



MARKET GARDENERS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2025

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Financial highlights

	2025 \$'000's
• Group gross sales under management	\$724,850
• Group profit before income tax	\$22,091
• Group profit for the year (after income tax)	\$14,723
• Group total equity	\$244,068
• Group total assets	\$431,925

	2025 \$'000	2024 \$'000
Shareholder distributions		
• Special Bonus Issue (November 2025)		
• 1 for 12 on "A" shares (2024: 1 for 12)	6,374	5,046
• 1 for 3 on "B" shares (2024: 1 for 2)	5,162	8,084
• 1 for 1 on "C" shares (2024: 1 for 1)	994	992
• Supplier shareholder rebate (issued as 2025 "C" shares) (2024: issued as 2024 "C" shares)	250	250
• Bonus issue on supplier shareholder rebate of 3 for 1 (2024: 3 for 1)	750	750
• Final gross dividend on "A" shares: 3 cents per share (2024: 3 cents per share)	2,295	1,817
• Imputation credits attaching to the above distributions	6,701	7,215
Total shareholder distributions in relation to the year ended 30 June	22,526	24,154

Chair's and Chief Executive Officer's review

Market Gardeners Limited, trading as the MG Group, has proudly partnered with growers for more than a century to deliver fresh, healthy produce to New Zealanders and customers around the world. Our purpose is simple but enduring. We connect people with quality produce while creating value for our grower suppliers, customers and shareholders.

We are a grower owned co-operative with a strong network of branches, high quality infrastructure, and a dedicated team working across market operations, farming, exporting, importing and intellectual property. We also partner with leading international brands to bring world class produce to New Zealand consumers. This breadth gives us strength and resilience, helping us navigate seasonal, economic and market challenges while continuing to support our partners.

Our strategy guides decisions that strengthen the co-operative and ensure it can be enjoyed by future generations. We invest for the long term, strengthen our foundations, and adapt to meet changing demands. By focusing on the future while delivering today, we continue to position the MG Group for sustainable growth and shared success. Together. Stronger.

On behalf of the MG Group Board and Management, we are pleased to share the Annual Review for 2024–2025. This has been a year of both significant challenges and achievements, with results that reflect the strength of our strategy and the dedication of our people.

The MG Group has produced a very strong financial result in a year shaped by recessionary pressures. As expected, the New Zealand economy faced a number of headwinds, including persistent inflation that left many households dealing with high interest rates and ongoing cost of living challenges. Businesses also had to manage rising operational and infrastructure costs. Despite these challenges, the MG Group has remained focused on delivering value and reliability for our grower-suppliers and customers, while continuing to create long-term value for our shareholders.

The trading environment for fresh produce was particularly demanding. For much of the financial year, values remained low across many categories, driven by favourable growing conditions nationally, which created high levels of supply, compounded by cautious consumer spending. While some improvement occurred towards the end of the year, the market remained difficult to navigate and required a coordinated effort from our teams to deliver for growers and customers.

Against this backdrop, it is pleasing to report a result that reflects the resilience of our business model and the ability of our people to execute our strategy effectively. Gross sales

under management reached a record \$724.8 million, and group profit before tax was \$22.0 million. These outcomes were achieved through disciplined cost management, strong governance, and a clear focus on delivering value for our grower shareholders. Group equity at the end of the financial year was \$244.1 million compared with \$219.8 million last year, and MG Group assets now total \$431.9 million.

A key part of this performance was sharpening our focus on costs across all parts of the business. We reduced expenditure in several areas, including insurance, fuel, banking facilities, depreciation and general operating expenses, without compromising standards or service. Achieving these savings required considerable effort, with new agreements and partnerships put in place, but delivered more than \$5 million in benefits to the co-operative.

This year also represents our first full financial year without Premier Fresh Australia following the sale in June 2024. Exiting this business was a deliberate decision to refocus the co-operative on our New Zealand operations. While it has changed the overall scale of the Group and reflects the reduction in overall Group sales, it has left us with a portfolio of strong businesses with clear growth potential, and a stronger balance sheet.

A highlight for the year was the strong performance of our core produce market operations, supported by a continued focus on efficiency. Improvements have come through investment in technology and systems that help our teams work smarter, improve service, and reduce costs. With the M3 IT system now rolled out across our branches, the focus has shifted to making greater use of data and insights to drive performance. By lifting efficiency and maintaining a high level of service for growers and customers during a time of cost pressure, we have been able to achieve sustainable growth in sales and earnings.

All of our subsidiaries and associates contributed to the overall performance at varying levels, including Te Mata Exports, United Flower Growers, Southern Paprika, JS Ewers, Kaipaki Berries, New Zealand Fruit Tree Company and First Fresh. Within this group, our farming operations reflected many of the same challenges faced by our grower-suppliers, operating through periods of low values, higher costs and at times weather disruption. Having a diverse mix of complementary businesses strengthens the co-operative by broadening our market presence and creating opportunities that benefit the wider MG Group. The performance of each business will be outlined in more detail later in this review.

Our progress is also a credit to the growers who continued to supply quality fruit and vegetables through a year of economic headwinds and operational pressures. It is this collective strength, built on the loyalty of our grower shareholders, that enables us to deliver value for customers and the co-operative alike.

We also acknowledge the efforts of our people across the co-operative. Every part of our organisation has contributed to achieving this year's outcomes. The professionalism, adaptability, and collaboration shown by our teams have been a key to our performance.

Across the MG Group, we continue to evaluate a wide range of investment opportunities with a long-term perspective, applying strong commercial discipline and carefully considering the sustainability impacts of each decision. The most important test for any opportunity is whether it will create enduring value for our grower shareholders. With a strong balance sheet and a pipeline of growth initiatives already under way, our priority remains investing within existing businesses to drive growth and productivity, strengthen our supply base and core market operations, and, where aligned with our strategy, pursue partnerships that complement our co-operative model and deliver value over time.

The MG Group is unique in New Zealand for the scale of our operations, the strength of our supply chain, our partnerships with growers, customers, and leading international brands, and our ability to deliver fresh produce across the country and into export markets. Our progressive and innovative approach supports a sustainable and profitable future for our grower shareholders and is built on more than a century of history.

We are especially grateful to our loyal shareholders, whose ongoing support underpins the strength of the co-operative. Our commitment to rewarding this support is reflected in the declaration of full-year distributions totalling \$22.5 million, inclusive of imputation credits.

We are confident the MG Group is well positioned, and that momentum will only grow as we continue to deliver on our strategy in the years ahead.

Financial overview | Distributions | AGM

For the year to 30 June 2025, group gross sales under management amounted to \$724.8 million (2024: \$1.224 billion). The change in reported sales reflects the sale of the MG Group's 70 percent shareholding in Premier Fresh Australia during the last financial year, with their sales no longer included in the Group result.

For the same period, group net profit before tax was \$22.1 million compared to \$21.4 million in 2024. As outlined earlier in this Annual Review, the result was supported by a record performance from the New Zealand market operations and solid contributions from subsidiary and associate companies.

Total group equity has increased to \$244.1 million (2024: \$220.4 million), with total assets

now at \$431.9million (2024: \$402.5 million). These figures reflect both the strength of recent financial performance and continued prudent management of the balance sheet.

This performance provides your co-operative with the capacity to continue investing strategically in the areas that matter most, ensuring enduring value creation for grower-shareholders. It also allows MG to maintain a strong programme of shareholder distributions, which for the 2025 financial year total approximately \$22.5 million, as detailed on the following page.

In addition to this annual review, the MG Group presents an annual report inclusive of the full set of financial statements. If you would like a copy of the annual report, visit the website, www.mggroup.co.nz, or contact the Company Secretary, Duncan Pryor, on (03) 343 1794 or email dpryor@mggroup.co.nz.

Distributions

Given the strength of the Company and the strong results from the New Zealand operations, the MG Board of Directors has resolved to return to its shareholders significant distributions totalling \$22.5 million (2024: \$24.2m) by way of rebate shares, special/bonus issues, dividends, and imputation credits. This is the eleventh consecutive year that shareholders have received a special bonus issue.

On 21 August 2025, the Board declared the following distributions in relation to the year ended 30 June 2025:

- Special bonus issue – a fully imputed taxable special bonus issue of:
 - 1 new “A” share for every 12 existing “A” shares; and
 - 1 new “B” share for every 3 existing “B” shares; and
 - 1 new “C” share for every 1 existing “C” share.
- Supplier shareholder rebate – a taxable rebate of \$250,000 to be applied by the Company in paying up in full “C” shares of the Company to be issued at \$1.00 each and made in such a manner as the Directors determine those shareholders that are Current Producers that have supplied on a consignment basis during the financial year ended 30 June 2025.
- Bonus issue – a three for one fully imputed taxable bonus issue on the “C” shares issued out of the above rebate. This amounts to \$750,000 worth of “C” shares being issued

(Shareholders that are Current Producers receive three further “C” shares for every one “C” share they receive from the above rebate). As imputation credits have been attached to the bonus issue shares, they are mostly tax paid in the hands of the shareholder.

- Final dividend – a fully imputed taxable gross dividend of three cents on every “A” share. Once again, imputation credits are attached to this dividend.

The above distributions will be made only to those shareholders entered on the share register at 30 June 2025 who continue to hold, at the date of the 2025 Annual Meeting, the shares held at 30 June 2025.

The special bonus issue, rebate, bonus issue, and dividends represent \$22.5 million being distributed back to the MG Group’s loyal and supportive shareholders. Not only is this a significant distribution of wealth to shareholders, but it also demonstrates the underlying strength of the co-operative.

In addition, and as has occurred for many years now, we are pleased to note the support of the shareholders through their high level of reinvestment of their dividends back into more MG “A” shares through the dividend election plan (which any shareholder can elect to participate in).

Annual Meeting of Shareholders

Market Gardeners Limited’s Annual Meeting of Shareholders will again be a hybrid event with shareholders able to attend in person or online using the Zoom platform.

Date: Monday, 24 November 2025

Time: Commencing at 5.00pm

Attending the AGM in-person

If you wish to attend the in-person AGM it will be held at the Rydges Latimer, 30 Latimer Square, Christchurch.

Shareholders are welcome to join MG Group directors, executive management, and staff to formally or informally discuss topics of interest. There will be drinks and canapés following the meeting at approximately 6.00pm. All shareholders and their partners are warmly welcome to attend. Details are included in the Notice of Meeting.

RSVP registration is required for catering purposes. If you wish to attend, please complete the

online form at www.mggroup.co.nz/agmrsvp or contact our Company Secretary, Duncan Pryor, on (03) 343 1794 or email dpryor@mggroup.co.nz

Attending the AGM online

Shareholders can attend this year's meeting online using the Zoom platform. Shareholders must register in advance. The full presentation will be available, and shareholders will have the opportunity to ask questions through an online portal.

Information about how to register and log in to the event will be distributed to all shareholders in advance of the meeting.

A link to the registration form will also be available on the AGM page of the MG Group website.

Board and Executive Management

Robust governance and leadership provides the foundation for delivering long-term value to shareholders. Under our current governance and leadership, the MG Group is well placed to meet the challenges that lie ahead.

The Board has again actively overseen the Executive Management team's delivery against the MG Group strategy, with a clear focus on cost management, risk oversight and growing our existing businesses. Our forward-looking strategy remains centred on six core pillars: secure supply, operational excellence across the Group, an engaged and committed workforce, effective communication, optimal systems and technology, and a sustainable business. Together, these provide a strong platform for future growth and long-term value creation.

The strength of the Board lies in the diverse skills, experience and perspectives of its members, with healthy debate leading to well-considered outcomes. This year there were no changes to the Executive Management team or the Board, reflecting the stability of our leadership.

Following the success of the inaugural treasury stock issue in December 2023, another successful issue was completed during the year. The Board will continue to consider this initiative in the future, providing an opportunity for shareholders to increase their investment while positively impacting the co-operative's capital base.

In accordance with the constitution, directors Trudi Webb and Jay Clarke retired by rotation

and, being eligible, offered themselves for re-election. As no other valid nominations were received, their re-election will be confirmed at the 2025 Annual Meeting of Shareholders.

Bruce Irvine, Chair, Appointed Special Director

Bruce joined the MG Board in 1994. He has an extensive business background and previously held the position of Managing Partner of the Christchurch office of Chartered Accountants, Deloitte, between 1995 and 2007. He is also past Chair of Christchurch City Holdings Limited. Bruce is currently Chair of Heartland Bank, and Skope Industries, and is director of a number of other public and private companies including House of Travel Holdings and Scenic Circle. He is also a member of the University of Canterbury Council. Bruce is MG's Board Chair.

Member of MG's Remuneration & Nomination Committee and Audit Committee.
Chartered Fellow of the IOD* .

Trevor Burt, Appointed Special Director

Trevor has high-level experience in the strategic leadership of large and complex corporate organisations, and a proven record of implementing change and achieving results. As an experienced professional director, Trevor has held a number of previous roles including Chair of Ngāi Tahu Holdings Corporation Ltd, Lyttelton Port of Christchurch Ltd, Deputy Chair of PGG Wrightson Ltd and Director of Silver Fern Farms Ltd. Trevor is currently Chair of The Lamb Cooperative Inc, and is also a Director of Landpower NZ Ltd, NZ Drinks Ltd, Bremworth Ltd and Hossack Station Ltd.

Chairman of the MG Remuneration & Nomination Committee and member of the Audit Committee.
Chartered fellow of the IOD*.

Lynn Crozier, Deputy Chair, Elected Director

Lynn joined the MG Board in 2012. Today, Lynn, through a family-owned and operated business since the 1960's, is a major grower of potatoes, onions and carrots in Central Canterbury.

Member of the IOD*.

Mark O'Connor, Elected Director

Mark is serving his fourth term as an MG Director, having originally joined the MG Board in November 2014. He is a Director and shareholder of Appleby Fresh Ltd, a family-owned market gardening business in Nelson on the Waimea Plains.

Member of the MG Remuneration & Nomination Committee.

Member of the IOD*.

Joanna Lim, Elected Director

Joanna (Jo) was elected to the MG Board in 2018. Jo's family own a market garden business (Jade Garden Produce) and a share in a cucumber glasshouse operation (Island Horticulture Limited), both in the Christchurch area. Jo is also a Special Counsel at national law firm Simpson Grierson and specialises in financial markets / services and corporate advice. She also has expertise in climate change issues and the New Zealand emissions trading scheme.

Chair of the MG Audit Committee.

Member of the IOD* and certified member of INFINZ (Institute of Finance Professionals New Zealand).

Trudi Webb, Elected Director

Trudi is part of a fourth-generation family growing enterprise, Webb's Fruit, near Cromwell in Central Otago. Trudi holds a first-class honours Bachelor of Applied Science (Horticulture) degree, and is Chairperson of Summerfruit NZ. Trudi completed the MG Director Internship programme (now Associate Director programme) in 2019 and become an elected director in the same year.

Member of the MG Remuneration & Nomination Committee.

Trustee of the MG Charitable Trust.

Member of the IOD*.

Robin Oakley, Elected Director

Robin was elected to the MG Board in 2020. He is a fifth-generation vegetable grower and currently the Managing Director for Oakley's Premium Fresh Vegetables Ltd. Robin has previously served as Chair of the Canterbury District Growers Association and as a director on the United Fresh and Potatoes New Zealand boards.

Trustee of the MG Charitable Trust.

Member of the IOD*.

Jay Clarke, Elected Director

Jay was appointed to the MG Board in November 2022. Jay is a qualified accountant and director of a large family-owned growing operation, Woodhaven Gardens. Jay also serves as a Board member for Vegetables New Zealand.

Member of the Audit Committee.

Member of the IOD*, and

Member of the Chartered Accountants Australia and New Zealand.

* Institute of Directors

People

Our success is the result of a diverse, skilled and engaged team, aligned to deliver on our purpose and strategy.

We are focused on providing a safe and supportive environment where our people can thrive. This is central to our goal of being an employer of choice in the horticulture industry, creating a workplace that is rewarding, fulfilling and built on opportunity.

Over the past year, we have taken further steps to strengthen how we support and develop our people. A more structured approach to tailored training and leadership programmes is helping to build capability at every level, while individual Personal Development Plans are now in place across our market operations for all permanent staff, supporting career progression and recognition. With regard to staff well-being, this year we also introduced a free on-site health check for staff, which were widely taken up and well received.

Across the Group, there are many examples of team members building their skills and progressing their careers. Some have started in entry-level roles within our markets and are now leading teams or in senior leadership positions.

Health and safety remains a priority. This year we made good progress advancing our programme to fully align with ISO 45001, the international standard for safety management. The DoneSafe platform is now fully embedded in our market operations, giving us a group-wide system that improves visibility, reporting and accountability across all businesses. This system is now being rolled out to our growing operations. At JS Ewers, a dedicated health and safety day was successfully delivered, highlighting the importance of leadership and culture, using highly visual sessions to engage with all staff.

Our commitment to engagement is ongoing, with our staff across our market operations completing surveys every two years. Results this year showed continued improvement, reflecting the strength of our workplace culture. We are also seeing a shift in our workforce, with the average age of employees reducing by five years in the past five years to just over 40. This reflects the success of initiatives such as our graduate programme, which this year attracted equal numbers of female and male applicants, and is helping to bring through the

next generation of leaders.

Ultimately, while we provide the platform, systems and opportunities, it is the hard work, skill and dedication of our people that ensures the MG Group continues to deliver for our growers and customers and build long-term value for our co-operative.

Market operations

The 2025 financial year was again marked by inconsistency for our New Zealand operations. The year began with challenging conditions and lower values across most categories, before improving over the final few months. Achieving our targets in this environment is a credit to the discipline across our branches and the commitment of our people.

MG sold a more than 19.0 million units, surpassing the previous record by 1.1 million. This was achieved at a time when many categories were oversupplied and returns were under pressure, particularly greens. Despite inflationary pressures and significantly higher volumes, overall costs were managed carefully and staffing levels held steady. This reflects the improvements in productivity and efficiency that continue to be embedded across the network.

Our focus on customer service was also recognised externally, with MG named FreshChoice Fresh Food Supplier of the Year at the 2025 Conference Awards Gala Dinner. This award is a reflection of the collective efforts of our teams around the country, who consistently deliver for our customers.

Technology continues to play an important role in driving progress throughout our branch network. The M3 IT platform is now fully operational across our market operations, providing a foundation for further improvements in the years ahead. A technology roadmap is in place to ensure we make the most of this investment, including opportunities to effectively use technology and automate processes. We have already seen progress in this space, with AI-enabled forklift technology introduced to improve health and safety in our warehouses. Looking ahead, we will also responsibly integrate generative AI to enhance productivity and the experience of growers and customers.

During the year, our systems were impacted by the global CrowdStrike outage, which affected many organisations worldwide. While our market operations were disrupted, our people responded quickly and maintained trading throughout the event. Importantly, the lessons learned have been used to strengthen our resilience, with a more robust and relevant disaster recovery programme now in place.

We have also reviewed our branch network to ensure facilities remain fit for purpose both now and into the future. Planning is well advanced for an expansion of our Tauranga branch, while options are being assessed to increase our footprint in Palmerston North. Beyond these projects, we are committed to ongoing investment across our sites so that our infrastructure continues to support the needs of growers, customers and our people.

There is also a strong focus on warehousing, where initiatives are underway to build greater consistency and embed a culture of continuous improvement across the network. This includes improving the layout of warehouse space to reduce unnecessary movements and enhance pick-times, as well as strengthening capability through the roll-out of an operational efficiency training programme.

While the market environment remains challenging, MG's New Zealand operations continue to demonstrate resilience and discipline. Record volumes, strong cost control, and investment in people, infrastructure and technology leave us well positioned to create value for growers, customers and shareholders in the year ahead.

Growing operations

Our farming operations continued to reflect the same pressures faced by the majority of our grower suppliers, with variable product values throughout the year across hothouse categories and lower values in outdoor greens. Despite these challenges, we made progress in a number of areas.

During the year, we announced a significant investment at SPL in Warkworth to convert five hectares of existing capsicum glasshouse to tomato production, with plantings scheduled for late 2025. This move is part of a staged programme which also includes a major energy project to transition the site away from natural gas and create the platform for an additional ten hectares of new glasshouse capacity. While capsicum values were affected by soft domestic demand and challenging export conditions, the SPL team has focused on lifting performance. An ultrafiltration water treatment project, already operating across half the site, is delivering improved yields and is expected to make a material difference once fully implemented.

In Nelson, the JS Ewers team embedded the biomass boiler system, which is performing above expectations and delivering energy efficiencies ahead of budget. Planning has also begun for future expansion at the site, supported by the additional heating capacity created through the commissioning of the large-scale biomass project in 2023, although timelines for this development are yet to be set. We will also continue to assess further opportunities that

align with our strategy to secure supply, which includes potential investment in additional undercover growing.

Weather events in the Nelson region in June disrupted operations at JS Ewers, resulting in crop losses in outdoor greens and some damage to berryfruit structures, but the team responded quickly to repair the site and restore production.

Outdoor greens remain under pressure with low values, although later in the financial year there were signs of improvement. It was also a demanding season for berryfruit, with pest and disease requiring careful management. The team introduced new practices to position the berry growing operation for improved results in the coming season. Importantly, the five hectare strawberry operation is now fully transitioned to BerryWorld varieties, aligning with our strategy to build a strong IP-led berry platform.

At Kaipaki Berries, where MG took full ownership in 2024, site development and operational improvements have continued. While yields improved during the year, values were back on budget. This operation is also moving into commercial production of BerryWorld strawberry varieties this coming season. These investments are putting Kaipaki Berries on a stronger footing, with the capacity to play a leading role in the berryfruit category.

Over the past year our growing operations have continued to advance our strategy by strengthening relevance with customers and demonstrating the benefits of cornerstone supply. These investments provide the certainty and continuity of supply which customers value, while also enabling us to grow categories in a way that benefits all growers supplying the MG Group. Looking ahead, we are well placed to build on this progress and continue developing our growing operations as a platform for long term growth.

New Zealand Fruit Tree Company

The MG Group's 33 percent shareholding in the New Zealand Fruit Tree Company continues to support our IP strategy. The business partners with global plant breeders to represent leading varieties, strengthening MG's position in the domestic summerfruit market while creating further opportunities in pipfruit.

International operations

The MG Group's imports division continues to play a key role in our market strength, supporting the co-operative by delivering products that are not grown in New Zealand, complement local supply, or provide continuity out of season. This year, imports once again added significant value, underpinning the breadth of range our customers expect and

contributing positively to the overall financial result.

Performance reflects both the sustained volume of product we have sourced and our strong focus on quality. The high standards of service and communication delivered by our imports team have been equally important, helping to maintain loyalty in a highly competitive environment. The team also support the imports programme by driving marketing initiatives and enhancing brand equity, ensuring that our customers recognise the quality and value of the international products we represent.

While the global logistics environment has largely stabilised, supply chain management remains a focus. Our procurement strategy, with strong supply maintained throughout the year, has ensured reliability for customers. At the same time, we continue to work closely with transport companies to manage risks around capacity and container availability, particularly during the Californian grape season.

In bananas, our long-standing partnership with Dole once again delivered strong results, reinforcing our position as the country's leading fresh produce importer. New initiatives include trials of Fair-Trade clusters, which will expand the offering available to customers. We have also completed the transition to new Bobby cartons, bringing efficiencies across ripening centres and transport. Despite some seasonal oversupply and pricing pressure during the year, bananas remain the most important import line for New Zealand consumers, who continue to have one of the highest per-capita consumption rates in the world. Dole pineapples remain another cornerstone of our offer, although supply has been tight with smaller sizing more common this year. We are working with partners to increase volumes and maintain consistent quality, including diversifying packhouse supply.

Other categories, including grapes and citrus, experienced some volatility, but our strong relationships with international suppliers meant we were well placed to meet demand and capture additional opportunities. We continue to progress our strategy of geographical diversification by strengthening existing partnerships and forming new ones, which builds resilience in our imports programme.

We remain proud of our long-standing international relationships, which bring together expertise, commitment, and innovation, including Dole, Sunkist, Mildura Fruit Co, Jasmine Vineyards, Mulgowie, GV Independent Packers, Perfection Fresh, Hannay Douglas, and the many smaller family-owned businesses who contribute to our success. These partnerships, continue to give the MG Group a competitive edge as in a competitive market.

Te Mata Exports 2012 Ltd (Te Mata Exports)

Te Mata Exports has delivered its strongest result to date, marking a record year for the export business, with their financial year running through to the end of December. The outcome is a credit to the team, who did an excellent job moving volume through variable and often difficult market conditions. While trading conditions improved in some regions, the result was largely driven by strong execution, relationship management, and the ability to adapt quickly to challenges across multiple markets.

Apples remain the cornerstone of the business, with the maturing of IP varieties such as a1 and Cosmic Crisp continuing to add volume over time. The team is also investing more into branding and marketing to strengthen the positioning of these varieties in global markets. Alongside apples, Te Mata Exports has broadened its portfolio, now overseeing the export of capsicum from SPL, which builds on the strong connection between the MG Group's growing and export operations, and is also exploring opportunities to expand into additional categories to further grow the business.

Some markets were particularly challenging, with Vietnam proving particularly difficult, as global trade policies and tariffs adding further complexity to export operations. Te Mata Exports Australia delivered a much-improved performance, making a positive contribution to the overall result. A stronger growing season lifted volumes, and loosening restrictions for new Australian grape varieties into Japan opened additional opportunities.

To support growth, Te Mata Exports is strengthening its in-market presence. A permanent presence in Vietnam is now well established, along with teams in New Zealand, Australia, and Japan, while work is underway to add on-the-ground resource in China. The confidence Te Mata Exports has built in the market is attracting more business, particularly from New Zealand apple suppliers, which in turn is creating the need for additional resource across the organisation. Ensuring the right capability is in place to support this growth is a key focus for the business.

Looking forward, Te Mata Exports is preparing to move into new Hawke's Bay offices. This new base will provide a stronger footprint and profile that reflects the scale of the business as it continues to grow in size and impact within the global fresh produce market.

United Flower Growers Ltd (UFG)

It is pleasing to report that UFG delivered another strong financial year, despite ongoing cost-of-living pressures for consumers and increased competitive tension from imported product.

The adoption of a technology-focused strategy has been central to this progress, supporting greater efficiency, improved service, and a stronger platform for future growth. This is reflected in consistent profit growth in recent years and the meaningful contribution UFG continues to make to the overall MG Group result.

Higher value customers were targeted in both the wholesale and supermarket supply divisions, including the streamlining of certain activities. These adjustments generated improved returns, supported by better stock control and a strong focus on removing unnecessary operating costs.

A major milestone was the relocation of the Auckland operation in the final quarter of the year. The new facility has already delivered efficiency gains, improved working conditions and provided a stronger platform for the future.

UFG has also introduced further technological enhancements to their online auction platform. The shift to price by individual stem has created a more user-friendly experience for buyers and growers. More recently, auction pre-sales have been added, allowing up to half of a grower's line to be sold before the auction begins at a price set by the grower. This gives buyers the confidence that their supply for planned events is secured in advance, removing the stress of last-minute arrangements or the need to wake up early to compete for availability. These highlight UFG's ongoing focus on improving the way it serves both growers and buyers.

Looking ahead, the business is well positioned to build on this positive momentum. UFG is looking to continue investing in resources to support the next stage of growth, while maintaining a strong focus on efficiency, innovation, and delivering value.

First Fresh New Zealand Ltd (First Fresh)

For Gisborne-based citrus and persimmon supplier, First Fresh, the 2025 financial year presented a further set of challenges. Lower yields, soft pricing, and a weather-induced reduction in persimmon supply made trading conditions difficult. Despite these headwinds, tight expense control and careful management delivered a modest profit and a marked improvement on the previous year.

Alongside navigating these challenges, the business continued to invest in its long-term strategy to secure supply and strengthen its position as the country's largest citrus and persimmon supplier. During the year, First Fresh increased its farming footprint through the lease of an additional orchard, and towards the end of the period, completed the purchase of a 14-hectare citrus block. In total, the company now manages or owns around 80 hectares of

citrus orchards, giving greater certainty of supply and reinforcing its commitment to supporting growers and customers.

The 2026 season to date has brought renewed optimism, particularly for citrus. After three challenging years, the crop is more balanced, with growers reporting healthier orchards, good volumes and minimal fruit drop. Quality is encouraging, with sizing and taste improving on last season. In persimmons, competition reduced volume, but strong 2025 results are expected to support new plantings and greater availability in 2026.

The supply of citrus and persimmons through First Fresh also has a direct connection to the MG Group's wider strategy, with these identified as win categories where the co-operative is focused on having a leading market position.

A key focus for First Fresh is to expand persimmon and citrus supply to meet both domestic and international demand for the First Fresh brand. This includes initiatives to attract and support growers, as well as evaluating further orchard opportunities. The company is also actively involved in developing new varieties, working closely with MG Group associate business, the New Zealand Fruit Tree Company (NZFTC). Around 40 hectares of seedless lemons are now planted in New Zealand, with the first commercial volumes beginning to come on stream, providing a valuable addition to the supply base.

With a strong reputation in citrus and persimmons, First Fresh remains well placed to create value for growers and deliver quality produce to customers at home and abroad.

Outlook

The current environment presents both opportunities and challenges. In New Zealand, the cost of living continues to put pressure on people, while our co-operative, growers and customers are also dealing with higher operating expenses, including wages, energy and supply chain costs. Despite these challenges, the MG Group is well positioned. We have shown resilience through a wide range of market conditions, supported by the strength of our balance sheet, the quality of our businesses and the adaptability of our people.

We are also benefiting from investments and initiatives undertaken in recent years. These include the continued development of our farming operations, growth in our export business, improvements across our market operations, and the contribution of our associate businesses, United Flower Growers and First Fresh. We have also strengthened sourcing and supply capability through our key supply partnerships. Together, these strategies are reinforcing our leadership in the industry and delivering long-term value for growers,

customers and shareholders.

Reflecting on our progress, we acknowledge that the makeup of the MG Group has changed considerably over recent decades as we have identified new opportunities, and we expect this to continue. We operate in a constantly evolving world and industry, and we need to keep pace. The challenge we have given ourselves is to identify where opportunities exist and then invest in them to add value to our co-operative. Our immediate focus is on progressing plans to expand our farming operations and investing in our branch infrastructure to ensure we can continue to support supply and serve our growers and customers well into the future.

We also remain committed to rewarding loyal shareholders. Being a co-operative means we are equally focused on the service we provide, while balancing this with the need to ensure the business remains strong for future generations. Productivity and efficiency play a key role in this, supported by the effective use of technology. Our goal is not to ask more of our people for less, but to create more value from the same effort. That value can be shared with shareholders through strong results, distributions and quality assets, as well as with our people through job security and rewarding careers.

Looking ahead, your Board and Management are confident that the MG Group is well prepared to manage challenges and capture opportunities in a changing environment. With resilient businesses and a committed team that continues to deliver for growers and customers, we have the capability to adapt and thrive in the years ahead.

Our focus is clear and that is to keep building a stronger co-operative that delivers long-term value.

Sustainability

Building on solid foundations

This is the fifth account of the MG Group's sustainability activities. Over the past year, we've made further progress embedding sustainability into our operations. While our plan remains focused on long-term goals, we've taken practical steps to lift our environmental performance and refine our understanding of climate-related risks. Whether it's making improvements with our energy-efficient, transitioning our vehicle fleet to hybrid models, or exploring new renewable energy solutions, we continue to steadily advance our programme, building on the solid foundations we've created in recent years. Emissions reduced again in FY2025; full details are set out in the carbon footprint section.

While the MG Group is not currently captured under the Climate-Related Disclosures

framework, we have proactively chosen to align our sustainability strategy with the commonly used reporting structure. This helps ensure our approach remains robust and transparent, while also allowing us to better engage with key stakeholders. The table below outlines our activity across the four key areas of focus: Governance, Strategy, Risk Management, and Metrics & Targets.

Governance	• Implement a risk process, including a map for climate-related risks. • Formally discuss climate-related risks at Board and Audit & Risk Committee meetings. • Include sustainability as an agenda item for MG Group subsidiary businesses. • Establish a decision-making group (MG Group Sustainability Committee) representative of the wider business. • Communicate formally through all levels of the MG Group.
Strategy	• Launch a new sustainability plan (post-inaugural sustainability roadmap) for the MG Group, including strategies for Stronger Business, Stronger Planet, Stronger People, and Stronger Partnerships. • Leverage the knowledge of the wider group to clearly document challenges and opportunities. • Engage with grower-shareholders, through formal research, to determine stakeholder priorities. • Integrate sustainability into the decision-making framework.
Risk	• Expand the existing risk maps, recording current and anticipated risks related to market operations, farming operations, and export business. • At a high level, begin documenting scenarios for the produce industry and the potential impacts. • Integrate climate-related risks into the decision-making framework for capital expenditure.
Metrics and targets	• Complete carbon footprint reporting to the ISO 14064-1:2018 standards for the MG Group, including subsidiary businesses. • Categorise emissions, including significant known Scope 3 emissions. • Use the carbon footprint report to inform decisions for emissions reduction, including expected impact. • Use formal grower research to assess alignment with shareholder views and expectations.

Carbon footprint

Our carbon footprint reporting continues to provide a foundation for decision making across the MG Group. The full 2024 to 2025 emissions report is complete and highlights a further reduction in overall emissions as highlighted on the following page. This is largely due to the full year impact of the JS Ewers Biomass Energy Centre, which completed its first full year of operation and continues to deliver significant environmental benefits by replacing coal as the energy source for heating glasshouses. A further contributor to the reduction was SPL's exit from a leased site that used butane for heating, as well as a reduction in natural gas consumption, which is now down 28 per cent compared with the 2023 to 2024 base year.

We have also begun the transition of our company vehicle fleet to hybrid models, a programme that will be phased in over the next three years and will contribute meaningfully to reducing direct emissions. Energy efficiency remains a key focus, particularly in our market operations, with ongoing upgrades to refrigeration and lighting systems across our network. These improvements are already delivering benefits for both cost and emissions.

We cut electricity use by 3 per cent, but the higher 2024 electricity emissions factor from increased national fossil based generation raised our reported emissions. Waste related emissions fell 65 per cent compared with the FY2023 base year, primarily due to a crop removal at JS Ewers that was required under regulatory direction, which reduced green waste volumes. Further reductions came from directing JS Ewers green waste to facilities with landfill gas capture rather than sites without gas recovery.

As in previous years, our carbon footprint has been independently measured by Lumen Consulting, in line with ISO 14064 Part 1 2018. The report covers all known Scope 1 and Scope 2 emissions, along with key recorded Scope 3 emissions. Insights from this year's footprint will guide our next steps as we continue to prioritise efficiency, resilience and environmental performance across the Group.

With the transition to biomass at JS Ewers now complete and the planned move away from natural gas at SPL a number of years away, we expect progress to be incremental rather than the high percentage reductions seen in recent years.

Carbon emission:

- Total emissions

- 2022-2023 - 55,650 tCO₂-e
- 2023-2024 - 45,702 tCO₂-e (17.9% reduction)
- 2024-2025 – 34,079 tCO₂-e (25.4% reduction)
(38.8% total reduction)

○Total direct emissions

- 2022-2023 - 30,924 tCO₂-e
- 2023-2024 - 22,290 tCO₂-e (27.9% reduction)
- 2024-2025 – 13,698 tCO₂-e (38.5% reduction)
(55.7% reduction)

MG Group sustainability plan

At the heart of our overarching plan are our four pillars – Stronger Business, Stronger Planet, Stronger People, and Stronger Partnerships.

Stronger Business

Sustainability continues to be a core component of the MG Group’s long-term business strategy. Our ability to operate efficiently, manage risk, and deliver consistent returns underpins our resilience and ability to invest in areas that matter. This year we’ve focused on embedding our sustainability strategy deeper into the business by developing a specific risk framework and formalising discussions on climate-related risks through the Sustainability Committee. Also, sustainability and climate related risks are formally considered in key capital expenditure requests and projects. Our strong balance sheet and diverse portfolio of resilient businesses position us well to achieve long-term sustainable growth, even in a challenging operating environment.

Stronger Planet

Improving energy efficiency remains a top priority, both from an environmental and commercial perspective. We have continued upgrading refrigeration and lighting systems across our branch network, with major projects completed at our Dunedin and Invercargill sites. We’ve begun exploring renewable energy options, including signing an MOU with a large-scale solar provider. In Christchurch, a structural engineering review has been commissioned to assess rooftop solar feasibility. A key project underway is to phase out plastic corner boards on Dole imported banana pallets. The transition, expected to be complete by the end of 2025, covers about 100,000 units that are not recyclable and will prevent more than 53 tonnes going to landfill.

At JS Ewers, the first full year of operating the biomass boiler has eliminated our use of coal, while at SPL, we’ve made substantial progress evaluating alternative energy sources. A dedicated Energy Committee has been established, supported by Enriva, the consultancy involved in the JS Ewers decarbonisation project.

Stronger People

We continue to prioritise safe workplaces across the MG Group, while also advancing our social commitments. We remain committed to the communities in which we operate, with a focus on initiatives that align with our values and purpose. Our Good Bunch Programme, run in partnership with Dole NZ, has now donated more than 1,700 cartons of bananas to Salvation Army foodbanks since its inception, providing regular support to families in need. This year was also again supported the Māia Health Foundation and 5+ A Day Charitable Trust. In addition, the MG Charitable Trust continues to play an important role in supporting the wider horticulture industry. The Trust provides funding to a range of projects and initiatives that contribute to industry capability, innovation, and education. A more detailed overview of the Trust's work can be found later in this Annual Review.

Stronger Partnerships

We continue to work closely with our grower network, customers, and suppliers to build a more sustainable and transparent supply chain. Our Responsible Sourcing Policies guide compliant, ethical and fair practices, and all growers supplying major customers through the MG branch network are required to hold an social practice certification or complete a declaration. This year, we've placed greater emphasis on communicating the long-term value of partnering with the MG Group. As part of this, we developed and distributed the Shareholder Benefits Programme to all transacting shareholders. This initiative shares real-world examples of how our co-operative delivers unique benefits not available through other wholesale produce markets, reinforcing the strength of our co-operative business model and the value of shareholder loyalty.

Looking ahead

Across the MG Group, our approach to sustainability is grounded in making practical, steady improvements that deliver long-term benefits. We remain focused on being an agile, resilient, and future-ready business that creates lasting value for our grower-shareholders, customers, and the communities we operate in.

An important part of our programme is ensuring that we align not only with compliance requirements, but also with the expectations of our major customers. As sustainability standards continue to evolve, we are committed to maintaining a transparent approach that meets the needs of our partners across the supply chain.

One of the most significant projects underway is the transition away from natural gas as the primary energy source at SPL. This is a complex and high-impact project that will significantly lower our carbon emissions. A dedicated Energy Committee, supported by decarbonisation consultancy Enriva, is leading the process of identifying and evaluating alternative energy

solutions. While the final solution is still being confirmed, the work already underway reflects our intent to make a meaningful change.

We will continue to take steps forward across the Group, embedding sustainability into investment decisions, operational planning, and how we support our growers and customers. This includes advancing our emissions reduction, investing in energy efficiency and exploring renewable energy.

These efforts are part of our ongoing commitment to continuous improvement, ensuring we keep making practical progress year after year.

A handwritten signature in blue ink, appearing to be 'B. Irvine', with a stylized, cursive script.

Bruce Irvine
Chair

A handwritten signature in blue ink, appearing to be 'P. Hendry', with a stylized, cursive script.

Peter Hendry
CEO



MARKET GARDENERS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025

The Directors are pleased to present the financial statements of Market Gardeners Limited for the year ended 30 June 2025.

For and on behalf of the Board of Directors:

B.R. Irvine
Chair

J. Lim
Director

25 September 2025

25 September 2025

Consolidated Statement of comprehensive income

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Continuing operations			
Revenue – sale of goods	A1.1	279,642	256,726
Cost of sales		(206,734)	(187,728)
Gross profit		72,908	68,998
Other operating income	A1.2	2,806	5,977
Administrative expenses		(23,918)	(19,853)
Other operating expenses		(27,886)	(32,563)
Results from operating activities before other income and other expenses		23,910	22,559
Other income		3,268	3,104
Results from operating activities		27,178	25,663
Finance income		469	1,690
Finance expense		(6,199)	(6,899)
Net finance costs		(5,730)	(5,209)
Share of profit of equity accounted investees	D2	643	941
Profit before income tax		22,091	21,395
Income tax expense	A3.1	(7,368)	(8,660)
Profit from continuing operations		14,723	12,735
Discontinued operations			
Profit from discontinued operations, net of tax	D1.1	-	1,256
Profit for the year		14,723	13,991
Other comprehensive income			
<i>Items to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Foreign currency translation differences for foreign operations		(237)	(333)
Net gain/(loss) on hedge of a net investment		-	161
Effective portion of changes in the fair value of cash flow hedges		(390)	(555)
<i>Items that will not be reclassified to profit or loss (net of tax):</i>			
Revaluation of fair value of land and buildings		13,309	-
Recycling of reserves through profit and loss on disposal		203	3,035
Other comprehensive income/(loss) net of tax		12,885	(727)
Total comprehensive income for the year		27,608	16,299
Profit attributable to:			
Owners of the Company		14,508	12,702
Non-controlling interest		215	1,289
Profit for the year		14,723	13,991
Total comprehensive income attributable to:			
Owners of the Company		27,393	14,903
Non-controlling interest		215	1,396
Total comprehensive income for the year		27,608	16,299

The accounting policies and notes to the financial statements form an integral part of financial statements.

Consolidated Statement of changes in equity

For the year ended 30 June 2025

	Share capital	Reserves			Total	Retained earnings	Non-controlling interest (NCI)	Total equity
	\$'000	Revaluation	Hedging	Foreign currency translation	\$'000	\$'000	\$'000	\$'000
		\$'000	\$'000	\$'000				
Balance at 1 July 2023	67,302	81,149	1,250	(2,595)	79,804	61,835	1,718	210,659
Profit for the year	-	-	-	-	-	12,702	1,289	13,991
Other comprehensive income / (loss)	-	-	(555)	(279)	(834)	-	107	(727)
Total comprehensive income / (loss) for the year	-	-	(555)	(279)	(834)	12,702	1,396	13,264
Recycling of reserves on disposals	-	-	(138)	3,173	3,035	-	-	3,035
Transactions with owners, recorded directly in equity								
Dividends *	698	-	-	-	-	(2,710)	(145)	(2,157)
Shares issued *	12,070	-	-	-	-	(11,554)	-	516
Shares surrendered	(1,845)	-	-	-	-	-	-	(1,845)
Disposal of NCI of subsidiary	-	-	-	-	-	-	(2,540)	(2,540)
Acquisition of NCI without change in control (Note D1)	-	-	-	-	-	(615)	95	(520)
Balance at 30 June 2024	78,225	81,149	557	299	82,005	59,658	524	220,412
Balance at 1 July 2024	78,225	81,149	557	299	82,005	59,658	524	220,412
Profit for the year	-	-	-	-	-	14,508	215	14,723
Other comprehensive income / (loss)	-	13,309	(390)	(237)	12,682	203	-	12,885
Total comprehensive income/(loss) for the year	-	13,309	(390)	(237)	12,682	14,711	215	27,608
Transactions with owners, recorded directly in equity								
Dividends *	814	-	-	-	-	(3,367)	(101)	(2,654)
Shares issued *	16,054	-	-	-	-	(15,235)	-	819
Shares surrendered	(2,117)	-	-	-	-	-	-	(2,117)
Balance at 30 June 2025	92,976	94,458	167	62	94,687	55,767	638	244,068

* The increase in share capital is from the issue of new shares and bonus issue shares as further detailed in note C1. The increase from dividends is the result of shareholders electing to participate in the dividend election plan whereby they receive one further \$1.00 share in exchange for every \$1.00 of dividend.

Explanation of Reserves

Revaluation reserve - relates to the revaluation of land and buildings in accordance with the policies stated in note B1.

Hedging reserve - comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Foreign currency translation reserve ("FCTR") - comprises the cumulative foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Parent Company's net investment in the Australian operations. The accounting policies and notes to the financial statements form an integral part of financial statements.

Consolidated Statement of financial position

As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
EQUITY			
Share capital	C1	92,976	78,225
Reserves		94,687	82,005
Retained earnings		55,767	59,658
Total equity attributable to equity holders of the Parent Company		243,430	219,888
Non-controlling interests		638	524
Total equity		244,068	220,412
NON-CURRENT ASSETS			
Property, plant and equipment	B1	313,378	292,057
Lease assets (right to use)	B1	5,492	5,919
Goodwill and other intangible assets	B3	13,388	13,603
Investments in equity accounted investees	D2	6,230	6,116
Investments other	D3	4,119	4,360
Total non-current assets		342,607	322,055
CURRENT ASSETS			
Cash and cash equivalents	C2	9,745	5,985
Inventories and biological assets	B2	11,784	11,729
Trade and other receivables	C3	67,789	61,125
Non-current assets held for sale	B4	-	1,577
Total current assets		89,318	80,416
Total assets		431,925	402,471
NON-CURRENT LIABILITIES			
Borrowings	C5	74,452	70,225
Trade and other payables	C4	539	936
Deferred tax liabilities	A3.2	27,797	26,781
Lease liabilities	C6.1	3,965	2,835
Total non-current liabilities		106,753	100,777
CURRENT LIABILITIES			
Borrowings	C5	6,547	-
Trade and other payables	C4	70,453	78,042
Taxation payable		2,312	7
Lease liabilities	C6.1	1,792	3,233
Total current liabilities		81,104	81,282
Total liabilities		187,857	182,059
Net Assets		244,068	220,412

The accounting policies and notes to the financial statements form an integral part of financial statements.

Consolidated Statement of cash flows

For the year ended 30 June 2025

	2025 \$'000	2024 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	272,048	283,152
Dividends received from equity accounted investees	514	257
Interest received	336	526
Cash paid to suppliers and employees	(241,509)	(217,820)
Interest paid	(6,182)	(6,380)
Income tax paid	(4,623)	(10,759)
Net cash from operating activities	20,584	48,976
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,124	485
Proceeds from loan repayment related to sale of subsidiary	5,959	-
Proceeds from sale of shares	408	968
Insurance proceeds	208	422
Deferred consideration payment for acquisition of subsidiary	(15,625)	-
Acquisition of property, plant and equipment	(14,988)	(13,782)
Acquisition of investment / intangible assets	(63)	(321)
Net cash (used in) investing activities	(21,977)	(12,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	820	642
Proceeds from bank and other borrowings	10,774	-
Proceeds from other receivables	-	356
Payments for shares surrendered	(2,117)	(1,845)
Repayment of borrowings / loans	-	(32,662)
Dividends paid to Shareholders	(2,553)	(2,012)
Dividends paid to non-controlling interests	(101)	(145)
Principal portion of lease payments	(1,411)	(1,600)
Loans and advances to other receivables	(20)	(1,515)
Net cash from / (used in) financing activities	5,392	(38,781)
Net increase /(decrease) in cash and cash equivalents	3,999	(2,033)
Cash and cash equivalents at 1 July	5,985	13,105
Effect of exchange rate fluctuations on cash held	(239)	532
Cash acquired on acquisition of subsidiary	-	43
Cash at 1 July from discontinued operations	-	(5,662)
Cash and cash equivalents at 30 June	9,745	5,985

Reconciliation of the profit for the period with the net cash from operating activities

	2025 \$'000	2024 \$'000
Profit for the year	14,723	12,735
<i>Adjustments for non-cash items:</i>		
Depreciation of property, plant, equipment and right of use assets	9,540	10,858
Amortisation of intangible assets	252	213
Insurance proceeds classified as cashflow from investing activities	(208)	-
Equity accounted earnings less cash dividends received	(129)	(684)
Loss on sale of discontinued operations, net of tax	-	3,035
(Gain) on disposals of property, plant and equipment / market licenses	(174)	(117)
Decrease in deferred tax	169	8,475
Loss on write-down of assets	-	1,358
Other non-cash adjustments	(252)	239
	23,921	36,112
<i>Impact of changes in working capital items:</i>	(3,337)	12,864
Net cash from operating activities	20,584	48,976

The accounting policies and notes to the financial statements form an integral part of financial statements.

Notes to the financial statements

A. Financial Performance

In this section

This section explains the financial performance of Market Gardeners, providing additional information about individual items in the income statement, including:

- accounting policies, judgements and estimates that are relevant for understanding items recognised in the income statement.
- analysis of Market Gardener's performance for the year by reference to key areas including: revenue, expenses and taxation.

A1.1 Revenue

Measurement and Recognition

Revenue is measured based upon the amount the Group expects to receive, following completion of a customer's order or requested service.

In determining the price / value of a good or service the Group considers the risk of any events that could significantly reduce the value to be received (such as customer rights of return or rebates based upon actual or expected customer purchases).

Principal and agency arrangements – Judgements

The Group makes sales under both principal and agency (on behalf of another party) arrangements.

The key considerations by the Group in determining if a sale is as principal or agent are who has:

- Primary responsibility for fulfilling and providing the produce to the customer.
- The risk that produce is unable to be sold or a deterioration of value occurs such as a drop in price or quality issues (inventory risk before goods are transferred to the end customer).
- The discretion to establish the price of produce being sold.

For export sales of fresh produce, in addition to the above key judgements, the following indicators are considered in assessing whether the sale is as principal or as agent:

- the ability to direct the use of the goods, including who has primary responsibility for the goods and delivery to the final customer;
- the transfer of inventory and demand risk including who has primary responsibility for damage or deterioration of the produce;
- the level of support provided by the Group to achieve the sale of the goods including any financial / pricing support, reduced margins or commissions.

Export sales contractual terms vary across markets and sales channels including who bears the inventory risk and responsibility for delivery of the goods to the end customer.

In order to conclude on the transfer of control of exported fresh produce the sale transactions must be assessed in their entirety, including the implied contractual terms, customary practice and the circumstances of each transaction.

The Group recognises revenue from the following sources:

Trade Sales – Principal

Revenue from trade sales is recognised at the point of time at which control passes to the customer. This is dependent on individual contracts, however for non-export usually occurs on dispatch or pick up of the produce by the customer. For export sales, control passes to the customer once the products are loaded onto the ship.

Commission / Agency Sales:

When the Group acts as an agent rather than principal, revenue is recognised at the net commission made by the Group. As with trade sales recognition of the commission usually occurs for non-export sales on dispatch or pick up of the produce by the customer and for export sales, once the products are loaded onto the ship.

Freight and insurance

For export sales of fresh produce, the Group sells a significant proportion on terms that include freight and insurance to the destination port. The Group recognises the revenue at the time the underlying performance obligation has been met as this is not considered to be a separate performance obligation.

Export sales are grouped with the equivalent non-export revenues.

Gross sales under management (Non-GAAP)	2025 \$'000	2024 \$'000
Trade Sales – New Zealand	204,332	187,582
Trade Sales – Australia	21,844	15,500
Sales as Agent – New Zealand	498,674	520,543
Sales as Agent – Australia	-	3,887
Total Gross sales under management - NZ	724,850	727,512
Sales – Premier Fresh (discontinued operation)	-	496,932
Total Gross sales under management	724,850	1,224,444
Revenue		
Total Gross Sales under management	724,850	1,224,444
Add Commission earned – New Zealand	53,466	53,314
Add Commission earned – Australia	-	330
Less purchase of produce on-sold as agent (offsets the sales as agent incl. above)	(498,674)	(524,430)
Less sales – Premier Fresh (discontinued operation)	-	(496,932)
Total Revenue	279,642	256,726

Gross sales under management represent the gross value of traded product and the gross value of sales made as agent. This is a non-GAAP measure representing the total gross value of product transacted by the Group.

A1.2 Other Operating Income

	2025 \$'000	2024 \$'000
Rental income	2,577	4,626
Sundry income	229	1,351
Total Other Operating Income	2,806	5,977

A2. Employee benefits

Measurement and recognition

Provision is made for benefits owing to employees in respect of wages and salaries, annual leave, long service leave and employee incentives for services rendered. Provisions are recognised when it is probable that they will be settled and can be measured reliably.

Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related benefit is provided. These benefits are likely to be utilised by employees within the next 12 months.

Long-term employee benefits:

Long-term employee benefits relate to the amount of future benefits that employees have earned in return for their service in the current and prior periods. These benefits are discounted to determine their present value at year end.

Employee benefits are recognised both within cost of sales and administrative expenses based on the area / department the employee works within (refer to the table below for the classification).

	2025 \$'000	2024 \$'000
Wages and salaries	64,151	58,282
Contributions to defined contribution superannuation plans	1,758	1,573
Increase in liability for long-service leave	17	(20)
Total personnel expenses	65,926	59,835
Classification within the statement of comprehensive income		
Cost of sales	42,470	40,137
Administrative expenses	23,361	19,218
Other operating expenses	95	480
Total personnel expenses	65,926	59,835

A3. Taxation**Measurement and recognition**

Income tax is determined based upon profit before tax and broadly classified as follows:

- Current tax expense: Current year profit the Group is required to pay tax on to the relevant authority.
- Deferred tax expense: Profit that is not taxable (based on tax laws) until a future income tax period.
- Profit that will never be taxable: Relates to non-deductible expenses and tax-exempt income.

A3.1 Income Tax

	2025	2024
	\$'000	\$'000
Tax recognised in the consolidated statement of comprehensive income		
Current tax expense		
Current period tax charge	7,459	7,405
Adjustment for prior periods	(181)	(1,455)
	7,278	5,950
Deferred tax expense		
Deferred tax – origination and reversal of temporary differences	(1,585)	324
Deferred tax – impact of law change to commercial building depreciation	-	2,915
Adjustment for prior periods	1,675	(529)
	90	2,710
Total income tax expense on continuing operations	7,368	8,660
Reconciliation of income tax expense		
Profit/(Loss) before tax	22,091	21,395
Income tax using the Parent Company's domestic tax rate (28%)	6,185	5,990
Add/(deduct) taxation effect of:		
Permanent differences	(29)	1,203
Prior period adjustments to current tax	(181)	1,376
Prior period adjustments to deferred tax	1,675	(958)
Other	(282)	1,049
Total income tax expense on continuing operations	7,368	8,660

Imputation credits

As at balance date imputation credits available to the shareholders for use in subsequent periods totalled \$36.7 million (2024: \$28.7 million).

Income tax recognised directly in other comprehensive income

Income tax recognised in other comprehensive income relates to the change in fair value of land and buildings of \$1,082,000 (2024: \$nil) and cash flow hedges of \$236,000 (2024: \$135,000).

A3.2 Deferred tax**Measurement and recognition**

Tax laws set out how the Group calculates the tax payable to the relevant taxation authority. These rules however are different to the financial reporting rules which are the basis for preparing these financial statements. Where the two sets of rules result in a different pre-tax profit, a deferred tax asset or liability is recorded for the difference.

- **Deferred tax asset:** This represents tax deductions that have been recorded for accounting purposes, however not recognisable for income tax purposes until a future period. Effectively this is tax recorded in advance.
- **Deferred tax liability:** This is the opposite to deferred tax assets, effectively being tax paid in the current year that is not recordable for accounting purposes until future periods. The most common source for the Group is where assets are depreciated at a higher rate for tax purposes than for accounting purposes.

Deferred tax is recognised on all temporary differences, other than those arising from goodwill and the initial recognition of assets and liabilities in a transaction (other than in a business combination).

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Key Judgement

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilised. This is reviewed each balance date and adjusted where required.

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
New Zealand	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment, and other	254	1,607	(32,488)	(29,169)	(32,234)	(27,562)
Derivatives	107	48	(104)	(134)	3	(86)
Employee benefits	1,101	3,832	-	-	1,101	3,832
Provisions	1,606	9	-	(2,917)	1,606	(2,908)
Tax losses	1,727	-	-	-	1,727	-
Tax assets/(liabilities)	4,795	5,496	(32,592)	(32,220)	(27,797)	(26,725)

	Assets		Liabilities		Net	
Australia	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment, and other	-	-	-	(56)	-	(56)
Derivatives	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Tax losses	-	-	-	-	-	-
Tax assets/(liabilities)	-	-	-	(56)	-	(56)

Movement in temporary differences during the year:

	Balance 1 July 2023	Recognised in income	Recognised in equity	Disposal of Australian subsidiary	Balance 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment, and other	(26,073)	(1,610)	-	66	(27,617)
Derivatives	(434)	16	330	-	(88)
Employee benefits	6,535	71	-	(2,774)	3,832
Provisions	(1,230)	(695)	-	(983)	(2,908)
Tax Losses	2,896	-	-	(2,896)	-
Net Movement	(18,306)	(2,218)	330	(6,587)	(26,781)

	Balance 1 July 2024	Recognised in income	Recognised in equity	Disposal of Australian subsidiary	Balance 30 June 2025
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment, and other	(27,617)	(5,698)	1,082	-	(32,233)
Derivatives	(88)	-	90	-	2
Employee benefits	3,832	(2,731)	-	-	1,101
Provisions	(2,908)	4,514	-	-	1,606
Tax Losses	-	1,727	-	-	1,727
Net Movement	(26,781)	(2,188)	1,172	-	(27,797)

B. Operating Assets

In this section

This section shows the assets Market Gardeners uses in delivering produce to the market in order to generate operating revenue. Key operating assets are:

- Property, plant and equipment.
- Inventories.
- Intangible assets.

B1. Property, Plant and Equipment

Property, plant and equipment are physical assets or the right to use leased assets, which are utilised by the Group to carry out business activities and generate revenue and profits.

Measurement and recognition

Property, plant and equipment (except for land and buildings) is measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Land and buildings are independently revalued every 3 years with changes in value recognised directly in equity, except if a decrease does not offset an existing valuation surplus for an individual asset in which case this is taken to the income statement.

Depreciation

Depreciation is recognised to allocate the cost or revalued amount of an asset, less any residual value over the estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If an indication exists, then the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less costs to sell and the present value of future cash flows.

An impairment loss relating to finite-life intangible assets is recognised if the carrying amount of an asset exceeds its recoverable amount. A prior impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent of the asset's carrying value had no impairment loss been recognised.

For information regarding leased (right-of-use) assets, see note C6.

Key Judgements

Depreciation rates:

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|--|--|
| • buildings, leasehold improvements and entitlements | 1 – 30% Diminishing value and Straight Line |
| • motor vehicles | 16 – 30% Diminishing value and Straight Line |
| • plant and equipment | 7 – 40% Diminishing value and Straight Line |
| • fixtures and fittings | 8 – 67% Diminishing value and Straight Line |

Valuation of Land and buildings:

Fair value is the estimated price the asset could be sold for in an orderly transaction, at arm's length between market participants at the valuation date.

Due to the level of judgement and adjustments required to the observable inputs, a level three classification (derived from privately negotiated sales information) is deemed appropriate for all property valuation for the Group. Land and buildings were independently revalued as at 30 June 2025 by registered valuers, Duke and Cooke Ltd, CBRE and Logan Stone.

Continued...

The following table shows the valuation technique used and the significant unobservable inputs for the 30 June 2025 independent valuations:

Valuation technique	Significant unobservable inputs and relationship with fair value measurement
<i>Investment / Income approach</i> This approach capitalises the contracted and / or potential income at an appropriate market derived rate of return	- Capitalisation rates (6.21% to 8.25%). - An increase in the capitalisation rate would reduce the valuation and a decrease would increase the valuation. - An increase of one percentage point in the capitalisation rate would decrease the valuation by \$18.2 million. - A decrease of one percentage point in the capitalisation rate would increase the valuation by \$24.8 million. - Land and buildings with a fair value totalling \$136.6 million have been valued using this approach.
<i>Sales / Market comparison approach</i> This approach determines a per square metre / hectare rate based on comparable sales, adjusted for differences in location, size and quality of the asset, together with an adjustment for market movements since the sales occurred.	- The independent valuers consider comparable sales transactions in determining the fair value for land and buildings based on their judgement and expertise. For this reason it is not possible to present a specific sensitivity analysis for land and buildings valued using this approach. - Land and buildings with a fair value totalling \$160.8 million have been valued using this approach.
If land and buildings were measured using historical cost the carrying value would be \$177 million (2024: \$172 million).	

	Fair value	Cost	Cost	Cost	Cost	Cost		
	Land and buildings	Motor Vehicles	Fixtures & fittings	Bearer Plants	Plant and equipment	Work in progress	Total PP&E	Right of use assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or valuation								
Balance at 30 June 2023 / 1 July 2024	277,029	8,793	5,946	2,874	54,705	12,126	361,473	84,325
Additions	5,017	1,883	387	-	6,039	456	13,782	6,707
Additions through acquisition	52	151	123	-	418	4	748	-
Transfers	9,169	-	88	382	168	(9,807)	-	-
Disposals	(11,110)	(2,769)	(2,634)	(2,874)	(26,818)	(238)	(46,443)	(54,389)
Revaluation	(4,512)	-	-	-	4,955	-	443	-
Transfer to Non-Current Assets to held for sale	(1,836)	-	-	-	-	-	(1,836)	-
Effect of movements in exchange rates	15	-	-	-	-	-	15	(173)
Other	-	-	-	-	-	(12)	(12)	-
Balance at 30 June 2024	273,824	8,058	3,910	382	39,467	2,529	328,170	36,470
Reclassification of assets from June 2024 *	4,955	-	-	-	(4,955)	-	-	-
Restated balance at 1 July 2024	278,779	8,058	3,910	382	34,512	2,529	328,170	36,470
Additions	10,400	2,090	466	-	1,452	1,319	15,727	4,255
Transfers	532	30	9	-	7	(578)	-	-
Disposals	(336)	(2,395)	(1,157)	-	(2,388)	-	(6,276)	(3,031)
Revaluation	(1,907)	-	-	-	-	-	(1,907)	-
Balance at 30 June 2025	287,468	7,783	3,228	382	33,583	3,270	335,714	37,694
Accumulated depreciation								
Balance at 30 June 2023 / 1 July 2024	14,617	4,285	4,386	1,252	28,781	-	53,321	28,849
Depreciation for the year	4,523	1,244	451	13	2,855	-	9,086	1,702
Disposals	(4,490)	(1,935)	(2,382)	(1,252)	(16,357)	-	(26,416)	-
Revaluation	48	-	-	-	-	-	48	-
Transfer to Non-Current Assets to held for sale	(259)	-	-	-	-	-	(259)	-
Additions through acquisition	9	72	65	-	187	-	333	-
Balance at 30 June 2024	14,448	3,666	2,520	13	15,466	-	36,113	30,551
Depreciation for the year	3,544	1,171	452	36	2,686	-	7,889	1,651
Disposals	(429)	(1,400)	(1,142)	-	(2,297)	-	(5,268)	-
Revaluation	(16,398)	-	-	-	-	-	(16,398)	-
Balance at 30 June 2025	1,165	3,437	1,830	49	15,855	-	22,336	32,202
Carrying amounts								
At 30 June 2023	262,412	4,508	1,560	1,622	25,924	12,126	308,152	55,476
At 30 June 2024	259,376	4,392	1,390	369	24,001	2,529	292,057	5,919
At 30 June 2025	286,303	4,346	1,398	333	17,728	3,270	313,378	5,492

* **Reclassification of Property, Plant & Equipment** - Following review of asset classes disclosed in Property, Plant & Equipment the has been a reclassification of the revaluation gain on plant & equipment to buildings at 1 July 2024. The reclassification has no impact on the total value of Property, Plant & Equipment or on depreciation expense.

B2. Inventories and biological assets**Measurement and recognition**

Inventories are measured at the lower of cost and net realisable value. Cost is determined based on the first-in first-out principle and includes costs incurred in acquiring the inventories and in bringing them to their current location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell. Gains or losses arising on initial recognition of biological assets at fair value less costs to sell, and from a change in fair value less costs to sell of biological assets, are included in profit or loss for the period in which they arise.

Agricultural produce harvested from biological assets are initially measured at fair value less costs to sell at the point of harvest. For accounting purposes, such measurement is treated as the cost of the agricultural produce at that date. Gains or losses arising on initial recognition of agricultural produce at fair value less costs to sell are included in profit or loss for the period in which they arise.

Inventories recognised as cost of sales amounted to \$151.372 million (2024: \$129.084 million) for the Group.

	2025 \$'000	2024 \$'000
Inventories	6,018	6,205
Biological assets	5,766	5,524
Total inventories and biological assets	11,784	11,729

B3. Goodwill and other intangible assets**Measurement and recognition***Goodwill*

Goodwill is determined at the date of acquisition and represents the excess of the cost of a business acquisition over the fair value of the Group's share of the assets, liabilities and contingent liabilities acquired. Where the fair value of net assets acquired is greater than the consideration paid, the excess is recognised immediately in profit or loss.

Goodwill is subsequently measured at cost less accumulated impairment losses. Impairment reviews are performed annually, at the level of the relevant cash generating unit ('CGU'). The smallest identifiable group of assets that generate independent cash inflows and the level at which strategic decisions occur is considered in identifying a CGU.

Any impairment loss in respect of goodwill is not reversed.

In respect of equity accounted investees, goodwill is included in the carrying amount of the investment.

Other intangible assets (Marketing Contracts, Plant Variety Rights (PVR), and other)

Intangible assets, other than goodwill, are subsequently measured at cost less accumulated amortisation and impairment.

Costs relating to the development of intangible assets, including computer software, are capitalised once all the development phase recognition criteria are met.

Plant Variety Rights (PVR) are amortised over the expected useful life of 15 to 21 years.

Software is amortised over the expected useful life of 7 to 10 years.

Continued....

Annual impairment assessment

Where an intangible asset is considered to have an indefinite life, no amortisation is recognised. The asset is subject to an annual impairment test, and any impairment loss is recognised within the income statement. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated impairment losses.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used. A loss is reversed only to the extent of the asset's carrying value had no impairment loss been recognised.

The recoverable amount for marketing agreements (included within other) is determined as the fair value less costs of disposal.

Reclassification as non-current assets held for sale – non-current assets and intangible assets are classified as held for sale if it is highly probable that their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The reclassified assets are measured at the lower of their carrying value and fair value less costs of disposal.

Key Judgement

In arriving at the recoverable value for goodwill, key assumptions have been made regarding future projected cash flows, discount rates and terminal growth rates. These assumptions are considered further within note B3.1.

Goodwill and other intangible assets**Cost**

	Goodwill \$'000	Market licences \$'000	Other \$'000	Software and WIP \$'000	Total \$'000
Balance at 1 July 2023	49,047	10,014	5,079	2,128	66,268
Additions	-	-	-	65	65
Disposal through sale (Note D1.1)	(42,409)	(10,014)	-	-	(52,423)
Balance at 30 June 2024	6,638	-	5,079	2,193	13,910
Balance at 1 July 2024	6,638	-	5,079	2,193	13,910
Additions	-	-	63	-	63
Disposal through sale	-	-	(30)	-	(30)
Balance at 30 June 2025	6,638	-	5,112	2,193	13,943

Accumulated amortisation and impairment losses

Balance at 1 July 2023	(38,663)	-	(94)	-	(38,757)
Amortisation for the year	-	-	(50)	(163)	(213)
Disposal through sale (Note D1.1)	38,663	-	-	-	38,663
Balance at 30 June 2024	-	-	(144)	(163)	(307)
Balance at 1 July 2024	-	-	(144)	(163)	(307)
Amortisation for the year	-	-	(49)	(203)	(252)
Disposal	-	-	4	-	4
Balance at 30 June 2025	-	-	(189)	(366)	(555)

Carrying amounts

At 30 June 2023	10,384	10,014	4,985	2,128	27,511
At 30 June 2024	6,638	-	4,935	2,030	13,603
At 30 June 2025	6,638	-	4,923	1,827	13,388

B3.1 Impairment testing of goodwill

Goodwill relates to the Group's subsidiary Te Mata Exports 2012 Ltd ("Te Mata").

The Group has assessed the smallest group of assets that independently generate cashflows that relate to each goodwill amount (cash generating units ("CGU's")). For impairment testing the CGU's have been determined to be Te Mata.

The recoverable amount was determined on a value in use basis with the key assumptions being future cash flows, discount rates and terminal growth rates.

Future cash flows have been estimated over the next 5 years, with the key input being the growth rate in revenue. Estimated cash flows are discounted using a weighted average cost of capital ("WACC"), representing the minimum return a business must earn on its asset base to satisfy providers of capital. This rate considers both internal and external risks associated with the CGU along with an assessment of the time value of money.

Estimated revenue growth has been determined on the basis of expectations of future outcomes taking into account past experience, adjusting for anticipated revenue growth based on the Board approved strategy applied to the CGU in its current condition.

Te Mata Exports 2012 Ltd

The key inputs and assumptions used in estimating the recoverable amount of the Te Mata CGU were:

	2025	2024
Annual revenue growth rate (New Zealand / Australia)	2.0% / 2.0%	2.0% / 2.0%
Pre-tax discount rate	11.60%	11.32%
Terminal growth rate	2.0%	2.0%

Sensitivity to changes in key assumptions: the following sensitivity analysis has been performed in respect of the Te Mata goodwill balance:

Headroom / (impairment)	Pre-tax discount rate	Post-tax discount rate	Revenue Growth		
			1.5%	2.0%	2.5%
WACC	11.60%	7.5%	6,999	7,073	7,148
		8.5%	4,027	4,087	4,147
		9.5%	1,840	1,890	1,940

The net carrying value for the Te Mata CGU is \$6.145 million (2024: \$6.145 million). There is no accumulated impairment (2024: \$nil).

B4. Non-current assets held for sale

The land and buildings at Upper Daradgee Rd in Queensland were subject to an active sale programme at 30 June 2024. This asset was sold during the period and the funds settled on 24 March 2025.

C. Managing Funding

In this section

This section explains how Market Gardeners manages its capital structure and working capital along with the various funding sources.

Capital management

Capital includes share capital, reserves and retained earnings. The Board's policy is to maintain a strong capital base to allow for both future growth and to maximise the return to shareholders in the form of rebates or distributions. These requirements are balanced to protect from volatility and changes in capital and market conditions.

The process of allocating capital across the Group is undertaken and regularly considered and reviewed by the Parent Company Board. There have been no material changes to the Group's management of capital during the period.

C1. Share capital

Judgement

"A", "B" and "C" shares are defined as puttable equity instruments under NZ IAS 32, and are classified as equity. The key area of judgement in reaching this conclusion was that cash flows arising from rebates do not substantially restrict the returns to shareholders and that A, B and C Shares are materially the same financial instrument.

Movements in the Group's issued and paid-up share capital are as follows:

	Rebate Shares (Number '000 / \$'000)				Total
	A Shares	B Shares	C Shares	Treasury	
Balance at 1 July 2023	51,003	16,126	997	(824)	67,302
Shares issued	5,395	6,373	1,000	-	12,768
Shares transferred	6,573	(5,576)	(997)	-	-
Shares surrendered	(1,595)	(241)	(9)	-	(1,845)
Treasury stock	1,090	-	-	(1,090)	-
Balance at 30 June 2024	62,466	16,682	991	(1,914)	78,225
Shares issued	6,644	9,224	1,000	-	16,868
Shares transferred	11,159	(10,161)	(998)	-	-
Shares surrendered	(1,860)	(257)	-	-	(2,117)
Treasury stock	613	-	-	(613)	-
Balance at 30 June 2025	79,022	15,488	993	(2,527)	92,976

Shares are issued, redeemed and surrendered at \$1.00 per share and in accordance with the requirements of the Co-operative Companies Act 1996 and the Company constitution. Applications are considered at least quarterly.

Key features / rights of each class of share – refer to the constitution for full terms.

Voting Rights	Shareholders are entitled to one vote for each "A" share held up to a maximum of 1,000 votes. Voting rights are suspended if the shareholder has not transacted a minimum level of business being \$10,000 of produce sales in any one year or on average over a rolling three-year period. "B" and "C" shares do not carry any voting rights.
Dividend Rights	All shares are rebate shares, carrying a right to dividends and rebates as determined by the Board.
Wind-up	All classes of share rank equally on wind-up with regard to the Parent Company's residual assets.
Conversion	"C" and "B" shares are able to be converted to "B" and/or "A" shares at the Board's discretion.
Surrender of shares	All shares are surrendered at the lesser of \$1.00 or the amount paid up on those shares. Holders of over 100,000 and up to 1,000,000 shares are required to surrender these in instalments of 100,000 shares, payable on each anniversary of approval until fully paid. Holders of over 1,000,000 shares are required to surrender these in 10 equal instalments payable on each anniversary of approval until fully paid. The Parent Company has a first lien on all shares and the proceeds from the sale or surrender of such shares for unpaid amounts in relation to those shares or amounts due to Group companies.
Treasury Stock	"A" shares that have been surrendered by a shareholder but held for reissue instead of being cancelled upon surrender.

There have been no changes to the above key features during the year.

Post balance date issuance of shares, dividends and rebates to shareholders

	2025	2024
All matters below were declared and accounted for on	21 August 2025	1 August 2024
Special bonus issue of A Shares	1 for every 12 existing	1 for every 12 existing
Special bonus issue of B Shares	1 for every 3 existing	1 for every 2 existing
Special bonus issue of C Shares	1 for every 1 existing	1 for every 1 existing
Taxable supplier shareholder rebate – paid by issuing C Shares	\$250,000	\$250,000
Bonus issue on supplier shareholder rebate	3 for every 1 share issued above	3 for every 1 share issued above
Taxable and fully imputed Dividend to be issued from retained earnings at completion of the Annual Meeting.	Final – 3 cents per “A” share. No interim dividend declared	Final – 3 cents per “A” share. No interim dividend declared

C2. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less. Amounts held in a foreign currency are converted to NZD using the applicable exchange rate as at year end. Refer to the table below for the different currencies held by the Group.

	2025		2024	
	Foreign \$'000	NZD \$'000	Foreign \$'000	NZD \$'000
NZD	8,873	8,873	-	5,433
AUD	475	515	88	96
Other (USD, EUR, JPY)	616	357	265	456
Total cash and cash equivalents		9,745		5,985

AUD, USD, EUR and JPY have been translated at the closing exchange rate of 0.9244, 0.6067, 0.5159 and 87.825 respectively (2024: 0.9133 AUD, 0.6080 USD, 0.5687 EUR and 97.576 JPY).

C3. Trade and other receivables**Measurement and recognition**

Trade receivables without a significant financing component are initially measured at the transaction price. All other trade and other receivables are initially measured at fair value plus transaction costs. Trade and other receivables are subsequently measured at amortised cost.

A provision for the impairment of receivables is established using the expected credit losses (“ECL”) general model, which is both forward-looking and takes into account historical provision rates and the economic environment. The provision recorded is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted using the effective interest method. Debts that are known to be uncollectible are written off immediately.

Trade and other receivables

	2025 \$'000	2024 \$'000
Not past due	30,300	28,104
Past due 1-30 days	21,637	16,640
Past due greater than 30 days	5,735	338
Less: allowance for ECL	(1,124)	(251)
Total trade receivables	56,548	44,831
Prepayments and accrued revenue	3,707	4,551
Advances to equity accounted investees	-	4,048
Receivables from MG Charitable Trust (Note F5)	1,854	1,854
Derivative assets	463	644
Finance receivables	622	787
Other receivables	4,595	4,410
Total trade and other receivables	67,789	61,125

C4. Trade and other payables

Measurement and recognition*Trade and other payables*

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Due to their short-term nature they are not discounted.

Trade payables are initially measured at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

Refer to note A2 for the measurement and recognition of employee benefits, included within trade and other payables.

Trade and other payables

	2025 \$'000	2024 \$'000
Non-current		
Other payables	300	676
Employee benefits	239	260
Total non-current trade and other payables	539	936
Current		
Trade and other payables	60,618	68,794
Employee benefits	9,835	9,248
Total current trade and other payables	70,453	78,042
Total trade and other payables	70,992	78,978

Included above are \$577,000 (2024: \$473,000) of trade payables denominated in Australian dollars and \$2,237,000 (2024: \$1,130,000) of trade payables denominated in US dollars.

Other payables in 2024 included \$15,625,000 fair value of the deferred consideration for SPL. This was paid in March 2025.

C5. Interest-bearing borrowings**Measurement and recognition**

Interest-bearing borrowings are recognised initially at fair value, net of transaction costs paid. Subsequent to this, borrowings are stated at amortised cost using the effective interest rate method. In 2025 the effective interest rate on borrowings for the Group was 4.84% (2024: 6.99%). All borrowings are subject to floating interest rates.

The bank loans are secured over land and buildings with a carrying amount of \$286.3 million (2024: \$259.4 million).

Interest-bearing borrowings

	2025 \$'000	2024 \$'000
Non-current secured bank loans	74,452	70,225
Current secured bank loans	6,547	-
Total interest-bearing borrowings	80,999	70,225

C6. Lease liability**Measurement and recognition**

Leases are contracts that convey the right to use an asset for a period of time, in exchange for consideration. The majority of the Group's leases relate to properties. Property leases will often include extension and termination options, open market rent reviews, indexation uplifts or fixed uplifts.

Lease liability

The lease liability is initially measured at the present value of the lease payments still to be made, discounted using the Group's incremental borrowing rate, taking into account the duration of the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance cost charged to profit or loss on over the lease period.

The lease liability is remeasured where a lease is modified, such as a change in lease term or payments. A revised discount rate is applied to any modifications. This adjustment is also taken to the right-of-use asset refer to B1.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore properties to their original condition, less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the applicable lease term.

The movement of the right-of-use asset is disclosed in note B1.

Judgements:

The judgements in determining the lease liability are:

- Estimation of the lease renewals: Some property leases in the Group contain renewal options exercisable by the lessee before the end of the non-cancellable contract period. The period covered by renewal options is only included in the lease term if the lessee is reasonably certain to exercise the option.

C.6.1 Lease liability

	2025	2024
	\$'000	\$'000
Opening lease liability	6,068	56,924
Additions	4,254	6,707
Termination	(3,155)	(3,409)
Sale of Premier Fresh Australia Pty Limited	-	(52,378)
Interest on lease liabilities	339	370
Foreign exchange movement	-	(177)
Gross payments (cash outflows in relation to leases)	(1,749)	(1,969)
Lease liability as at 30 June	5,757	6,068
Non-current lease liability	3,965	2,835
Current lease liability	1,792	3,233

C6.2 Lease expenses

The income statement includes expenses relating to short term leases of \$102,000 (2024: \$124,000) and expenses relating to leases of low value assets of \$7,000 (2024: \$53,000). Interest on lease liabilities is within financial expenses.

C6.3 Group as a lessor

The Group leases out owned property for a period significantly less than its useful life, with the annual payments recorded within other income. The Group also acts as the lessor of packing equipment to certain suppliers.

The future minimum lease receipts under non-cancellable operating leases as lessor are as follows:

	2025	2024
	\$'000	\$'000
Less than one year	2,095	2,065
Between one and five years	3,375	5,246
More than five years	-	4
Future minimum lease receipts as at 30 June	5,470	7,315

D. Group Structure

In this section

This section provides information to help readers understand Market Gardeners' group structure and how it affects the financial position and performance of the Group.

D1. Subsidiaries

Measurement and recognition

Subsidiaries are entities where the Group is exposed to variable returns from the entity and controls or directs the relevant activities of the subsidiary. Subsidiaries are consolidated until the date that control ceases.

Significant subsidiaries	Principal activity	Country of incorporation	2025 %	2024 %
Hansons Lane International Holdings Ltd	Investment Holding	New Zealand	100	100
J. S. Ewers Ltd	Produce Grower	New Zealand	100	100
Blackbyre Horticulture Ltd	Property Holding	New Zealand	100	100
Market Fresh Wholesale Ltd	Property Holding	New Zealand	100	100
Phimai Holdings Ltd	Property Holding	New Zealand	100	100
Southland Produce Markets Ltd	Property Holding	New Zealand	100	100
MG Group Holdings Ltd	Asset Holding	New Zealand	100	100
Kaipaki Properties Ltd	Asset Holding	New Zealand	100	100
Kaipaki Berryfruits Ltd	Berryfruit production	New Zealand	100	100
Te Mata Exports 2012 Ltd*	Produce Exporting	New Zealand	84	84
Southern Paprika Ltd	Produce Grower	New Zealand	100	100
Market Gardeners (USA) Inc.	Produce Sourcing and Exporting	USA	100	100
Lambells Properties Pty Ltd	Property Holding	Australia	100	100
Te Mata Exports Australia Pty Ltd*	Produce Export	Australia	100	100

* Te Mata Exports 2012 Ltd and Te Mata Exports Australia Pty Ltd have a balance date of 31 December.

D1.1 Discontinued operations

On 26 June 2024, the Group entered into a sale agreement to dispose of Premier Fresh Australia ("PFA") and its subsidiaries, which carried out some of the Group's Australian operations. The disposal was completed on 27 June 2024, on which date control of Premier Fresh Australia passed to the acquirer.

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	2025 \$'000	2024 \$'000
Revenue – sale of goods	-	496,932
Other income	-	3,925
Expenses	-	(497,065)
Impairment	-	-
Profit before tax	-	3,792
Loss on disposal of discontinued operations	-	(2,536)
Attributable tax expense	-	-
Net profit/(loss) attributable to discontinuing operations	-	1,256
Income from discontinued operations attributable to the owners of the parent	-	85
The net cash flows pertaining to the entity referred to above are as follows:		
Operating	-	12,778
Investing	-	2,544
Financing	-	(5,995)
Net cash inflow	-	9,327

Assets and liabilities in the Premier Fresh businesses as at the loss of control date (27 June 2024):

	2024 \$'000
Property, plant and equipment	16,689
Other assets	624
Investments	3,043
Goodwill and other intangible assets	14,524
Lease assets	51,015
Deferred tax assets	6,643
Cash and cash equivalents	15,147
Inventories and biological assets	7,363
Trade and other receivables	31,896
Borrowings	(32,588)
Trade and other payables	(53,190)
Lease liabilities	(52,892)
Net assets disposed of	8,274
Reserves relating to discontinued operations	(239)
	8,035
Deferred consideration (present value)	5,499
Loss on disposal	(2,536)
Total consideration	
Deferred consideration (present value) at 30 June 2024	5,200
Loans repaid	18,876

In addition to the deferred consideration and loans repaid, the MG Group was released from bank guarantees on debt held by PFA of \$11.95 million. The consideration of AUD\$6m was by way of interest free loan to be repaid by the purchaser in equal instalments of \$1.2 million over 5 years. The loan was secured by a registered security over the shares sold. NZ\$5.9m was received on 31 March 2025 as full repayment of this loan. The resulting gain was recorded in other income.

The impact of Premier Fresh Australia on the Group's results in the current and prior years is disclosed above. The net gain on disposal is included in the profit for the year from discontinued operations as a single line item of "profit from discontinued operations".

D2. Associates and joint arrangements (equity accounted investees)**Measurement and recognition**

Associates and joint arrangements are entities where the Group has significant influence or joint control, but not control, over the activities of the entity. The Group's investment is initially recognised at cost plus the Group's share of any profit or loss up until the date at which that significant influence or joint control ceases. If the Group's share of losses exceeds its interest in the entity, the carrying amount is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Associates and joint arrangements	Principal activity	Country of incorporation	Year end	2025 %	2024 %
United Flower Growers Ltd (2)	Flower Wholesale	New Zealand	30 Jun	50	50
Zee Sweet Ltd (1)	Horticulture	New Zealand	31 Dec	33	33
New Zealand Fruit Tree Company Ltd (1)	Horticulture	New Zealand	31 Dec	33	33
First Fresh New Zealand Ltd (1)	Produce Marketing & export	New Zealand	31 Mar	50	50

(1) = associate, (2) = joint arrangement.

The Group's share of profit / (loss) in its equity accounted investees for the year was \$0.643 million (2024: (\$0.941 million) million). The investees are not considered to be individually material. A summary of financial information for these entities is as follows:

	Profit/(loss) \$'000	Comprehensive income \$'000	Carrying amount \$'000
2025	1,970	1,272	6,230
2024	2,947	2,446	6,116

D3. Other investments

Waimea Irrigators Limited and Century Water Limited raised funds through the issue of shares and redeemable notes in order to provide funding for the construction of a new dam to bring security of water supply to irrigators / growers in the Nelson region. These investments are carried at fair value, which is approximated at cost.

	2025 \$'000	2024 \$'000
Waimea Irrigators Limited – Shares	1,195	1,195
Century Water Limited - Redeemable notes	2,188	2,188
Other	736	977
Total other investments	4,119	4,360

E. Financial Instruments Used to Manage Risk

In this section

This section explains the financial risks that the Group faces and how these risks are managed.

The Group is exposed to a variety of risks associated with its operations and from its use of financial instruments. These can be broadly classified as: credit, liquidity, interest rate and foreign currency risks.

E1.1 Credit risk

Credit risk is the risk that those that owe money to the Group default on their obligations. The Group's exposure to credit risk is mainly through trade receivables that remain outstanding. Refer to note C3 for the status of trade receivables at year end.

The Group credit policy requires new customers to be assessed for credit worthiness. The carrying amount of financial assets represents the Group's maximum credit exposure. The Group has no undue concentrations of credit risk.

E1.2 Liquidity risk

Liquidity risk represents the Group's ability to meet its obligations. Liquidity requirements are evaluated on an ongoing basis. In general, sufficient operating cash flows are generated to meet obligations arising from its financial liabilities and there are credit lines in place to cover potential shortfalls. The Group has additional undrawn facilities of \$53.0 million (2024: \$33.8 million) at its disposal to further reduce liquidity risk.

The contractual maturities of financial liabilities (excluding derivatives) are analysed in the below table. The amounts will not necessarily reconcile to the statement of financial position as they are undiscounted cash flows and include interest.

	Statement of Financial Position \$'000	Contractual cash flow \$'000	< 6 months \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	> 5 years \$'000
2025							
Borrowings	80,999	92,359	8,251	1,704	3,408	78,996	-
Trade and other payables	60,204	60,204	60,204	-	-	-	-
Lease liability	5,757	7,145	896	896	1,792	2,797	764
Derivatives	473	473	173	-	-	300	-
Total financial liabilities	147,433	160,181	69,524	2,600	5,200	82,093	764
2024							
Borrowings	70,225	84,095	2,370	2,370	4,565	74,790	-
Trade and other payables	68,804	69,496	53,149	16,347	-	-	-
Lease liability	6,068	12,691	1,616	1,616	3,233	4,744	1,482
Derivatives	28	28	28	-	-	-	-
Total financial liabilities	145,125	166,310	57,163	20,333	7,798	79,534	1,482

E1.3 Interest rate risk

The Group is exposed to interest rate risk from the cashflows on floating rate borrowings. The Group uses interest rate swaps to achieve an appropriate mix of fixed and floating rate exposure, through policies established by the Board which target hedging of 40-100% of non-current borrowings.

Interest rate swaps are designated as a cashflow hedge and allow a fixed interest rate to be obtained at a future date. They are recognised at fair value, to the extent the hedge is effective, any movements are recorded in equity. Any ineffectiveness is recognised in profit or loss. Interest rate swaps are Level 2 instruments and fair values are obtained from market observable pricing information. In these hedge relationships, the main sources of possible ineffectiveness are changes in the timing of the hedged transactions and general counterparty credit risk.

The interest rate swaps settle on a quarterly basis. The fixed interest rates average 3.79% (2024: 1.045%). The variable rates are set on the 3-month New Zealand Bank Bill Reference Rate (BKBM), which at balance date was 3.29% BKBM, (2024: 5.63% BKBM).

The following table details the notional and fair value interest rate swaps as at 30 June.

	2025 Notional Value \$'000	2025 Fair Value \$'000	2024 Notional Value \$'000	2024 Fair Value \$'000
NZD Interest rate swaps	25,000	(300)	11,100	201
AUD interest rate swaps (NZD equivalent)	-	-	13,687	253
Total	25,000	(300)	24,787	451

E1.4 Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases, denominated in a currency other than the functional currency. The key foreign currencies transacted in are Australian dollars and US dollars. The Group use forward exchange contracts to manage the risk for significant transactions including all sales and purchases of product other than minor transactions. It is estimated that a 1 percentage point change in the NZD against these currencies would change current year profit before tax by \$11,000 (decrease) (2024: \$10,000 (decrease)). Forward exchange contracts are Level 2 instruments. Their fair value is determined using forward exchange rates at year end, with the resulting value discounted back to present value. In these hedge relationships, the main sources of possible ineffectiveness are changes in the timing, quality, or quantity of the hedged transactions and general counterparty credit risk.

F. Other

In this section

This section includes information required to comply with financial reporting standards that is not covered previously.

F1. Related parties

Related party transactions

These are transactions between the Group and related individuals or entities by nature of influence or control. The Group has such relationships with its key management personnel and equity accounted investments. The disclosure of transactions with these parties enables readers to form a view of the impact of related party relationships on the Group.

Transactions with associates and joint arrangements

The table below sets out the transactions with associates and joint arrangements. Advances to associates are interest bearing (at the parent company's average cost of borrowing 6.5% (2024: 7%) (+ a margin of 1.5%-2%)) unless deemed part of the Group's investment. These advances are payable on demand.

	2025 \$'000	2024 \$'000
Sales of goods and services	334	3,921
Purchases of goods and services	16,131	26,123
Closing advances/receivables	17	850
Closing loans/payables	663	851

No expense or movement in provision on outstanding balances with associates was recorded during 2025 or 2024.

Key management personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers, and for executive officers contributes to a defined contribution superannuation plan on their behalf.

Like most co-operatives the Group has frequent transactions with its grower Directors (sales to, agency sales for and purchases from Directors) in the ordinary course of business.

	2025 \$'000	2024 \$'000
Key management personnel compensation comprised:		
Director's fees and remuneration	713	923
Short-term employee benefits	3,003	4,386
Other transactions with key management personnel		
Gross value of sales	58,438	60,319
Commission charged on sales (as above)	7,013	7,238
Gross value of other transactions (prepacking services and sundry other expenses)	68	308
Amounts owing at 30 June	2,644	1,845

F2. Auditor's remuneration

Audit or review related services

Market Gardeners Limited and subsidiaries (KPMG)	195	191
Market Gardeners Limited Share register audit (KPMG)	5	5

Other services

Market Gardeners Limited and subsidiaries (KPMG)	-	11
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Other services paid to KPMG relate to the preparation of factual data analytics reports for management's analysis.

Audit remuneration is included within administrative expenses in the statement of comprehensive income.

F3. Capital Commitments

At 30 June 2025 the Group had capital commitments of \$5.95 million (2024: \$5.75 million). Capital commitments primarily relate to investment in assets and infrastructure. Capital commitments are recognised after a formal capital review and approval process.

F4. Contingencies

Trade indemnities and guarantees issued by the Group amount to \$0.364 million for associate companies (2024: \$1.685 million).

F5. MG Charitable Trust

In November 2019 the Parent Company's shareholders approved the formation of the MG Marketing Charitable Trust and its Trust Deed dated 20 November 2019 (the Deed). The Trust changed its name on 18 August 2022 to the MG Charitable Trust (the Trust). In accordance with the Deed, the Trust's operations are to be reported to the Parent Company (as settlor under the Deed) and its shareholders.

The Chair's and Chief Executive Officer's review attached to this report comments on the MG Charitable Trust. The Trust has prepared an Annual Review for the 12 months ended 30 June 2025 which is an extract of the full performance report and financial statements of the trust and outlines the:

- key objectives of the Trust;
- trust structure, governance, management and funding;
- A review of the contestable funding and the education funding rounds;
- summary financial information including statements of financial performance, financial position and cash flows.

The Annual Review and full Report is available on the MG website

On 3 May 2022 the Trust's Deed was varied by vesting the statutory power of appointment of the majority of the trustees in the shareholders of MG (in addition to those able to be appointed by MG as Settlor). At least one trustee is appointed by MG as settlor. The Group does not control the Trust. No auditor is appointed to the Trust and no review has been undertaken.

G. About this report

In this section

The notes to the consolidated financial statements include information which is considered relevant and material to assist the reader in understanding the financial performance and position of Market Gardeners.

Information is considered relevant and material if:

- the amount is significant because of its size and nature;
- it is important for understanding the results of Market Gardeners;
- it helps to explain changes in Market Gardener's business; or
- it relates to an aspect of Market Gardener's operations that is important to future performance.

Reporting entity

The Parent Company, Market Gardeners Limited, is a for-profit entity domiciled in New Zealand and registered under the Companies Act 1993 and the Co-operative Companies Act 1996. The Company is an FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013 and prepares its financial statements in accordance with that Act.

The 30 June 2025 consolidated financial statements are for Market Gardeners Limited and its subsidiaries (together referred to as "Market Gardeners" or "Group") and its interests in associates and joint arrangements as at year end.

The Group is primarily involved in growing, merchandising, wholesale, ripening, distribution, import and export operations of fresh fruit and produce. The Group's registered office is 78 Waterloo Road, Hornby, Christchurch 8440.

Statement of compliance and basis of preparation

The financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and with the International Financial Reporting Standards ("IFRS"), as appropriate for for-profit entities.
- for the 53-week period ending 4 July 2025 (2024: 52-week period ending 28 June 2024). This ensures comparability given the Group weekly trading cycles. For simplicity the financial statements are referred to as 30 June.
- in New Zealand dollars rounded to the nearest thousand (\$000), except when otherwise indicated.

In preparing the consolidated Group financial statements, intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Comparatives

Where necessary, certain comparative information has been reclassified to conform to changes in presentation in the current year.

Foreign currency

Foreign currencies transactions are translated at the exchange rates at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value are retranslated using the exchange rate at the valuation date.

The assets and liabilities of foreign operations, including goodwill, are translated to New Zealand dollars at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at the exchange rate at the relevant transaction date. Foreign currency differences are recognised in the foreign currency translation reserve (FCTR).

The functional currencies and rates used were New Zealand dollars and Australian dollars.

Rate used in the preparation of these financial statements	2025 AUD	2024 AUD
Average rate for the year	0.9267	0.9240
Closing rate	0.9244	0.9133

Critical estimates and judgements

The preparation of the financial statements requires management to exercise judgement in applying Group accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis.

Key judgements

Key judgements are those judgements that align with the key audit matters, that were the most significant to the audit of the consolidated financial statements of the current period.

- | | |
|--|-----------|
| • Recognition of deferred tax assets | Note A3.2 |
| • Revaluation of land and buildings | Note B1 |
| • Impairment assessment of intangible assets | Note B3.1 |
| • Discontinued operations | Note D1.1 |

Other judgements used in understanding the Group's position and performance are described below:

- | | |
|--|-----------|
| • Measurement and recognition of revenues | Note A1.1 |
| • Measurement of shares | Note C.1 |
| • Measurement and recognition of lease liabilities | Note C6 |

New accounting standards

Accounting pronouncements which have become effective from 1 July 2024 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

Accounting standards issued but not yet effective

In May 2024 the XRB introduced NZ IFRS 18 (effective from periods beginning on or after 1 January 2027). This standard will replace NZ IAS 1, and introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures in a single note together with reconciliation requirements and additional guidance on aggregation and disaggregation principles in the financial statements.

There are currently no standards issued but not yet effective that are expected to have a material effect on the Group.

Subsequent events

There are no subsequent events to report at the time of adopting these financial statements.



Independent Auditor's Report

To the shareholders of Market Gardeners Limited (**Group**)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 June 2025;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Market Gardeners Limited (Group) (the Company) and its subsidiaries (the Group) on pages 26 to 51 present fairly in all material respects:

- the Group's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

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 Market Gardeners Limited (Group) 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**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$3.5m determined with reference to a benchmark of the Group's net assets. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
-------------------------------	--

Valuation of land and buildings – refer to note B1 to the consolidated financial statements

The Group has a policy of revaluing its land and buildings on a periodic basis, with a full revaluation performed during the 2025 financial year.

Land and buildings represent a material class of asset with a carrying amount subject to revaluation of \$286 million at reporting date.

Because the Group does not have internal valuation expertise to perform these valuations, independent valuation experts were engaged.

The independent valuation experts exercise professional judgment in the selection and application of the appropriate valuation methodologies that apply to the Group's assets (such as the income or market methods) and the related assumptions such as comparable

Our audit procedures included, amongst others:

- Understanding the process used by management to approach the revaluation of the Group's land and buildings at reporting date.
- Assessing the competence, objectivity, and integrity of the valuation experts engaged by the Group. This included an assessment of their competence, capabilities, and objectivity as well as an evaluation of their scope of work.
- Assessing the appropriateness of valuation methodologies applied against the requirements of the applicable financial reporting standards, and challenging key data/inputs and assumptions for certain valuations that met our specified scoping criteria. This included, where appropriate, direct enquiry of the relevant valuer. Mechanical application of the methodologies was also checked for selected valuations.
- Checking that the revalued amounts determined by the valuation expert, and any related deferred tax effects, were reflected in the underlying accounting records.
- Reviewing management's assessment as to whether any valuation resulted in a debit (negative) revaluation, and in which case, was appropriately recognised through profit or loss for the debit (negative) amount.

The key audit matter

market rentals, capitalisation rates, and discount rates (amongst others).

We consider the revaluation of land and buildings to be a key audit matter due to the magnitude of the resulting revaluation amounts, the carrying amount of the revalued assets, and the judgment applied by the independent valuer in determining the assets' fair values.

How the matter was addressed in our audit

- Checking the adequacy of disclosures relating to the valuation basis and methodologies was reviewed for selected valuations.

Our findings:

We completed the above procedures and have no matters to report.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Annual Report (the Financial Highlights, Chairman and Chief Executive's review, disclosures relating to corporate governance, and statutory information), but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders. 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, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;



- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group 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.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the 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 it 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 the consolidated financial statements.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Matt Kinraid.

For and on behalf of:



KPMG

Christchurch

26 September 2025

Statutory information

1. Directors' fees & remuneration

Parent Company	* Directors' fees	* Special project and other fees	Other benefits
The following people held office as Director of the Parent Company during the year and received the following remuneration and other benefits for acting as such:			
T.J. Burt	70,000	12,750	5,324
L.T. Crozier (Deputy Chair)	70,000	-	5,324
J.A. Lim	70,000	10,000	3,546
B.R. Irvine (Chair)	140,000	8,875	5,324
M.R. O'Connor	70,000	3,875	5,324
T. Webb	70,000	3,875	3,546
R. Oakley	70,000	-	5,324
J.J. Clarke	70,000	5,000	5,324
	630,000	44,375	39,036

No director of a subsidiary company receives any remuneration or other benefits from the subsidiary company for acting as such.

In addition to the remuneration and other benefits disclosed above, T. Webb and R. Oakley each received \$2,000 for acting as Trustees of the MG Charitable Trust.

Any remuneration or other benefits received by employees, as employees, are included in the relevant bandings in the table below.

Special Project and other fees are paid to Directors for performing the role of chair of a committee and duties outside those of a normal Director role including negotiation of commercial contracts, attendance at associate and subsidiary company meetings, travel time and attendance at committee meetings.

2. Auditors' remuneration

The amounts payable to the auditors of the Parent Company and subsidiaries during the year are detailed in note F2 of the attached financial statements to 30 June 2025.

3. Co-operative Companies Act 1996 Declaration

In compliance with clause 10 of the Co-operative Companies Act 1996 the Board of Directors of Market Gardeners Limited unanimously resolved on 30 June 2025 that, in their opinion, the Parent Company had been a co-operative company throughout the period 1 July 2024 to 30 June 2025. This opinion was based on the fact that, more than 60% of the voting rights were held by transacting shareholders and that the Parent Company continued to carry on its principal co-operative activities as detailed in its constitution.

4. Executive employees' remuneration

During the year the following numbers of employees received remuneration in excess of \$100,000:

Remuneration range	Number of employees	Remuneration range	Number of employees
100,000 to 109,999	16	300,000 to 309,999	1
110,000 to 119,999	18	320,000 to 329,999	1
120,000 to 129,999	11	330,000 to 339,999	1
130,000 to 139,999	11	360,000 to 369,999	1
140,000 to 149,999	7	370,000 to 379,999	1
150,000 to 159,999	9	380,000 to 389,999	3
160,000 to 169,999	6	390,000 to 399,999	1
170,000 to 179,999	10	410,000 to 419,999	1
180,000 to 189,999	8	470,000 to 480,999	1
190,000 to 199,999	2	550,000 to 559,999	2
200,000 to 209,999	3	570,000 to 579,999	1
210,000 to 219,999	7	620,000 to 629,999	1
220,000 to 229,999	2	1,430,000 to 1,439,999	1
230,000 to 239,999	2		
240,000 to 249,999	3		
270,000 to 279,999	3		
280,000 to 289,999	1		

The remuneration details of those employees paid outside New Zealand have been converted into New Zealand dollars. Remuneration includes an employee's remuneration, together with the value of other benefits received such as vehicle usage, medical insurance and telephone rentals.

The remuneration of employees in Australia, USA and New Zealand, is included in the above table.

5. Changes in accounting policies

The attached financial statements to 30 June 2025 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The accounting policies set out in the attached financial statements have been applied consistently to all periods presented in those financial statements and by Group entities.

6. Directors of subsidiaries

As at 30 June 2025:

Messrs B.R. Irvine, P.S. Hendry (CEO) and D.J. Pryor (Company Secretary) were the Directors of Blackbyre Horticulture Ltd, Bowdens Mart Ltd, Cockerill and Campbell (2007) Ltd, Hansons Lane International Holdings Ltd, Kaipaki Holdings Ltd, Kaipaki Properties Ltd, LaManna Ltd, LaManna Bananas (NZ) Ltd, Market Fresh Wholesale Ltd, MG Group Holdings Ltd, MG Marketing Ltd, MG New Zealand Ltd, MG Sustainable Operations Ltd, Phimai Holdings Ltd, Quitachi Ltd, and Southland Produce Markets Ltd.

Messrs K.J. Wells (Executive Director NZ Subsidiaries and Associates), P.S. Hendry (CEO) and D.J. Pryor (Company Secretary) were the Directors of Southern Paprika Ltd, J.S. Ewers Ltd and Kaipaki Berryfruits Ltd.

Messrs K.J. Wells (Executive Director NZ Subsidiaries and Associates) and D. Trask were the directors of Market Gardeners (USA), Inc.

Messrs K.J. Wells (Executive Director NZ Subsidiaries and Associates), P.S. Hendry (CEO), P.C. Scheffer and Ms. S.J. McCormack were the directors of Te Mata Exports 2012 Ltd, Te Mata Exports Ltd and Te Mata Exports Australia Pty Ltd.

Messrs. B.R. Irvine, P.S. Hendry, D.J. Pryor and P.C. Scheffer were the directors of Lambell's Properties Pty Ltd.

7. Interests register

The following entries were recorded in the interest's register of the Group during the accounting period.

General disclosures

Like most co-operative companies, Market Gardeners Limited has frequent transactions with its grower Directors (sales to, agency sales for and purchases from Directors) in the ordinary course of business. For additional information refer to note F1 of the attached financial statements to 30 June 2025.

The general interests register of the Group records Directors' interests in companies and other entities which have or may have material ongoing dealings with the Company and / or Group. During the financial year ended 30 June 2025, the following new disclosures were made and recorded in the register:

Director	Nature of Interest	Company / Entity
As directors of the Parent Company, Market Gardeners Ltd		
T. Burt	Director	Bremworth Ltd

In addition to the above new disclosures, a number of directors disclosed changes to existing disclosures (such as being appointed Chair), resignations from other directorships held and previously disclosed in the interests register and changes in shareholdings in the Parent Company (as detailed below).

Particular disclosures

During the period all director's reconfirmed their interests by virtue of being directly or indirectly shareholders in Market Gardeners Ltd.

(a) Directors' & officers' indemnity and insurance

The Group (Parent Company, its subsidiaries and associates) has effected Directors' and Officers' liability insurance on behalf of the Directors and Officers of those entities and have also entered into indemnities with those Directors and Officers as permitted by the relevant parent, subsidiary or associate company's constitution.

(b) Use of company information

During the accounting period, the Boards of the Group entities (Parent Company, subsidiary and associate companies) did not receive any notices from any Directors of the relevant entity requesting the use of company information received in their capacity as Directors which would not otherwise have been available to them.

(c) Interest in actual or proposed transactions of the Parent Company

No declarations in actual or proposed transactions of the Parent Company were made during the accounting period.

(d) Share dealings

The following are the shareholdings of Directors of the Parent Company at 30 June 2025. The changes in the shareholdings are in accordance with the Parent Company's normal operating policies and constitution which are applied equally to all shareholders.

	30 June 2025			30 June 2024		
	A Shares	B Shares	C Shares	A Shares	B Shares	C Shares
J.A. Lim (joint shareholding)	252,752	92,263	2,628	157,602	103,874	6,852
M.R. O'Connor	-	-	-	-	-	-
Held by a company of which he is a shareholder & director	1,918,580	418,190	27,008	1,474,471	423,704	29,632
T. Webb	-	-	-	-	-	-
Held by a company of which she is a shareholder & director	229,249	81,727	7,620	181,259	66,542	7,400
R. Oakley	-	-	-	-	-	-
Held by a company of which he is a shareholder & director	1,790,097	434,958	23,480	1,266,429	470,668	26,804
J.J. Clarke	931,988	594,783	35,712	558,067	626,107	40,672

The above table discloses the shareholdings of Directors of the Parent Company. The changes in the shareholdings are in accordance with the Parent Company's normal operating policies and constitution which are applied equally to all shareholders. "A", "B" and "C" shares are rebate shares.

	30 June 2025			30 June 2024		
	A Shares	B Shares	C Shares	A Shares	B Shares	C Shares
T. Burt, L.T Crozier, B.R Irvine, J.A. Lim, M.R. O'Connor, T. Webb, R. Oakley and J.J. Clarke as Directors of Market Gardeners Ltd (holding Treasury stock)	2,527,163	-	-	1,913,597	-	-

The above table discloses the shareholdings of treasury stock as at 30 June.

	30 June 2025			30 June 2024		
	A Shares	B Shares	C Shares	A Shares	B Shares	C Shares
Held by the MG Charitable Trust	2,874,214	575,514	29,032	2,652,809	211,178	26,796

R. Oakley and T. Webb, directors of the Parent Company, are two of the five trustees of the MG Charitable Trust (the Trust). The changes in the shareholdings are in accordance with the Parent Company's normal operating policies and constitution which are applied equally to all shareholders. "A", "B" and "C" shares are rebate shares.

8. Donations

During the year the Parent Company made donations of \$49,000 (2024: \$47,000), the Group \$48,000 (2024: \$48,000).

Corporate governance statement

The Board of Market Gardeners Ltd (MG) is committed to the highest standards of ethical behaviour in its own corporate governance, with Directors acting in good faith and in what they believe to be in the best interests of the Company and Group. The Board and each board committee has a charter to define its role and responsibilities. The Board also adheres to a formal Code of Conduct.

Role of the Board

The Board is responsible for the proper direction and control of the Group's activities. The primary objective is the creation of sustainable shareholder value through appropriate strategies and ensuring they are implemented effectively by management.

The Board's responsibilities include general stewardship, working with management to set the Company and Group's strategic direction (including but not limited to oversight of health and safety, sustainability, and cyber-security considerations), the integrity of information systems and reporting through to shareholders. The Board acknowledges that it is responsible for the overall control framework of the Group, however, also recognises that no cost-effective internal control system will preclude all errors and irregularities. The Board ensures that there are effective policies, procedures, and guidelines in place along with the organisational structures that provide an appropriate division of responsibilities, and the selection and training of appropriately qualified personnel.

To this end the Board, primarily through the audit committee, continues a rigorous process of reviewing, adding to and updating MG's policies and practices, and those of the Group, to keep pace with both domestic and international developments in this area. It is important to note that developments occur frequently, and the Board continues to reaffirm its commitment to maintaining high quality policies, procedures and practices into the future, throughout the Group.

The Board has delegated the conduct of day-to-day affairs of the company to the CEO and Senior Management.

Board Operations and Membership

The majority of the Board is elected by MG's shareholders with at least two special directors required to be also appointed by the shareholder elected grower directors. Under the Companies Act 1993 and the Cooperative Companies Act 1996 the Board has overall responsibility for the governance, management and supervision of the Company and wider Group.

The Board is committed to the principle that there should be a balance of independence, skills, knowledge and experience amongst the directors. The current Board of Directors consists of 6 shareholder elected Directors (Lynn Crozier (Deputy Chair), Mark O'Connor, Joanna Lim, Trudi Webb, Robin Oakley and Jay Clarke) and 2 Special Directors (Bruce Irvine (Chair) and Trevor Burt). None of the MG Directors are directly involved in the day-to-day management of the Company's operations, however their experience and expertise is utilised as appropriate at various times throughout the year.

Like most cooperatives, MG has frequent transactions with its grower directors (sales to, agency sales for and purchases from Directors or their businesses / companies). These transactions are entered into in the normal course of business. A register of interests is maintained and regularly updated documenting interests disclosed by all Board members. These relationships are actively reviewed to ensure that our Directors' independent judgement is not compromised. The statutory disclosure section of the annual report documents all disclosures made in the current year.

With regards to appointments of Directors for subsidiary and associate companies which form part of the Group, the MG Board considers and makes all appointments of the MG representative directors. As associate companies are only partly owned, MG only appoints certain representative directors to such entities. The remaining directors are appointed by the other shareholders in those companies.

On 27 June 2024, the Group's investment in Premier Fresh Australia Pty Ltd (PFA) was sold. The MG appointed representative directors to the PFA Board (Bruce Irvine, Peter Hendry (Chair), Mark O'Connor and Trevor Burt) resigned on that date.

MG's constitution has specific procedures for the appointment and retirement of Directors, eligibility requirements for being nominated / appointed and automatic retirement rotations every three years. The MG Board met 11 times during the financial year (11 times last financial year), in addition to attending to committee matters between meetings. These meetings include conference calls to address any matters or issues arising between scheduled meeting dates. In addition to the meetings of the Parent Company, Directors of the subsidiary and associate companies also met throughout the year. The outcomes of such meetings, key business issues and the performance of such companies are reported through to each meeting of the MG Board by MG's representative Directors.

Board charter, code of conduct and Director Capability framework

The Board first adopted a Board Charter, Code of Conduct and a Director Capability Framework in 2017. These documents are reviewed annually and are published on MG's website. The charter formalises and sets out the manner in which the Board's powers and responsibilities will be exercised and discharged, adopting principles of good corporate governance and practice that accord with best practice, the applicable laws in the jurisdictions in which the Company operates and the Core Purpose of the Company. This is supported by the Code of Conduct and further by the Director Capability framework.

Group Management Structure

The core business of the Group is transacted in New Zealand by Market Gardeners Ltd. In Australia this was transacted by PFA up until its sale on 27 June 2024. The parent companies are supplemented by their respective subsidiaries and associates. MG is represented on the boards of the subsidiary and core trading associate companies by members of the MG Board, MG appointees and / or senior management.

The Board delegates the management of the day-to-day affairs of the Company to the Senior Management Team under the leadership of the CEO. MG's Chief Executive (Peter Hendry) together with the Company Secretary (Duncan Pryor), Chief Financial Officer (David Bennett) and Executive Director NZ Subsidiaries and Associates (Kerry Wells) attend all MG Board meetings.

Similarly, up to the point of sale, PFA's Chief Executive (Anthony Di Pietro), Chief Operating Officer (Dean Gall), Chief Financial Officer (Mark Plymin), Chief Commercial Officer (Simon Hardie) and from time-to-time other senior executives of PFA and MG attended all PFA board meetings.

Anti-Corruption and Competitive Practice Guideline

Within the global economy, most countries have put in place anti-corruption and competition laws, which MG welcomes and endorses. As a global company, MG has adopted guidelines and policies in relation to anti-corruption and anti-competitive behaviour. MG wants to ensure its team members act, at all times honestly, with integrity and undertake a proper approach to the way MG conducts its business.

Board Remuneration

MG obtains external professional advice on remuneration to be paid to Directors on a one to two yearly basis. The recommendations of the external advisor are, if required and after consideration by the Remuneration and Nomination Committee and full Board, submitted as a resolution to shareholders at the Company's annual meeting.

The 2025 Strategic Pay Limited report recommended a range of fees to be paid to directors for the various roles undertaken (such as chair, deputy chair, committee chair, and committee member).

After consideration of the 2025 Strategic Pay report, the Board is seeking to increase the current fees pool by \$68,030 to a total pool of \$784,137 which represents the lower end of the range recommended in the Strategic Pay Limited 2025 report. This pool includes all fees and daily allowances in relation to the Board, Audit Committee and the Remuneration & Nomination Committee. Other duties outside that of a normal director's duties will still be remunerated by special fees in accordance with the constitution.

Shareholder Relations

The Board actively fosters constructive relationships with its shareholders as appropriate. The Board is at all times aware of the need to protect the interests of the Company and the Company's shareholders, and act in the best interests of the Company.

The Company encourages full shareholder participation at the Annual Meeting to ensure a high level of accountability and identification with the Group's strategies and goals. In addition to this, the Board has continued with an ongoing communication programme with all shareholders.

Risk Management

A key role of the Board is to ensure that risk management processes are in place and operating effectively. The Board has undertaken a number of steps to ensure this is carried out including:

- Considering the nature and extent of risk the Board is willing to take to meet the company's strategic objectives and the associated risks;
- Set up internal control processes to ensure management efficiently manage resources in compliance with the risk framework;
- In conjunction with the CEO and senior management, reviewed the effectiveness of compliance with risk management policies and systems; and
- Mandated (as part of its charter) the audit committee to monitor detailed risk management procedures on the Board's behalf.

Board Committees

Audit Committee

The Audit Committee is responsible for the framework of internal control mechanisms that ensure proper management of the Company and Group's affairs. The Committee is accountable to the Board for the recommendations of the external auditors, KPMG, directing and monitoring the audit function and reviewing the adequacy and quality of the annual audit process. The Committee provides the Board with additional assurance regarding the accuracy of financial information for inclusion in the Group's Annual Report, including the Financial Statements. The Committee is also responsible for ensuring that the Group has an effective internal control framework and for the oversight of the Group's Environmental, Sustainability and Governance (ESG) activities and direction.

As in prior years, a comprehensive risk-based approach to the Company and Group's risk management and internal audit processes is undertaken. This approach is wider than the accuracy of external financial reporting / operational activities and extends into overall compliance requirements of the Group. Whilst internal audit, led by the Business Assurance Manager Kimberly Chavez, still ensures that all branches and divisions of MG are subject to regular internal audit visits (on a rotational basis), its increased focus is on making the overall process wider reaching and more regular, to gain a higher coverage of transactions / operations. Other projects include review and relevance of policies, review of subsidiary operations and processes, and assessments of risk within those subsidiaries.

Overall controls reviewed include the safeguarding of assets, maintaining proper accounting records, complying with legislation, including competition law and health and safety requirements, ensuring the reliability of financial information, and assessing business risk.

The Audit Committee continues to monitor domestic and international developments in corporate governance best practices, procedures and policies.

MG AUDIT COMMITTEE

Joanna Lim (Chair), Shareholder Director
Trevor Burt, Special Director
Bruce Irvine, Special Director
Jay Clarke, Shareholder Director

MANAGEMENT AND OTHER INVITEES

Peter Hendry, CEO
Duncan Pryor, Company Secretary
David Bennett, Chief Financial Officer
Kimberly Chavez, Business Assurance Manager
KPMG, as required

Remuneration and Nomination Committee

The Remuneration & Nomination Committee is responsible for the review and administration of director's fees (as noted above), establishing coherent remuneration policies and practices, and the remuneration of the MG Chief Executive and senior management personnel. The Committee also monitors and reports on general trends and proposals concerning employment conditions and remuneration.

The committee also oversees a Strategic Performance Framework that sets performance based targets and milestones for the CEO and the senior executive. This framework was implemented in July 2024 and links the implementation of MGs strategy to employee performance. It is used as the basis for determining the variable component of CEO and senior executive remuneration approved by the board. For other employees MG operates a discretionary performance based bonus system based on criteria set by the committee and approved by the Board.

This committee has also been delegated the task of reviewing and providing recommendations to the Board in relation to corporate governance and regular reviews of policies and charters such as the Board Charter and Code of Conduct and the Board Capability Framework.

MG REMUNERATION & NOMINATION COMMITTEE

Trevor Burt (Chair), Special Director
Bruce Irvine (MG Chair), Special Director
Mark O'Connor, Shareholder Director
Trudi Webb, Shareholder Director

MANAGEMENT ATTENDEES (by invitation)

Peter Hendry, CEO
Duncan Pryor, Company Secretary

Annual Review

This corporate governance statement, and the associated policies and procedures are reviewed on an annual basis.