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

DMS Progrowers Limited

27 May 2021

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.

Progrowers PDS Financials

DMS Progrowers Lin							
	31-Jan	31-Jan	<u>31-Jan</u>	<u>31-Jan</u>	<u>31-Jan</u>	<u>31-Jan</u>	<u>31-Jan</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS
Financial Performance: (Note 1)							
Revenue	28,625,385	38,570,987	53,448,173	49,988,505	71,355,398	70,630,532	81,494,54
Operating and Administration Costs	24,603,111	30,180,795	41,521,073	37,943,517	51,790,950	54,155,895	61,804,24
oporating and Administration Cools	24,000,111	00,100,700	41,021,070	07,040,017	01,700,000	01,100,000	01,004,24
Surplus before Grower Rebates, Management Bonus and Revaluations (Non - GAAP measure) (Note 2)	4,022,274	8,390,192	11,927,100	12,044,988	19,564,448	16,474,637	19,690,29
Management Bonus (Note 3)	697,678	2,422,354	4,054,840	3,166,864	2,306,794	1,034,040	1,446,86
Rebates (Note 4)	673,131	1,465,049	3,097,868	2,625,036	3,746,374	3,427,958	4,118,55
Revaluations (Note 5)	(2,193,173)	-	2,882,031	-	(765,260)	1,337,905	-
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	4,844,638	4,502,789	1,892,361	6,253,088	14,276,540	10,674,734	14,124,87
Depreciation and Amortisation	932,181	1,337,789	1,673,072	2,271,898	3,377,362	4,531,029	5,417,70
Earnings Before Interest and Tax (EBIT)	3,912,457	3,165,000	219,289	3,981,190	10,899,178	6,143,705	8,707,17
		, ,	,				, ,
Interest Expense	586,859	638,304	601,582	1,513,579	1,987,782	1,914,264	1,887,83
Net Profit before Taxation	3,325,598	2,526,696	(382,293)	2,467,611	8,911,396	4,229,441	6,819,33
Provision for Taxation	290,679	754,909	479,142	263,714	2,947,881	1,155,956	953,27
Net Profit after Taxation	3,034,919	1,771,787	(861,435)	2,203,897	5,963,515	3,073,485	5,866,06
			· · · · · · · · · · · · · · · · · · ·				
Rebates Paid per Tray (pre Tax) (Non - GAAP measure. As declared by Board of Directors) (Note 4)	\$ 0.20	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.3
Dividend per Share (Net)	\$ 0.06	•	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.0
Dividend per Share (incl. Imputation Credits)	\$ 0.08	•	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.1
Category of Shares	A & B Shares	A & B Shares	A & B Shares				
Dividends paid during the period (Net):							
A Shares	391,076	390,784	467,059	467,142	574,284	711,994	775,12
B Shares (Note 6)	389,506	389,216	468,942	469,025	3,271,316	3,181,748	3,740,02
Total	780,582	780,000	936,001	936,167	3,845,600	3,893,742	4,515,14
Other Key Figures							
Equity Ratio to Total Assets (excl Cash)	51%	49%	38%	33%	39%	32%	30
Total Assets	32,523,859	39,663,146	49,163,096	60,036,468	74,143,312	94,581,554	116,887,53
Cash and Cash Equivalents	5,975	3,391,497	1,614,151	1,017,481	3,033,754	254,968	425,80
Bank Overdraft	906,205	-,55.,167		-	-	-	-
Total Liabilities	15,853,255	21,956,363	31,123,523	40,324,961	46,749,139	64,038,066	82,485,02
Total Debt (Interest Bearing Liabilities)	8,074,484	9,638,705	16,692,160	20,645,616	19,599,073	25,300,000	24,500,00
Net Cashflows from Operating Activities	1,255,306	6,808,089	6,229,881	9,173,440	12,684,441	4,290,444	9,901,19
Shares on Issue	13,514,667	13,514,667	16,217,598	16,217,610	17,685,936	19,794,474	21,563,81
	10,017,007	.5,51-7,507	. 5,2 17,000	. 5,2 17,510	,000,000	. 5,7 5 - 1, - 7 -	_ 1,000,01

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 seperately identified in the above table.

 Revenue
 54,405,312

 Operating Costs
 42,478,212

 Surplus before grower rebate, management bonus and impairments (Non - GAAP measure) (Note 2)
 *
 \$
 11,927,100
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 \$
 -</

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 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	672,678	1,475,994	2,565,248	2,199,140	-	-	-
Net Special Dividend (to B Shareholder)	-	-	-	-	2,697,394	2,468,780	2,962,744
Management Bonus	25,000	946,360	1,489,592	967,724	2,306,794	1,034,040	1,446,866
Total	\$ 697,678 \$	2,422,354 \$	4,054,840 \$	3,166,864 \$	5,004,188 \$	3,502,820 \$	4,409,610

Note 4: Rebate

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 673,131 1,465,049 3,097,868 2,625,036 3,746,374 3,427,958 4,118,556 First 10 cent paid after 31 July 673.131 \$ 1.465.049 \$ 3.097.868 \$ 2.625.036 \$ 3.746.374 \$ 3.427.958 \$ Total Rebate 12,487,936 3,365,655 4,883,497 10,326,226 8,749,730 11,429,523 12,672,480 No. of trays packed in the relevant season for shareholder growers 0.20 \$ 0.30 \$ 0.30 \$ Rebate per tray (See Note 4) \$ 0.30 \$ 0.30 \$ 0.30 \$ 0.33

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	-	-	2,882,031	-	-	1,337,905	-
Reversal of impairment of Land & Buildings	(1,601,440)	-	=	-	(765,260)	=	-
Movement in fair value of Investments	(591,733)	-	-	-	-	-	-
Movement in fair value of Biological assets	-	-	-	-	-	-	-
Total (as per Selected Financial Information)	\$ (2,193,173) \$	- \$	2,882,031 \$	- \$	(765,260) \$	1,337,905 \$	-
· · · · · · · · · · · · · · · · · · ·	\$ (2,193,173) \$	- - \$	2,882,031 \$	- - \$	(765,260) \$	- 1,337,905 \$	

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.