

Ngā Whakapuakanga Pūtea Hira

Key Financial Disclosures

Consolidated Financial Statements
for the year ended 30 June 2026

Ngā Tauākī ā-Pūtea Tōpū
mō te tau i mutu i te 30 Hune 2026



PGG WRIGHTSON LIMITED

Directors' Responsibility Statement

For the year ended 30 June 2026

The Directors are responsible for ensuring that the consolidated financial statements give a true and fair view of the financial position of PGG Wrightson Limited and its controlled entities (together the "Group") as at 30 June 2026 and the financial performance and cash flows for the year ended on that date.

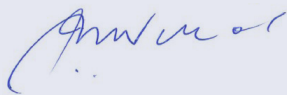
The Directors consider that the consolidated financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all of the relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the consolidated financial statements with the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The Directors are pleased to present the consolidated financial statements for the Group set out on pages 1 to 46 for the year ended 30 June 2026.

The consolidated financial statements contained on pages 1 to 46 have been authorised for issue on 10 August 2026.

For and on behalf of the Board.



John Nichol
Chair



Wilson Liu
Director and Audit
Committee Chair

PGG WRIGHTSON LIMITED

Consolidated Statement of Profit or Loss

For the year ended 30 June 2026

	NOTE	2026 \$000	2025 \$000
Operating revenue	1	1,074,384	975,344
Cost of sales	2	(787,517)	(720,347)
Gross profit		286,867	254,997
Other income		399	952
Employee expenses		(161,290)	(146,637)
Other operating expenses	3	(61,666)	(53,181)
Operating EBITDA	28C	64,310	56,131
Non-operating gains/(losses)	4	221	1,119
Impairment and fair value gains/(losses)	5	-	-
Depreciation and amortisation expense		(34,791)	(31,066)
EBIT	28C	29,740	26,184
Net interest expense	6	(10,780)	(11,186)
Foreign exchange gain/(loss)	6	641	821
Fair value gain/(loss) on foreign exchange derivatives	6	1,430	(1,827)
Profit before income tax		21,031	13,992
Income tax expense	7	(5,460)	(3,328)
Net profit after tax		15,571	10,664

Basic and diluted earnings per share (EPS)

	NOTE	2026 \$000	2025 \$000
Basic and diluted EPS	8	0.206	0.141

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Consolidated Statement of Other Comprehensive Income

For the year ended 30 June 2026

	NOTE	2026 \$'000	2025 \$'000
Net profit after tax		15,571	10,664
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability		(261)	585
Tax on remeasurements of defined benefit liability	7	(98)	(273)
Total other comprehensive income/(loss) for the period		(359)	312
Total comprehensive income for the period		15,212	10,976

The accompanying notes form an integral part of these consolidated financial statements.

Segment Report

For the year ended / as at 30 June 2026

A. Operating segments

The Group has two primary operating segments, Agency and Retail & Water, which are the Group's strategic divisions. These operating segments operate within New Zealand.

The two operating segments offer different products and services, and are managed separately because they require different skills, technology and marketing strategies. Within each segment, further business unit analysis may be provided to management where there are significant differences in the nature of activities. The Chief Executive Officer and Chairman of the Board review internal management reports on each strategic business unit on at least a monthly basis.

The Group's segments are described below:

- **Agency:** This segment derives its revenue primarily from commissions in respect of rural Livestock, Wool and Real Estate transactions. This segment also derives revenue from wool and velvet product sales, and interest revenue from its GO-STOCK receivables (refer to Note 12 *GO-STOCK Receivables* for further explanation regarding this programme).
- **Retail & Water:** This segment includes the Rural Supplies and Fruitfed Supplies retail operations, Agritrade, PGG Wrightson Water, ancillary sales support and supply chain functions. This segment derives its revenue primarily from the sale of goods as well as the design, installation and servicing of irrigation solutions.
- **Other (non-operating):** Other relates to certain Group Corporate activities including Governance, Finance, Treasury, Risk and Assurance, and other support services (such as corporate property services and marketing). The Marketing function derives sales revenue from the Group's customer loyalty and on-charging programmes.

Assets and liabilities allocated to each business unit combine to form total assets and liabilities for the Agency and Retail & Water business segments. Certain other assets and liabilities are held at a Corporate level including those for the Corporate functions noted above. From 1 July 2025 the group transferred its intangible ERP asset internally from the Other (non-operating) segment to the Agency and Retail & Water operating segments.

The profit or loss for each business unit combines to form total profit or loss of the Agency and Retail & Water business segments. Certain other revenues and expenses are recorded at the Corporate level for the Corporate functions noted above.

Corporate costs allocation

The Group allocates certain Corporate costs to an operating segment where they can be directly attributed to that segment or using the following methods:

- IT hardware, support, licence and other costs are allocated on a per user basis.
- Property costs which are not directly attributable are allocated on a property space utilisation basis.
- Business operations costs (Accounts Payable, Accounts Receivable, Call Centre) are allocated based on FTE usage by each operating segment or transactional volumes. Credit Services costs are allocated to the operating segment to which the overdue accounts relate.

From 1 July 2025 the Group began internally allocating interest expense to the operating segments based on capital employed (excluding equity) with this allocation recorded within net interest expense. Comparative amounts have been updated to reflect this change.

Other costs such as non-operating gains/losses, impairment and fair value gains/losses, net interest expense, foreign exchange items and income tax expense are not fully allocated by the Group across the operating segments. The Group Governance, Finance, Treasury, and Risk and Assurance functions continue to be reported outside of the operating segments i.e. within Other (non-operating).

B. Geographical segment

The Group operates within New Zealand only and its revenue is derived primarily from New Zealand.

PGG WRIGHTSON LIMITED

Segment Report (continued)

For the year ended / as at 30 June 2026

C. Operating segment information

	AGENCY		RETAIL & WATER		OTHER (NON-OPERATING)		TOTAL	
	2026 \$000	2025 \$000	2026 \$000	2025 \$000	2026 \$000	2025 \$000	2026 \$000	2025 \$000
Sales revenue	86,383	84,977	830,398	759,215	1,429	1,157	918,210	845,349
Commission revenue	126,165	107,938	87	88	55	30	126,307	108,056
Construction contract revenue	–	–	18,900	12,368	–	–	18,900	12,368
Interest revenue on GO-STOCK receivables	8,011	7,181	–	–	–	–	8,011	7,181
Interest revenue on overdue debtor accounts	314	427	1,424	891	9	37	1,747	1,355
Sublease income	582	434	423	402	204	199	1,209	1,035
Total external operating revenues	221,455	200,957	851,232	772,964	1,697	1,423	1,074,384	975,344
Cost of sales	(101,826)	(98,086)	(684,801)	(621,575)	(890)	(686)	(787,517)	(720,347)
Gross profit	119,629	102,871	166,431	151,389	807	737	286,867	254,997
Other income	405	952	–	–	(6)	–	399	952
Employee expenses	(60,277)	(51,367)	(73,524)	(68,780)	(27,489)	(26,490)	(161,290)	(146,637)
Other operating expenses	(30,789)	(28,994)	(48,431)	(40,459)	17,554	16,272	(61,666)	(53,181)
Operating EBITDA	28,968	23,462	44,476	42,150	(9,134)	(9,481)	64,310	56,131
Non-operating gains/(losses)	9	1,166	61	(112)	151	65	221	1,119
Impairment and fair value gains/(losses)	–	–	–	–	–	–	–	–
Depreciation and amortisation expense	(10,641)	(9,875)	(21,048)	(17,329)	(3,102)	(3,862)	(34,791)	(31,066)
EBIT	18,336	14,753	23,489	24,709	(12,085)	(13,278)	29,740	26,184
Net interest expense	(7,766)	(8,470)	(11,049)	(10,938)	8,035	8,222	(10,780)	(11,186)
Foreign exchange gain/(loss)	29	863	617	(46)	(5)	4	641	821
Fair value gain/(loss) on foreign exchange derivatives	387	(1,611)	1,042	(216)	1	–	1,430	(1,827)
Profit/(loss) before income tax	10,986	5,535	14,099	13,509	(4,054)	(5,052)	21,031	13,992
Income tax benefit/(expense)	(3,222)	(2,196)	(4,018)	(5,786)	1,780	4,654	(5,460)	(3,328)
Net profit/(loss) after tax	7,764	3,339	10,081	7,723	(2,274)	(398)	15,571	10,664
Total segment assets	284,806	234,147	300,415	249,439	15,117	46,094	600,338	529,680
Total segment liabilities	(153,092)	(104,908)	(166,727)	(146,372)	(97,952)	(104,590)	(417,771)	(355,870)
Capital expenditure (additions to non-current assets)	6,768	4,724	20,601	5,645	1,925	12,510	29,294	22,879

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	NOTE	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		1,023,492	916,631
Dividends received		7	6
Interest received		10,260	8,921
Income tax received		–	44
		1,033,759	925,602
Cash was applied to:			
Payments to suppliers and employees		(968,797)	(903,108)
Lump sum contribution to the PGG Wrightson Employee Benefits Plan		(459)	(308)
Interest paid	6	(5,229)	(5,379)
Interest paid on lease liabilities	6	(4,524)	(4,410)
Income tax paid		(2,157)	–
		(981,166)	(913,205)
Net cash inflow/(outflow) from operating activities		52,593	12,397
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment		1,561	2,808
Dividend received from jointly controlled entity		140	392
		1,701	3,200
Cash was applied to:			
Purchase of property, plant and equipment		(5,654)	(6,929)
Purchase of intangibles		(931)	(10,499)
Acquisition of subsidiary net of cash acquired	15	(19,660)	–
Advance to jointly controlled entity		–	(17)
		(26,245)	(17,445)
Net cash inflow/(outflow) from investing activities		(24,544)	(14,245)
Cash flows from financing activities			
Cash was provided from:			
Increase in external borrowings	9	92,000	25,182
		92,000	25,182
Cash was applied to:			
Dividends paid to shareholders		(6,455)	(1,899)
Repayment of external borrowings	9	(88,182)	–
Repayment of principal portion of lease liabilities		(24,030)	(22,608)
		(118,667)	(24,507)
Net cash inflow/(outflow) from financing activities		(26,667)	675
Net increase/(decrease) in cash held		1,382	(1,172)
Opening cash and cash equivalents at the beginning of period		2,613	3,785
Cash and cash equivalents at the end of the period	9	3,995	2,613

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Reconciliation of Net Profit After Tax with Net Cash Flow from Operating Activities

For the year ended 30 June 2026

	2026 \$'000	2025 \$'000
Net profit after tax	15,571	10,664
Add/(deduct) non-cash/non-operating items:		
Depreciation and amortisation	34,791	31,066
Impairment and fair value losses/(gains)	–	–
Net bad debts written off/(recovered)	146	716
Increase/(decrease) in provision for impaired trade receivables, GO-STOCK receivables and contract assets	4,622	(881)
Loss/(gain) on sale of assets, and lease terminations	(141)	(1,219)
Foreign exchange loss/(gain)	(111)	237
Deferred tax expense/(benefit)	(1,216)	(886)
Defined benefit expense/(gain)	(103)	(24)
Pension contributions not expensed through profit or loss	(459)	(308)
Equity accounted earnings	(392)	(990)
Other non-cash/non-operating items	(144)	21
Add/(deduct) movement in working capital items:		
Change in working capital due to purchase of business	2,382	–
Change in inventories	(5,243)	(4,774)
Change in accounts receivable and prepayments	(34,283)	(23,097)
Change in GO-STOCK receivables	(7,040)	(29,139)
Change in trade creditors, provisions and accruals	40,882	25,749
Change in other current assets/liabilities	(1,600)	1,004
Add/(deduct) movement in taxation items:		
Change in income tax payable/receivable	4,931	4,258
Net cash flow from operating activities	52,593	12,397

Cash Flows Accounting Policies

In the Consolidated Statement of Cash Flows, cash receipts and payments on behalf of customers, which reflect the activities of the customers rather than those of the Group, are reported on a net basis.

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Consolidated Statement of Financial Position

As at 30 June 2026

	NOTE	2026 \$'000	2025 \$'000
ASSETS			
Current			
Cash and cash equivalents	9	3,995	2,613
Short-term derivative assets	10	784	227
Trade and other receivables	11	186,471	156,949
GO-STOCK receivables	12	89,556	81,962
Inventories	13	105,492	100,074
Other current assets		4,341	4,329
Total current assets		390,639	346,154
Non-current			
Deferred tax asset	7	6,167	7,115
Long-term derivative assets	10	1	13
Investments in equity accounted investees		1,507	1,256
GO-STOCK receivables	12	1,735	2,300
Other investments		242	242
Intangible assets and goodwill	14	53,340	38,706
Right-of-use assets	16	94,357	81,332
Property, plant and equipment	17	51,849	52,362
Defined benefit plan asset	19	501	200
Total non-current assets		209,699	183,526
Total assets		600,338	529,680
LIABILITIES			
Current			
Working capital debt	9	-	-
Short-term derivative liabilities	10	663	1,425
Accounts payable and accruals	18	215,989	175,205
Short-term lease liabilities	16	23,185	21,359
Income tax payable		5,960	1,029
Total current liabilities		245,797	199,018
Non-current			
Long-term debt	9	92,000	88,182
Long-term derivative liabilities	10	28	151
Long-term lease liabilities	16	77,291	65,789
Long-term provisions	18	2,655	2,730
Total non-current liabilities		171,974	156,852
Total liabilities		417,771	355,870
EQUITY			
Share capital	29	372,318	372,318
Reserves	29	16,577	16,785
Retained earnings/(deficit)	29	(206,328)	(215,293)
Total equity		182,567	173,810
Total liabilities and equity		600,338	529,680

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	SHARE CAPITAL \$000	REALISED CAPITAL AND REVALUATION RESERVES \$000	DEFINED BENEFIT PLAN RESERVE \$000	RETAINED EARNINGS/ (DEFICIT) \$000	TOTAL EQUITY \$000
Balance as at 1 July 2024	372,318	24,662	(8,291)	(223,956)	164,733
Total comprehensive income for the period					
Net profit after tax	–	–	–	10,664	10,664
Other comprehensive income					
Defined benefit plan actuarial gain/(loss), net of tax	–	–	312	–	312
Total other comprehensive income	–	–	312	–	312
Total comprehensive income for the period	–	–	312	10,664	10,976
Transactions with shareholders recorded directly in equity					
Contributions by and distributions to shareholders					
Dividends to shareholders	–	–	–	(1,899)	(1,899)
Total contributions by and distributions to shareholders	–	–	–	(1,899)	(1,899)
Transfer to retained earnings	–	–	102	(102)	–
Balance as at 30 June 2025	372,318	24,662	(7,877)	(215,293)	173,810
Balance as at 1 July 2025	372,318	24,662	(7,877)	(215,293)	173,810
Total comprehensive income for the period					
Net profit after tax	–	–	–	15,571	15,571
Other comprehensive income					
Defined benefit plan actuarial gain/(loss), net of tax	–	–	(359)	–	(359)
Total other comprehensive income	–	–	(359)	–	(359)
Total comprehensive income for the period	–	–	(359)	15,571	15,212
Transactions with shareholders recorded directly in equity					
Contributions by and distributions to shareholders					
Dividends to shareholders	–	–	–	(6,455)	(6,455)
Total contributions by and distributions to shareholders	–	–	–	(6,455)	(6,455)
Transfer to retained earnings	–	–	151	(151)	–
Balance as at 30 June 2026	372,318	24,662	(8,085)	(206,328)	182,567

The accompanying notes form an integral part of these consolidated financial statements.

Ngā Whakapuakanga Pūtea Tāpiri

Additional Financial Disclosures

Including Notes to the Consolidated Financial Statements
for the year ended 30 June 2026

Tae atu ki Ngā Pitopito Kōrero ki Ngā Tauākī Pūtea Tōpū
mō te tau i mutu i te 30 Hune 2026



Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1 Operating Revenue

	2026 \$000	2025 \$000
Revenue from contracts with customers		
Sales revenue	918,210	845,349
Commission revenue	126,307	108,056
Construction contract revenue	18,900	12,368
Other operating revenue		
Interest revenue on GO-STOCK receivables	8,011	7,181
Interest revenue on overdue debtor accounts	1,747	1,355
Sublease income	1,209	1,035
	1,074,384	975,344

Income Recognition Accounting Policies

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sales revenue

Sales revenue comprises the sale value of transactions where the Group acts as a principal; for example, retail store sales, and sales of wool and velvet products. Revenue is measured at the transaction price when control is transferred to which an entity expects to be entitled in exchange for transferring goods or services to a customer. For the sale of goods, the transfer of control occurs when the risks and rewards, physical possession and the legal title of the goods have been transferred and accepted by the customer and the customer has a present obligation to make payment in respect of the goods.

Customers may be entitled to discounts or rebates for certain items and/or volumes purchased, under varying categories. These discounts or rebates are defined as variable consideration and are included in the transaction price as a component of operating revenue upon the completion of the Group's performance obligations. These discounts or rebates are contractual in nature and known as at balance date, therefore, no assumptions or estimates are required.

The Group offers a range of payment terms, and in some cases these can be up to 12 months. The Group does not recognise a financing element for sales with terms of 12 months or less.

The Group offers warranties as required by New Zealand law and/or per the terms and conditions of the contracts with customers. The Group recognises the obligations under these warranties as a provision.

Commission revenue

Commission revenue comprises commission for transactions where the Group acts as an agent. For agency commissions, the Group does not take inventory risk or title for inventories, or for the Group's Livestock and Real Estate businesses, biological assets and properties respectively. The Group generates commissions from acting as an agent for organising the sale of livestock or real estate.

Revenue is recognised at a point in time upon completion of the service.

Construction contract revenue

Construction services are provided to customers in the Water business to construct pivots and irrigation systems. Most contracts contain a single performance obligation. The size and duration of the contracts can vary significantly, and customers are invoiced as work progresses. Most contracts are completed within 12 months; therefore, the unearned revenue on these contracts is not disclosed.

The Group accounts for revenue over time, which best depicts the pattern of transfer of the construction services to the customer. The Group uses an input method to recognise revenue based on a percentage of cost completed. This method involves judgements relating to a contract's expected margin and its stage of completion.

Interest and similar income and expense

The Group recognises the fixed fees charged to customers under its GO-STOCK programme as interest revenue. Refer to Note 12 *GO-STOCK Receivables* for further explanation regarding this programme. This interest revenue is recognised over the term of the GO-STOCK contracts which can be for a term of up to 540 days.

The Group also recognises interest revenue on overdue receivables using the effective interest method. Refer to the accounting policies under Note 6 *Net Interest Expense and Foreign Exchange Items* for further explanation on the effective interest method.

Sublease income

The Group recognises lease payments received under subleases as income on a straight-line basis over the lease term. Refer to Note 16 *Right-of-Use Assets and Lease Liabilities* for further explanation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

2 Cost of Sales

	NOTE	2026 \$000	2025 \$000
Depreciation and amortisation		52	75
Employee benefits (including commissions)		31,832	29,315
Inventories and consumables	13	736,080	670,417
Freight		12,091	13,331
Other		7,462	7,209
		787,517	720,347

3 Other Operating Expenses

	NOTE	2026 \$000	2025 \$000
Audit of financial statements of the Company by Ernst & Young		450	430
Other assurance services provided by Ernst & Young:			
Limited assurance on emissions reporting		–	15
Other services provided by Ernst & Young:			
Research and development tax incentive advisory		20	16
Directors' fees		612	660
Donations		72	10
Increase/(decrease) in provision for impaired trade receivables, GO-STOCK receivables and contract assets	11, 12	4,622	(881)
Net bad debts written off/(recovered)		146	716
IT and telecommunication costs		16,154	16,443
Marketing costs		4,846	4,515
Motor vehicle costs		8,122	7,397
Travel costs		3,864	3,461
Rental and operating lease costs		604	384
Occupancy costs (excluding rental and operating lease)		7,126	6,240
Other staff costs		7,015	6,198
Other expenses		8,013	7,577
		61,666	53,181

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

4 Non-Operating Gains/(Losses)

	2026 \$000	2025 \$000
Gain/(loss) on sale of property, plant and equipment	152	1,217
Other non-operating gains/(losses)	69	(98)
	221	1,119

5 Impairment and Fair Value Gains/(Losses)

	2026 \$000	2025 \$000
Net impairment reversal/(impairment) – property, plant and equipment	–	–
Fair value gains/(losses)	–	–
	–	–

Impairment Accounting Policies

The carrying value of the Group's assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount exceeds its recoverable amount. Impairment losses directly reduce the carrying value of assets and are recognised in profit or loss unless the asset is carried at a revalued amount in accordance with another standard.

Non-financial assets

The carrying amounts of the Group's non-financial assets (other than inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset or the cash-generating unit (CGU) to which the asset relates is estimated. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An assessment is made at each reporting date to determine whether there is any indication that a previously recognised impairment loss no longer exists or has reduced. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

6 Net Interest Expense and Foreign Exchange Items

	2026 \$000	2025 \$000
Interest income	501	385
Interest funding expense:		
Bank interest on loans and overdrafts	(5,229)	(5,379)
Bank facility fees	(1,528)	(1,782)
	(6,757)	(7,161)
Net interest income/(expense) excluding interest on lease liabilities	(6,256)	(6,776)
Interest on lease liabilities	(4,524)	(4,410)
Net interest expense	(10,780)	(11,186)
Foreign exchange gain/(loss)		
Net gain/(loss) on foreign denominated items	641	821
	641	821
Fair value gain/(loss) on foreign exchange derivatives		
Fair value gain/(loss) on foreign exchange derivatives	1,430	(1,827)
	1,430	(1,827)

Net Interest Expense and Foreign Exchange Items Accounting Policies

Interest and similar income and expense

For all financial instruments measured at amortised cost, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

Fair value change on foreign exchange derivatives

The Group undertakes transactions denominated in foreign currencies and exposure to movements in foreign currency arises from these activities. The Group uses forward foreign exchange contracts to manage these exposures. These derivatives are recorded at their fair value with mark-to-market fair value movements flowing through fair value gain/(loss) on foreign exchange derivatives in the consolidated statement of profit or loss. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

7 Income Taxes

A. Income tax recognised in profit or loss

	2026 \$000	2025 \$000
Current tax benefit/(expense)		
Current year	(6,697)	(4,333)
Adjustments for prior years	21	119
	(6,676)	(4,214)
Deferred tax benefit/(expense)		
Origination and reversal of temporary differences	1,262	1,022
Adjustments for prior years	(46)	(136)
	1,216	886
Income tax benefit/(expense)	(5,460)	(3,328)
Reconciliation		
Profit before income tax	21,031	13,992
Income tax using the Company's tax rate (28%)	(5,889)	(3,917)
Non-deductible expenditure	(250)	(397)
Non-assessable income	286	779
Tax credits	181	213
Over/(under) provided in prior years	(25)	(17)
Other	237	11
Income tax benefit/(expense)	(5,460)	(3,328)

B. Income tax recognised directly in equity

	2026 \$000	2025 \$000
Deferred tax on movement of actuarial gains/losses on employee benefit plans	(98)	(273)
Income tax benefit/(expense) recognised directly in equity	(98)	(273)

Refer to
Accounting
Policies
– page 16.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

7 Income Taxes (continued)

C. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	ASSETS 2026 \$000	ASSETS 2025 \$000	LIABILITIES 2026 \$000	LIABILITIES 2025 \$000	NET 2026 \$000	NET 2025 \$000
Property, plant and equipment	–	–	(1,034)	(604)	(1,034)	(604)
Intangible assets	–	–	(6,458)	(2,033)	(6,458)	(2,033)
Right-of-use assets	–	–	(26,426)	(22,773)	(26,426)	(22,773)
Lease liabilities	28,201	24,493	–	–	28,201	24,493
Employee benefits	7,714	5,446	–	–	7,714	5,446
Provisions	4,170	2,586	–	–	4,170	2,586
Deferred tax asset/(liability)	40,085	32,525	(33,918)	(25,410)	6,167	7,115

	BALANCE 1 JUL 2024 \$000	RECOGNISED IN PROFIT OR LOSS \$000	RECOGNISED IN OTHER COMPREHENSIVE INCOME \$000	BALANCE 30 JUN 2025 \$000	RECOGNISED IN PROFIT OR LOSS \$000	RECOGNISED IN OTHER COMPREHENSIVE INCOME \$000	RECOGNISED AS PART OF A BUSINESS COMBINATION \$000	BALANCE 30 JUN 2026 \$000
Property, plant and equipment	(404)	(200)	–	(604)	(430)	–	–	(1,034)
Intangible assets	(1,439)	(594)	–	(2,033)	(2,353)	–	(2,072)	(6,458)
Right-of-use assets	(25,354)	2,581	–	(22,773)	(3,653)	–	–	(26,426)
Lease liabilities	26,775	(2,282)	–	24,493	3,708	–	–	28,201
Employee benefits	3,885	1,834	(273)	5,446	2,360	(98)	6	7,714
Provisions	3,038	(453)	–	2,586	1,584	–	–	4,170
	6,501	886	(273)	7,115	1,216	(98)	(2,066)	6,167

D. Unrecognised tax losses and temporary differences

At 30 June 2026, the Group has no unrecognised deferred tax assets relating to tax losses and temporary differences (2025: Nil).

E. Imputation credits

The Group has \$5.95 million imputation credits as at 30 June 2026 (2025: \$6.47 million).

Refer to
Accounting
Policies
– page 16.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

7 Income Taxes (continued)

Income Tax Accounting Policies

Income tax expense comprises current and deferred taxation and is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised directly in other comprehensive income or equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantively enacted at the reporting date. Current tax includes any adjustment to tax payable with respect to previous periods. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date. Deferred tax is not recognised for:

- taxable temporary differences arising on the initial recognition of goodwill;
- temporary differences relating to subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable they will not reverse in the foreseeable future;
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be recognised.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

8 Earnings Per Share and Net Tangible Assets

A. Earnings per share (EPS)

The calculation of EPS is based on the following profit figures and number of authorised shares.

	ISSUED ORDINARY SHARES		WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	
	2026 000	2025 000	2026 000	2025 000
Issued ordinary shares at 1 July	75,484	75,484	75,484	75,484
Balance at 30 June	75,484	75,484	75,484	75,484

There are no dilutive shares or options (2025: Nil).

	2026 \$000	2025 \$000
Net profit after tax	15,571	10,664
	2026 \$	2025 \$
Basic and diluted EPS	0.206	0.141

B. Net tangible assets (NTA)

The calculation of NTA per share, which is a required NZX disclosure, is based on the following NTA figure and the Company's issued ordinary shares at the end of the period.

	2026 \$000	2025 \$000
Total assets	600,338	529,680
Total liabilities	(417,771)	(355,870)
less Intangible assets and goodwill	(53,340)	(38,706)
less Deferred tax asset	(6,167)	(7,115)
Net tangible assets	123,060	127,989
	2026 \$	2025 \$
NTA per issued ordinary shares at the end of period	1.630	1.696

Earnings Per Share Accounting Policies

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss and the number of shares outstanding to include the effects of all potential dilutive shares.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

9 Cash and Financing Facilities

	NOTE	2026 \$000	2025 \$000
Cash and cash equivalents		3,995	2,613
Current financing facilities	9A	–	–
Term financing facilities	9A	(92,000)	(88,182)
Net interest-bearing (debt)/cash and cash equivalents		(88,005)	(85,569)
GO-STOCK receivables (including accrued interest)	12	91,291	84,262
GO-STOCK receivables (accrued interest portion)	12	(2,951)	(2,820)
Net interest-bearing (debt)/cash and cash equivalents after adjusting for GO-STOCK receivables		335	(4,127)

A. Financing facilities

The Company entered into a new syndicated facility agreement on 26 June 2026. The new agreement reorganises the Group's funding into three distinct facilities more aligned with the Group's operations with increased total limits to provide a platform for future strategic growth, in particular for GO-STOCK receivables which now operates under its own facility. The new facilities provide the following:

- GO-STOCK facilities of up to \$115.00 million maturing on 30 September 2029. This facility had \$75.00 million drawn at 30 June 2026. This new facility is available to fund up to 90% of the GO-STOCK receivables balance.
- Core debt facilities of up to \$50.00 million maturing on 30 September 2029 (2025: \$100.00 million maturing on 30 June 2027). This facility had \$17.00 million drawn at 30 June 2026 (2025: \$75.00 million drawn). This facility is to fund the core and general commercial activities of the group along with the GO-STOCK receivables balance not specifically funded from the GO-STOCK facility.
- Working Capital facilities of up to \$100.00 million maturing on 30 September 2029 (2025: \$85.00 million maturing on 30 June 2027). This facility was undrawn at 30 June 2026 (2025: \$13.00 million drawn). This facility funds the Group's seasonal working capital requirements across the financial year. The limits for this facility are sculpted throughout the year to align with the Group's seasonal working capital needs with minimum and maximum limits of \$35.00 million and \$100.00 million respectively across the financial year. This facility is subject to an annual clean down requirement.

Interest on these syndicated facilities is determined based on floating interest rates.

The Company has granted a general security deed and mortgage over all its wholly-owned New Zealand assets to a security trust. Bank of New Zealand acts as facility agent and security trustee for the banking syndicate, which comprises Bank of New Zealand, Coöperatieve Rabobank U.A. (New Zealand branch) and Westpac New Zealand Limited. The agreement contains various financial covenants and restrictions relevant to each separate facility, including maximum permissible ratios for debt leverage and operating leverage, together with a Loan to Value Ratio (LVR) limit of 90% for drawings from the GO-STOCK facility. The agreement also contains annual limits on capital expenditure and asset disposals. Key operating leverage and debt leverage covenants are reported to the facility agent on a quarterly basis with debt leverage for the Working Capital facilities and the GO-STOCK LVR reported on a monthly basis.

The syndicated facility agreement allows the Group, subject to certain conditions, to enter into additional facilities outside of the Company's syndicated facility. The additional facilities are guaranteed by the security trust. These facilities amounted to \$4.77 million as at 30 June 2026 (2025: \$4.77 million) and included the following:

- Overdraft facilities of \$3.00 million. This facility was undrawn at 30 June 2026 (2025: undrawn).
- Guarantees and letters of credit of \$1.77 million.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

10 Derivative Financial Instruments

The Group uses forward foreign exchange contracts to manage its exposure to foreign currency fluctuations. In accordance with the Group's treasury policy, the Group does not hold any of these derivative instruments for trading purposes.

	2026 \$000	2025 \$000
Derivative assets held for risk management		
Current	784	227
Non-current	1	13
	785	240
Derivative liabilities held for risk management		
Current	(663)	(1,425)
Non-current	(28)	(151)
	(691)	(1,576)
Net derivative asset/(liability) held for risk management	94	(1,336)

Derivative Financial Instruments Accounting Policies

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value, and changes therein are generally recognised in profit or loss. The fair value of forward exchange contracts is based on broker quotes.

Where the Group enters into derivative transactions, these agreements do not meet the criteria for offsetting in the consolidated statement of financial position. The fair value amounts recognised in the consolidated statement of financial position are recorded on a gross basis.

The Group does not currently apply hedge accounting.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

11 Trade and Other Receivables

	NOTE	2026 \$000	2025 \$000
Accounts receivable due from unrelated parties		163,649	130,454
Accounts receivable due from related parties	25	2	–
Gross accounts receivable		163,651	130,454
less Provision for impaired debtors		(6,027)	(1,496)
Net accounts receivable		157,624	128,958
Contract assets		1,981	2,650
less Provision for impaired contract assets		–	–
Other receivables		23,141	20,882
Prepayments		3,725	4,459
Trade and other receivables		186,471	156,949
Analysis of movements in provisions for impaired debtors and contract assets			
Balance at the beginning of year		(1,496)	(2,308)
Movement in provision		(4,531)	812
Balance at the end of the year		(6,027)	(1,496)

The ageing status of the accounts receivable at the reporting date is as follows:

	TOTAL ACCOUNTS RECEIVABLE 2026 \$000	PROVISION 2026 \$000	TOTAL ACCOUNTS RECEIVABLE 2025 \$000	PROVISION 2025 \$000
Not past due	153,134	(613)	121,689	(505)
Past due 1 – 30 days	3,760	(13)	3,710	(71)
Past due 31 – 60 days	403	(382)	3,966	(424)
Past due 61 – 90 days	232	(20)	491	(33)
Past due 90 plus days	6,122	(4,999)	598	(463)
	163,651	(6,027)	130,454	(1,496)

During the period the Group recognised a significant provision in respect of one customer which has entered liquidation / administration and this reflects the increase in the provision held versus the comparative year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

12 GO-STOCK Receivables

The Group holds receivables in respect of its GO-STOCK range of livestock products. The GO-STOCK range allows farmers to defer payment for the purchase of livestock. The counterparty farmer to the GO-STOCK product is fully exposed to the risks and rewards of ownership of the livestock. To mitigate credit risk, the Group retains legal title to the livestock until its sale. Fee income received in respect of the GO-STOCK receivables is recognised by the Group as interest income over the respective contract period and is included within operating revenue (refer to Note 1 *Operating Revenue*). Accrued interest income in respect of the GO-STOCK receivables is included within the GO-STOCK receivables balance and amounts to \$2.95 million as at 30 June 2026 (2025: \$2.82 million).

	2026 \$000	2025 \$000
GO-STOCK receivables – current	89,894	82,209
GO-STOCK receivables – non-current	1,735	2,300
	91,629	84,509
less Provision for impairment – GO-STOCK receivables	(338)	(247)
	91,291	84,262
GO-STOCK receivables – accrued interest portion	2,951	2,820
Analysis of movements in provisions for impaired GO-STOCK receivables		
Balance at the beginning of the year	(247)	(316)
Movement in provision	(91)	69
Balance at the end of the year	(338)	(247)

The ageing status of the GO-STOCK receivables at the reporting date is as follows:

	GO-STOCK RECEIVABLES 2026 \$000	PROVISION 2026 \$000	GO-STOCK RECEIVABLES 2025 \$000	PROVISION 2025 \$000
Not past due	91,208	(200)	84,509	(247)
Past due 1 – 30 days	–	–	–	–
Past due 31 – 60 days	–	–	–	–
Past due 61 – 90 days	299	(16)	–	–
Past due 90 plus days	122	(122)	–	–
	91,629	(338)	84,509	(247)

Refer to
Accounting
Policies
– page 22.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

12 GO-STOCK Receivables (continued)

Trade and Other Receivables and GO-STOCK Receivables Accounting Policies

Recognition and measurement

A receivable without a significant financing component is initially measured at the transaction price and classified as financial assets measured at amortised cost. Accounts receivable includes accrued interest.

Impairment

Specific provisions are maintained to cover identified impaired receivables. Judgement is required in determining the impairment provision. The Group recognises loss allowances for the expected credit loss (ECL) on Trade and GO-STOCK receivables. The Group measures loss allowances for Trade and GO-STOCK receivables at an amount equal to lifetime ECL.

When estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost and effort. This includes both qualitative and quantitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk has increased significantly if the receivable is more than 60 days past due. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

On a monthly basis, the Group via its Credit Committee, assesses whether Trade and GO-STOCK receivables are credit-impaired. All individual instruments that are considered significant are subject to this approach. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data such as significant financial difficulty of the debtor.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

13 Inventory

	2026 \$000	2025 \$000
Merchandise	89,125	87,167
Wool and velvet inventory	19,039	14,577
less Provision for inventory write-down	(2,672)	(1,670)
	105,492	100,074

During the year, inventories of \$736.08 million (2025: \$670.42 million) are included in cost of sales in the profit or loss (refer to Note 2 *Cost of Sales*). Included within this amount is a write-down of inventories of \$1.89 million (2025: \$1.30 million) to net realisable value and reversals of previously recognised write-downs of \$0.17 million (2025: \$0.49 million).

Inventories Accounting Policies

Raw materials and finished goods are stated at the lower of cost or net realisable value. Cost is determined on a weighted average cost basis. In the case of manufactured goods, cost includes direct materials, labour and production overheads. Judgement is required in determining the net realisable value for inventories.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

14 Intangible Assets and Goodwill

	NOTE	SOFTWARE \$000	RIGHTS \$000	GOODWILL \$000	CAPITAL WORK IN PROGRESS \$000	TOTAL
Cost						
Balance as at 1 July 2024		30,794	2,497	–	23,128	56,419
Additions		15	15	–	10,550	10,580
Transfers		32,578	–	–	(32,578)	–
Disposals		(107)	–	–	(82)	(189)
Balance as at 30 June 2025		63,280	2,512	–	1,018	66,810
Balance as at 1 July 2025		63,280	2,512	–	1,018	66,810
Additions		179	34	–	718	931
Added as part of a business combination	15	–	7,443	11,487	–	18,930
Transfers		222	75	–	(297)	–
Disposals		–	–	–	–	–
Balance as at 30 June 2026		63,681	10,064	11,487	1,439	86,671
Amortisation						
Balance as at 1 July 2024		24,331	2,065	–	–	26,396
Amortisation		1,804	11	–	–	1,815
Transfers		(107)	–	–	–	(107)
Balance as at 30 June 2025		26,028	2,076	–	–	28,104
Balance as at 1 July 2025		26,028	2,076	–	–	28,104
Amortisation		4,224	1,003	–	–	5,227
Disposals		–	–	–	–	–
Balance as at 30 June 2026		30,252	3,079	–	–	33,331
Carrying amounts						
30 June 2025		37,252	436	–	1,018	38,706
30 June 2026		33,429	6,985	11,487	1,439	53,340

Refer to
Accounting
Policies
– page 24.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

14 Intangible Assets and Goodwill (continued)

Intangible Assets and Goodwill Accounting Policies

Software

Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over an estimated useful life between 1 and 15 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period and adjusted if appropriate.

Rights

Manufacturing and production rights are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over an estimated useful life between 2 and 10 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period and adjusted if appropriate.

Capital Work in Progress

Capital work in progress includes the cost of materials, services, labour and direct production overheads and is stated net of impairments.

Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Separately recognised goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. It is carried at cost less accumulated impairment losses (if any). Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Impairment

The carrying amounts of the Group's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. Impairment testing uses the higher of value-in-use or fair value less cost of disposal calculations for operational cash generating units. If any such indication exists, then the recoverable amount of the asset is estimated. For intangible assets that have indefinite lives, the recoverable amount is estimated at each reporting date. An impairment loss is recognised in the profit or loss if the carrying amount of the asset exceeds the recoverable amount. Refer to the accounting policy under Note 5 *Impairment and Fair Value Gains/(Losses)* for further explanation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

15 Acquisition of Subsidiary

Background of acquisition

On 7 July 2025 the Group announced the acquisition of Nexan Corporation Limited and its subsidiaries (Nexan), a leading New Zealand animal health manufacturer that develops and markets a range of products for livestock. Nexan's offering as an innovator aligns well with PGW's strategic objective of being the leader in bringing technical knowhow and expertise to the market to benefit New Zealand farmers and growers.

The transaction completed on 31 July 2025.

The transaction resulted in the Group acquiring all of the shares and voting interests in Nexan for a purchase price of \$19.91 million. A provisional value of identifiable assets and liabilities acquired was reported as a subsequent event in the consolidated financial statements for the year ended 30 June 2025. At that time the Group had yet to perform a review of the fair value of assets and liabilities acquired. In accordance with NZ IFRS 3 *Business Combinations* these amounts are able to be retrospectively updated for a period of up to 12 months from the date of acquisition, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

The Group has now finalised its review of the fair value of the net assets and liabilities acquired. Subsequent to the Group's interim financial statement disclosure Goodwill has increased by \$0.12 million to \$11.49 million. This is the result of confirmation of values attributed to intangibles acquired.

Revenue and earnings information

11 MONTHS TO
JUNE 2026
\$000

Revenue	8,095
Net profit after tax	1,039

Revenue recorded by the acquiree following acquisition relates to sales made to PGW Group entities which are eliminated for Group reporting purposes.

Acquisition costs

Acquisition costs of \$0.02 million were incurred in the period to 30 June 2026 (30 June 2025: \$0.12 million). These costs have been included within Non-operating gains/losses in the Consolidated Statement of Profit or Loss.

Consideration transferred

\$000

Purchase price	19,914
Settlement of pre – existing relationships	(1,963)
Total consideration paid to vendor	17,951

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

15 Acquisition of subsidiary (continued)

	PROVISIONAL 31 JULY 2025 \$000	ADJUSTMENTS TO FAIR VALUE \$000	FAIR VALUE 31 JULY 2025 \$000
Value of identifiable assets and liabilities acquired			
Current assets			
Cash and cash equivalents	254	–	254
Prepayments	13	2	15
Inventories	2,184	–	2,184
Non-current assets			
Property, plant and equipment	540	(125)	415
Intangibles	165	7,278	7,443
Current liabilities			
Trade and other payables	(1,245)	–	(1,245)
Income tax payable	(411)	–	(411)
GST payable	(125)	–	(125)
Non-current liabilities			
Deferred tax liability	–	(2,066)	(2,066)
Net Assets Acquired	1,375	5,089	6,464
Goodwill acquired upon acquisition	16,576	(5,089)	11,487
Total net consideration	17,951	–	17,951
Plus Settlement of pre-existing relationships	1,963	–	1,963
Less cash and cash equivalents acquired	(254)	–	(254)
Net cash outflow on acquisition	19,660	–	19,660

Intangibles

Intangibles relate to the fair value attributed to rights acquired for products that are produced by Nexan. Fair value has been determined using a discounted cashflow approach. Rights are finite life intangible assets with an estimated useful life of 7 years. The Group reviews estimated useful lives at the end of each annual reporting period and adjusts where appropriate.

Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the assets and liabilities of the acquiree. The Group sees synergies with the acquired company and the Group's existing operations, including revenue growth opportunities and operational efficiencies. These synergies do not meet the criteria for separate recognition as identifiable intangible assets. Goodwill has been attributed to the Nexan business CGU which is included within the Retail & Water Operating Segment.

Following the Nexan acquisition, the Group has tested the carrying value of Goodwill at the reporting date. This was based on a value-in-use calculation for the Nexan CGU using discounted future cash flow projections including the board approved 2027 budget. The calculations use past experience and expectations for the future, and the recoverable amount of the cash generating units exceeds carrying value.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

16 Right-of-Use Assets and Lease Liabilities

Group as a lessee

The Group leases many assets, including:

- leases of land and buildings from which it conducts operations. These leases range in length from one to twenty-one years with various rights of renewal. Where surplus properties are unable to be exited, the Group subleases these properties where possible and derives sublease revenue on a short-term temporary basis.
- leases of motor vehicles and forklifts for use by employees, agents and representatives. These leases range for a period of between three and seven years.

The Group elects not to recognise right-of-use assets and lease liabilities for short-term or low-value property leases. The Group continues to expense lease payments associated with these leases on a straight-line basis.

A. Right-of-use assets

	PROPERTY \$000	VEHICLES \$000	TOTAL \$000
Balance as at 1 July 2024	75,693	15,877	91,570
Additions	160	5,307	5,467
Depreciation charge	(15,951)	(7,398)	(23,349)
Reassessments, modifications and terminations	6,003	1,641	7,644
Balance as at 30 June 2025	65,905	15,427	81,332
Balance as at 1 July 2025	65,905	15,427	81,332
Additions	7,151	7,775	14,926
Depreciation charge	(16,620)	(7,839)	(24,459)
Reassessments, modifications and terminations	21,728	830	22,558
Balance as at 30 June 2026	78,164	16,193	94,357

B. Lease liabilities

	PROPERTY \$000	VEHICLES \$000	TOTAL \$000
Balance as at 1 July 2024	80,197	16,469	96,666
Additions	140	5,307	5,447
Reassessments, modifications and terminations	6,007	1,636	7,643
Interest on lease liabilities	3,294	1,116	4,410
Lease payments	(18,668)	(8,350)	(27,018)
Balance as at 30 June 2025	70,970	16,178	87,148
Balance as at 1 July 2025	70,970	16,178	87,148
Additions	7,031	7,775	14,806
Reassessments, modifications and terminations	21,732	821	22,553
Interest on lease liabilities	3,508	1,016	4,524
Lease payments	(19,731)	(8,824)	(28,555)
Balance as at 30 June 2026	83,510	16,966	100,476

Refer to
Accounting
Policies
– page 29.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

16 Right-of-Use Assets and Lease Liabilities (continued)

B. Lease liabilities (continued)

A maturity analysis of lease liabilities is included in Note 20 *Financial Instruments – Fair Values and Risk Management*.

Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. Some of the Group's property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. A reassessment is made subsequently if there is any significant event or significant changes in circumstances within the Group's control. The Group estimates that the potential future lease payments, should it exercise all the extension options, would result in an increase in lease liabilities of \$94.47 million (2025: \$109.47 million).

C. Other disclosures

	NOTE	2026 \$000	2025 \$000
Amounts in the consolidated statement of profit or loss			
Depreciation on right-of-use assets		(24,459)	(23,349)
Interest on lease liabilities	6	(4,524)	(4,410)
Short-term or low-value lease expenses		(678)	(605)
Variable lease payments not included in the measurement of lease liabilities		(122)	(97)
Income from subleasing right-of-use assets		1,209	1,035
Amounts in the consolidated statement of cash flows			
Total cash outflow for leases		(28,554)	(27,018)

Refer to
Accounting
Policies
– page 29.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

16 Right-of-Use Assets and Lease Liabilities (continued)

Lease Accounting Policies

The Group assesses at the inception of a contract as to whether the contract is, or contains, a lease as defined in NZ IFRS 16 *Leases*.

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The Group elects not to recognise right-of-use assets and lease liabilities for short-term or low-value leases. The Group continues to expense lease payments associated with these leases on a straight-line basis.

A number of judgements and estimates are made in calculating the right-of-use asset and lease liability amounts. The judgements and estimates include the applicable lease terms (including any rights of renewal expected to be exercised) and the Group's incremental borrowing rate.

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and any estimated restoration costs, and less any lease incentives received. These assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term or the asset's useful life. Right-of-use assets are periodically reduced by impairment losses (if any) and adjusted for certain remeasurements of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable under a residual value guarantee, and any exercise price the Group is reasonably certain to exercise. The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar environment under similar terms and conditions.

After the commencement date, lease liabilities are increased to reflect interest on the lease liabilities and reduced to reflect the lease payments made. Interest on lease liabilities is charged to the profit or loss and is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liabilities.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of any amount payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) As a lessor

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. The Group recognises lease payments received under operating leases as income within the profit or loss on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

17 Property, Plant and Equipment

	NOTE	LAND \$000	BUILDINGS \$000	PLANT AND EQUIPMENT \$000	CAPITAL WORK IN PROGRESS \$000	TOTAL \$000
Cost						
Balance as at 1 July 2024		17,715	15,121	68,186	3,514	104,536
Additions		–	759	1,626	4,555	6,940
Transfers		–	782	3,345	(4,127)	–
Disposals		–	–	(1,086)	(3)	(1,089)
Balance as at 30 June 2025		17,715	16,662	72,071	3,939	110,387
Balance as at 1 July 2025		17,715	16,662	72,071	3,939	110,387
Additions		–	1,657	3,239	1,152	6,048
Added as part of a business combination	15	–	–	415	–	415
Transfers		–	350	2,624	(2,974)	–
Disposals		(104)	(1,405)	(1,171)	(196)	(2,876)
Balance as at 30 June 2026		17,611	17,264	77,178	1,921	113,974
Depreciation						
Balance as at 1 July 2024		–	5,269	47,669	–	52,938
Depreciation for the year		–	851	5,050	–	5,901
Depreciation recovered to cost of goods sold		–	–	75	–	75
Transfers		–	245	(245)	–	–
Disposals		–	–	(889)	–	(889)
Balance as at 30 June 2025		–	6,365	51,660	–	58,025
Balance as at 1 July 2025		–	6,365	51,660	–	58,025
Depreciation for the year		–	617	4,487	–	5,104
Depreciation recovered to cost of goods sold		–	–	52	–	52
Transfers		–	–	–	–	–
Disposals		–	(150)	(906)	–	(1,056)
Balance as at 30 June 2026		–	6,832	55,293	–	62,125
Carrying amounts						
30 June 2025		17,715	10,297	20,411	3,939	52,362
30 June 2026		17,611	10,432	21,885	1,921	51,849

Refer to
Accounting
Policies
– page 31.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

17 Property, Plant and Equipment (continued)

Property, Plant and Equipment Accounting Policies

Recognition and measurement

Capital work in progress is stated at cost, net of accumulated impairment losses. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the profit or loss during the reporting period that the item is disposed.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, buildings, plant and equipment. Leasehold assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives for the current and comparative periods are between 2 and 40 years for plant and equipment and between 5 and 50 years for buildings. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The sale must be highly probable and the asset available for immediate sale in its present condition. Non-current assets held for sale are measured at the lower of the asset's carrying amount and its fair value less costs to sell.

Impairment

The carrying amounts of the Group's property, plant and equipment assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset is estimated. An impairment loss is recognised in the profit or loss if the carrying amount of an asset exceeds the recoverable amount. Refer to the accounting policy under Note 5 *Impairment and Fair Value Gains/(Losses)* for further explanation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

18 Trade and Other Payables

	NOTE	2026 \$000	2025 \$000
Trade creditors		160,899	125,549
Goods received but not invoiced		10,177	6,898
Contract liabilities		1,814	1,662
Employee entitlements		29,343	24,723
Accruals and other liabilities		11,675	14,860
Other provisions (including product warranty, client claim and make good provisions)	18A, 18B	2,888	2,618
Loyalty reward programme	22A	1,848	1,625
		218,644	177,935
Payable within 12 months		215,989	175,205
Payable beyond 12 months		2,655	2,730
		218,644	177,935

A. Make good provision on leased properties

During the year ended 30 June 2026, the Group recognised additional provisions of \$0.12 million (2025: \$0.02 million) in respect of new property leases entered into during the year. These additional provisions have been capitalised to the right-of-use assets and are amortised over the life of the right-of-use assets. The Group also released \$0.18 million (2025: \$0.08 million) of provision in respect to leased properties which it exited. At the reporting date, the balance of the make good provision is \$2.56 million (2025: \$2.62 million). The Group expects to settle this liability over the next 10-21 years as the leases expire.

B. Client claims provision

The Group receives client claims from time to time as part of the ordinary course of business and these claims are reviewed on a case by case basis to determine validity. As at balance date, the Group was in the process of reviewing certain claims for the supply of goods which are typically the responsibility of suppliers under terms of trade. The Group recognises a provision for its best estimate of any obligation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

19 Defined Benefit Asset/(Liability)

The Group makes contributions to the PGG Wrightson Employee Benefits Plan (the "Plan"). The Plan is governed under one trust deed and the assets of the Plan are unallocated to any of the Plan members. The Plan provides a range of superannuation and insurance benefits for employees and former employees. The Plan is registered under the Financial Markets Conduct Act 2013. The Plan is not open to new members. Certain retired employees of the Plan are entitled to receive an annual pension payment payable for their remaining life, and in some cases, for the remaining life of a surviving partner.

The Group accounts for its interest in the Plan as a defined benefit plan with defined benefit obligations in accordance with NZ IAS 19 *Employee Benefits* because the Group has a legal obligation to pay further contributions, if the Plan does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Group has an obligation to ensure the Plan has sufficient assets to pay the benefits of all members of the Plan.

The actuarial calculations for the Plan are undertaken by Michael Chamberlain, a fellow of the New Zealand Society of Actuaries, for MCA NZ Limited.

	2026 \$000	2025 \$000	2024 \$000	2023 \$000	2022 \$000
Present value of funded obligations					
– Defined Benefit component	(18,344)	(20,147)	(21,648)	(22,723)	(26,272)
– Other Contribution component	(24,462)	(24,904)	(24,995)	(23,886)	(22,893)
Total Present value of funded obligations	(42,806)	(45,051)	(46,643)	(46,609)	(49,165)
Fair value of plan assets					
– Defined Benefit component	18,845	20,347	20,931	21,647	24,146
– Other Contribution component	24,462	24,904	24,995	23,886	22,893
Total Fair value of plan assets	43,307	45,251	45,926	45,533	47,039
Total defined benefit asset/(liability)	501	200	(717)	(1,076)	(2,126)

Refer to
Accounting
Policies
– page 35.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

19 Defined Benefit Asset/(Liability) (continued)

A. Movement in net defined benefit asset/(liability)

	DEFINED BENEFIT OBLIGATION		FAIR VALUE OF PLAN ASSETS		NET DEFINED BENEFIT ASSET/(LIABILITY)	
	2026 \$000	2025 \$000	2026 \$000	2025 \$000	2026 \$000	2025 \$000
Balance as at 1 July	(45,051)	(46,643)	45,251	45,926	200	(717)
Included in profit or loss:						
Current service costs	(364)	(411)	–	–	(364)	(411)
Interest costs	(1,982)	(2,079)	2,001	2,052	19	(27)
Included in other comprehensive income:						
Gains/(losses) from change in demographic assumptions	–	–	–	–	–	–
Gains/(losses) from change in financial assumptions	(208)	(168)	–	–	(208)	(168)
Experience gains/(losses)	712	(963)	–	–	712	(963)
Expected return on plan assets	–	–	(614)	1,818	(614)	1,818
Other:						
Employer contributions	–	–	756	668	756	668
Member contributions	(665)	(470)	665	470	–	–
Benefits paid by the Plan	4,752	5,683	(4,752)	(5,683)	–	–
Balance as at 30 June	(42,806)	(45,051)	43,307	45,251	501	200

The Group expects to pay \$0.34 million in contributions to the Plan during the 2027 reporting period (2026: expected \$0.36 million and paid \$0.76 million). Member contributions are expected to be \$0.48 million in 2027 (2026: expected \$0.51 million and paid \$0.67 million).

As at 30 June 2026, the weighted average duration of the defined benefit obligation (DBO) is 10.58 years for the Plan (2025: 10.49 years).

B. Plan assets

	2026 %	2025 %
Consist of:		
Equities	50	51
Fixed interest	34	24
Cash	16	25
	100	100

Plan assets do not include any exposure to the Company's ordinary shares (2025: Nil).

C. Actuarial assumptions at the reporting date

	2026 %	2025 %
Discount rate used – Implied 10.58 year New Zealand Government Bond rate (2025: Implied 10.49 year New Zealand Government Bond rate)	4.44	4.59
Inflation	2.00	2.00
Future salary increases	2.50	2.50
Future pension increases	1.65	1.65

Refer to
Accounting
Policies
– page 35.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

19 Defined Benefit Asset/(Liability) (continued)

C. Actuarial assumptions at the reporting date (continued)

Assumptions regarding future mortality rates based on published statistics and experience:

	2026 MALE YEARS	2026 FEMALE YEARS	2025 MALE YEARS	2025 FEMALE YEARS
Longevity at age 65 for current pensioners	21	24	21	24
Longevity at age 65 for current members aged 45	23	25	23	25

D. Sensitivity analysis

The sensitivity of the DBO to changes in the weighted principal assumptions is:

	2026 DBO (INCREASE) / DECREASE WITH INCREASE IN ASSUMPTION \$000	2026 DBO (INCREASE) / DECREASE WITH DECREASE IN ASSUMPTION \$000	2025 DBO (INCREASE) / DECREASE WITH INCREASE IN ASSUMPTION \$000	2025 DBO (INCREASE) / DECREASE WITH DECREASE IN ASSUMPTION \$000
Discount rate (0.50% movement)	685	(728)	721	(811)
Salary growth rate (0.50% movement)	(22)	21	(45)	45
Pension growth rate (0.25% movement)	(300)	342	(360)	360
Life expectancy (1 year movement)	(1,327)	1,370	(1,397)	1,442

Employee Benefits Accounting Policies

Defined benefit plans

The Group's net obligation with respect to its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date on bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the lower of the net assets of the Plan or the current value of the contributions holiday that is expected to be generated.

Remeasurement of the net defined benefit asset or liability, which comprise actuarial gains and losses and the return on plan assets, are recognised directly in other comprehensive income and the defined benefit plan reserve in equity. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the undiscounted amount of short-term employee benefits expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

Provisions made with respect to employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group with respect to services provided by employees up to the reporting date. Remeasurements are recognised in profit or loss in the period in which they arise.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

20 Financial Instruments – Fair Values and Risk Management

A. Accounting classifications and fair values

The tables below set out the Group's classification of each class of financial assets and liabilities, and their fair values.

	FAIR VALUE THROUGH PROFIT OR LOSS \$000	AT AMORTISED COST \$000	TOTAL CARRYING AMOUNT \$000	FAIR VALUE \$000
2026				
Financial assets				
Cash and cash equivalents	–	3,995	3,995	3,995
Derivative assets	785	–	785	785
Trade and other receivables and contract assets	–	182,746	182,746	182,746
GO-STOCK receivables	–	91,291	91,291	91,291
Other investments	–	242	242	242
	785	278,274	279,059	
Financial liabilities				
Debt	–	(92,000)	(92,000)	(92,000)
Derivative liabilities	(691)	–	(691)	(691)
Trade creditors	–	(160,899)	(160,899)	(160,899)
Goods received but not invoiced	–	(10,177)	(10,177)	(10,177)
Lease liabilities	–	(100,476)	(100,476)	
	(691)	(363,552)	(364,243)	
2025				
Financial assets				
Cash and cash equivalents	–	2,613	2,613	2,613
Derivative assets	240	–	240	240
Trade and other receivables and contract assets	–	152,490	152,490	152,490
GO-STOCK receivables	–	84,262	84,262	84,262
Other investments	–	242	242	242
	240	239,607	239,847	
Financial liabilities				
Debt	–	(88,182)	(88,182)	(88,182)
Derivative liabilities	(1,576)	–	(1,576)	(1,576)
Trade creditors	–	(125,549)	(125,549)	(125,549)
Goods received but not invoiced	–	(6,898)	(6,898)	(6,898)
Lease liabilities	–	(87,148)	(87,148)	
	(1,576)	(307,777)	(309,353)	

Management assessed that the fair values of cash and cash equivalents, trade receivables, trade creditors and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Refer to
Accounting
Policies
– page 41.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

20 Financial Instruments – Fair Values and Risk Management (continued)

A. Accounting classifications and fair values (continued)

Fair value hierarchy

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

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

	LEVEL 1 \$000	LEVEL 2 \$000	LEVEL 3 \$000	TOTAL \$000
2026				
Derivative assets	–	785	–	785
Derivative liabilities	–	(691)	–	(691)
2025				
Derivative assets	–	240	–	240
Derivative liabilities	–	(1,576)	–	(1,576)

B. Financial management risk

The Group's primary risks are those of liquidity and funding, credit and market (foreign currency, price and interest rate) risks.

The Group is committed to the management of risk to achieve sustainability of service, employment and profits, and therefore, takes on controlled amounts of risk when considered appropriate. The Board of Directors is responsible for the review and ratification of the Group's systems of risk management, internal compliance and control, code of conduct and legal compliance. The Board maintains a formal set of delegated authorities (including policies for credit and treasury) that clearly define the responsibilities delegated to Management and those retained by the Board. The Board approves these delegated authorities and reviews them annually.

The following Management committees review and manage key risks:

- The Senior Management Team meets regularly to consider new and emerging risks, review actions required to manage and mitigate key risks, and to monitor progress.
- The Credit Committee, comprising of Management appointees, meets regularly to review credit risk, account limits and provisioning.

Management formally reports on all aspects of key risks to the Audit Committee at least two times each year.

(i) Liquidity and funding risks

Liquidity risk is the risk that the Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. Funding risk is the risk of over-reliance on a funding source to the extent that a change in that funding source could increase overall funding costs or cause difficulty in raising funds.

The Group manages liquidity risk by forecasting daily cash requirements and future funding requirements, and maintaining an adequate liquidity headroom. The Group monitors its liquidity daily, weekly and monthly and maintains appropriate liquid assets and committed bank funding facilities to meet all obligations in a timely and cost efficient manner. The Group has a policy of funding diversification and utilises a banking syndicate to limit concentration risk in relation to liquidity and funding. The funding policy augments the Group's liquidity policy with its aim to ensure the Group has a stable diversified funding base without over-reliance on any one market sector.

The objectives of the Group's funding and liquidity policy is to:

- Ensure all financial obligations are met when due;
- Provide adequate protection, even under crisis scenarios; and
- Achieve competitive funding within the limitations of liquidity requirements.

Refer to
Accounting
Policies
– page 41.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

20 Financial Instruments – Fair Values and Risk Management (continued)

B. Financial management risk (continued)

(i) Liquidity and funding risks (continued)

Contractual maturity analysis

The following schedule analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date (reported on an undiscounted basis). History demonstrates that such accounts provide a stable source of long term funding for the Group.

	CONTRACTUAL CASH FLOW				AMOUNT IN STATEMENT OF FINANCIAL POSITION \$000
	WITHIN 12 MONTHS \$000	1 TO 5 YEARS \$000	BEYOND 5 YEARS \$000	TOTAL \$000	
2026					
Debt	6,743	107,172	–	113,915	92,000
Derivative liabilities	663	28	–	691	691
Trade creditors	160,899	–	–	160,899	160,899
Goods received but not invoiced	10,177	–	–	10,177	10,177
Lease liabilities	27,597	63,878	32,514	123,989	100,476
	206,079	171,078	32,514	409,671	364,243
2025					
Debt	7,029	95,079	–	102,108	88,182
Derivative liabilities	1,425	151	–	1,576	1,576
Trade creditors	125,549	–	–	125,549	125,549
Goods received but not invoiced	6,898	–	–	6,898	6,898
Lease liabilities	24,869	62,971	8,954	96,794	87,148
	165,770	158,201	8,954	332,925	309,353

Changes in liabilities arising from financing activities

	1 JUL 2025 \$000	CASHFLOW \$000	CHANGES IN FAIR VALUE \$000	LEASE ADDITIONS AND MODIFICATIONS \$000	30 JUN 2026 \$000
Debt	88,182	3,818	–	–	92,000
Lease liabilities	87,148	(24,030)	–	37,358	100,476
Total liabilities from financing activities	175,330	(20,212)	–	37,358	192,476
	1 JUL 2024 \$000	CASHFLOW \$000	CHANGES IN FAIR VALUE \$000	LEASE ADDITIONS AND MODIFICATIONS \$000	30 JUN 2025 \$000
Debt	63,000	25,182	–	–	88,182
Lease liabilities	96,666	(22,608)	–	13,090	87,148
Total liabilities from financing activities	159,666	2,574	–	13,090	175,330

Refer to Accounting Policies – page 41.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

20 Financial Instruments – Fair Values and Risk Management (continued)

B. Financial management risk (continued)

(ii) Credit risk

Credit risk is the potential for loss that could occur as a result of a counterparty failing to discharge its obligations. This may be due to extreme weather events or volatility in commodity prices.

Concentrations of credit risk

Financial instruments which potentially subject the Group to concentrations of credit risk principally consist of bank balances, trade receivables, GO-STOCK receivables, other receivables, other investments and forward foreign exchange contracts. The Group places its cash with three major trading banks. Concentrations of credit risk with respect to trade and GO-STOCK receivables are limited due to the large number of customers included in the Group's farming customer base in New Zealand.

(iii) Market risk

Market risk is the potential for change in the value recorded in the Statement of Financial Position caused by a change in the value, volatility or relationship between market risks and prices. Market risk arises from the mismatch between assets and liabilities, both on and off balance sheet. Market risk includes price, foreign currency and interest rate risk which are explained as follows:

Concentrations of market risk

The Group has exposure to commodity pricing risk on wool and velvet inventories and forward wool and velvet sales and purchase contracts. This is mitigated by the Group having policies around unmatched positions. Other inventory is of merchandise nature and the Group has a range of suppliers or has entered into long-term supply agreements.

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies and exposure to movements in foreign currency arises from these activities. The Group manages this risk by using forward foreign exchange contracts to hedge foreign currency risks as they arise.

Foreign currency exposure risk

The Group's exposure to foreign currency risk is summarised below. The notional forward exchange cover includes forward foreign exchange contracts entered into to economically hedge forward sale and purchase commitments.

	GBP NZ\$000	USD NZ\$000	AUD NZ\$000	CHF NZ\$000	EURO NZ\$000
2026					
Cash and cash equivalents	–	1	1	–	2
Trade receivables	231	2,262	1	–	5,107
Trade creditors	(1,762)	(17,264)	(322)	–	(2,718)
Net amount recorded within the Statement of Financial Position	(1,530)	(15,000)	(320)	–	2,392
<i>Forward exchange contracts on the above items and forward sale and purchase commitments</i>					
Notional forward exchange cover	884	11,154	(563)	(654)	(17,943)
Net unhedged position	(2,414)	(26,154)	243	654	20,334
2025					
Cash and cash equivalents	–	–	–	–	346
Trade receivables	456	1,429	445	–	5,900
Trade creditors	(2,035)	(11,815)	(790)	–	(3,956)
Net amount recorded within the Statement of Financial Position	(1,579)	(10,386)	(345)	–	2,290
<i>Forward exchange contracts on the above items and forward sale and purchase commitments</i>					
Notional forward exchange cover	426	5,988	355	–	(19,101)
Net unhedged position	(2,004)	(16,374)	(700)	–	21,391

Refer to
Accounting
Policies
– page 41.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

20 Financial Instruments – Fair Values and Risk Management (continued)

B. Financial management risk (continued)

(iii) Market risk (continued)

Interest rate risk

Floating rate borrowings are used for general funding activities. Interest rate risk is the risk that the value of financial instruments and the interest margin will fluctuate as a result of changes in market interest rates. The risk is that financial assets may be repriced at a different time and/or by a different amount than financial liabilities.

This risk is managed by operating within approved policy limits using an interest rate duration approach. Interest rate swaps, interest rate options and forward rate agreements may be used to hedge the floating rate exposure as deemed appropriate. The Group had no interest rate derivatives at 30 June 2026 (2025: Nil).

Interest rate repricing schedule

The following tables include the Group's liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates:

	WITHIN 12 MONTHS \$000	1 TO 2 YEARS \$000	OVER 2 YEARS \$000	NON-INTEREST BEARING \$000	TOTAL \$000
2026					
Debt	–	–	92,000	–	92,000
Derivative liabilities	–	–	–	691	691
Trade creditors	–	–	–	160,899	160,899
Goods received but not invoiced	–	–	–	10,177	10,177
	–	–	92,000	171,767	263,767
2025					
Debt	–	88,182	–	–	88,182
Derivative liabilities	–	–	–	1,576	1,576
Trade creditors	–	–	–	125,549	125,549
Goods received but not invoiced	–	–	–	6,898	6,898
	–	88,182	–	134,023	222,205

Sensitivity analysis

The Group's treasury policy effectively insulates earnings from the effect of short-term fluctuations in either foreign exchange or interest rates. Over the longer term however, permanent changes in foreign exchange rates and interest rates will have an impact on the profit or loss. A 2% change in interest rate has been modelled as it is considered a reasonably possible change (2025: 2%). The sensitivity of net profit after tax for the year ended 30 June 2026 and 30 June 2025, and shareholders equity as at those dates, to reasonably possible changes in conditions is shown below.

	INTEREST RATES INCREASE BY 2% 2026 \$000	INTEREST RATES INCREASE BY 2% 2025 \$000	INTEREST RATES DECREASE BY 2% 2026 \$000	INTEREST RATES DECREASE BY 2% 2025 \$000
Increase/(decrease) in net profit after tax and shareholders' equity	(1,887)	(1,475)	1,927	1,458

Other market risks such as pricing and foreign exchange are not considered likely to lead to material change over the next reporting period. The Group's financial assets and liabilities are predominantly held in New Zealand Dollars (NZD). For this reason, a sensitivity analysis of these market risks is not included.

C. Capital management

The capital of the Group consists of share capital, reserves, and retained earnings. The policy of the Group is to maintain a strong capital base so as to maintain investor, creditor and market confidence while providing the ability to develop future business initiatives. This policy has not been changed during the period.

Refer to
Accounting
Policies
– page 41.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

20 Financial Instruments - Fair Values and Risk Management (continued)

Non-Derivative Financial Instruments Accounting Policies

(i) Non-derivative financial assets

Non-derivative financial assets comprise cash and cash equivalents, trade and other receivables, GO-STOCK receivables and investments in equity and debt securities.

The Group initially recognises financial assets on the date at which the Group becomes a party to the contractual provisions of the instrument, although trade receivables are initially recognised when they are originated.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, the initial investment includes transaction costs that are directly attributable to the asset's acquisition or origination. The Group subsequently measures financial assets at either fair value or amortised cost.

Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets measured at fair value

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes recognised in the profit or loss. However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses through other comprehensive income. For instruments measured at fair value through other comprehensive income gains and losses are never reclassified to profit or loss and no impairments are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held on call with banks. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Trade and other receivables and GO-STOCK receivables

Trade and other receivables and GO-STOCK receivables are stated at their amortised cost less impairment losses.

(ii) Non-derivative financial liabilities

Interest-bearing borrowings

Interest-bearing borrowings are classified as other financial liabilities and are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables are recognised at cost and are subsequently measured at amortised cost using the effective interest method after initial recognition.

(iii) Determination of fair values for non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

21 Commitments

A. Capital expenditure not provided for

The Group has capital commitments of \$0.53 million as at 30 June 2026 (2025: \$0.48 million).

B. Forward purchase commitments

The Group as part of its ordinary course of business enters into forward purchase agreements with wool and velvet growers. These commitments extend for periods of up to 2 years and are at varying stages of execution. There remains uncertainty associated with yield, quality and market price. Therefore, the Group is unable to sufficiently quantify the value of these commitments.

C. Forward sales commitments

The Group as part of its ordinary course of business enters into forward sales agreements with wool and velvet customers. These commitments extend for periods of up to 2 years and are at varying stages of execution. There remains uncertainty associated with yield, quality and market price. Therefore, the Group is unable to sufficiently quantify the value of these commitments.

22 Contingent Liabilities

A. PGG Wrightson Loyalty Reward Programme

The Group recognises a provision for the expected level of points redemption from the PGG Wrightson Max Rewards loyalty reward programme. At the reporting date, the balance of live points which does not form part of the recognised provision total \$0.12 million (2025: \$0.10 million). Losses are not expected to arise from this contingent liability. Revenue in respect of the loyalty reward programme is deferred until such time as the reward is claimed by the customer.

B. Claims

The Group receives client claims as part of the ordinary course of business in the supply of goods and services. The Group will pursue recovery of claims with suppliers where appropriate under terms of trade. Accordingly, the amount of any potential obligation in respect of these claims cannot be estimated with sufficient reliability.

23 Seasonality of Operations

The Group is subject to significant seasonal fluctuations. The Group's earnings are weighted towards the first half of the financial year and are primarily related to the Retail business, as demand for New Zealand farming inputs are generally weighted towards the spring season. The second half earnings predominantly relate to Livestock trading as farmers seek to maximise their income following New Zealand's spring calving and lambing season. Other business units have similar but less material seasonal fluctuations. The Group recognises that this seasonality is the nature of the industry and plans and manages its business accordingly.

24 Subsequent Events

Dividend

On 10 August 2026, the Directors of PGG Wrightson Limited resolved to pay a final dividend of 5.5 cents per share on 6 October 2026 to shareholders on the Company's share register as at 5.00pm on 11 September 2026. This dividend will be fully imputed.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

25 Related Parties

A. Key management personnel compensation

	2026 \$000	2025 \$000
Short-term employee benefits	4,980	4,779
Post-employment benefits	203	114
	5,183	4,893

B. Other transactions with key management personnel

Certain key management personnel (including one director) or their related parties have transacted with the Group during the reporting period. The aggregate value of these transactions and outstanding balances (on a GST inclusive basis) were as follows:

KEY MANAGEMENT PERSONNEL	TRANSACTION	TRANSACTION VALUE 2026 \$000	BALANCE OUTSTANDING 2026 \$000	TRANSACTION VALUE 2025 \$000	BALANCE OUTSTANDING 2025 \$000
Nick Berry	Purchase of retail goods	2	–	2	–
Julian Daly	Purchase of retail goods	–	–	1	–
Stephen Guerin	Purchase of retail goods, power on-charge transactions and livestock transactions	63	–	13	–
Peter Newbold	Purchase of retail goods and fuel on-charge transactions	3	–	31	–
Peter Scott	Fuel on-charge transactions	2	–	4	–
John Nichol (appointed 14 October 2025)	Purchase of retail goods	130	2	–	–

26 Reporting Entity

PGG Wrightson Limited (the "Company") is a company domiciled in New Zealand and registered under the Companies Act 1993 in New Zealand. The Company's registered office is at 1 Robin Mann Place, Christchurch. The Company is listed on the New Zealand Stock Exchange and is an FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013.

The consolidated financial statements of PGG Wrightson for the year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the provision of goods and services within the agricultural and horticultural sectors.

SIGNIFICANT SUBSIDIARIES	COUNTRY OF INCORPORATION	DIRECT PARENT	OWNERSHIP INTEREST	
			2026 %	2025 %
Bidr Limited	New Zealand	PGG Wrightson Limited	100	100
Bloch & Behrens Wool (NZ) Limited	New Zealand	PGG Wrightson Limited	100	100
NZ Agritrade Limited	New Zealand	PGG Wrightson Limited	100	100
PGG Wrightson Employee Benefits Plan Trustee Limited	New Zealand	PGG Wrightson Limited	100	100
PGG Wrightson Investments Limited	New Zealand	PGG Wrightson Limited	100	100
PGG Wrightson Real Estate Limited	New Zealand	PGG Wrightson Limited	100	100
Nexan Corporation Limited	New Zealand	PGG Wrightson Limited	100	–
Nexan Limited	New Zealand	PGG Wrightson Limited	100	–

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

27 Basis of Preparation

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board, the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for a Tier 1 for-profit entity. These consolidated financial statements have also been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

B. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value.

C. Functional and presentation currency

These consolidated financial statements are presented in New Zealand dollars (\$), which is the functional currency of each of the Group entities. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

D. Use of estimates and judgements

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements made in applying accounting policies, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note

- 11 Carrying value of trade and other receivables
- 12 Carrying value of GO-STOCK receivables
- 13 Carrying value of inventories
- 15 Acquisition of subsidiary
- 19 Measurement of defined benefit asset/(liability) – key actuarial assumptions

E. Comparative information

Certain comparative amounts have been reclassified to conform with the current reporting period's presentation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

28 Other Material Accounting Policies

The accounting policies set out in these consolidated financial statements have been applied consistently to all reporting periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

A. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate at the date that fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated to the functional currency at the exchange rate at the date of the transaction. Foreign currency differences arising are recognised in profit or loss.

C. Disclosure of non-GAAP financial information

Non-GAAP reporting measures have been presented in the consolidated statement of profit or loss or referenced to in the notes to the consolidated financial statements. The following non-GAAP measures are relevant to the understanding of the Group's financial performance:

- Operating EBITDA represents earnings before net interest expense, foreign exchange items, income tax, depreciation, amortisation, the results from discontinued operations, impairments and fair value adjustments and non-operating items.
- EBIT represents earnings before net interest expense, foreign exchange items, income tax expense and the results from discontinued operations.

The Directors and Management believe the Operating EBITDA and EBIT measures provide useful information as they provide valuable insight on the underlying performance of the business. They are used internally to evaluate the underlying performance of the business and to analyse trends.

These measures are not uniformly defined or utilised by all companies. Accordingly, these measures may not be comparable with similarly titled measures used by other companies. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

D. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but have not yet commenced to apply, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

NZ IFRS 9 and NZ IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

Amendments have been issued which clarify requirements relating to the classification and measurement of financial instruments and introduce additional disclosure requirements. These amendments are effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted. The Group does not expect these amendments will have a material impact on the Group's financial statements and/or notes to the financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

28 Other Material Accounting Policies (continued)

D. Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In May 2024, the XRB issued NZ IFRS 18 – *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. NZ IFRS 18 replaces NZ IAS 1 – *Presentation of Financial Statements*. It carries forward many requirements from NZ IAS 1 unchanged and introduces increased disclosure of management defined performance measures as well as new principles for aggregation and disaggregation of information included in the consolidated statement of profit or loss. NZ IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted for accounting periods that end after 20 June 2024 and must be disclosed. NZ IFRS 18 will apply retrospectively. The Group continues to work to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

There were no new standards, amendments or interpretations adopted during the year that had a material impact on the Group's financial statements.

29 Capital and Reserves

Share capital

All shares are ordinary fully paid shares with no par value, carry equal voting rights and share equally in any profit on the winding up of the Group.

Realised capital and revaluation reserve

The realised capital reserve comprises the cumulative net capital gains that have been realised. The revaluation reserve relates to historic revaluations of property, plant and equipment.

Defined benefit plan reserve

The defined benefit plan reserve contains actuarial gains and losses on plan assets and defined benefit obligations. During the year ended 30 June 2026, an amount of \$0.15 million, which represents the Employee Superannuation Contribution Tax (ESCT) on the lump sum cash contribution, was transferred from the defined benefit reserve to retained earnings (30 June 2025: \$0.10 million).

Retained earnings/deficit

The retained earnings or deficit equals accumulated undistributed profits or losses.

Dividends

The following dividends were declared and paid by the Company.

	PAYMENT DATE	\$ PER SHARE
2026 interim dividend – fully imputed	08-Apr-26	0.045
2025 final dividend – fully imputed	03-Oct-25	0.040

Share Capital Accounting Policies

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Repurchase of ordinary shares

When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are cancelled. However, treasury stock for which unrestricted ownership has not yet been transferred are not cancelled.

Independent auditor's report to the shareholders of PGG Wrightson Limited

Opinion

We have audited the financial statements of PGG Wrightson Limited (the "Company") and its subsidiaries (together the "Group") on pages 1 to 46, which comprise the consolidated statement of financial position of the Group as at 30 June 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 1 to 46 present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1.

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

Ernst & Young provides research and development taxation incentive services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Provisions for impairment of trade and GO-STOCK receivables

Why significant	How our audit addressed the key audit matter
At 30 June 2026, the consolidated statement of financial position includes trade and GO-STOCK receivables of \$277.8 million, representing 46% of the Group's total assets. The receivables balance is reported net of impairment provisions for trade and GO-STOCK receivables of \$6.4 million. This is a key audit matter because of the judgement involved in assessing the adequacy of the impairment provisions. Management's assessment of recoverability requires consideration of historical loss experience, customer-specific circumstances, and forward-looking economic information, all of which involve estimation uncertainty. Disclosures in relation to trade and GO-STOCK receivables and the related impairment provisions are included in notes 11 and 12 of the Group financial statements.	Our audit procedures included the following: • obtained an understanding of management's receivables provisioning process; • assessed management's provisioning methods and whether they comply with NZ IFRS 9 <i>Financial Instruments</i>; • considered the inputs, assumptions and estimates used or made by management; • tested the ageing of receivables by agreeing the recorded ageing of a sample of trade receivables to sales documentation; • considered sector-based performance indicators, including commodity price movements for beef and sheep and sector outlooks, to: ○ assess the appropriateness of management's considerations and judgements in receivables provisioning, and ○ consider indications of any material change in credit risk on trade and GO-STOCK receivables; • considered the appropriateness and sufficiency of the disclosures related to trade and GO-STOCK receivables provisioning.



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Inventory valuation

Why significant	How our audit addressed the key audit matter
At 30 June 2026, the consolidated statement of financial position includes inventory totalling \$105.5 million, net of a provision for inventory write-down of \$2.7 million. Inventories are valued at the lower of cost and the net realisable value ('NRV'). The NRV of inventories is the estimated selling price in the ordinary course of business less estimated cost to sell. In assessing this provision, consideration of the realisable value of slow moving or obsolete inventories is required. This is a key audit matter because of the significance of inventory to the Group's financial position and because the cost of inventory includes adjustments to reflect variable pricing arrangements with suppliers, which require estimation. Disclosures in relation to inventory and the inventory provision are included in note 13 to the Group financial statements.	Our audit procedures included the following: • tested a sample of recorded inventory cost to supplier invoices; • assessed the inputs into, and calculation of, adjustments to inventory value to take account of variable pricing arrangements with suppliers; • confirmed with a sample of suppliers the amount of purchases from them subject to variable pricing arrangements for the year, and the amounts receivable from them at year end; • tested a sample of inventory items to subsequent sales and evaluated the appropriateness of management's provision for inventory write-down, which takes account of slow-moving and obsolete inventory; • considered the appropriateness and sufficiency of the disclosures related to the valuation of inventory.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal



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control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 International Standards on Auditing (New Zealand) 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 these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Brendan Summerfield.

A stylized, handwritten-style signature of 'Ernst & Young' in black ink.

Chartered Accountants
Christchurch
10 August 2026