

INDEPENDENT LIMITED ASSURANCE REPORT ON THE PROSPECTIVE FINANCIAL INFORMATION OF BIDEFORD FOREST LIMITED PARTNERSHIP TO 31 MARCH 2024

To the Directors of Forest Enterprises Limited

We have prepared this Independent Limited Assurance Report (the “Report”) in accordance with our engagement letter dated 1 November 2022, on the specified Prospective Financial Information of Bideford Forest Limited Partnership (“the Partnership”) for inclusion in the Offer Register, dated 24 November 2022 and in respect of the offer of units in the Partnership (the “Offer”).

Expressions defined in the Product Disclosure Statement (“PDS”) and the Partnership’s Prospective Financial Information, and Other Material Information document have the same meaning in this Report. This report is an Independent Limited Assurance Report and the scope is set out below.

SCOPE

Baker Tilly Staples Rodway Audit Limited has been requested to prepare this Report to cover the prospective financial information as set out in the Bideford Forest investment Prospective Financial Information to 31 March 2024 document, which comprises:

- Prospective statements of comprehensive income of the Partnership for the period ending 31 March 2023 and the year ending 31 March 2024;
- Prospective statements of changes in equity of the Partnership for the period ending 31 March 2023 and the year ending 31 March 2024;
- Prospective statements of financial position of the Partnership as at 31 March 2023 and 31 March 2024;
- Prospective statements of cash flows of the Partnership for the period ending 31 March 2023 and the year ending 31 March 2024; and
- Notes and assumptions to these prospective statements of comprehensive income, changes in equity, financial position and cash flows.

(hereafter, the “Prospective Financial Information”).

The Prospective Financial Information is based on the assumptions as outlined in the Other Material Information document.

THE DIRECTORS RESPONSIBILITY FOR THE PROSPECTIVE FINANCIAL INFORMATION

The Directors of Forest Enterprises Limited (as the Issuer and Scheme Manager) have prepared and are responsible for the preparation and presentation of the Prospective Financial Information. The Directors are also responsible for the determination of the assumptions that have a reasonable and supportable basis (as required in *FRS-42 Prospective Financial Information* issued by the External Reporting Board) as set out in the Other Material Information document.

OUR RESPONSIBILITY

Baker Tilly Staples Rodway Audit Limited has been engaged to prepare a report in respect of the Prospective Financial Information for the period ending 31 March 2023 and year ending 31 March 2024 included in the Disclose Register for the Offer which can be found at

www.business.govt.nz/disclose, offer name “Bideford Forest Investment”, referred to as “Prospective Financial Information to 31 March 2024”.

Our responsibility is to express a conclusion as a result of our limited assurance engagement on the Prospective Financial Information in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board.

We have conducted an independent review of the Prospective Financial Information in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that in all material respects:

- the Directors best-estimate assumptions do not provide a reasonable and supportable basis (as defined in FRS-42) for the preparation of the Prospective Financial Information;
- the Prospective Financial Information was not prepared on the basis of the best-estimate assumptions;
- the Prospective Financial Information is not presented fairly in accordance with the recognition and measurement principles prescribed in New Zealand Financial Reporting Standards and other mandatory financial reporting requirements in New Zealand, and the accounting policies adopted by the Partnership disclosed in the Prospective Financial Information of Bideford Forest Limited Partnership as at and for the period ending 31 March 2023 and year ending 31 March 2024 in the Other Material Information document; or
- the Prospective Financial Information is unreasonable.

The Prospective Financial Information has been prepared by the Directors to provide investors with a guide to the Partnership’s potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur.

There is a considerable degree of subjective judgement involved in the preparation of the Prospective Financial Information. Actual results may vary materially from this Prospective Financial Information and the variation may be materially positive or negative. Accordingly, investors should have regard to the risks set out in Section 7 of the PDS.

Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary so as to form the conclusion set out below.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Prospective Financial Information.

REVIEW CONCLUSION ON PROSPECTIVE FINANCIAL INFORMATION

Based on our review of the Prospective Financial Information, which is not an audit, and based on an investigation of the reasonableness of the Directors best-estimate assumptions giving rise to the Prospective Financial Information, nothing has come to our attention which causes us to believe that:

- the Directors best-estimate assumptions do not provide a supportable and reasonable basis (as defined in FRS-42) for the preparation of the Prospective Financial Information;
- the Prospective Financial Information was not prepared on the basis of the best-estimate assumptions;

- the Prospective Financial Information is not presented fairly in accordance with the recognition and measurement principles prescribed in New Zealand Financial Reporting Standards and other mandatory financial reporting requirements in New Zealand, and the accounting policies adopted by the Partnership disclosed in the Prospective Financial Information of Bideford Forest Limited Partnership as at and for the period ending 31 March 2023 and year ending 31 March 2024 in the Other Material Information document; or
- the Prospective Financial Information is unreasonable.

The best-estimate assumptions set out in the Other Material Information document are subject to significant uncertainties and contingencies often outside the control of the Partnership and the Directors. If events do not occur as assumed, actual results achieved, and distributions provided by the Partnership may vary significantly from the Prospective Financial Information. Accordingly, we do not confirm or guarantee the achievement of the Prospective Financial Information, as future events, by their very nature, are not capable of independent substantiation.

RESTRICTIONS ON THE USE OF OUR REPORT

The report is made solely to the Directors of Forest Enterprises Limited, as Issuer and Scheme Manager of the Bideford Forest Limited Partnership, for the inclusion in the Offer Register. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Directors for our conclusions.

We disclaim any assumption of responsibility for any reliance on this Report or the amounts included in the Prospective Financial Information to which this Report relates for any purpose other than the purpose for which it was prepared. In addition, we take no responsibility for, nor do we report on, any part of the PDS or information in the Offer Register not specifically mentioned in this report. This Report should be read in conjunction with the PDS and Other Material Information document.

INDEPENDENCE OR DISCLOSURE OF INTEREST

Baker Tilly Staples Rodway Audit Limited does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Baker Tilly Staples Rodway Audit Limited does not have any interest in the outcome of the Offer other than the preparation of this Report, for which normal professional fees are being received. We have no relationship or interest in the Partnership, in the Manager (Forest Enterprises Limited) or in the Offeror, (Forest Enterprises Growth Limited), other than as auditor and assurance provider.

The engagement partner responsible for this Independent Limited Assurance Report is Chrissie Murray.



BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Wellington

25 November 2022