

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

31 May 2022

**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](http://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
	2017	2018	2019	2020	2021	2022
	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS
<b>Financial Performance:</b> (Note 1)						
Revenue	53,448,173	49,988,505	71,355,398	70,630,532	81,494,547	106,573,620
Operating and Administration Costs	41,521,073	37,943,517	51,790,950	54,155,895	61,804,249	76,083,014
<b>Surplus before Grower Rebates, Management Bonus and Revaluations (Non - GAAP measure) (Note 2)</b>	<b>11,927,100</b>	<b>12,044,988</b>	<b>19,564,448</b>	<b>16,474,637</b>	<b>19,690,298</b>	<b>30,490,606</b>
Management Bonus (Note 3)	4,054,840	3,166,864	2,306,794	1,034,040	1,446,866	6,716,344
Rebates (Note 4)	3,097,868	2,625,036	3,746,374	3,427,958	4,118,556	4,871,600
Revaluations (Note 5)	2,882,031	-	(765,260)	1,337,905	-	1,662,602
<b>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>1,892,361</b>	<b>6,253,088</b>	<b>14,276,540</b>	<b>10,674,734</b>	<b>14,124,876</b>	<b>17,240,060</b>
Depreciation and Amortisation	1,673,072	2,271,898	3,377,362	4,531,029	5,417,705	6,052,033
<b>Earnings Before Interest and Tax (EBIT)</b>	<b>219,289</b>	<b>3,981,190</b>	<b>10,899,178</b>	<b>6,143,705</b>	<b>8,707,171</b>	<b>11,188,028</b>
Interest Expense	601,582	1,513,579	1,987,782	1,914,264	1,887,834	1,482,050
<b>Net Profit before Taxation</b>	<b>(382,293)</b>	<b>2,467,611</b>	<b>8,911,396</b>	<b>4,229,441</b>	<b>6,819,337</b>	<b>9,705,978</b>
Provision for Taxation	479,142	263,714	2,947,881	1,155,956	953,274	2,530,665
<b>Net Profit after Taxation</b>	<b>(861,435)</b>	<b>2,203,897</b>	<b>5,963,515</b>	<b>3,073,485</b>	<b>5,866,063</b>	<b>7,175,314</b>
Rebates Paid per Tray (pre Tax) (Non - GAAP measure. As declared by Board of Directors) (Note 4)	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.33	\$ 0.34
Dividend per Share (Net)	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07
Dividend per Share (incl. Imputation Credits)	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.10	\$ 0.10
Category of Shares	A & B Shares					
Dividends paid during the period (Net):						
A Shares	467,059	467,142	574,284	711,994	775,123	847,828
B Shares (Note 6)	468,942	469,025	3,271,316	3,181,748	3,740,020	4,334,191
Total	936,001	936,167	3,845,600	3,893,742	4,515,143	5,182,019
<b>Other Key Figures</b>						
Equity Ratio to Total Assets (excl Cash)	38%	33%	39%	32%	30%	32%
Total Assets	49,163,096	60,036,468	74,143,312	94,581,554	116,887,535	159,338,624
Cash and Cash Equivalents	1,614,151	1,017,481	3,033,754	254,968	425,805	427,431
Bank Overdraft	-	-	-	-	-	-
Total Liabilities	31,123,523	40,324,961	46,749,139	64,038,066	82,485,029	108,862,473
Total Debt (Interest Bearing Liabilities)	16,692,160	20,645,616	19,599,073	25,300,000	24,500,000	40,858,173
Net Cashflows from Operating Activities	6,229,881	9,173,440	12,684,441	4,290,444	9,901,197	21,417,135
Shares on Issue	16,217,598	16,217,610	17,685,936	19,794,474	21,563,812	23,556,520
Net Asset Backing per Share	\$ 1.11	\$ 1.22	\$ 1.55	\$ 1.54	\$ 1.60	\$ 2.14
<b>Notes on Non- GAAP measures</b>						
<b>Note 1: Financial Performance</b>						
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	54,405,312					
Operating Costs	42,478,212					
<b>Surplus before grower rebate, management bonus and impairments (Non - GAAP measure) (Note 2)</b>	<b>\$ 11,927,100</b>	<b>\$ -</b>				
<b>Note 2: Surplus before Grower Rebates, Management Bonus and Revaluations</b>						
This is a non-GAAP measure. See reconciliation back to EBITDA (a GAAP measure) in the above table.						
<b>Note 3: Special Management Fee &amp; Bonus</b>						
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 kiwifruit packed and coolstored 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 2018 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 shareholders.						
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	2,565,248	2,199,140	-	-	-	-
Net Special Dividend (to B Shareholder)	-	-	2,697,394	2,468,780	2,962,744	3,484,982
Management Bonus	1,489,592	967,724	2,306,794	1,034,040	1,446,866	6,716,344
<b>Total</b>	<b>\$ 4,054,840</b>	<b>\$ 3,166,864</b>	<b>\$ 5,004,188</b>	<b>\$ 3,502,820</b>	<b>\$ 4,409,610</b>	<b>\$ 10,201,326</b>
<b>Note 4: Rebates</b>						
Rebates are paid by DMS Progrowers to contracted Kiwifruit 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	3,097,868	2,625,036	3,746,374	3,427,958	4,118,556	4,871,600
First 10 cent paid after 31 July	-	-	-	-	-	-
<b>Total Rebate</b>	<b>\$ 3,097,868</b>	<b>\$ 2,625,036</b>	<b>\$ 3,746,374</b>	<b>\$ 3,427,958</b>	<b>\$ 4,118,556</b>	<b>\$ 4,871,600</b>
No. of trays packed in the relevant season for shareholder growers	10,326,226	8,749,730	12,487,936	11,429,523	12,672,480	14,328,235
<b>Rebate per tray (See Note 4)</b>	<b>\$ 0.30</b>	<b>\$ 0.30</b>	<b>\$ 0.30</b>	<b>\$ 0.30</b>	<b>\$ 0.33</b>	<b>\$ 0.34</b>
<b>Notes on GAAP measures</b>						
<b>Note 5: Revaluations</b>						
See below table for breakdown of Revaluation as shown in the table of Selected Financial Information.						
Impairment of Land & Buildings	2,882,031	-	-	1,337,905	-	-
Reversal of impairment of Land & Buildings	-	-	(765,260)	-	-	(1,662,602)
Movement in fair value of Investments	-	-	-	-	-	-
Movement in fair value of Biological assets	-	-	-	-	-	-
<b>Total (as per Selected Financial Information)</b>	<b>\$ 2,882,031</b>	<b>\$ -</b>	<b>\$ (765,260)</b>	<b>\$ 1,337,905</b>	<b>\$ -</b>	<b>\$ (1,662,602)</b>
<b>Note 6: B Shares</b>						
From the year ended 31 January 2019 the B Share dividends include the Special Dividend referred to in Note 3 above.						