

**ZESPRI GROUP LIMITED AND SUBSIDIARIES – CORE BUSINESS
SPECIAL PURPOSE FINANCIAL STATEMENTS
ADDITIONAL DISCLOSURES
FOR THE YEAR ENDED 31 MARCH 2023**

The Special Purpose Financial Statements comprise the attached Zespri Group Limited (ZGL) Annual Report for the year ended 31 March 2023 and the additional disclosures below. The Annual Report was signed on the 3rd July 2023.

Basis of preparation

These special purpose financial statements were prepared in accordance with the financial reporting provisions required by the Kiwifruit Export Information Disclosure Handbook (the "Handbook") as required by the Kiwifruit Export Regulations 1999 (the "Regulations").

1. Exemption from Separate Accounting for "Other" Business

ZGL has obtained exemption from Kiwifruit New Zealand for the following requirements:

- to disclose as 'Other' business all sales, expenses, assets and liabilities of the New Zealand sourced fresh Kiwifruit into Australia and New Zealand.

ZGL's 'other' business relates to the following activities:

- New cultivar;
- Non-New Zealand grown Kiwifruit; and
- All other segments.

Please note that the business is run on an amalgamated basis and therefore all cash is held centrally, and dividends, tax charges and financial hedges cannot be allocated to separate business segments.

2. Alternative Revenue Statement

The Alternative Revenue statement is detailed on pages 94 to 95 and the related footnotes on page 96 of the Zespri Group Limited Annual Report.

Pool costs as a percentage of pool revenue

Total pool costs as a percentage of total pool revenue are detailed on page 96 of the Zespri Group Limited Annual Report. Refer to Note 5 of these Special Purpose Financial Statements for cost as a percentage of revenue by class 1 pool.

3. Cause of Change

	2023 \$000	2022 \$000	2021 \$000
Prior year fruit and service payments (including loyalty premium)	2,473,356	2,252,708	1,963,184
Prior year ZGL profit for the year	361,500	277,133	186,778
Total prior year return	2,834,856	2,529,841	2,149,962
Changes due to volume increase/(decrease)	(171,057)	328,904	229,922
Changes due to market and profile mix ¹	62,081	44,874	(58,065)
Total volume change ²	(108,976)	373,777	171,857
Changes due to change in price ³	20,736	(32,916)	81,071
Changes due to foreign exchange ⁴	31,792	(24,981)	14,363
Changes due to non-New Zealand fruit profit	2,645	(1,960)	17,704
Changes due to freight movements	(119,895)	(62,646)	18,335
Changes due to change in tax expense	51,124	(33,971)	(38,994)
Changes due to other income movements	(128,474)	136,868	96,806
Changes due to other cost movements	(103,491)	(49,157)	18,737
Total current year return	2,480,317	2,834,856	2,529,841
Represented by:			
Fruit and service payments	2,193,433	2,420,295	2,190,541
Future season total fruit and service payments accrued	(418)	(144)	(452)
Loyalty premium	48,554	53,205	62,619
ZGL profit for the year	238,748	361,500	277,133
Total current year return	2,480,317	2,834,856	2,529,841

¹ Changes due to reallocation of kiwifruit between markets reflect the impact of change in market mix. This is calculated by calculating the total movement in year on year volumes on a region by region basis and changes in movement in year on year volumes by size.

- 2 Changes due to volume are the sum of changes in volume by size by variety for New Zealand-grown kiwifruit between the prior year season multiplied by the corresponding NZD market return per tray for the prior season.
- 3 Changes due to price are calculated by size on a region by region basis where prices for individual product groups of New Zealand-grown fruit have changed between seasons. This is calculated using the following formula:
- ((Current year's average tray price per sales region (in sales currency) – prior year's average tray price per sales region (in sales currency)) / prior year's effective FX rate * current year's volume per sales region).
- 4 Changes due to foreign exchange reflect exchange movements in respect to the supply and sale of New Zealand-grown kiwifruit, and are calculated based on the total of:
- the movement in current year's sales and expenses versus prior year by size on a line by line basis calculated by the difference between the current year figures translated into New Zealand dollars at the transaction date exchange rate versus prior year's transaction date exchange rates;
 - the movement between current and prior year realised gain or loss on forward cover contracts; and
 - the difference between prior year and current year unrealised exchange gains or losses which are determined by the revaluation of foreign currency denominated assets and liabilities at year end exchange rates.

4. New Zealand-grown kiwifruit revenue by pool

	2023 \$000	2022 \$000	2021 \$000
Zespri® Green Kiwifruit	890,186	1,061,425	989,845
Zespri® Organic Green Kiwifruit	57,904	55,062	51,378
Zespri® SunGold Kiwifruit	2,305,348	2,281,026	1,999,665
Zespri® Organic SunGold Kiwifruit	81,004	62,857	39,228
Zespri® Sweet Green Kiwifruit	3,449	4,176	4,947
Zespri® RubyRed Kiwifruit	3,832	-	-
Class 2 Green Kiwifruit	11,314	13,374	10,938
Class 2 Organic Green Kiwifruit	1,070	1,260	739
Class 2 SunGold / Organic Gold Kiwifruit	12,834	12,414	10,997
Non Standard Supply	29,726	252	2,144
Net Sales of New Zealand-grown kiwifruit	3,396,667	3,491,846	3,109,881

5. New Zealand-grown kiwifruit costs as a percentage of revenue by class 1 pool

New Zealand-grown kiwifruit costs as a percentage of revenue	Zespri® Green Kiwifruit		
	2022/23	2021/22	2020/21
Zespri margin ⁽¹⁾	6.8%	6.9%	6.7%
Freight	13.0%	9.1%	6.8%
Insurance	0.2%	0.4%	0.2%
Duty and customs	2.4%	2.0%	2.5%
Other onshore direct costs	1.6%	1.4%	1.6%
Other offshore direct costs	5.9%	4.3%	4.0%
Promotion	4.1%	4.3%	4.4%
Interest	-0.4%	0.1%	0.0%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of kiwifruit	66.3%	71.4%	73.7%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri Green Kiwifruit (\$'000)	890,186	1,061,425	989,845

New Zealand-grown kiwifruit costs as a percentage of revenue	Zespri® Organic Green Kiwifruit		
	2022/23	2021/22	2020/21
Zespri margin ⁽¹⁾	7.6%	8.0%	7.6%
Freight	9.5%	6.8%	4.9%
Insurance	0.2%	0.2%	0.2%
Duty and customs	2.1%	1.9%	2.2%
Other onshore direct costs	1.4%	1.5%	1.9%
Other offshore direct costs	8.7%	6.6%	7.7%
Promotion	4.2%	4.3%	4.4%
Interest	-0.3%	0.0%	0.0%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of Kiwifruit	66.5%	70.6%	71.0%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri Organic Green Kiwifruit (\$'000)	57,904	55,062	51,378

New Zealand-grown kiwifruit costs as a percentage of revenue	Zespri® SunGold Kiwifruit		
	2022/23	2021/22	2020/21
Zespri margin ⁽¹⁾	8.0%	8.3%	8.2%
Freight	9.5%	6.1%	4.7%
Insurance	0.2%	0.3%	0.2%
Duty and customs	1.0%	1.0%	1.1%
Other onshore direct costs	4.0%	3.9%	4.0%
Other offshore direct costs	5.3%	4.0%	3.9%
Promotion	6.2%	5.6%	5.9%
Interest	-0.3%	0.0%	0.0%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of kiwifruit	66.0%	70.7%	71.9%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri SunGold Kiwifruit (\$'000)	2,305,348	2,281,026	1,999,665

New Zealand-grown kiwifruit costs as a percentage of revenue	Zespri® SunGold Organic Kiwifruit		
	2022/23	2021/22	2020/21
Zespri margin ⁽¹⁾	8.0%	8.2%	8.6%
Freight	8.0%	5.6%	3.5%
Insurance	0.2%	0.2%	0.1%
Duty and customs	1.3%	1.7%	1.7%
Other onshore direct costs	3.8%	4.1%	4.6%
Other offshore direct costs	8.8%	7.9%	6.8%
Promotion	5.8%	4.6%	4.9%
Interest	-0.2%	0.0%	0.0%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of kiwifruit	64.2%	67.6%	69.7%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri SunGold Organic Kiwifruit (\$'000)	81,004	62,857	39,228

New Zealand-grown kiwifruit costs as a percentage of revenue	Zespri® Sweet Green Kiwifruit		
	2022/23	2021/22	2020/21
Zespri margin ⁽¹⁾	7.9%	8.2%	8.4%
Freight	11.2%	9.1%	5.9%
Insurance	0.2%	0.2%	0.2%
Duty and customs	0.9%	0.4%	0.4%
Other onshore direct costs	4.4%	4.5%	5.0%
Other offshore direct costs	7.2%	5.0%	5.1%
Promotion	1.8%	1.0%	0.8%
Interest	-0.4%	0.0%	0.0%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of kiwifruit	66.7%	71.5%	74.1%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri Sweet Green Kiwifruit (\$'000)	3,449	4,176	4,947

New Zealand-grown kiwifruit costs as a percentage of revenue	Zespri® RubyRed Kiwifruit ⁽²⁾		
	2022/23	2021/22	2020/21
Zespri margin ⁽¹⁾	9.0%		
Freight	6.5%		
Insurance	0.1%		
Duty and customs	0.0%		
Other onshore direct costs	5.6%		
Other offshore direct costs	5.4%		
Promotion	6.9%		
Interest	-0.2%		
KNZ/NZKGI	0.0%		
Purchase of kiwifruit	66.7%		
TOTAL	100.0%		
Revenue attributable to Zespri RubyRed Kiwifruit (\$'000)	3,832		

(1) The Zespri margin disclosed is net of loyalty premium payments and collaborative marketing.

(2) Zespri RubyRed was commercialised in the 2022/23 year therefore no comparatives are available for previous periods

6. New Zealand-grown kiwifruit Supplier Return Analysis

Total Fruit and Service Payments (including Loyalty Premium) are detailed in Appendix B.

The allocation of revenue and cost between Pools and Corporate (non-pool) is based on the Annual Supply Agreement between Zespri Group Limited and Suppliers. The allocation between pools has been applied as follows:

- Sales are directly allocated to individual pools.
- Where expenses are directly attributable to one pool, they are allocated to that pool.
- Where expenses relate to more than one pool, amounts are allocated to pools based on allocation methods disclosed and agreed annually with the 'Industry Advisory Council' ('IAC'), captured in the Pool Policy Manual.

7. New Zealand Registered Number of Suppliers

	2023	2022	2021
Number of Suppliers	13	13	15
Trays Supplied	165,845,413	179,669,142	159,615,124

8. Regional Production Analysis (Class 1)

The Regional Production Analysis (Class 1) is shown in Appendix C.

The average trays per hectare in the tables in Appendix C equals Class 1 volumes submitted divided by productive hectares. The source data for productive hectares is derived from KPIN registrations and other returns by growers stating the number of producing hectares. It's integrity is reliant on the accurate completion of returns by growers. The trays per hectare may be distorted by the inclusion of orchards in the first years of production in the calculation.

9. Non-New Zealand-grown kiwifruit revenue by pool

	2023 \$000	2022 \$000	2021 \$000
Zespri® Green & Organic Green kiwifruit	131,725	147,441	139,868
Zespri® Gold & Organic Gold kiwifruit	385,244	385,786	328,203
Zespri® Class 2 kiwifruit	2,354	3,637	4,756
Net Sales of non-New Zealand-grown kiwifruit	519,323	536,864	472,827

10. Non-New Zealand-grown kiwifruit Supplier Return Analysis

	2023 \$000	2022 \$000	2021 \$000
Zespri® Green & Organic Green kiwifruit	100,536	118,167	110,583
Zespri® Gold & Organic Gold kiwifruit	270,950	290,139	242,333
Zespri® Class 2 kiwifruit	1,861	1,469	1,089
Non-New Zealand-grown kiwifruit supplier return	373,347	409,775	354,005

11. Disclosure of Transfer Payments

In accordance with Regulation 13(e) of the Kiwifruit Export Regulations transfer payments between business segments are detailed in Appendix D. All transfers relate to goods or services performed in the year ended 31 March 2023.

During the year ended 31 March 2023 no inter-segment amounts have been written off or forgiven (2022: Nil).

12. Zespri Group Limited Shareholder Statistics

Shareholder statistics are detailed on pages 84 of the Zespri Group Limited Annual Report.

Please note the following in relation to the statistics detailed on page 84 of the Annual Report:

- The share price is the last price paid for shares on or before 31 March 2023 as per Unlisted share trading platform.
- The number of shares sold represents the number of shares transferred as advised by Computershare Investor Services Limited. This figure excludes off market share transfers, shares transferred with property sales and shares transferred within family entities which are separately disclosed.

13. Non-New Zealand-grown kiwifruit costs as a percentage of revenue

Non-New Zealand-grown kiwifruit Costs as a Percentage of Revenue	2022/23	2021/22	2020/21
Zespri margin	12.9%	13.5%	13.5%
Freight	4.9%	2.6%	2.9%
Insurance	0.0%	0.2%	0.2%
Duty and customs	1.2%	1.2%	1.3%
Other onshore direct costs	0.0%	0.0%	0.0%
Other offshore direct costs	5.6%	4.0%	4.7%
Promotion	3.5%	2.2%	2.5%
Interest	0.0%	0.0%	0.0%
KNZ/NZKGI	0.0%	0.0%	0.0%
Purchase of Kiwifruit	71.9%	76.3%	74.9%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Non-New Zealand-grown kiwifruit (\$'000)	519,323	536,864	472,827

The Additional Disclosures to the financial statements were authorised for issue by the Directors of Zespri Group Limited on 31 July 2023.

Authorised for and on behalf of the Board:



J P Mason
Director

Appendix A – Business Segment Analysis

Total Assets by business segment for the year ended 31 March 2023

TOTAL ASSETS BY SEGMENT	As at 31 March 2023				Total \$'000
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000	
Current assets:					
Bank, cash, short-term investments	424,986	-	-	-	424,986
Trade debtors	33,268	56,247	2,031	-	91,546
Other debtors / current assets	3,020	-	-	-	3,020
Other financial assets	119,527	-	-	-	119,527
Inventory / stock	99,411	9,673	-	-	109,084
Prepayments	64,960	154	26	-	65,140
Total current assets	745,172	66,074	2,057	-	813,303
Fixed Assets:					
Information system assets	6,885	195	6	-	7,086
Motor vehicles	79	16	-	-	95
Office equipment	2,762	322	1	-	3,085
Land	-	-	-	11,453	11,453
Buildings	13,885	-	-	28,855	42,740
Leasehold improvements	578	497	-	-	1,075
Capital work in progress	5,062	2	-	28	5,092
Total fixed assets	29,251	1,033	7	40,336	70,626
Intangibles					
Development costs	7,784	-	-	-	7,784
Information systems	27,529	-	-	-	27,529
Intangibles work in progress	1,717	-	-	-	1,717
Total intangibles	37,030	-	-	-	37,030
Other non - current assets					
Other financial assets noncurrent	71,602	-	-	-	71,602
Prepayments non current	201	-	-	-	201
Right of use assets	10,130	2,078	2,409	-	14,617
Other	12,004	-	-	-	12,004
Total other non-current assets	93,937	2,078	2,409	-	98,424
TOTAL ASSETS	905,390	69,186	4,472	40,336	1,019,383
Current Liabilities					
Accounts payable	(313,450)	(110,443)	(6,603)	-	(430,496)
Accrued payroll	(17,562)	(982)	(242)	-	(18,786)
Provisions and insurance liabilities	(3,370)	-	-	-	(3,370)
Lease liabilities	(192)	(898)	(897)	-	(1,987)
Other financial liabilities	(119,527)	-	-	-	(119,527)
Other current liabilities	(5,123)	-	-	-	(5,123)
Total current liabilities	(459,224)	(112,323)	(7,742)	-	(579,289)
Long term liabilities					
Accrued payroll non current	(1,779)	(1,581)	(7)	-	(3,367)
Provisions and insurance liabilities non c	(24)	-	-	-	(24)
Interest bearing liabilities	-	-	-	(27,000)	(27,000)
Lease liabilities non current	(10,516)	(1,314)	(1,542)	-	(13,372)
Other financial liabilities non current	(71,602)	-	-	-	(71,602)
Other long term liabilities	(1,335)	-	(195)	-	(1,530)
Total long term liabilities	(85,256)	(2,895)	(1,744)	(27,000)	(116,895)
Equity	(323,199)	-	-	-	(323,199)
Total equity & liabilities	(867,679)	(115,218)	(9,486)	(27,000)	(1,019,383)
Segment receivable / (loan)	(37,711)	46,032	5,014	(13,336)	-
(before tax & dividend distributions)					

NB: Equity is not split between segments, therefore is allocated to "core business" as dividends and taxation is not allocated by segments.

Total Assets by business segment for the year ended 31 March 2022

TOTAL ASSETS BY SEGMENT	As at 31 March 2022				Total \$'000
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000	
Current assets:					
Bank, cash, short-term investments	443,944	21	-	-	443,965
Trade debtors	66,354	43,866	3,793	-	114,013
Other debtors / current assets	7,698	-	-	-	7,698
Other financial assets	199,473	-	-	-	199,473
Inventory / stock	164,393	5,199	-	-	169,592
Prepayments	95,077	678	3,514	-	99,269
Total current assets	976,939	49,764	7,307	-	1,034,010
Fixed Assets:					
Information system assets	6,504	326	-	-	6,830
Motor vehicles	136	2	-	-	138
Office equipment	2,341	511	-	-	2,852
Land	-	-	-	12,149	12,149
Buildings	14,407	-	-	29,165	43,572
Leasehold improvements	896	712	-	-	1,608
Capital work in progress	1,079	52	1	894	2,026
Total fixed assets	25,363	1,603	1	42,208	69,175
Intangibles					
Development costs	-	-	5,992	-	5,992
Information systems	11,046	2	-	-	11,048
Intangibles work in progress	14,084	-	-	-	14,084
Total intangibles	25,130	2	5,992	-	31,124
Other non-current assets					
Other financial assets	187,854	-	-	-	187,854
Prepayments	1,731	-	-	-	1,731
Right of use assets	10,532	2,116	1,820	-	14,468
Other	12,347	-	-	-	12,347
Total other non-current assets	212,464	2,116	1,820	-	216,400
TOTAL ASSETS	1,239,896	53,485	15,120	42,208	1,350,709
Current Liabilities					
Accounts payable	(432,736)	(108,080)	(6,195)	(1,050)	(548,061)
Accrued payroll	(29,786)	(2,354)	-	-	(32,140)
Provisions and insurance liabilities	(910)	(64)	-	-	(974)
Lease liabilities	(4,151)	(709)	-	-	(4,860)
Other financial liabilities	(199,473)	-	-	-	(199,473)
Other current liabilities	(10,222)	15	-	-	(10,207)
Total current liabilities	(677,278)	(111,192)	(6,195)	(1,050)	(795,715)
Long term liabilities					
Accrued payroll	(1,492)	(1,318)	-	-	(2,810)
Provisions and insurance liabilities	(22)	-	-	-	(22)
Interest bearing liabilities	-	-	-	(30,000)	(30,000)
Lease liabilities	(6,692)	(1,498)	(1,952)	-	(10,142)
Other financial liabilities	(187,854)	-	-	-	(187,854)
Other long term liabilities	(792)	-	(1,287)	-	(2,078)
Total long term liabilities	(196,852)	(2,816)	(3,238)	(30,000)	(232,906)
Equity	(322,088)	-	-	-	(322,088)
Total equity & liabilities	(1,196,218)	(114,008)	(9,433)	(31,050)	(1,350,709)
Segment receivable / (loan) (before tax & dividend distributions)	(43,679)	60,523	(5,686)	(11,158)	-

NB: Equity is not split between segments, therefore is allocated to "core business" as dividends and taxation is not allocated by segments.

Net profit/(loss) by business segment for the year ended 31 March 2023

	OTHER BUSINESS				Eliminations \$'000	Total \$'000
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000		
Revenue from sale of NZ kiwifruit (exc transfers)	3,396,667	-	-	-	-	3,396,667
Revenue from sale of Non-NZ kiwifruit	-	519,323	-	-	-	519,323
Total Sales revenue - external customers	3,396,667	519,323	-	-	-	3,915,990
Transfer Revenue:						
ZGL Commission from NZ Kiwifruit	309,121	-	-	-	(309,121)	-
Intercompany rent	-	-	-	2,911	(2,911)	-
New Cultivar Royalties	-	-	46,891	-	(46,891)	-
Inter-segment revenue	309,121	-	46,891	2,911	(358,923)	-
Revenue from insurance claims *	-	-	-	-	-	-
Revenue from licenses issued	-	-	308,111	-	-	308,111
Other Income	3,992	2,564	-	11,962	-	18,518
Research grant co-funding	1,966	-	3,574	-	-	5,540
External royalties	-	-	-	-	-	-
Other revenue *	5,958	2,564	311,685	11,962	-	332,169
Total revenue (exc interest)	3,711,746	521,887	358,576	14,873	(358,923)	4,248,159
Freight	354,800	25,198	-	-	-	379,998
Insurance (onshore and offshore)	7,115	-	-	-	-	7,115
Duty and customs	47,364	6,414	-	-	-	53,778
Promotion	189,527	18,360	-	-	-	207,887
Other direct costs - offshore *	189,800	29,099	-	-	-	218,899
Other direct costs - onshore	111,588	-	-	-	-	111,588
KNZ/NZKGI/KVH costs	4,728	-	-	-	-	4,728
Fruit and service payments	2,193,016	373,347	-	-	-	2,566,363
Loyalty premium	48,554	-	-	-	-	48,554
Research and development	20,131	889	19,441	-	-	40,461
Depreciation	9,891	1,035	2,373	626	-	13,925
Amortisation / impairment of intangible assets	5,636	-	1,811	-	-	7,447
Corporate and administration expenses	32,666	790	1,645	-	-	35,102
Land and building expenses	1,999	397	-	-	-	2,396
Motor vehicle expenses	640	225	79	-	-	944
Other travel	9,677	1,402	667	-	-	11,746
Office equipment maintenance	-	-	-	-	-	-
Human resource expenses	135,318	10,601	7,659	-	-	153,578
Consultancy and legal	50,999	875	2,571	-	-	54,445
Other expenses	-	-	-	-	-	-
Foreign exchange hedging relating to Offshore Overheads	-	-	-	-	-	-
Transfer Payments:						
ZGL Commission from NZ Kiwifruit	309,121	-	-	-	(309,121)	-
Intercompany rent	2,911	-	-	-	(2,911)	-
Inter-segment service charge	(20,061)	17,364	2,685	12	-	-
ZGL royalty new cultivars	40,505	6,386	-	-	(46,891)	-
Total expense	3,745,924	492,382	38,932	638	(358,923)	3,918,953
Net profit before interest & taxation	(34,178)	29,505	319,644	14,235	-	329,206
Interest revenue on short term deposits	2,954	-	-	-	-	2,954
Intersegment interest income/(expense)	9,989	-	-	(9,989)	-	-
Interest expense	(912)	-	-	-	-	(912)
Net profit after interest before tax	(22,148)	29,505	319,644	4,246	-	331,247

NB: * In the segment note of the statutory accounts, all New Zealand pool offshore insurance revenue is treated as negative cost, it is included in other external expenses.

The numbers above differ from those reported under NZ IFRS due to the allocation of FX gains and losses, which are presented separately under NZ IFRS, to the revenue and expense accounts they relate to.

Net profit/(loss) by business segment for the year ended 31 March 2022

	OTHER BUSINESS					Total \$'000
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000	Eliminations \$'000	
Revenue from sale of NZ kiwifruit (exc transfers)	3,491,846	-	-	-	-	3,491,846
Revenue from sale of Non-NZ kiwifruit	-	536,864	-	-	-	536,864
Total Sales revenue - external customers	3,491,846	536,864	-	-	-	4,028,710
Transfer Revenue:						
ZGL Commission from NZ Kiwifruit	331,572	-	-	-	(331,572)	-
Intercompany rent	-	-	-	2,935	(2,935)	-
New Cultivar Royalties	-	-	45,339	-	(45,339)	-
Inter-segment revenue	331,572	-	45,339	2,935	(379,846)	-
Revenue from insurance claims *	3,420	-	-	-	-	3,420
Revenue from licenses issued	-	-	436,731	-	-	436,731
Other	3,607	1,291	-	956	-	5,854
Research grant co-funding	3,187	-	3,983	-	-	7,170
External royalties	-	-	250	-	-	250
Other revenue *	10,214	1,291	440,964	956	-	453,425
Total revenue (exc interest)	3,833,632	538,155	486,303	3,891	(379,846)	4,482,135
Freight	246,967	18,213	-	-	-	265,180
Insurance (onshore and offshore)	11,963	900	-	-	-	12,863
Duty and customs	46,789	6,821	-	-	-	53,610
Promotion	179,285	14,192	-	-	-	193,477
Other direct costs - offshore *	145,644	22,832	-	-	-	168,476
Other direct costs - onshore	70,104	-	-	-	-	70,104
KNZ/NZKGI/KVH costs	5,095	-	-	-	-	5,095
Fruit and service payments	2,420,284	409,775	-	-	-	2,830,059
Loyalty premium	53,072	-	-	-	-	53,072
Research and development	14,849	1,402	14,445	-	-	30,696
Information system expenses	55,821	192	-	-	-	56,013
Depreciation	9432	974	609	619	-	11,634
Amortisation / impairment of intangible assets	3,583	-	1,479	-	-	5,062
Corporate and administration expenses	17,431	1,028	13,468	-	-	31,926
Land and building expenses	1,023	15	-	-	-	1,038
Motor vehicle expenses	755	348	8	-	-	1,111
Other travel	2,490	433	94	-	-	3,017
Office equipment maintenance	493	41	-	-	-	534
Human resource expenses	130,178	10,519	3,061	-	-	143,758
Marketing/advertising	6,510	482	-	-	-	6,992
Consultancy and legal	33,164	663	2,344	-	-	36,171
Other expenses	-	-	-	-	-	-
Foreign exchange hedging relating to Offshore Overheads	-	-	-	-	-	-
Transfer Payments:						
ZGL Commission from NZ Kiwifruit	331,572	-	-	-	(331,572)	-
Intercompany rent	2,935	-	-	-	(2,935)	-
Inter-segment service charge	(18,328)	16,087	2,241	-	-	-
ZGL royalty new cultivars	38,962	6,377	-	-	(45,339)	-
Total expense	3,810,073	511,294	37,749	619	(379,846)	3,979,889
Net profit before interest & taxation	23,559	26,861	448,554	3,272	-	502,246
Interest revenue on short term deposits	4,225	-	-	-	-	4,225
Intersegment interest income/(expense)	(1,524)	-	-	1,524	-	-
Interest expense	(1,346)	-	-	-	-	(1,346)
Net profit after interest before tax	24,914	26,861	448,554	4,796	-	505,125

NB: * In the segment note of the statutory accounts, all New Zealand pool offshore insurance revenue is treated as negative cost, it is included in other external expenses.

The numbers above differ from those reported under NZ IFRS due to the allocation of FX gains and losses, which are presented separately under NZ IFRS, to the revenue and expense accounts they relate to.

Appendix B – Total Fruit and Service Payments (including Loyalty Premium)

	RETURN \$m 2022/23	\$ PER TE 2022/23	\$ PER TE 2021/22	\$ PER TE 2020/21	\$ PER TE 2019/20	\$ PER TE 2018/19
Zespri® Green Kiwifruit						
Total tray equivalents supplied (m)		58.58	73.92	67.54	68.68	81.03
Fruit payments	243.40	4.16	4.69	8.65	4.10	4.10
Fruit incentives	246.10	4.20	3.77	0.36	4.15	3.01
Service payments	82.90	1.42	1.50	1.39	1.59	1.67
Loyalty premium	17.50	0.30	0.30	0.40	0.31	0.31
Total fruit and service payments (including loyalty premium)	589.90	10.08	10.25	10.80	10.16	9.09
Zespri® Organic Green Kiwifruit						
Total tray equivalents supplied (m)		3.08	2.99	2.76	2.79	3.52
Fruit payments	18.50	5.99	6.25	11.54	5.64	6.74
Fruit incentives	16.00	5.18	5.50	0.46	5.71	4.10
Service payments	3.20	1.03	0.96	0.81	0.90	1.00
Loyalty premium	0.90	0.30	0.30	0.40	0.31	0.31
Total fruit and service payments (including loyalty premium)	38.60	12.50	13.02	13.21	12.56	12.14
Zespri® SunGold Kiwifruit ⁽¹⁾						
Total tray equivalents supplied (m)		97.31	97.69	85.52	73.71	66.03
Fruit payments	719.80	7.40	7.82	14.18	6.32	7.17
Fruit incentives	637.60	6.55	6.77	0.83	8.14	6.31
Service payments	135.90	1.40	1.61	1.42	1.57	1.58
Loyalty premium	29.10	0.30	0.30	0.40	0.31	0.31
Total fruit and service payments (including loyalty premium)	1,522.40	15.65	16.50	16.82	16.35	15.37
Zespri® SunGold Organic Kiwifruit ⁽¹⁾						
Total tray equivalents supplied (m)		3.00	2.50	1.45		
Fruit payments	24.50	8.16	7.21	16.95		
Fruit incentives	23.20	7.73	8.20	0.55		
Service payments	3.40	1.14	1.30	0.96		
Loyalty premium	0.90	0.30	0.30	0.40		
Total fruit and service payments (including loyalty premium)	52.00	17.33	17.02	18.85		
Zespri® RubyRed Kiwifruit⁽³⁾						
Total tray equivalents supplied (m)		0.11				
Fruit payments	2.50	21.98				
Fruit incentives	-	0.19				
Service payments	-	-				
Loyalty premium	-	0.30				
Total fruit and service payments (including loyalty premium)	2.50	22.47				
Zespri® Sweet Green Kiwifruit						
Total tray equivalents supplied (m)		0.21	0.26	0.27	0.39	0.89
Fruit payments	1.70	8.05	7.16	12.70	6.59	6.53
Fruit incentives	0.60	2.78	3.98	0.50	3.92	3.37
Service payments	-	-	-	-	-	0.12
Loyalty premium	0.10	0.30	0.30	0.40	0.31	0.31
Total fruit and service payments (including loyalty premium)	2.40	11.13	11.44	13.61	10.82	10.34

Appendix B – Total Fruit and Service Payments (including Loyalty Premium) - continued

	RETURN \$m 2022/23	\$ PER TE 2022/23	\$ PER TE 2021/22	\$ PER TE 2020/21	\$ PER TE 2019/20	\$ PER TE 2018/19
Class 2 Green Kiwifruit						
Total tray equivalents supplied (m)		1.14	1.33	1.10	1.15	1.41
Fruit payments	7.30	6.38	7.18	7.32	7.01	5.97
Service payments	0.20	0.17	0.16	0.13	-	0.04
Total fruit and service payments	7.50	6.55	7.34	7.45	7.01	6.01
Class 2 Organic Green Kiwifruit						
Total tray equivalents supplied (m)		0.08	0.09	0.05	0.05	0.06
Fruit payments	0.70	8.41	9.87	10.02	10.02	9.86
Service payments	-	0.22	0.20	0.15	0.13	0.19
Total fruit and service payments	0.70	8.63	10.07	10.17	10.15	10.05
Class 2 SunGold Kiwifruit⁽²⁾						
Total tray equivalents supplied (m)		0.84	0.85	0.78	0.51	0.66
Fruit payments	8.50	10.15	9.36	9.02	8.44	7.68
Service payments	0.10	0.13	0.19	0.16	0.03	0.08
Total fruit and service payments	8.60	10.27	9.55	9.18	8.47	7.76
Class 2 SunGold Organic Kiwifruit⁽²⁾						
Total tray equivalents supplied (m)		-	0.03	0.03		
Fruit payments	-	-	14.10	13.42		
Service payments	-	-	0.03	0.04		
Total fruit and service payments	-	-	14.14	13.47		
Non-Standard Supply						
Total tray equivalents supplied (m)		1.51	0.01	0.14	0.85	0.46
Fruit payments	16.70	11.06	8.47	9.71	4.20	5.60
Fruit incentives	-	-	5.17	-	3.49	2.79
Service payments	0.80	0.56	0.43	0.77	0.96	0.54
Total fruit and service payments	17.60	11.62	14.07	10.48	8.65	8.93
Total All Pools						
Total tray equivalents supplied (m)		165.86	179.66	159.65	148.13	154.06
Fruit payments	1,043.50	6.29	6.50	11.74	5.28	5.53
Fruit incentives	923.40	5.57	5.44	0.61	6.12	4.41
Service payments	226.50	1.37	1.53	1.37	1.54	1.59
Loyalty premium	48.60	0.29	0.30	0.39	0.31	0.30
Total fruit and service payments (including loyalty premium)	2,242.00	13.52	13.77	14.11	13.25	11.83
Total fruit and service payments 2021/22 (NZ IFRS)	2,473.50					
Total fruit and service payments 2020/21 (NZ IFRS)	2,253.20					
Total fruit and service payments 2019/20 (NZ IFRS)	1,962.50					
Total fruit and service payments 2018/19 (NZ IFRS)	1,821.75					

(1) The 2018/19 to 2019/20 comparatives presented here for Zespri SunGold kiwifruit reflects the combined pool of Zespri SunGold and Organic SunGold kiwifruit (Gold3). These varieties have been split into separate pools from 2020/21 onwards.

(2) The 2018/19 to 2019/20 comparatives presented here for Zespri Class 2 SunGold kiwifruit reflects the combined results of Zespri Class 2 SunGold and Class 2 Organic SunGold kiwifruit (Gold3). These varieties have been presented separately from 2020/21 onwards.

(3) Zespri RubyRed was commercialised in the 2022/23 year therefore no comparatives are available for previous periods

Fruit and Service Payment amounts above are not rounded; therefore, rounding differences may apply to totals.

Appendix C – Regional Production Analysis (Class 1) – New Zealand-grown kiwifruit (trays supplied to Zespri)

Zespri Green kiwifruit	2022/23		2021/22		2020/21		2019/20	
	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	69	6,878	79	7,410	81	8,829	100	6,835
Auckland	226	7,919	237	9,332	243	8,030	256	7,175
Bay of Plenty								
- Katikati	793	9,449	824	11,343	859	8,011	830	8,960
- Opotiki	424	7,245	433	11,363	436	10,735	444	10,834
- Tauranga	912	10,149	987	11,711	996	10,625	1,066	9,773
- Te Puke	2,863	10,359	2,969	12,672	3,079	11,551	3,190	11,058
- Waihi	90	8,851	101	10,822	106	7,608	132	7,771
- Whakatane	254	7,479	279	9,153	309	7,434	331	8,369
Waikato	230	7,450	210	9,327	202	8,297	204	9,113
Poverty Bay	31	7,671	31	7,035	40	6,054	44	6,801
Hawkes Bay	34	7,574	39	6,332	41	6,005	41	6,916
Lower North Island	70	8,321	69	6,482	69	8,623	69	9,062
South Island	183	7,339	133	6,903	197	6,226	208	6,519
Total producing hectares	6,180	-	6,390	-	6,659	-	6,915	-
Average TE supplied per hectare	-	9,480	-	11,529	-	10,133	-	9,932
Zespri Green Organic kiwifruit	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	-	-	-	-	-	-	-	-
Auckland	1	5,714	1	4,569	1	5,118	1	2,626
Bay of Plenty								
- Katikati	39	7,206	29	8,862	29	6,427	30	6,095
- Opotiki	22	7,137	22	7,337	22	7,400	21	7,092
- Tauranga	187	6,453	177	7,331	177	7,333	174	6,599
- Te Puke	39	7,956	38	8,926	35	8,276	37	7,924
- Waihi	21	6,582	20	6,207	22	3,961	22	5,077
- Whakatane	6	3,665	4	2,463	4	2,742	4	3,178
Waikato	145	6,377	142	5,226	147	4,875	147	6,047
Poverty Bay	-	-	-	-	-	-	0	2,728
Hawkes Bay	-	-	-	-	-	-	-	-
Lower North Island	7	4,947	6	8,097	2	3,330	2	3,763
South Island	-	-	-	-	-	-	-	-
Total producing hectares	467	-	438	-	439	-	437	-
Average TE supplied per hectare	-	6,601	-	6,805	-	6,296	-	6,386
Zespri SunGold kiwifruit (Gold3) ⁽¹⁾	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	528	10,602	430	12,461	386	13,251	368	11,738
Auckland	383	12,119	286	13,447	234	14,312	227	12,865
Bay of Plenty								
- Katikati	755	13,542	707	16,072	597	13,285	537	13,421
- Opotiki	638	10,906	603	15,771	571	13,901	543	14,132
- Tauranga	544	14,559	519	15,443	517	14,580	500	13,133
- Te Puke	2,939	14,230	2,643	15,621	2,402	15,252	2,085	14,228
- Waihi	91	13,483	82	15,412	97	12,256	105	11,887
- Whakatane	549	10,518	425	14,283	341	13,405	274	12,074
Waikato	213	10,754	194	14,204	185	12,773	197	11,239
Poverty Bay	430	11,476	346	13,532	311	10,727	267	12,321
Hawkes Bay	171	12,710	167	12,522	165	11,034	156	12,559
Lower North Island	2	13,209	1	10,010	1	10,096	1	11,093
South Island	245	15,269	119	11,335	241	15,189	224	14,897
Total producing hectares	7,486	-	6,522	-	6,047	-	5,483	-
Average TE supplied per hectare	-	12,998	-	14,964	-	14,130	-	13,443

Producing hectares includes all hectares producing fruit in the relevant season. Producing hectare amounts are not rounded to whole numbers; therefore, rounding differences may apply to totals.

Appendix C – Regional Production Analysis (Class 1) – New Zealand-grown kiwifruit (trays supplied to Zespri) -continued

	2022/23		2021/22		2020/21		2019/20	
Zespri Organic SunGold kiwifruit (Gold3) ⁽¹⁾	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	31	8,684	24	9,745	9	7,579		
Auckland	3	7,701	4	4,877	4	8,687		
Bay of Plenty								
- Katikati	15	9,127	10	12,156	2	7,868		
- Opotiki	14	8,616	11	12,335	11	7,939		
- Tauranga	52	10,346	41	12,613	30	10,618		
- Te Puke	113	11,281	102	11,643	52	12,350		
- Waihi	6	10,489	6	9,545	13	9,307		
- Whakatane	11	13,143	-	-	-	-		
Waikato	22	10,614	19	9,256	18	8,263		
Poverty Bay	19	10,749	4	11,702	3	4,871		
Hawkes Bay	-	-	-	-	-	-		
Lower North Island	-	-	-	-	-	-		
South Island	-	-	-	-	-	-		
Total producing hectares	285	-	222	-	142	-		
Average TE supplied per hectare	-	10,518	-	11,299	-	10,253		
Zespri RubyRed kiwifruit ⁽²⁾	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	2	2,342						
Auckland	11	1,674						
Bay of Plenty								
- Katikati	4	3,142						
- Opotiki	8	1,599						
- Tauranga	4	2,838						
- Te Puke	15	2,271						
- Waihi	1	1,857						
- Whakatane	2	1,779						
Waikato	9	959						
Poverty Bay	5	1,331						
Hawkes Bay	-	-						
Lower North Island	-	-						
South Island	-	-						
Total producing hectares	59	-						
Average TE supplied per hectare	-	1,882						
Zespri Sweet Green kiwifruit (Green 14)	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	-	-	-	-	-	-	-	-
Auckland	8	5,324	9	4,957	12	3,088	14	2,894
Bay of Plenty								
- Katikati	6	4,328	6	5,153	8	4,307	9	4,718
- Opotiki	5	4,026	5	8,653	5	5,687	5	7,353
- Tauranga	1	5,406	1	9,330	1	5,771	1	7,380
- Te Puke	7	8,472	8	10,775	9	8,719	17	7,778
- Waihi	-	-	-	-	-	-	-	-
- Whakatane	2	4,352	2	6,670	5	5,844	7	5,674
Waikato	-	-	-	-	-	-	8	6,248
Poverty Bay	-	-	-	-	-	-	-	-
Hawkes Bay	7	7,838	7	5,605	7	7,831	7	5,920
Lower North Island	-	-	-	-	1	2,471	2	3,181
South Island	-	-	-	-	-	-	-	-
Total producing hectares	34	-	37	-	48	-	70	-
Average TE supplied per hectare	-	6,025	-	6,969	-	5,608	-	5,668

TE/Ha. = tray equivalents supplied per hectare. Producing Hectares includes all hectares producing fruit in the relevant season.

(1) The 2019/20 comparatives presented here for Zespri SunGold kiwifruit reflects the combined pool of Zespri SunGold and Organic SunGold kiwifruit (Gold3). These varieties have been split into separate pools from 2020/21 onwards.

(2) Zespri RubyRed was commercialised in the 2022/23 year therefore no comparatives are available for previous periods

Producing hectares includes all hectares producing fruit in the relevant season. Producing hectare amounts are not rounded to whole numbers; therefore, rounding differences may apply to totals.

Appendix D – Transfer Payments

2022/23

Item	Recipient of transfer income	Recipient of transfer expense	Description of transfer item	\$'000
Inter-segment service charge	New Zealand Kiwifruit	Non-New Zealand Supply	Recharge of costs incurred by corporate on Non-New Zealand-grown kiwifruit behalf e.g. salary costs.	17,364
Inter-segment service charge	New Zealand Kiwifruit	New Cultivar	Recharge of costs incurred by corporate on new cultivar kiwifruit segment's behalf e.g. salary costs	2,685
Intercompany rent	All other segments	New Zealand kiwifruit	Payment made from New Zealand kiwifruit to Land & Buildings segment in relation to orchard, property and building rent charges.	2,911
New Cultivar Royalty payments from New Zealand kiwifruit	New Cultivar	New Zealand Kiwifruit	Payment made from New Zealand kiwifruit, based on sales value, for royalties on Zespri PVR's.	40,505
New Cultivar Royalty payments from non-New Zealand kiwifruit	New Cultivar	Non-New Zealand Supply	Payment made from non-New Zealand kiwifruit, based on sales value, for royalties on Zespri PVR's.	6,386
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	Non-New Zealand Supply	Profit is transferred to New Zealand Kiwifruit equity.	29,505
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	New Cultivar	Profit is transferred to New Zealand Kiwifruit equity.	319,644
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	All other segments	Profit is transferred to New Zealand Kiwifruit equity.	4,246

Note:

- All material transfers between segments have a fair value assigned. No nil value or nominal value transfers representing a material underlying fair value have occurred.
- All inter-segment transfers have been fully settled within the year. No transfer balances are outstanding at 31 March 2023.

2021/22

Item	Recipient of transfer income	Recipient of transfer expense	Description of transfer item	\$'000
Inter-segment service charge	New Zealand Kiwifruit	Non-New Zealand Supply	Recharge of costs incurred by corporate on Non-New Zealand-grown kiwifruit behalf e.g. salary costs.	16,087
Inter-segment service charge	New Zealand Kiwifruit	New Cultivar	Recharge of costs incurred by corporate on new cultivar kiwifruit segment's behalf e.g. salary costs	2,241
Intercompany rent	All other segments	New Zealand kiwifruit	Payment made from New Zealand kiwifruit to Land & Buildings segment in relation to orchard, property and building rent charges.	2,935
New Cultivar Royalty payments from New Zealand kiwifruit	New Cultivar	New Zealand Kiwifruit	Payment made from New Zealand kiwifruit, based on sales value, for royalties on Zespri PVR's.	38,962
New Cultivar Royalty payments from non-New Zealand kiwifruit	New Cultivar	Non-New Zealand Supply	Payment made from non-New Zealand kiwifruit, based on sales value, for royalties on Zespri PVR's.	6,377
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	Non-New Zealand Supply	Profit is transferred to New Zealand Kiwifruit equity.	26,861
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	New Cultivar	Profit is transferred to New Zealand Kiwifruit equity.	448,554
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	All other segments	Profit is transferred to New Zealand Kiwifruit equity.	4,796

Note:

- All material transfers between segments have a fair value assigned. No nil value or nominal value transfers representing a material underlying fair value have occurred.
- All inter-segment transfers have been fully settled within the year. No transfer balances are outstanding at 31 March 2022.



Independent Auditor's Report

To the shareholders of Zespri Group Limited

Report on the audit of the special purpose financial statements

Opinion

In our opinion, the accompanying special purpose financial statements of Zespri Group Limited (the 'Company') and its subsidiaries (the 'Group') on pages 2 to 16:

- i. Present in all material respects the Company's financial position as at 31 March 2023 and its financial performance for the year ended on that date in compliance with the financial reporting provisions required by the Kiwifruit Export Information Disclosure Handbook (the "Handbook") under the Kiwifruit Export Regulations 1999 (the "Regulations"); and
- ii. Are correctly referenced to the audited consolidated financial statements of Zespri Group Limited.

We have audited the accompanying special purpose financial statements which comprise the additional disclosures included in pages 2 to 16.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company 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 and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the special purpose financial statements* section of our report.

Our firm has also provided other services to the Group in relation to statutory audit, limited assurance and assurance related engagements over non-financial disclosures, other assurance services, agreed upon procedure engagements, taxation consulting and compliance services and climate change consulting services. Subject to certain restrictions, partners and employees of our firm may also deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company. These matters have not impaired our independence as auditor of the Company. The firm has no other relationship with, or interest in, the Group.



Emphasis of matter – Basis of Accounting

Without modifying our opinion, we draw attention to the Basis of Preparation note to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to



meet the requirements of the Handbook and Regulations. As a result, the special purpose financial statements may not be suitable for another purpose.

Other matter

The Group has prepared a separate set of consolidated financial statements for the year ended 31 March 2023 in accordance with New Zealand Equivalents to International Financial Reporting Standards on which we issued a separate unqualified auditor's report to the shareholders of the Company dated 3 July 2023.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent 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 shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the special purpose financial statements

The Directors, on behalf of the Company, are responsible for:

- the preparation and fair presentation of the special purpose financial statements in accordance with the Handbook under the regulations;
 - Implementing necessary internal control to enable the preparation of a special purpose set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
 - Assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.
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Auditor's responsibilities for the audit of the special purpose financial statements

Our objective is:

- to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent 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 ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 special purpose financial statements.



A further description of our responsibilities for the audit of these special purpose financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>

This description forms part of our independent auditor's report.

A handwritten version of the KPMG logo in blue ink, appearing as if written on a white surface. The letters are slightly slanted and have a casual, sketchy appearance.

KPMG
Auckland
31 July 2023