

Information incorporated by
reference in
Product Disclosure Statement
dated 31 October 2019
for an offer of A Shares in

DMS Progrowers Limited

31 May 2024

6. DMS Progrowers' Financial Information

The table on the following pages provides key financial information about DMS Progrowers. This information includes the selected financial information required by clause 35 of Schedule 3 of the Financial Markets Conduct Regulations 2014 (as modified in accordance with clauses 39 and 40 of Schedule 3 of such Regulations). If you do not understand this financial information, you can seek advice from a financial adviser or accountant.

Full financial statements are available on the offer register at www.companiesoffice.govt.nz/disclose, offer number **OFR11778**.

DMS Progrowers Limited - Selected Financial Information

	31-Jan	31-Jan	31-Jan	31-Jan	31-Jan	31-Jan
	2019	2020	2021	2022	2023	2024
	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS
Financial Performance: (Note 1)						
Revenue	71,355,398	70,630,532	81,494,547	106,573,620	103,252,828	96,999,255
Operating and Administration Costs	51,790,950	54,155,895	61,804,249	79,408,218	82,574,934	74,185,456
Surplus before Grower Rebates, Management Bonus and Revaluations (Non - GAAP measure) (Note 2)	19,564,448	16,474,637	19,690,298	27,165,402	20,677,894	22,813,799
Management Bonus (Note 3)	2,306,794	1,034,040	1,446,866	6,716,344	-	779,906
Rebates (Note 4)	3,746,374	3,427,958	4,118,556	4,871,600	4,989,592	4,319,800
Revaluations (Note 5)	(765,260)	1,337,905	-	(1,662,602)	-	4,183,945
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	14,276,540	10,674,734	14,124,876	17,240,060	15,688,302	13,530,148
Depreciation and Amortisation	3,377,362	4,531,029	5,417,705	6,052,033	8,217,450	8,687,388
Earnings Before Interest and Tax (EBIT)	10,899,178	6,143,705	8,707,171	11,188,028	7,470,852	4,842,760
Interest Expense	1,987,782	1,914,264	1,887,834	1,482,050	3,746,600	6,583,793
Net Profit before Taxation	8,911,396	4,229,441	6,819,337	9,705,978	3,724,252	(1,741,033)
Provision for Taxation	2,947,881	1,155,956	953,274	2,530,665	1,503,489	(628,733)
Net Profit after Taxation	5,963,515	3,073,485	5,866,063	7,175,314	2,220,763	(1,112,300)
Rebates Paid per Tray (pre Tax) (Non - GAAP measure. As declared by Board of Directors) (Note 4)	\$ 0.30	\$ 0.30	\$ 0.33	\$ 0.34	\$ 0.36	\$ 0.36
Dividend per Share (Net)	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Dividend per Share (incl. Imputation Credits)	\$ 0.09	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Category of Shares	A & B Shares	A & B Shares	A & B Shares	A & B Shares	A & B Shares	A & B Shares
Dividends paid during the period (Net):						
A Shares	574,284	711,994	775,123	847,828	935,137	1,015,213
B Shares (Note 6)	3,271,316	3,181,748	3,740,020	4,334,191	4,468,090	4,063,889
Total	3,845,600	3,893,742	4,515,143	5,182,019	5,403,227	5,079,102
Other Key Figures						
Equity Ratio to Total Assets (excl Cash)	39%	32%	30%	32%	32%	32%
Total Assets	74,143,312	94,581,554	116,887,535	159,338,624	163,064,195	174,110,882
Cash and Cash Equivalents	3,033,754	254,968	425,805	427,431	246,975	543,569
Bank Overdraft	-	-	-	-	-	-
Total Liabilities	46,749,139	64,038,066	82,485,029	108,862,473	111,634,351	118,062,478
Total Debt (Interest Bearing Liabilities)	19,599,073	25,300,000	24,500,000	40,858,173	46,900,000	57,372,130
Net Cashflows from Operating Activities	12,684,441	4,290,444	9,901,197	21,417,135	15,527,065	7,619,286
Shares on Issue	17,685,936	19,794,474	21,563,812	23,556,520	25,983,990	28,208,306
Net Asset Backing per Share	\$ 1.55	\$ 1.54	\$ 1.60	\$ 2.14	\$ 1.98	\$ 1.99

Notes on Non- GAAP measures

Note 1: Financial Performance

An adjustment has been made to the manner in which DMS Progrower Ltd's 2017/2018 financial statements have been prepared to ensure that all revenue is captured in the 'Revenue' line item. In previous years certain revenue/expenses had been included on a net basis. Only the 'Revenue' and 'Operating and Administration Costs' line items are affected. By way of comparison the table below sets out the 2017 revenue and operating costs calculated on a consistent basis with the 2018 financial statements. 'Operating and Administration Costs' include all operating and administration costs that are not separately identified in the above table

Revenue											
Operating Costs											
Surplus before grower rebate, management bonus and impairments (Non - GAAP measure) (Note 2)	\$	-	\$	-	\$	-	\$	-	\$	-	\$

Note 2: Surplus before Grower Rebates, Management Bonus and Revaluations

This is a non-GAAP measure. See reconciliation back to EBITDA (a GAAP measure) in the above table.

Note 3: Special Management Fee & Bonus

DMS Progrowers has a management contract with DMS Group to supply general management, marketing, accounting and administration services to DMS Progrowers Ltd. The amount payable for these services is related to the volume of fruit packed and costshared by DMS Progrowers. DMS Group Ltd also receives a Management Bonus which is calculated based on the DMS Progrowers profit before grower rebates and taxation but after allowing for return on capital of 15%

Prior to the year ended 31 January 2019, DMS Progrowers Ltd received both a standard management fee of up to 11c per tray and a special management fee of up to 24c per tray. These together with the management bonus form part of the 'operating expenses' included in the financial statements for the relevant period (e.g. for the year ended 31 January 2019 see note 4 to the 2018 financial statements).

From the year ended 31 January 2019 the special management fee has been replaced by a special dividend equivalent to the rebate paid to DMS Progrowers Ltd grower shareholder:

This is a non-GAAP measure. See table below for split between Special Management Fee and Bonus, and for details of the amount of the Special Dividend.

Special Management Fee	-	-	-	-	-	-
Net Special Dividend (to B Shareholder)	2,697,394	2,468,780	2,962,744	3,484,982	3,531,491	3,047,216
Management Bonus	2,306,794	1,034,040	1,446,866	6,716,344	-	779,906
Total	\$ 5,004,188	\$ 3,502,820	\$ 4,409,610	\$ 10,201,326	\$ 3,531,491	\$ 3,827,122

Note 4: Rebates

Rebates are paid by DMS Progrowers to contracted Kiwifruit and Avocado growers who elect to become shareholders in DMS Progrowers Ltd for each tray packed for them by DMS Progrowers Ltd. The amount of the rebate per tray paid in any year is determined at the discretion of the Board. This is a non-GAAP measure. See table below for reconciliation.

Rebate paid in period	3,746,374	3,427,958	4,118,556	4,871,600	4,989,592	4,319,800
First 10 cent paid after 31 July	-	-	-	-	-	-
Total Rebate	\$ 3,746,374	\$ 3,427,958	\$ 4,118,556	\$ 4,871,600	\$ 4,989,592	\$ 4,319,800
No. of trays packed in the relevant season for shareholder grower:	12,487,936	11,429,523	12,672,480	14,328,235	13,859,978	11,999,444
Rebate per tray (See Note 4)	\$ 0.30	\$ 0.30	\$ 0.33	\$ 0.34	\$ 0.36	\$ 0.36

Notes on GAAP measures

Note 5: Revaluations

See below table for breakdown of Revaluation as shown in the table of Selected Financial Information

Impairment of Land & Buildings	-	1,337,905	-	-	-	5,315,127
Reversal of impairment of Land & Buildings	(765,260)	-	-	(1,662,602)	-	(1,131,182)
Movement in fair value of Investment:	-	-	-	-	-	-
Movement in fair value of Biological assets:	-	-	-	-	-	-
Total (as per Selected Financial Information)	\$ (765,260)	\$ 1,337,905	\$ -	\$ (1,662,602)	\$ -	\$ 4,183,945

Note 6: B Shares

From the year ended 31 January 2019 the B Share dividends include the Special Dividend referred to in Note 3 above.