statement of Financial Position

As at 30 September 2020

	Note	Group 30 Sep 2020 $000	Group 30 Sep 2019 $000	Group 31 Mar 2020 $000
Current assets				
Cash and cash equivalents		**17,213**	51,638	20,277
Term deposits		**3,000**	-	32,216
Trade receivables		**12,107**	13,294	12,865
Inventories		**13,983**	13,370	13,910
Tax receivable		**478**	515	-
Other current financial assets		**14,352**	5,884	2,833
Other current assets		**1,294**	1,579	1,317
Total current assets		**62,427**	86,280	83,418
Non-current assets				
Property, plant and equipment		**25,188**	49,261	26,267
Right-of-use lease assets		**25,404**	24,918	26,671
Investment property		**22,424**	-	23,028
Investments in associate companies		**13,742**	14,728	13,007
Goodwill		**13,486**	19,788	13,067
Intangible assets		**548**	874	676
Deferred tax asset		**3,161**	2,573	4,115
Other non-current financial assets		**123,347**	104,281	91,964
Total non-current assets		**227,300**	216,423	198,795
Total assets		**289,727**	302,703	282,213
Current liabilities				
Trade and other payables		**19,839**	14,027	23,539
Borrowings		**11,037**	14,212	14,459
Lease Liabilities		**1,214**	1,038	1,852
Other current financial liabilities		**230**	87	377
Tax payable		**644**	211	411
Provisions		**2,569**	2,696	2,502
Other current liabilities		**494**	1,069	-
Total current liabilities		**36,027**	33,340	43,140
Non-current liabilities				
Borrowings		**8,410**	9,777	7,370
Lease Liabilities		**26,367**	24,225	26,846
Provisions		**481**	363	410
Deferred tax liability		**4,056**	8,668	3,501
Other non-current financial liabilities		**16**	23	-
Total non-current liabilities		**39,330**	43,056	38,127
Total liabilities		**75,357**	**76,396**	81,267
Net assets		**214,370**	226,307	200,946
Equity				
Share capital		**17,667**	17,712	17,667
Retained earnings		**183,150**	178,752	180,525
Investments at fair value reserve		**13,113**	31,463	4,123
Foreign currency translation reserve		**(252)**	(187)	(498)
Equity holders of the Parent		**213,678**	227,740	201,817
Attributable to non-controlling interests		**692**	(1,433)	(871)
Total equity		**214,370**	226,307	200,946

Condensed Consolidated Statement of Cashflow

for the six months ended 30 September 2020

	Note	Group 6 months to 30 Sep 2020 $000	Group 6 months to 30 Sep 2019 $000
Cash flows from operating activities			
Cash was provided from:			
- Receipts from customers		**59,072**	56,994
- Dividends received		**900**	-
- Interest received		**2,880**	-
		62,852	56,994
Cash was applied to:			
- Payments to suppliers and employees		**(51,774)**	(52,079)
- Tax paid		**(960)**	(1,351)
- Interest paid and other costs of finance		**(1,353)**	(1,734)
		(54,087)	(55,165)
Net cash (outflows)/inflows from operating activities		**8,765**	1,829
Cash flows from investing activities			
Cash was provided from:			
- Proceeds from sale of investments		**33,915**	-
- Proceeds from sale of property, plant and equipment		**-**	-
		33,915	-
Cash was applied to:			
- Purchase of property, plant and equipment		**(1,908)**	(3,125)
- Purchase of business		**-**	-
- Purchase of intangible assets		**(7)**	(62)
- Purchase of investments		**(37,056)**	(19,152)
		(38,971)	(22,339)
Net cash (outflows) from investing activities		**(5,056)**	(22,339)
Cash flows from financing activities			
Cash was provided from:			
- Proceeds from borrowings		**2,000**	-
- Reduction of lease liabilities		**1,342**	-
		3,342	-
Cash was applied to:			
- Dividends paid to shareholders of Parent		**(5,314)**	(6,377)
- Dividends paid to non-controlling interests		**-**	(244)
- Repayment of borrowings		**(4,801)**	(3,107)
		(10,115)	(9,728)
Net cash inflows/(outflows) from financing activities		**(6,773)**	(9,728)
Net increase/(decrease) in cash held		**(3,064)**	(30,238)
Cash at beginning of period		**20,277**	81,875
Cash at end of period		**17,213**	51,637
Reconciliation to Statement of Financial Position			
Cash and cash equivalents attributable to continuing operations		**17,213**	51,637
Cash and cash equivalents attributable to discontinued operations		-	-
		17,213	51,637

Condensed Consolidated Statement of Cashflow (continued)

for the six months ended 30 September 2020

	Group 6 months to 30 Sep 2020 $000	Group 6 months to 30 Sep 2019 $000
Cash flow reconciliation		
Profit after tax	**8,262**	2,550
Add/(less) non-cash items:		
Share of retained loss/(profit) for the year from associate companies	**(781)**	(767)
Depreciation and amortisation	**3,726**	3,738
Increase/(decrease) in deferred tax	**1,509**	(132)
Other miscellaneous non-cash items	**(1,412)**	-
	3,042	2,839
Add/(less) movements in other working capital items:		
Change in trade receivables	**513**	(473)
Change in inventories	**(73)**	(348)
Change in tax receivable	**-**	(515)
Change in other current assets	**73**	(502)
Change in trade payables	**(3,700)**	(1,954)
Change in current tax payable	**(245)**	(295)
Change in provisions	**138**	527
Change in other current financial liabilities	**781**	-
	(2,513)	(3,560)
Less items classified as investing activities:		
Net gain on sale of investments	**(26)**	-
Net (gain)/loss on sale of fixed assets	**-**	-
	(26)	-
Net cash inflows from operating activities	**8,765**	1,829

Rangatira Group

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 September 2020

September 2020	Share capital $000	Retained earnings $000	Investments at fair value reserve $000	Foreign currency translation reserve $000	Attributable to equity holders of the Parent $000	Attributable to non-controlling interests $000	Total $000
Balance at the beginning of the year	17,667	180,525	4,123	(498)	201,817	(871)	200,946
Total comprehensive income	-	6,825	10,104	246	17,175	1,563	18,738
Investment by non-controlling interests	-		-	-	-		-
Dividends paid to non-controlling interests	-		-		-	-	-
Dividends paid to Parent shareholders	-	(5,314)	-	-	(5,314)	-	(5,314)
Disposal of FVOCI	-	1,114	(1,114)	-	-	-	-
Balance at end of period	**17,667**	**183,150**	**13,113**	**(252)**	**213,678**	**692**	**214,370**

September 2019	Share capital $000	Retained earnings $000	Investments at fair value reserve $000	Foreign currency translation reserve $000	Attributable to equity holders of the Parent $000	Attributable to non-controlling interests $000	Total $000
Balance at the beginning of the year	17,712	182,635	23,665	(380)	223,632	(1,327)	222,305
Total comprehensive income	-	2,494	7,798	193	10,485	138	10,623
Investment by non-controlling interests	-	-	-	-	-	-	-
Dividends paid to non-controlling interests	-		-	-	-	(244)	(244)
Dividends paid to parent shareholders	-	(6,377)	-	-	(6,377)	-	(6,377)
Disposal of FVOCI	-	-	-	-	-	-	-
Balance at end of period	**17,712**	**178,752**	**31,463**	**(187)**	**227,740**	**(1,433)**	**226,307**

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 September 2020

Note 1 Earnings Per Share

	Group 6 months to 30 Sep 2020	Group 6 months to 30 Sep 2019
From continuing and discontinued operations		
Basic and diluted earnings per share (cents)	**38.6**	3.9

Diluted earnings per share are the same as basic earnings per share because there are no dilutive equity instruments in the Group.

Note 2 Dividends Paid

	Group 6 months to 30 Sep 2020	Group 6 months to 30 Sep 2019
Amount paid (cents per share)	**30.1**	36.0
Amount paid ($000's)	**5,314**	5,314

Note 3 Capital Commitments

	Group 30 Sep 2020 $000	Group 30 Sep 2019 $000
Plant, equipment and software	**183**	1,028
Other	**1,561**	2,649
	1,744	3,677

Other capital commitments are for investment funds that are under contract but not invested at balance date.

Note 4 Contingent Liabilities

There are no significant contingent liabilities (2019: nil).

Note 5 Associate Companies

	Group 6 months to 30 Sep 2020 $000	Group 6 months to 30 Sep 2019 $000
Share of profit/(loss) from associate companies	**781**	526

Notes to the Condensed Consolidated Financial Statements (continued)

for the six months ended 30 September 2020

Note 6 **Subsequent events**

On 7 December 2020, the Board declared a partially imputed dividend of 24 cents per share ($4.25 million). The dividend will be paid to shareholders on 21 December 2020.

Note 7 **Significant Accounting Policies**

The interim financial statements have been prepared using the same accounting policies and methods of computation as set out in Rangatira's 2020 Annual Report.

Private Investments

Fund Investments

Rangatira Limited
Level 8, Equinox House, 111 The Terrace,
Wellington 6011, NZ
Mail Address
PO Box 804, Wellington 6140, NZ

Phone: +64 4 472 0251

Email: info@rangatira.co.nz
Website: www.rangatira.co.nz