PGG Wrightson

Pūrongo ā-tau

Annual Report

For the year ended 30 June 2024 *Mō te tau i mutu i te 30 Hune 2024*

Helping grow the country

Contents | *Ngā Kaupapa*

Our Year

Our Company

Key Financial Disclosures

Governance

Calendar | *Maramataka*

Annual Shareholders' Meeting	15 October 2024
Half-year earnings announcement	25 February 2025
Year-end earnings announcement	12 August 2025

Sustainability | *Toitūtanga*

As part of our commitment to sustainability, this Annual Report is printed using soy-based inks, no chemicals have been used in the process of platemaking and the Annual Report is printed on environmentally responsible paper, produced using Elemental Chlorine Free (ECF), third party certified pulp from responsible sources, and manufactured under the strict ISO14001 Environmental Management System.

PGW is pleased to present our 2024 Annual Report, covering the financial year ended 30 June 2024.

This report differs slightly from our previous Annual Reports given that our Sustainability Report is now a standalone document available online via our website. www.pggwrightson.co.nz/investor-centre

Cover: PGW Real Estate Branch Manager Mike Direen discusses options for selling some of the Northburn terrace titles with Tom Pinckney owner of Northburn Station in Central Otago.

PGW Technical Field Representative Bradley Stone discusses the fast establishment and rust tolerance of Vast Tetraploid Ryegrass with Richard Brewer owner of Brewer Farms in South Taranaki. *Photo credit: PGG Wrightson Seeds*

2024 FINANCIAL YEAR

Performance Results

Ngā Otinga Whakatutukitanga

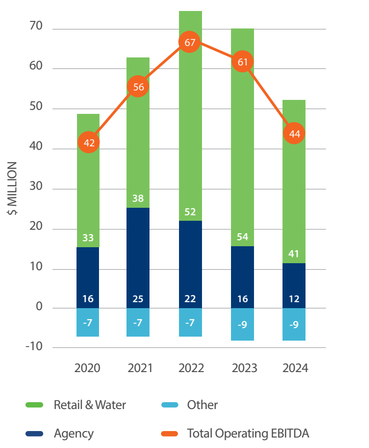
Net profit after tax ("NPAT") of **$3.1m** ▼ $14.5m on prior financial year

Operating EBITDA of **$44.2m** ▼ $17.0m on prior financial year

Revenue of **$915.9m** ▼ $59.7m on prior financial year

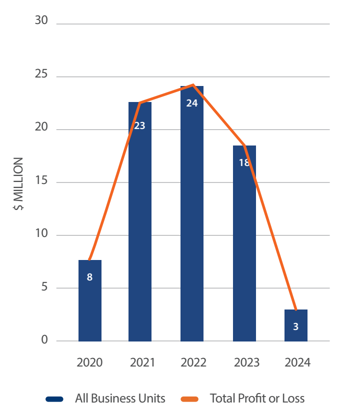
Financial Performance | *Whakaaturanga Pūtea*

Operating EBITDA

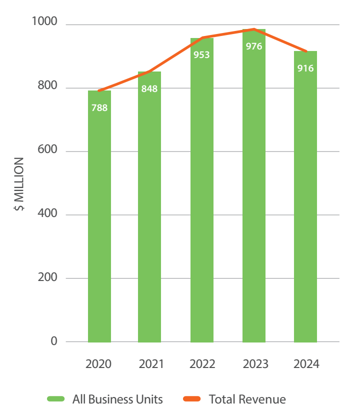


Five-year summary post divestment of PGG Wrightson Seeds Ltd.

Profit or Loss



Revenue



Operating EBITDA: Earnings before net interest and finance costs, income tax, depreciation, amortisation, the results from discontinued operations, impairment and fair value adjustments, and non-operating items. PGW has used non-GAAP profit measures when discussing financial performance in this report. For a comprehensive discussion on the use of non-GAAP profit measures, please refer to the policy "Non-GAAP Accounting Information" available on our website www.pggwrightson.co.nz.

Other: Other (non-operating segment) relates to certain Group Corporate activities including Governance, Finance, Treasury, Risk and Assurance, and other support services (including corporate property services and marketing).

Share Price Post Share Consolidation (NZ$)

Delivering Technical Expertise to Benefit our Clients

Te whakarato pūkenga mātanga mō te painga o ā mātou kiritaki

Retail & Water Technical Team

Conducted c.70 trials

—

80% Horticultural
20% Rural

—

c.25% of trial treatments were biological

Crowd/Staff sourcing

First year of our Crowd/Staff sourced R&D ideas

—

13 trials delivered tangible value back to our front-line teams

Intern programme

First year of the Summer R&D Internship Programme

SkyCount™

Revolutionising stock audits with no on-farm disruption

Sustainability

16% reduction in operational GHG emissions, compared to the FY21 baseline

NZ's Virtual Saleyard

Over 950 auctions held during the year

—

Weekly livestreamed sales from 13 saleyards nationwide

Chatbot

Developing two chatbots for internal report writing

Partnership

PGW is ALT's first merchant partner

PGW Water Technical Advisor Rose Barker and PGW Water Service Technician Luke Bain inspect a newly installed sprinkler pack whilst on-site at Springdale Farming Company Limited in Mid Canterbury.

Chair and Chief Executive Officer's Report

Te Pūrongo a te Heamana me te Tumuaki

Financial Performance | *Whakaaturanga Pūtea*

	2024 $m	2023 $m	2022 $m	2021 $m	2020 $m
Revenue	**915.9**	975.7	952.7	847.8	788.0
Gross Profit	**235.7**	252.8	248.5	223.2	204.0
Operating EBITDA	**44.2**	61.2	67.2	56.0	42.2
Net Profit After Tax	**3.1**	17.5	24.3	22.7	7.7
Net Cash Flow from Operating Activities	**57.7**	25.5	23.7	57.7	31.5

Stephen Guerin
Chief Executive Officer

Garry Moore
Chair

Reporting on a challenging year

PGG Wrightson Limited ("PGW", "the Group", or "the Company") delivered Operating Earnings before Interest, Tax, Depreciation, and Amortisation (Operating EBITDA) for the year ended 30 June 2024 of $44.2 million. Net profit after tax (NPAT) was $3.1 million.

Trading performance | *Te Mahi Tauhokohoko*

The agricultural sector continues to navigate challenging market conditions and the cyclical volatility is reflected in PGW's financial results. PGW's Operating EBITDA of $44.2 million is well below the strong results of recent years. This is largely a product of the economic environment and is being felt across the agricultural sector. We often say that PGW prospers when our farmer and grower clients do well. Our clients have faced difficult conditions over the past year and consequently this is shared in our results.

PGW has done well to continue to maintain share in the markets in which we operate, however we have seen farmers and growers cutting back where they can and deferring discretionary spending. We have continued to strive to support our clients with all their essential production requirements, but the sector is in the grips of a period of austerity where non-essential and discretionary spend have been paused in many cases.

Despite the challenging environment our receivables have held up well and gross margins have also largely remained steady across the business.

While most of the agricultural sector has been impacted, some subsectors have been hit very hard. Sheep farmers experienced soft export demand and weaker commodity pricing and the rural real estate market is going through a particularly quiet period. The 6% decline in revenues from the prior comparative period represents the first drop in PGW's revenues since the sale of the PGG Wrightson Seeds business. The Retail & Water businesses accounted for the majority of this revenue decline. There remains a carry-over effect from the devastation caused by Cyclone Gabrielle last year with some areas not yet replanted.

In view of the current operating environment, there has been increased focus within PGW on cost control.

The NPAT of $3.1 million included the negative impact of a one-off non-cash $0.9 million deferred tax expense due to the change in legislation for tax depreciation on long-life commercial buildings.

A principal sponsor for 23 years of the New Zealand (NZ) National Shearing Circuit

IHC Calf & Rural Scheme has raised $42 million over 42 years

Business Improvement Programme | *Hōtaka Whakapiki Pakihi*

The implementation of our company-wide Business Improvement Programme to simplify PGW's IT systems continued through the year and is now in a comprehensive testing phase. This is a significant investment with both operating expenditure and capital expenditure components.

This programme will improve our technical IT environment and standardise business processes, providing greater efficiencies and better utilisation of our data. "Go Live" is expected to occur in FY25. During the year Retail Pricing and Batch Tracking for some products were implemented and we are now in the first stages of realising the implementation benefits. Moving our retail system to Microsoft D365 will provide a more efficient and stable platform for our business.

PGW Group Strategy | *Rautaki Rōpū a PGW*

In early FY22, we refreshed PGW's Group Strategy and since then we have been committed to implementing and developing the central strategic priorities. Our approach balances our proud heritage in the agricultural sector with a forward-looking vision for growth through delivering technical expertise to our clients. By investing in the technical knowledge of our people, we position ourselves to best assist our clients with their production needs. Our clients prize the value-add technical support they receive from PGW and this investment in people expertise grows our market share, which ultimately provides positive returns to our shareholders.

During the year, we reviewed our strategic priorities to respond to the ever-changing demands of the market. We also reassessed the landscape of the markets in which we operate and the underlying strategic initiatives and performance indicators for our business units. We will look to roll out our strategic refresh across the business in the coming months and elements of this will be evident in our future public reporting.

Market conditions | *Ngā Āhuatanga o te Mākete*

Symptomatic of market sentiment, the Federated Farmers Farm Confidence Survey released in July 2024 recorded the second lowest confidence levels ever. With 33% of farmers making a loss, only 27% reporting a profit and 39% breaking even this year. The four greatest concerns for farmers were financing costs, volatile commodity prices, regulatory compliance, and the inflationary impacts on input costs.

The agricultural sector is cyclical, we have seen these ups and downs before and remain positive about the longer-term prospects of the sector. Based upon current indications, the rural servicing market in New Zealand looks like it will remain subdued through the current calendar year. There are however some positive signals with inflationary pressures easing, interest rates declining, and input costs stabilising.

We are also optimistic about longer term demand for sustainably produced, safe and trusted sources of food and fibre and see New Zealand growers well placed to support this growth. By leveraging technological advancements, New Zealand's provenance strengths and adhering to sound regulatory requirements, the sector can capitalise on the global demand opportunities that will emerge. In this regard, the Ministry for Primary Industries' recent Situation and Outlook for Primary Industries report notes that New Zealand's food and fibre export revenue the year to June 2024 is approximately $54.6 billion and is forecast to continue to increase to a record $66.6 billion by 2028. The government has set an aspirational goal for New Zealand to double its exports by value in 10 years with the primary sector a significant contributor to this growth objective.

With our expertise, client relationships and strategy, PGW is well placed to benefit from this upside in forecast growth in export revenue.

Right: PGW South Island Wool Procurement Manager Doug McKay at the Canterbury Merino Association's Merino Two-Tooth Ewe Flock Competition 2024.

Below: PGW Real Estate and Livestock joined forces to hold the clearing sale at Raidale Farm in Marlborough.

Below right: An apple a day. *Photographed by Mark Edwards, Tasman, for the PGW Landmarks Photo Collection.*

1,247 elective online training
courses were completed
by PGW staff in FY24

Personal Locator Beacons
- 130 PLB's available (pool) for work or personal time
- 150 PLB's permanently allocated to staff working alone

Our people | *Ā Mātau Tāngata*

At 30 June 2024, PGW had 1,565 permanent and temporary (fixed term) employees and 334 casual and commission agents, totalling 1,899 people.

We recognise that our people are our greatest asset, and we are focused on driving a culture of excellence and safety, ensuring employees are supported, engaged and able to perform at their best.

We have refreshed our People and Safety Strategy to prioritise future workforce needs, aimed at attracting and retaining talent.

We have maintained our commitment to developing our workforce through targeted investment in competency-based and technical skills training. Our core leadership programme (TO LEAD) has continued, and this year we launched new Management Skills training. This is a series of stand-alone training modules that build capability in key people processes. We have built on our offering of courses that support career pathways in PGW and build readiness for promotion.

Health, safety, and wellbeing | *Te Hauora, te haumarutanga, me te toiora*

In the past year, our commitment to enhancing our safety culture has continued to be a priority. To strengthen our foundation in workplace safety, we partnered with Impac Training to deliver a two-day programme focusing on Health, Safety, and Wellbeing Fundamentals. This programme provides our employees with practical insights and skills to promote a safer and healthier work environment. We also created Safety Induction training, Mental Fitness at Work and online modules to address critical risk controls.

Management of critical risks is a priority and significant progress has been made in defining safe practice expectations. While it is important for our people to understand the impact of decisions they make, we have worked closely with the business to create a "no blame" culture and feedback from this year's Safety and Wellbeing Survey shows real improvement in this area. This culture assists us to complete more robust investigations and learning from experiences across the business. Our team members are celebrated for identifying potential hazards and root causes of accidents, and for sharing learnings to prevent future harm.

Sustainability | *Toitūtanga*

FY24 marks the first year that PGW has produced a standalone Sustainability Report which is released alongside our Annual Report and available on PGW's website. This reporting will support PGW's commitment to provide increased transparency through public sustainability disclosures.

The Sustainability Report provides our stakeholders with disclosure of our sustainability performance and activities over the past financial year, including our climate-related activities. The climate-related disclosures comply with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board and include information on governance, strategy, risk management, metrics and targets.

Sustainability is a key strategic pillar in our PGW Group Strategy. In FY24, we began to refresh our Sustainability Strategy (Te Rautaki mō e Toitūtanga) to align with PGW's maturing approach. Key initiatives include the formation of a group level Sustainability Committee with representation across the business, continued reported reduction in PGW's operational greenhouse gas emissions, and a commitment to transparency and action with regards to the Gender Pay gap.

Top: PGW Regional Manager Upper North Island Dave McMillin presents Wairapapa Moana ki Pouakani Incorporation (WMI) General Manager Anaru Smiler (both centre) with a $7,000 PGW store voucher as winners of the 2024 Ahuwhenua Trophy for Dairy which PGW is a silver sponsor.
(Left to right): PGW Iwi Relationship Manager Mike Pritchard, PGW Livestock Area Sales Manager Brad Osbourne, WMI Operations Manager Gareth Hughes, WMI Dairy Manager Farm 4 Kim Turner, and PGW Taupō Rual Supplies Store Manager David Gash.

Below: Fruitfed Supplies Technical Horticultural Representative Jonny Richards discusses vine health with Kelly Le Frantz Vineyard Manager and Emmanuelle David Winemaker at Heaphy Vineyards in Tasman.

MPI expects New Zealand's food and fibre **export revenue to grow to a new high** of around $67 billion by June 2028 from the c. $55 billion recorded this year

Cashflow and debt | *Te Kapewhiti me te Nama*

PGW recorded operating cash flows during the year of $57.7 million, which was $32.2 million higher than the prior year. The key drivers of the higher operating cashflows were a reduced GO-STOCK balance from that recorded in June 2023, and lower income tax payments.

PGW also preserved cash by not declaring a dividend in FY24.

Capital expenditure of $22.8 million was $5.7 million higher than the prior comparative period. This spend included the continued investment in our IT System's Business Improvement Programme and the acquisition of our co-owner's half-share of the Frankton saleyards in Waikato.

Our net interest-bearing debt was $59.2 million as at 30 June 2024, a reduction of $6.1 million from the prior comparative period.

PGW renewed and extended its syndicated bank facilities during the year through to February 2026. These facilities provide extended term and working capital limits and allow for potential growth in our GO-STOCK book.

Distributions | *Ngā Utu Whaipānga*

PGW paid its final FY23 dividend of $7.8 million on 3 October 2023. No interim FY24 dividend was declared and following a review of the full year result and the continued difficult trading conditions impacting the primary sector and wider economy, no final FY24 dividend was declared.

Outlook | *Matapae*

Looking ahead, the rural servicing market in New Zealand remains relatively challenged in the near term but is expected to see moderate growth over the longer term. Commodity prices remain relatively volatile and underpin a cautious approach from growers and farmers. Geopolitical tensions are contributing to volatility. A slower than expected recovery of the key China export market continues to dampen commodity prices.

Economic pressures through elevated funding costs remain as interest rates continue to exert pressure on the agricultural sector. Interest rate and inflationary relief are expected as global economic conditions stabilise. This should lead to more manageable debt servicing costs and predictable inflation.

With this backdrop, PGW expects to see continuing subdued demand for agricultural inputs and services over the short term while producers face these challenges. Over the coming 18 months, we anticipate these pressures to ease and increasing demand for rural inputs and services as farmers and growers invest in their productive operations and attend to deferred expenditure.

New Zealand's producers are celebrated for their ingenuity as they develop innovative solutions to improve efficiency. PGW's market leading technical offering and retail network are well-positioned to support our clients in meeting this demand.

Governance changes | *Ngā Panonitanga Mana Whakahaere*

The PGW Board had a number of membership changes over the past year.

Lee Joo Hai stepped down as Board Chair and a member of the Audit Committee on 4 July 2023. He resigned from the Board on 24 October 2023 having served as a Director since 31 October 2017.

U Kean Seng was appointed as Acting Chair on 4 July 2023 and relinquished the role when Garry Moore was appointed Chair of the Board on 16 February 2024.

Executive team changes | *Ngā Panonitanga Rōpū Whakahaere*

The PGW Executive team had three changes this year following the sad passing of Grant Edwards, General Manager Wool. Rachel Shearer, General Manager People & Safety took on the role of General Manager Wool (Acting) and Sarah Mears became General Manager People & Safety (Acting). These roles were made permanent in August 2024.

Top left: Fruitfed Supplies Cromwell store in Central Otago.

Top right: PGW Technical Field Representative Gerard McCarthy inspects a fodder beet paddock to check how the cattle are transitioning onto the crop with Maddy Calder Farm Manager at Tarras Farms in Central Otago.

Right: Fruitfed Supplies Customer Service Representatives Paige Robinson and Lily Campbell discuss a client's order for the upcoming season at the Cromwell Fruitfed Supplies store in Central Otago.

Acknowledgements | *Ngā whakamihi*

Grant Edwards, General Manager Wool, sadly passed away in April 2024. Grant started as a Stock Agent in 1983 for a PGW predecessor company before joining the wool business (see page 20).

Victor Schikker, a valued member of our livestock team, passed away in August 2024 following a tragic accident having given nearly 50 years of quality service to the business and our clients (see page 21).

Our thoughts are with Grant's and Victor's families.

The results achieved in the challenging market conditions of the past year have highlighted our team's talent and dedication.

The results PGW has delivered in this challenging year would not have been possible without the steadfast support of our clients and suppliers during this period. We extend our gratitude to our shareholders and assure you of our ongoing commitment to deliver growth.

Garry Moore
Chair

Stephen Guerin
Chief Executive Officer

Board of Directors | *Te Poari Tumuaki*





Garry Moore
B.Com, M.B.A, C.A.

Chair and Independent Director

Garry Moore was appointed Chair of PGG Wrightson Limited Board on 16 February 2024 and has been an Independent Director since 1 July 2022. He is a member of the Audit Committee.

Garry was raised on farms in rural Mid-Canterbury before attending Canterbury University, graduating with a B.Com in Accounting and Economics, and an MBA. He brings a wealth of finance knowledge with 40 years of extensive investment advisory experience together with trustee and corporate governance experience in rural services, viticulture, pastoral farming, and education.

Garry is a Chartered Member of the New Zealand Institute of Directors. He is a registered Financial Service Provider and a former member of the national Forsyth Barr Investment Committee. Garry is Chair of DairyCool Limited and South Canterbury based farm owner Burnett Valley Trust. He is a past Chair of St Andrew's College, Greystone Wines, and the Canterbury Branch of the NZ Institute of Chartered Accountants.

Sarah Brown
BA, LLB, CFInstD

Deputy Chair and Independent Director

Sarah Brown was appointed Deputy Chair of the PGG Wrightson Limited Board on 4 July 2023, is Chair of the Audit Committee, and has been an Independent Director since 30 April 2019. Sarah is from a rural background, having grown up on a Southland sheep farm.

Sarah is a former commercial lawyer who is now a professional director and has had extensive governance experience as a director, chair and committee chair. She has a Bachelor of Laws and a Bachelor of Arts.

Sarah is a Chartered Fellow of the Institute of Directors. She was previously on the Southern Institute of Technology Council for 11 years, six of them as Chair. She has also served on the Boards of Electricity Invercargill and PowerNet. Sarah is currently on the Boards of Blue Sky Meats Limited, SBS Bank Limited and Southsure Limited. She brings a wealth of cross sector experience at multiple organisational levels.

Meng Foon

Independent Director

Meng Foon was appointed to the PGG Wrightson Limited Board on 1 July 2022 as an Independent Director. He has extensive business experience in horticulture, agriculture, private wealth creation, and property development.

Meng is currently Chair of M Y Trust, a shareholder and Director of M Y Gold Investments Limited, and a Trustee of the New Zealand Philanthropic Foundation. He served as the Mayor of Gisborne from 2001 to 2019 and has held governance roles for several New Zealand entities.

Meng is knowledgeable about best practice organisational structures and operating systems, and he is experienced in mediation and facilitation. He believes that data, science, and technology will help ensure future sustainability in environment and land business profitability.

Meng has worked with Māori landowners and believes that Māori land businesses are important contributors to the leadership of Aotearoa. *He aha te mea nui o te ao – he Tangata,* inclusive people and relationships are the success of all things he does.

U Kean Seng
LLB (Hons), B.Ec

Director

U Kean Seng was appointed to the PGG Wrightson Limited Board on 4 December 2012. U Kean Seng previously practiced as a partner at Singaporean law firm, Shooklin & Bok LLP, focused on East Asia, and he led a corporate finance team in Allen & Overy Shooklin & Bok, JLV, an international law venture partnership with London based Allen & Overy LLP.

U Kean Seng previously sat as an Independent and non-executive director of several public listed corporations. He received a Bachelor of Laws (Honours) degree from Monash University Australia. He is a Barrister and Solicitor, Supreme Court of Victoria, Australia, Advocate and Solicitor, Supreme Court of Singapore and Solicitor of England and Wales. In addition to his extensive legal knowledge, Kean Seng is also a qualified economist, having completed his degree majoring in Economics and Accounting, B.Ec at Monash University, Australia.

Dr Charlotte Severne
MSc, PhD (Geology), ONZM

Independent Director

Dr Charlotte Severne (Tūwharetoa, Tūhoe) was appointed to the PGG Wrightson Limited Board on 18 June 2021 as an Independent Director. She is also Chair of PGG Wrightson's Health, Safety and Environment Committee.

Charlotte was a commercial scientist and executive for 20 years. She was also Deputy Vice Chancellor at both Lincoln and Massey Universities.

In 2017 she received an ONZM for her contribution to Science and Māori. In 2018 she was appointed the Māori Trustee, with various governance and agency roles for whenua Māori across New Zealand.

Retired

Joo Hai Lee

Joo Hai Lee resigned from the Board of PGG Wrightson Limited effective 24 October 2023.

Executive Team | *Ngā Kaihautū*

Stephen Guerin

Chief Executive Officer

Stephen was appointed Chief Executive Officer (CEO) of PGG Wrightson Limited in June 2019. Stephen is a director of several Group subsidiaries and a Director of the PGG Wrightson Employee Benefits Plan Trustee Limited. He holds a Bachelor of Business Studies (Accounting) from Massey University and is a Chartered Member of the Institute of Directors and Chartered Accountants Australia & New Zealand. Stephen is also a Director of Safer Farms and a director on a community charity board.

Prior to this appointment as CEO, Stephen was responsible for all aspects of the Retail & Water group business which includes the Rural Supplies, Fruitfed Supplies, Agritrade, and Water businesses. He has worked for PGG Wrightson Limited and its predecessor companies since 1988.

Nick Berry

General Manager Retail & Water

Nick was appointed General Manager Retail & Water in August 2019. Nick joined PGG Wrightson Limited as New Business Growth Manager for Agritrade in 2014 and through his five-year period with Agritrade, he grew the business substantially.

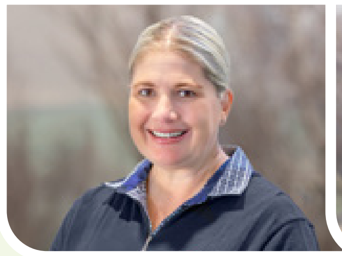
Before joining PGG Wrightson Limited, Nick was General Manager at RD1 for eight years and prior to that he was National Operations Manager. Nick has an extensive track record of experience at general management level. Nick's strengths are leadership, business management, along with strong sales and service focus, backed up with a strong affinity for retail and the agribusiness sector.

Julian Daly

General Manager Corporate Affairs

Julian is responsible for the Group Strategy, Marketing, Legal, Corporate Communications, Business Services, and Investor Relations functions for PGG Wrightson Limited. He is also Company Secretary and previously held a number of responsibilities including, General Manager of PGG Wrightson Real Estate Limited and Internal Audit. Julian has broad operational involvement across the business and is Chair of the Credit Committee and Risk Committee, director of several Group subsidiaries and a Director of the PGG Wrightson Employee Benefits Plan Trustee Limited.

He is a former General Counsel of DB Breweries Limited and has previously worked for law firms in the Middle East and New Zealand. Outside of his PGG Wrightson Limited role, Julian also has a number of governance and voluntary positions, including as a Director of Trade Aid New Zealand, Chair of Selwyn House School and as a Citizens Advice Bureau community lawyer.



Sarah Mears

General Manager People & Safety

Sarah joined PGG Wrightson Limited in 2011 and was appointed the role of General Manager People and Safety in August 2024. Sarah is responsible for the design and delivery of our Group People & Safety strategy, through Leadership of our Health, Safety & Wellbeing, Human Resources Business Partnering and HR Shared Services teams. She has provided direct HR Business Partnering services and Leadership across all Business Units before moving into her current role.

Sarah is a former Area Human Resources Manager for Intercontinental Hotels Group where she spent 15 years in generalist HR and Learning Development roles which saw her work and travel across New Zealand, Australia and Southeast Asia.

Peter Newbold

General Manager Livestock & Real Estate

Peter is General Manager Livestock & Real Estate. Peter has led the PGG Wrightson Limited Real Estate business since September 2013 and he took responsibility for PGG Wrightson Limited Livestock in October 2020. Peter was previously General Manager of New Zealand Sotheby's International Realty.

Peter was employed by Wrightson Limited from 1995-2005 during which time he held a range of roles including Marketing Manager and Business Development Manager. Prior to this, he had an extensive career in retail ownership management and franchising.

Peter Scott

Chief Financial Officer

Peter was appointed as PGG Wrightson Limited's Chief Financial Officer in March 2015 and leads the finance and technology functions. Peter started his career at Fletcher Challenge and has broad multinational experience spending five years in Scandinavia where he was the Vice President of Accounting and Tax for Norske Skog, a large global newsprint and magazine paper producer.

He relocated to Australia in 2005 and was appointed to the lead finance role for the Australasian region for Norske Skog. In 2008 Peter joined Gloucester Coal Limited, an Australian Securities Exchange listed mining company as the Chief Financial Officer. In 2010 he joined the majority shareholder Noble Group, a leader in managing the supply chain of agriculture, energy, metals and mining resources, headquartered in Hong Kong and listed in Singapore. He was the Chief Financial Officer for Noble Group in Australia.

Rachel Shearer

General Manager Wool

Rachel joined PGG Wrightson Limited in 2016 as the General Manager People & Safety. She was appointed the General Manager Wool in August 2024 to provide leadership in all aspects of Wool procurement, logistics, sales, and wool export. Rachel stepped into the role as a trusted Executive leader at PGW – she is a strategic thinker, is passionate about continually improving business (particularly in the primary sector) and holds strengths in both operational and people leadership.

Rachel is a member of the Institute of Directors. She is PGW's Executive Director of bidr®, New Zealand's leading online platform for livestock trading, as well as a director of other Group subsidiaries. Prior to joining PGW, Rachel was the GM Human Resources at Solid Energy New Zealand Limited, after time spent as a human resource consultant specialising in organisational design, workforce planning and business transformation.

In Memoriam

Grant Edwards
General Manager Wool

Grant passed away in April 2024 (see page 20).

In Memoriam:

He Whakamaharatanga

HONOURING THE LIFE OF

Grant Edwards,

General Manager Wool

It is with profound sadness that we acknowledged the passing of Grant Edwards, General Manager of PGW Wool in April 2024. Grant was a friend to many within the business and a very dedicated member of the PGW family. His passing was a great loss for those who had the pleasure of working with him in the wool and livestock industries.

Over the past 40 years, Grant built a strong foundation of knowledge and leadership within the business. Having graduated from Lincoln University with a Bachelor of Agricultural Science, majoring in Wool Science, Grant started his career as a Stock Agent at Reid Farmers in Ranfurly in 1983. After several years, Grant joined the wool business where he became Wool Manager, based in Dunedin. Following the merger with Pyne Gould Guinness Limited, Grant became General Manager Wool until the merger with Wrightson Limited in 2005. Grant was appointed General Manager Regions for PGW until 2016. Since 2017 Grant was based in Christchurch, leading our wool business.

Grant's strength was navigating industry politics to ensure outcomes were good for growers, the wool industry and the business. Highly regarded by his peers, Grant was a member and often chair of various industry bodies. He could slice through what was meaningful to wool growers and had an exceptional understanding of how the wool business operated through all economic cycles.

What made Grant special was his duty of care for his staff, he always cared for his team. Grant had a keen attention to detail and was firm in his conviction of sticking to our knitting. As a stalwart of wool, his passion for the wool industry was unwavering and his leadership will leave a lasting influence. Grant's catchphrase was "Once you have a passion for wool it never leaves." The PGW Wool team will continue Grant's rich legacy of dedication to the wool industry and our wool growers.

Grant was very proud of his family and loved his home province of Otago. Our thoughts and deepest sympathies remain with Grant's family and friends.

HONOURING THE LIFE OF

Victor Schikker,

Livestock Rep Mid Canterbury

We are deeply saddened by the passing of Victor Schikker in August 2024. Victor was a company man, having started at Wrightson Limited in Ashburton, Mid Canterbury, in January 1975. He spent the next nearly 50 years with Wrightson Limited and then PGW, following the merger with Pyne Gould Guinness Limited in 2005. For the first six years, Victor worked in various office roles before becoming a sheep and beef trainee representative in 1981. He progressed through the ranks culminating in his appointment to Mayfield in March 1989, a position he held until October 1992.

Wrightson Limited recognised the change in land use in Mid Canterbury and Victor became a specialist dairy representative, having had some dairy experience. Victor spent the next 32 years building his reputation in the dairy industry through his honesty, hard work, sense of humour and the pride he took in getting the job done. Many of Victor's clients became lifelong friends and many are still farming based on the original herd that he had sourced for them, which he took pride in.

Victor was a much loved and popular member of staff in Ashburton. His willingness to help, welcoming attitude, and sense of humour made Victor a pleasure to be around. He was a true team player, and he spent many years on the social club committee organising events.

As the Mid Canterbury IHC Calf Scheme Coordinator, Victor put countless hours in canvassing, tagging, scanning, selling calves and helping to raise hundreds of thousands of dollars for Mid Canterbury and the IHC.

Victor was a valued member of our team, and he will be remembered by all who knew him as a man with a big heart, his sharp-witted sense of humour and will be sorely missed by all who knew him. Our thoughts are with Victor's family and loved ones during this difficult time.

Fruitfed Supplies Technical Horticultural Representative Stephen Hall reviews cucumber vines with Arie van der Houwen owner of the House of Taste in Auckland.

The year in review

Te arotake i te tau

PGW has two operating groups:
Retail & Water and Agency

E rua ngā rōpū whakahaere o PGW:
Hokohoko me te Wai me te Umanga

The PGW Water Technical team completes a specialised electrical service on this Valley Corner Arm in preparation of the irrigation season ahead in South Otago.

Retail & Water group

Rōpū Hokohoko me te Wai

Revenue $733.6m ▼ $51.7m

Operating EBITDA $41.0m ▼ $13.1m

The Retail & Water business incorporates Rural Supplies, Fruitfed Supplies, Water, and Agritrade. Retail & Water's Operating EBITDA was $41.0 million, down $13.1 million on the prior year. Revenue of $733.6 million, was down $51.7 million.

Our Retail & Water business, along with many others in the agricultural sector had a challenging financial year and experienced a drop in demand with farmers and growers alike reducing their spend levels in response to market conditions. This is due to multiple influences impacting the market such as adverse weather conditions, aggressive competitor pricing, all-time lows in farmer confidence, and economic uncertainty with interest rates, farmgate returns, inflationary pressures and subdued commodity prices.

Despite the more challenging market conditions, our retail business continued to consolidate market share in most categories. Even in these difficult times, client feedback and market research indicators support the view that PGW is on the right track and compares favourably in the market with regard to our professionalism, technical knowledge, and service. When budgets are tight, we understand the heightened need for our clients to optimise value from their spend. In that context, our focus on providing the best technical advice and expertise along with leading innovation becomes even more important and differentiates our client proposition.

Our Batch Tracking and Retail Pricing projects were completed this year as part of the wider Business Improvement Programme. A comprehensive batch tracking service continues to be asked for by our clients and this is a chance for our retail stores to set themselves apart from our competitors in the area of traceability.

We currently have a strong footprint in horticultural R&D and are moving to extend this capability into the rural servicing parts of our business with product focused R&D.

This initiative fits well with our strategy of delivering technical know-how and value add to our customers who increasingly look to PGW to fulfil this role of facilitating leading innovation.

Fruitfed Supplies Technical Specialist Chris Lambert (right) with Fruitfed Supplies Crop Monitoring Manager Anna Graham (centre) undertaking brassica pest and disease identification training with Crop Monitoring Scout Jack McKenzie (left) at Waitatapia Station in Manawatū-Whanganui.

More AI tools were integrated into our eCommerce platform, enhancing its efficiency and user experience.

We hosted successful events at Southern Fieldays and National Fieldays that saw increased visitor engagement and sales volume on-site.

Over the course of the year the Retail & Water business refreshed its five-year strategy. The strategy focuses on areas that will generate real growth and value and set the business up to respond to the changing needs of our clients. Underpinning our strategy is the strength of our offering and core competency in agronomy categories (seed, ag-chem and fertiliser) along with our sustainability credentials.

Rural Supplies | *Ngā Whakaratonga Taiwhenua*

A reduction in cow, sheep and beef numbers has created a tougher market. High farm input costs and lower sheep returns affected farmer profitability which impacted our sales. However, Rural Supplies has nevertheless grown market share in this difficult environment.

Drench resistance is accelerating at an increasing rate and the financial impact on sheep and beef farmers will be significant. PGW sees this as an important issue where our team can provide good technical advice and support to our clients. We are building our frontline staff's awareness of the issue, increasing our knowledge of how best to manage drench resistance through farm management practices and building "toolboxes" that will allow our teams to assist clients through this challenge.

We currently have a strong footprint in horticultural R&D and are moving to extend this capability into the rural servicing parts of our business with product focused R&D. This initiative fits well with our strategy of delivering technical know-how and value add to our customers who increasingly look to PGW to fulfil this role of facilitating leading innovation. Initial R&D trials have been selected and work has begun in this area.

On the marketing front, Rural Supplies began the year with a new campaign focused on explaining and demonstrating the value of our Technical Field Representatives via "Day in a Life" video blog style videos on social media and print coverage.

In January 2024, our Takaka store suffered significant damage as a result of a fire in the neighbouring building. PGW is a key part of the town and local community, and we look forward to reopening the full site in the new financial year.

We continue to invest in our store network, with the opening of the new Timaru Retail and Water stores together with a new bulk store extension in Geraldine. These new developments provide improved working environments that benefit both our people and our clients. The developments further demonstrate our commitment to support farmers and growers throughout regional New Zealand.

We have also invested in upgrading the Waimate store, along with future upgrades scheduled for our Winton, Invercargill, and Heriot Rural Supplies stores, as well as our Ohakune Fruitfed Supplies store.

Even in the trading conditions we have experienced over recent times, our Fruitfed Supplies network has continued to set the standard in the market. The business achieved its best performance in Crop Monitoring Services and our Ag-Chem category recorded its second highest sales year.

Fruitfed Supplies | *Ngā Whakaratonga ā-Huawhenua*

Even in the trading conditions we have experienced over recent times, our Fruitfed Supplies network has continued to set the standard in the market. The business achieved its best performance in Crop Monitoring Services and our Ag-Chem category recorded its second highest sales year.

The impacts of Cyclone Gabrielle continue to be felt. A number of our clients in the Gisborne and Hastings areas lost large portions of their crops in 2023 and therefore less inputs were required in the new season. Some clients lost their entire season's crop last year, impacting their cash flows and income.

Returns for some crops have been softer over the past year. The apple, avocado and kiwifruit industries have experienced reduced returns, with prices obtained for some varieties at levels not experienced for several years. The drop in returns resulted in reduced spending in some product lines. Despite a good harvest, yields for wine growers were lower with this year's harvest back 21% on last year's tonnage.

Following the launch of a dedicated Facebook page at the end of the previous financial year, we continued to grow Fruitfed Supplies' following on social media by delivering engaging content showcasing our people, our technical value and our support for the horticultural industry.

Water & Irrigation | *Te Wai me te Whakamākūkū*

Economic pressures constrained spend on irrigation system upgrades. With less transactional activity the Water team took the opportunity to engage with clients and analyse opportunities. Our Service team spent time fostering relationships through on-farm conversations and advising on irrigation audits and system operations.

PGW Water continued to invest in specific field training for our technicians. This has seen increased client referrals with new and returning clients across our service branches.

There has been a progressive increase in marketing initiatives for the Water business with a refreshed and expanded water website hosted on PGW's eCommerce platform, and increased content and promotion on the Retail & Water social media channels.

Agritrade | *Tauhokohoko Ahuwhenua*

Agritrade, our wholesale business division, experienced a solid financial year. There has been a strong focus on improving our operations within the business, through optimising the logistics function, encouraging bulk ordering, and inventory reduction to concentrate on preferred product lines.

Due to lower incidence in facial eczema in livestock over the past season, there were fewer sales of our proprietary Time Capsule® bolus treatment which impacted our Agritrade performance.

Above: Fruitfed Supplies Technical Advisor Erin Garnett discusses alternative budbreaker products for use in kiwifruit with Michael Hope Valagro Senior Territory Manager - North Island Specialist and Nathan Burt Strathboss Kiwifruit Orchard Manager at Stratboss Kiwifruit Limited in Bay of Plenty.

Right: Fruitfed Supplies Technical Horticultural Representative Louise Shepherd discusses the survivability of the radiata pine seedlings with Kevin Strawbridge and his son Mark of Northland Forestry Nursery in Northland.

Live online bidding being relayed through bidr® to the Auctioneer at an on-farm dairy sale in Waikato.

Agency group

Rōpū umanga

Revenue	$180.7m	▼ $8.1m
Operating EBITDA	$12.3m	▼ $3.8m

Our Agency group incorporates the Livestock, Wool, and Real Estate businesses. Operating EBITDA was $12.3 million which was down $3.8 million on the prior year's strong result. Revenue was $180.7 million, which was broadly in line with the prior year's result, down $8.1 million.

Livestock | *Ngā Kararehe*

Our Livestock business was impacted by the tougher macro-economic conditions. Elevated inflationary pressures and input costs led to subdued purchasing from farmers and a noticeable reduction in bull sales. Sheep prices were back significantly due to subdued export demand from China coupled with an increase in supply from Australia. These factors combined to reduce commission revenue.

Lower stock volumes were traded in the North Island, as feed surplus throughout much of the year led to farmers holding stock for longer. Whereas cattle trading was robust in the South Island, with tallies up slightly compared to the prior fiscal year as drier conditions led to increased stock turnover.

Whilst pressure on sheep pricing is anticipated to continue into the current financial year, there is an expectation we will see robust trading across the major stock types as farmer confidence improves and the spring season arrives.

We saw continued growth in our meat processor partnerships with increased volumes and terms negotiated across all our key procurement arrangements.

Our GO-STOCK grazing programme continued to see positive demand. GO-STOCK frees up capital for farmers allowing them to invest in other areas of their businesses. Robust returns were generated from GO-STOCK and it continues to prove popular with sheep, beef, dairy and deer farmers.

Our Deer velvet business delivered another good trading performance, with new contracts entered into with both local and international buyers. A visit to key clients in South Korea and China by PGW's CEO, General Manager Livestock and National Velvet Manager strengthened relationships and identified opportunities for further growth.

Our bidr® database of buyers continued to show healthy development. This growth is driven by continued demand for online bidding and livestreaming of cattle sales at saleyards and on-farm auctions, with especially strong demand in livestock genetics markets. We have regular livestreaming from 13 saleyards around the country and a growing number of on-farm auctions with over 950 auctions streamed during the year.

Our bidr® business strategy was also reviewed and refreshed over the course of the year. New markets and user functionality will be explored in the next year to underscore the benefits that bidr® can bring to agricultural markets and to extend our auction footprint further.

Our investment in proprietary technology continues. The Blue Notebook app has become indispensable to our Livestock staff, as a source for all internal resources and information. PGW Livestock's new agOnline app has seen significant uptake with Livestock Reps. Improved functionality in the app allows Livestock Reps to manage their listings from start to finish, ensuring the number and quality of listings stays high for our clients to browse on the agOnline website. This, combined with agOnline's expanded offering, has further improved our position as the leading livestock trading website in New Zealand.

PGW Livestock launched SkyCount™, an innovative new way to tally livestock, at National Fieldays at Mystery Creek. SkyCount™ integrates aerial imagery and Artificial Intelligence software to conduct livestock audits at a new level of speed, accuracy and efficiency (see pages 37-39).

Wool | *Wūru*

In addition to the sad passing of Grant Edwards, General Manager Wool, two stalwarts of the wool industry retired. Our North Island Wool Manager Allan Jones retired after 57 years, and South Island Wool Manager Rob Cochrane retired after 50 years. Both Allan and Rob spent their entire careers at PGW and its predecessor companies.

The season delivered a degree of stability for wool growers with prices for some wool types approaching three-year highs, although significant scope for value growth remains. Merino wool met steady competition from fine wool buyers with solid prices. Crossbred wools finished the season with some positive signs as well-prepared crossbred fleeces commanded premiums. Most strong wool sold which is a positive for growers as we go into the start of the new season without large volumes of older stock in inventory.

Our wool exporting subsidiary, Bloch & Behrens Wool (NZ) Limited, saw increased interest in their flagship Wool Integrity NZ™ brand offering, including some well-known local brands coming onboard.

A review of the leadership and operating structure of our PGW Wool business was initiated during the year. The leadership team has now been realigned with a view to implementing a refreshed and future focused strategy for the Wool business.

Real Estate | *Hokohoko Whenua*

It has been a particularly challenging year for the rural real estate market. Momentum in this market remains subdued, with farm sales significantly down on the prior year. The economic climate has impacted farm and agricultural land prices and produced a mismatch between vendor and purchaser expectations.

Macroeconomic conditions have also impacted the lifestyle market. This has been keenly felt in the North Island, however the South Island held up reasonably well, especially in Southland where there was growth compared to the prior year. Lifestyle block sales have slowed significantly post the pandemic. Whilst some exceptional quality listings have been brought to market, sales are heavily influenced by values achieved in the large metropolitan areas.

Sheep and beef property sales were slower due to low farmgate returns. The dairy sector saw some momentum with increased interest in the dairy properties listed following the uplift in the forecast farmgate milk price. Uncertainty is also evident in horticulture with fewer listings than expected.

Our share of the real estate market has held up despite the challenging conditions that have been felt across the industry. Our Real Estate business continues to target organic share growth through targeted recruitment, particularly in the Lower North Island where we have increased our footprint along the East Coast. With some strategic appointments we are also expanding our residential offerings, particularly in Mid and South Canterbury.

The first half of the current financial year is expected to remain challenging, particularly in the rural market where uncertainty remains and with limited listing stock. However, dairy sales are projected to continue their steady growth and residential and lifestyle property markets are also expected to see a gradual upswing as interest rates ease and confidence returns.

Right: PGW Wool Representative Danielle Boyd discusses the high quality of the wool with Harvey Stewart R&D Manager at Kaiwaka Clothing at Oneriri Station in Northland.

Above: PGW Livestock Genetics Representative Emma Pollitt with Dean McHardy Stud Master at Tangihau Angus and Andrew Powdrell Stud Master at Turiroa Angus, the bull's new co-owner. Turiroa Angus bought the bull in partnership with Kaharau Angus. *Photo credit: Rebecca Williams Photography.*

Right: PGW Real Estate's new Tauranga office in Te Puna.

PGW Summer Interns Meg Gordon and Jenna Meikle inspect a barley growth regulator trial in Mid Canterbury.

Our People | *Ā Mātou Tāngata*

Celebrating the Launch of the Inaugural PGW Research & Development Internship Programme

A strategic priority of PGW is Customer Focused Innovation, which includes cultivating a deep understanding of our customers' businesses and pinpointing opportunities for solutions based on advancements in science and systems innovation. Of equal priority is fostering the growth of upcoming talent in the primary industry. With these dual objectives, we were delighted to launch a 10-week Internship Programme tailored for university students nationwide in the summer of 2023/24.

PGW found that many university students want to work in the primary industries, but they do not have a good understanding of what job prospects exist. Having undertaken internships during his studies, PGW's Technical Team Manager, Milton Munro, initiated and curated the Internship Programme. Milton says, "I wanted to provide a fundamentally different internship which still involves R&D projects but at the same time interns get to see just how vibrant an industry we've got and the varied careers it offers. It's symbiotic, it's not just the intern giving PGW a research project, it's a case of hoping they get just as much out of it as we get from their R&D.

"Our Internship Programme provides university students the opportunity to pair with an experienced mentor from either our Rural Supplies and Fruitfed Supplies Extension teams or our R&D team and immerse themselves in real-world research and field trials. As well as undertaking research, interns work in the field with Technical Horticultural Representatives and Technical Field Representatives, complete trials with the R&D team, join in-field training, and spend time in our stores, Wool, and Livestock businesses."

The inaugural cohort of interns included students from Lincoln, Waikato and Canterbury Universities. While the research the interns undertook provided them with a paid job for the summer, it also exposed them to careers and opportunities within PGW and the primary industries. Their research forms the foundation for initiatives that have the potential to influence key products and services on offer within PGW.

Jenna Meikle (Lincoln University) undertook a fodder beet aphid survey, measuring the influence of potential virus infection, being research which enhances our understanding of pest dynamics and disease management strategies in fodder beet crops.

Beth Williams (Waikato University) focused on scale monitoring and life cycle studies in kiwifruit, with a special emphasis on exploring the use of biological control agents to combat PSA in stressed and unhealthy kiwifruit vines.

> "Being part of the inaugural PGW Internship Programme provided me with eye-opening, insightful, and career-driven experiences that ignited a passionate path for my future".
>
> Jenna Meikle

PGW Summer Intern Beth Williams inspects kiwifruit looking for any signs of insect or disease damage in Bay of Plenty.

Meg Gordon (Canterbury University) investigated the use of summer crops as a potential cultural control mechanism for reducing sheep internal parasite loads. Her research holds promise for sustainable parasite management practices in the livestock sector.

Following the research, the students presented their findings to a panel of leaders within the business. Their reports were disseminated across PGW, and we will use their findings to help hone our strategies for the coming season. The internship was so successful that all the interns changed their courses to reflect where they want to end up in the primary industries market.

Jenna had completed her second year of her Bachelor of Commerce majoring in Agriculture when she joined the internship. Jenna says, "Being part of the inaugural PGW Internship Programme provided me with eye-opening, insightful, and career-driven experiences that ignited a passionate path for my future. Initially, I entered with a vague career direction, but by the conclusion of the internship I obtained a focused career goal for post university. Discovering a genuine passion for hands-on trial work and agronomy, moments like discussing aphids with Milton were unexpectedly rewarding. Engaging with field and horticultural representatives, as well as the Technical team, led to invaluable learning experiences from practical skills like setting up trials to gaining industry insights and mentorship.

"These experiences not only contributed to my personal growth but also enhanced the contributions in my current role as a part-time Customer Service Rep at the PGW Fruitfed Supplies store in Christchurch. My utmost gratitude extends to my supportive Store Manager Anne-Marie Forsyth and store colleagues, whose flexibility and encouragement were instrumental during my time completing the internship. As both a PGW employee and final-year student at Lincoln University, the internship was profoundly transformative, solidifying a newfound passion and inspiring excitement for future endeavours. My fullest gratitude also goes to Milton and the entire team for this incredible opportunity."

Milton enjoys the teaching aspect of the internship and personally finds the programme rewarding. "Last year we took on three interns, this year we hope to take on four to five. We'll advertise these roles across the country, wherever we have someone to support them. It's an exciting way to showcase what we practically do in the business and the industry, and we get some good research at the end. The internships promote PGW as a career option to young people at a time where they are often thinking about their future career options. We are grateful for the support of Callaghan Innovation for assisting with these intern positions", says Milton.

SkyCount™: Revolutionising Stock Audits with No On-Farm Disruption

In the ever-evolving agricultural industry PGW is committed to continually advancing initiatives to enhance our Customer Focused Innovation offerings. Innovation continues to revolutionise traditional farming practices and PGW's Livestock team has harnessed modern technology, developing a pioneering method to conduct livestock counts by integrating aerial imagery and artificial intelligence (AI) technology.

Livestock counts are conducted regularly across a range of different farming operations, such as corporate farming entities with annual reporting requirements, mid-to-large scale dry livestock properties, or farms with large herds or expansive properties. Livestock Reps are contracted to complete livestock audits, ensuring independent, objective counts are performed.

Traditionally these audits are conducted on the ground, with a mob of livestock moving through a gate to allow an accurate count. Two individuals are required for each count to ensure accuracy. When the counts of each differ, the count is performed again until a consensus is reached. This action is performed for each mob on the property, and depending on the property size, number of livestock and conditions on the ground, it can take several staff a number of days to complete.

During livestock audits, farm operations are disrupted. Livestock are not grazing while they are being counted, and farm staff are often required to assist with audits, so they are not performing their regular duties. Movement of livestock with staff in close proximity increases chances of animal stress and injury, as well as injury risk to staff. This time, effort, and disruption can be challenging for our staff and our clients.

To solve these issues and reduce business interruption for clients PGW developed SkyCount™. PGW General Manager Livestock & Real Estate, Peter Newbold says, "SkyCount™ is one of many projects PGW is undertaking across the livestock business which use technological solutions to enhance our clients' efficiency to free up time so they can focus on productivity and increasing returns."

PGW Business Development Coordinator Livestock, James Steele explains, "We fly a drone over paddocks on pre-programmed flight plans, collecting high-precision imagery. The drone takes off at a distance from livestock and flies at a height up to the legal limit of 120 metres which is high enough not to frighten livestock and allows the recording of most paddocks in a single pass. Modern drone technology provides high quality imagery with pinpoint precision, allowing us to accurately identify and count livestock across a wide range of terrain types.

"Our AI analyses the footage, accurately identifying and counting both cattle and sheep separately. The AI algorithm tracks each animal and if the level of confidence is high enough it is counted. Identifications with lower levels of confidence are visually verified by the operator to ensure accuracy. SkyCount™ software combines information provided by the farmer, such as stock types and age, with the tally captured by the programme to automatically generate a comprehensive audit report for the farmer."

Frano Staub, General Manager at Theland Purata Farm Group Limited near Hororata in Mid Canterbury has been involved in the SkyCount™ trials. Frano has been impressed with the technology and enjoys being involved in the future of farming. "PGW has been providing our physical livestock counts for a number of years. Recently we spoke about the possibility of aerial counting, so we were pretty excited when they came to us to discuss SkyCount™. Testing SkyCount™ with the PGW team has been a great experience. Using aerial and AI technology to count livestock will transform my stock audit process.

After I have provided the farm map and confirmed which paddocks are to be counted, my team does not have to do anything else, saving me valuable time and resources. Within an hour or two, I will receive my report with an accurate count of my livestock saving countless hours, removing business interruption, and improving productivity."

PGW Key Account Coordinator Livestock, Ben Southen sees the advantages of using SkyCount™ for his clients, "Drone and aerial systems use in agriculture is growing steadily and by harnessing its benefits PGW's modern aerial counting service will improve efficiency, staff safety, animal welfare, and increase accuracy allowing farmers to streamline their operations and help grow the country.

"The aerial system is operated by a livestock specialist who is trained to fly without disturbing livestock or farm operations. A benefit to PGW of moving to aerial-based audits is freeing up my time to focus on value-add services for my farmer clients rather than the time-consuming job of manually counting livestock. This is also advantageous to farmers as they can focus on more productive tasks in growing their farming operations."

Although there are other livestock counting products available, SkyCount™ has been developed specifically as an independent aerial-based livestock audit system where accuracy and efficiency are required. For more information about SkyCount™ please contact your PGW Rep.

PGW Marketing Manager Agency Duncan Stirling and PGW Business Development Coordinator Livestock James Steele review the flight plans for the stock count at Colosseum Farm in Mid Canterbury.

"We fly a drone over paddocks on pre-programmed flight plans, collecting high-precision imagery. The drone takes off at a distance from livestock and flies at a height up to the legal limit of 120 metres which is high enough not to frighten livestock and allows the recording of most paddocks in a single pass."

James Steele

Our Clients | *Ā Mātou Kiritaki*

Growing Strong Relationships Through Delivering Multiple Services

PGW Te Kuiti Rural Supplies Store Manager Carlos Cressy plants a mānuka seedling at Waiatara Station in Waikato.

PGW is committed to its Sustainability Strategic Priority which addresses sustainability across the three pillars of environment, social and governance. As one of the largest and oldest agricultural supplies businesses in New Zealand we have an important role to play to influence our suppliers and to assist our clients to address their sustainability objectives and reduce their environmental impacts.

A unique collaboration between PGW and Nufarm saw more than 100,000 mānuka trees planted along 150 kilometres of waterways for protection last year. "Doing Wright by Waterways" was so well-received, it was expanded from Rural Supplies clients to include Fruitfed Supplies clients this season. Clients who purchased Nufarm products received mānuka seedlings which help increase water filtration, reduce erosion, and significantly reduce pathogens and nitrates leaching into waterways.

The Te Kuiti store Rural Supplies clients Tiroa E and Te Hape B Trusts (the "Trusts"), which comprises four sheep and beef breeding and finishing unit farms in the King Country, took part in the programme. The Trusts are ultimately under the ownership of more than 900 shareholders affiliated to the Rereahu Iwi. What makes these farms unique are the waterways travelling through them which feed into the Mōkau, Whanganui and Waikato rivers. With 150 kilometres of waterways across the farms, the iwi's decade-long goal is to riparian plant along them.

Mānuka seedlings provided by the PGW and Nufarm programme and seedlings from the Trusts own native nursery were planted along the farms' waterways. Last year planting occurred over three of the farms covering 11 kilometres. The seedlings were collected from the farms along with a portion being donated by PGW and Nufarm. On one of the planting days at Waiatara Station PGW Store Manager Carlos Cressy, Technical Field Representative Russell Smith, and Iwi Relationship Manager Mike Pritchard were part of the crew.

Mike says, "As the Iwi Relationship Manager servicing the King Country, it's been great to support the Trusts to balance the aspirations of the whenua. The "Doing Wright by Waterways" initiative assists the Trusts' riparian programme which balances economic, social, cultural and environmental needs of its people."

Tiroa Station Farm Manager Wayne Fraser manages Tiroa Station comprising 3,150 hectares of productive land with 36,000 stock units (70/30 sheep to cattle) which is mainly a breeding block with predominantly Angus cows and Romney sheep. Wayne works alongside PGW Technical Field Representative, Russell Smith to implement the farm's cropping and grassing programme, which has delivered pleasing results and improved efficiencies on-farm.

PGW has been working with the Trusts' farms over many years across their farming business but with a particular emphasis on agronomy and animal health with a view to growing quality feed and quality animals. Russell says, "PGW has a strong understanding of the shareholders ethos of leaving the land in better shape for future generations and we work with the Trusts to help them achieve their sustainability objectives. When the Trusts started looking at doing quite large areas of riparian planting, we made contact with some experts in pest control, and we linked them up with the Trusts to put a plan in place, so when the trees were planted, they weren't going to get taken out by pests."

Wayne appreciates Russell's technical knowledge and advice on-farm. "With Russell's help, we've implemented a targeted approach to our cropping programme. He's a great sounding board. I might have lots of ideas, but having a yarn with him helps me see what will work. The farm needs to be a viable income source for whānau. Russell gives us options, so when we choose a crop, it matches our stock class and growing conditions, so we make a financial return," says Wayne.

A unique collaboration between PGW and Nufarm saw more than 100,000 mānuka trees planted along 150 kilometres of waterways for protection last year. "Doing Wright by Waterways" was so well-received, it was expanded from Rural Supplies clients to include Fruitfed Supplies clients this season.

The Trusts also engage PGW's Livestock team and local Livestock Rep Bill Harrison has a long and trusted relationship with the Trustees having worked alongside them for over 15 years. "I appreciate the size and scale of the Trusts' farms and I enjoy working alongside the farm managers on the day-to-day management with them. Whether it's ensuring they buy in the best quality stock or they get the best price on sale. It's rewarding working with the Trustees on the Trusts' long-term strategy to achieve their multiple goals."

PGW's Livestock Genetics team is utilised when selecting bulls and rams. Ian Valler manages Te Hape station and he values the technical expertise he receives from Callum Stewart, PGW Livestock Genetics National Manager.

Callum introduced Ian to bidr®, a PGW subsidiary that delivers real-time live auctions online as well as integrated online bidding at saleyard and on-farm auctions. With over 100 two-year old bull auctions available to access via the bidr platform, Ian was able to gain easier access to more genetic sales throughout the country. Callum says, "Through regular sales, on-farm transactions and bidr, we work with Ian to identify bulls that will enhance the genetic quality of his commercial beef herd. An effective breeding programme focuses on addressing flaws in the herd and identifying what needs improving, so the programme best addresses the needs of the farm's topography, climate and farming system. We have helped Ian to establish the specific criteria in the bulls he needs to improve his herd, and we assist him to find and purchase those bulls, thereby helping to optimise productivity on Te Hape Station."

Ian says, "Callum has worked alongside us for more than 15 years. He has a clear understanding of what we need our breeding programmes to deliver. Our relationship operates on openness and trust. We communicate frequently and the PGW team has a bit of scope, whatever we ask for, they will find someone who can provide it for us. We support them, and they definitely support us.

"What we have done on the genetics side of the farm has developed because of the relationship we have with Callum and PGW and continues to develop as time goes on. Relationships take time and effort from both parties, though in farming the good ones can help to create substantial value in your business. This is certainly one of those relationships.

"We make decisions about our breeding programme together, after detailed discussions on farm. We all try to look at the situation objectively and PGW provides us with a trusted relationship we can rely on."

Above: Planting mānuka seedlings at Waiatara Station in Waikato.

Lower: PGW Te Kuiti Rural Supplies Store Manager Carlos Cressy and Trustees take part in the mānuka seedlings planting at Waiatara Station in Waikato.

Ngā Whakapuakanga Pūtea Hira

Key Financial Disclosures

Consolidated Financial Statements for the year ended 30 June 2024

Ngā Tauākī ā-Pūtea Tōpū mō te tau i mutu i te 30 Hune 2024

Fruitfed Supplies Area Sales Manager Patsy Matthews (centre) checks the early summer vine growth with Indevin North Island Viticulture Manager Sarah Phillips (left) and Indevin Viticulture Technician Jade Maule (right) in an Indevin vineyard in Te Tairāwhiti.

Directors' Responsibility Statement

For the year ended 30 June 2024

The Directors are responsible for ensuring that the consolidated financial statements give a true and fair view of the financial position of PGG Wrightson Limited and its controlled entities (together the "Group") as at 30 June 2024 and the financial performance and cash flows for the year ended on that date.

The Directors consider that the consolidated financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all of the relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the consolidated financial statements with the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The Directors are pleased to present the consolidated financial statements for the Group set out on pages 45 to 85 for the year ended 30 June 2024.

The consolidated financial statements contained on pages 45 to 85 have been authorised for issue on 12 August 2024.

For and on behalf of the Board.

Garry Moore
Chair

Sarah Brown
Director and Audit Committee Chair

Consolidated Statement of Profit or Loss

For the year ended 30 June 2024

	NOTE	2024 $000	2023 $000
Operating revenue	1	915,946	975,692
Cost of sales	2	(680,245)	(722,849)
Gross profit		235,701	252,843
Other income		252	502
Employee expenses		(138,867)	(137,561)
Other operating expenses	3	(52,916)	(54,590)
Operating EBITDA	26C	**44,170**	**61,194**
Non-operating gains/(losses)	4	(67)	327
Impairment and fair value gains/(losses)	5	–	51
Depreciation and amortisation expense		(28,748)	(28,063)
EBIT	26C	**15,355**	**33,509**
Net interest and finance costs	6	(10,026)	(9,573)
Profit before income tax		5,329	23,936
Income tax expense	7	(2,265)	(6,418)
Net profit after tax		**3,064**	**17,518**

Basic and diluted earnings per share (EPS)

	NOTE	2024 $	2023 $
Basic and diluted EPS	8	0.041	0.232

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Consolidated Statement of Other Comprehensive Income

For the year ended 30 June 2024

	NOTE	2024 $000	2023 $000
Net profit after tax		**3,064**	**17,518**
Other comprehensive income/(loss)			
Items that will never be reclassified to profit or loss			
Changes in fair value of equity instruments		–	9
Remeasurements of defined benefit liability	18	184	1,059
Tax on remeasurements of defined benefit liability	7	(13)	(297)
Total other comprehensive income/(loss) for the period		171	771
Total comprehensive income for the period		**3,235**	**18,289**

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Segment Report

For the year ended / as at 30 June 2024

A. Operating segments

The Group has two primary operating segments, Agency and Retail & Water, which are the Group's strategic divisions. These operating segments operate within New Zealand.

The two operating segments offer different products and services, and are managed separately because they require different skills, technology and marketing strategies. Within each segment, further business unit analysis may be provided to management where there are significant differences in the nature of activities. The Chief Executive Officer or Chairman of the Board reviews internal management reports on each strategic business unit on at least a monthly basis.
The Group's segments are described below:

- **Agency:** This segment derives its revenue primarily from commissions in respect of rural Livestock, Wool and Real Estate transactions. This segment also derives revenue from wool and velvet product sales, and interest revenue from its GO-STOCK receivables (refer to Note 12 *GO-STOCK receivables* for further explanation regarding this programme).
- **Retail & Water:** This segment includes the Rural Supplies and Fruitfed Supplies retail operations, Agritrade, PGG Wrightson Water, ancillary sales support and supply chain functions. This segment derives its revenue primarily from the sale of goods as well as the design, installation and servicing of irrigation solutions.
- **Other (non-operating):** Other relates to certain Group Corporate activities including Governance, Finance, Treasury, Risk and Assurance, and other support services (such as corporate property services and marketing). The Marketing function derives sales revenue from the Group's rewards and on-charging programmes.

Assets and liabilities allocated to each business unit combine to form the total assets and liabilities for the Agency and Retail & Water business segments. Certain other assets and liabilities are held at a Corporate level including those for the Corporate functions noted above. Similarly, the profit or loss for each business unit combines to form the total profit or loss of the Agency and Retail & Water business segments. Certain other revenues and expenses are recorded at the Corporate level for the Corporate functions noted above.

Corporate costs allocation

The Group allocates certain Corporate costs to an operating segment where they can be directly attributed to that segment or using the following methods:

– IT hardware, support, licence and other costs are allocated on a per user basis.

– Property costs which are not directly attributable are allocated on a property space utilisation basis.

– Business operations costs (Accounts Payable, Accounts Receivable, Call Centre) are allocated based on FTE usage by each operating segment or transactional volumes. Credit Services costs are allocated to the operating segment to which the overdue accounts relate.

Other costs such as non-operating gains/losses, impairment and fair value gains/losses, net interest and finance costs and income tax expense are not fully allocated by the Group across the operating segments. The Group Governance, Finance, Treasury, and Risk and Assurance functions continue to be reported outside of the operating segments.

B. Geographical segment

The Group operates within New Zealand only and its revenue is derived primarily from New Zealand.

PGG WRIGHTSON LIMITED

Segment Report (continued)

For the year ended / as at 30 June 2024

C. Operating segment information

	AGENCY		RETAIL & WATER		OTHER (NON-OPERATING)		TOTAL	
	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000
Sales revenue	89,021	87,556	719,961	765,661	1,364	1,286	810,346	854,503
Commission revenue	83,347	93,692	102	92	95	95	83,544	93,879
Construction contract revenue	–	–	12,107	18,031	–	–	12,107	18,031
Interest revenue on GO-STOCK receivables	7,294	6,573	–	–	–	–	7,294	6,573
Interest revenue on overdue debtor accounts	552	523	1,003	1,151	54	20	1,609	1,694
Sublease income	485	459	403	363	158	190	1,046	1,012
Total external operating revenues	180,699	188,803	733,576	785,298	1,671	1,591	915,946	975,692
Operating EBITDA	**12,314**	**16,068**	**41,042**	**54,129**	**(9,186)**	**(9,003)**	**44,170**	**61,194**
Non-operating gains/(losses)	(61)	335	(38)	83	32	(91)	(67)	327
Impairment and fair value gains/(losses)	–	–	–	–	–	51	–	51
Depreciation and amortisation expense	(8,552)	(8,787)	(17,019)	(16,267)	(3,177)	(3,009)	(28,748)	(28,063)
EBIT	**3,701**	**7,616**	**23,985**	**37,945**	**(12,331)**	**(12,052)**	**15,355**	**33,509**
Net interest and finance costs	(3,624)	(3,857)	(3,399)	(3,779)	(3,003)	(1,937)	(10,026)	(9,573)
Profit/(loss) before income tax	77	3,759	20,586	34,166	(15,334)	(13,989)	5,329	23,936
Income tax benefit/(expense)	(94)	(1,170)	(5,604)	(9,707)	3,433	4,459	(2,265)	(6,418)
Net profit/(loss) after tax	**(17)**	**2,589**	**14,982**	**24,459**	**(11,901)**	**(9,530)**	**3,064**	**17,518**
Segment assets	191,647	202,490	243,537	263,221	41,049	30,817	476,233	496,528
Assets held for sale	1,402	–	–	–	–	–	1,402	–
Total segment assets	**193,049**	**202,490**	**243,537**	**263,221**	**41,049**	**30,817**	**477,635**	**496,528**
Total segment liabilities	**(91,394)**	**(82,866)**	**(142,298)**	**(159,709)**	**(79,210)**	**(84,692)**	**(312,902)**	**(327,267)**
Capital expenditure (additions to non-current assets)	**13,230**	**6,227**	**10,484**	**6,232**	**12,542**	**12,380**	**36,256**	**24,839**

The accompanying notes form an integral part of these consolidated financial statements.

PGG Wrightson

PGG WRIGHTSON LIMITED

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	NOTE	2024 $000	2023 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		936,313	979,878
Dividends received		5	5
Interest received		9,601	8,743
		945,919	988,626
Cash was applied to:			
Payments to suppliers and employees		(875,584)	(940,906)
Lump sum contribution to PGG Wrightson Employee Benefits Plan		(128)	–
Interest paid		(6,096)	(4,565)
Interest paid on lease liabilities		(4,276)	(3,800)
Income tax paid		(2,102)	(13,846)
		(888,186)	(963,117)
Net cash inflow/(outflow) from operating activities		**57,733**	**25,509**
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment		66	579
Dividend received from jointly controlled entity		134	–
Repayment of loan from jointly controlled entity		–	9
		200	588
Cash was applied to:			
Purchase of property, plant and equipment		(11,417)	(6,453)
Purchase of intangibles		(11,428)	(10,723)
Advance to jointly controlled entity		(20)	(170)
		(22,865)	(17,346)
Net cash inflow/(outflow) from investing activities		**(22,665)**	**(16,758)**
Cash flows from financing activities			
Cash was provided from:			
Increase in external borrowings and working capital debt	9	–	32,460
		–	32,460
Cash was applied to:			
Dividends paid to shareholders		(7,763)	(21,712)
Repayment of external borrowings and bank overdraft		(6,960)	–
Repayment of principal portion of lease liabilities		(21,203)	(19,532)
		(35,926)	(41,244)
Net cash inflow/(outflow) from financing activities		**(35,926)**	**(8,784)**
Net increase/(decrease) in cash held		(858)	(33)
Opening cash and cash equivalents at the beginning of period		4,643	4,676
Cash and cash equivalents at the end of the period	9	**3,785**	**4,643**

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Reconciliation of Net Profit After Tax with Net Cash Flow from Operating Activities

For the year ended 30 June 2024

	2024 $000	2023 $000
Net profit after tax	3,064	17,518
Add/(deduct) non-cash/non-operating items:		
Depreciation and amortisation	28,748	28,063
Impairment and fair value losses/(gains)	–	(51)
Bad debts written off (net)	391	451
Loss/(profit) on sale of assets and investments, and lease terminations	144	(382)
Foreign exchange loss/(gain)	(211)	(22)
Deferred tax expense/(benefit)	2,205	1,658
Defined benefit expense/(gain)	(47)	9
Pension contributions not expensed through profit or loss	(128)	–
Other non-cash/non-operating items	(69)	71
Add/(deduct) movement in working capital items:		
Change in inventories	12,341	(5,613)
Change in accounts receivable, GO-STOCK receivables and prepayments	29,479	17,314
Change in trade creditors, provisions and accruals	(14,580)	(21,533)
Change in other current assets/liabilities	(1,561)	(2,878)
Add/(deduct) movement in taxation items:		
Change in income tax payable/receivable	(2,043)	(9,096)
Net cash flow from operating activities	**57,733**	**25,509**

Cash Flows Accounting Policies

In the statement of cash flows, cash receipts and payments on behalf of customers, which reflect the activities of the customers rather than those of the Group, are reported on a net basis.

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Consolidated Statement of Financial Position

As at 30 June 2024

	NOTE	2024 $000	2023 $000
ASSETS			
Current			
Cash and cash equivalents	9	3,785	4,643
Short-term derivative assets	10	584	367
Trade and other receivables	11	136,259	144,656
GO-STOCK receivables	12	50,215	71,453
Income tax receivable		3,229	1,186
Inventories	13	95,192	107,533
Assets classified as held for sale	16A	1,402	–
Other current assets		3,936	3,546
Total current assets		294,602	333,384
Non-current			
Long-term derivative assets	10	99	–
Deferred tax asset	7	6,501	8,721
Investments in equity accounted investees		484	320
Advance to equity accounted investees		–	170
GO-STOCK receivables	12	2,336	2,570
Other investments		422	340
Intangible assets	14	30,023	20,214
Right-of-use assets	15A	91,570	84,068
Property, plant and equipment	16	51,598	46,741
Total non-current assets		183,033	163,144
Total assets		**477,635**	**496,528**
LIABILITIES			
Current			
Working capital debt	9	–	19,960
Short-term derivative liabilities	10	192	888
Accounts payable and accruals	17	149,540	164,107
Short-term lease liabilities	15B	20,609	18,586
Total current liabilities		170,341	203,541
Non-current			
Long-term debt	9	63,000	50,000
Long-term derivative liabilities	10	–	112
Long-term lease liabilities	15B	76,057	69,769
Long-term provisions	17	2,787	2,769
Defined benefit liability	18	717	1,076
Total non-current liabilities		142,561	123,726
Total liabilities		**312,902**	**327,267**
EQUITY			
Share capital	27	372,318	372,318
Reserves	27	16,371	16,158
Retained earnings/(deficit)	27	(223,956)	(219,215)
Total equity		**164,733**	**169,261**
Total liabilities and equity		**477,635**	**496,528**

The accompanying notes form an integral part of these consolidated financial statements.

PGG WRIGHTSON LIMITED

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	SHARE CAPITAL $000	REALISED CAPITAL AND REVALUATION RESERVES $000	DEFINED BENEFIT PLAN RESERVE $000	FAIR VALUE RESERVE $000	RETAINED EARNINGS/ (DEFICIT) $000	TOTAL EQUITY $000
Balance as at 1 July 2022	372,318	24,662	(9,266)	(2,423)	(212,607)	172,684
Total comprehensive income for the period						
Net profit after tax	–	–	–	–	17,518	17,518
Other comprehensive income						
Changes in fair value of equity instruments, net of tax	–	–	–	9	–	9
Defined benefit plan actuarial gain/(loss), net of tax	–	–	762	–	–	762
Total other comprehensive income	–	–	762	9	–	771
Total comprehensive income for the period	**–**	**–**	**762**	**9**	**17,518**	**18,289**
Transactions with shareholders recorded directly in equity						
Contributions by and distributions to shareholders						
Dividends to shareholders	–	–	–	–	(21,712)	(21,712)
Total contributions by and distributions to shareholders	–	–	–	–	(21,712)	(21,712)
Transfer to retained earnings	–	–	–	2,414	(2,414)	–
Balance as at 30 June 2023	**372,318**	**24,662**	**(8,504)**	**–**	**(219,215)**	**169,261**
Balance as at 1 July 2023	372,318	24,662	(8,504)	–	(219,215)	169,261
Total comprehensive income for the period						
Net profit after tax	–	–	–	–	3,064	3,064
Other comprehensive income						
Changes in fair value of equity instruments, net of tax	–	–	–	–	–	–
Defined benefit plan actuarial gain/(loss), net of tax	–	–	171	–	–	171
Total other comprehensive income	–	–	171	–	–	171
Total comprehensive income for the period	–	–	171	–	3,064	3,235
Transactions with shareholders recorded directly in equity						
Contributions by and distributions to shareholders						
Dividends to shareholders	–	–	–	–	(7,763)	(7,763)
Total contributions by and distributions to shareholders	–	–	–	–	(7,763)	(7,763)
Transfer to retained earnings	–	–	42	–	(42)	–
Balance as at 30 June 2024	**372,318**	**24,662**	**(8,291)**	**–**	**(223,956)**	**164,733**

The accompanying notes form an integral part of these consolidated financial statements.

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PGG WRIGHTSON LIMITED

Ngā Whakapuakanga Pūtea Tāpiri

Additional Financial Disclosures

Including Notes to the Consolidated Financial Statements for the year ended 30 June 2024

Tae atu ki Ngā Pitopito Kōrero ki Ngā Tauākī Pūtea Tōpū mō te tau i mutu i te 30 Hune 2024

PGW Technical Field Representative Andrew Young discusses lucerne management with spray contractor Kevin Fry owner of K & A Fry Contracting Limited at the Fry's cropping farm in Tasman.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

1 Operating Revenue

	2024 $000	2023 $000
Revenue from contracts with customers		
Sales revenue	810,346	854,503
Commission revenue	83,544	93,879
Construction contract revenue	12,107	18,031
Other operating revenue		
Interest revenue on GO-STOCK receivables	7,294	6,573
Interest revenue on overdue debtor accounts	1,609	1,694
Sublease income	1,046	1,012
	915,946	**975,692**

Income Recognition Accounting Policies

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sales revenue

Sales revenue comprises the sale value of transactions where the Group acts as a principal; for example, retail store sales, and sales of wool and velvet products. Revenue is measured at the transaction price when control is transferred to which an entity expects to be entitled in exchange for transferring goods or services to a customer. For the sale of goods, the transfer of control occurs when the risks and rewards, physical possession and the legal title of the goods have been transferred and accepted by the customer and the customer has a present obligation to make payment in respect of the goods.

Customers may be entitled to discounts or rebates for certain items and/or volumes purchased, under varying categories. These discounts or rebates are defined as variable consideration and are included in the transaction price as a component of operating revenue upon the completion of the Group's performance obligations. These discounts or rebates are contractual in nature and known as at balance date, therefore, no assumptions or estimates are required.

The Group offers a range of payment terms, and in some cases these can be up to 12 months. The Group does not recognise a financing element for sales with terms of 12 months or less.

The Group offers warranties as required by New Zealand law and/or per the terms and conditions of the contracts with customers. The Group recognises the obligations under these warranties as a provision.

Commission revenue

Commission revenue comprises commission for transactions where the Group acts as an agent. For agency commissions, the Group does not take inventory risk or title for inventories, or for the Group's Livestock and Real Estate businesses, biological assets and properties respectively. The Group generates commissions from acting as an agent for organising the sale of livestock or real estate.

Revenue is recognised at a point in time upon completion of the service.

Construction contract revenue

Construction services are provided to customers in the Water business to construct pivots and irrigation systems. Most contracts contain a single performance obligation. The size and duration of the contracts can vary significantly, and customers are invoiced as work progresses. Most contracts are completed within 12 months; therefore, the unearned revenue on these contracts are not disclosed.

The Group accounts for revenue over time, which best depicts the pattern of transfer of the construction services to the customer. The Group uses an input method to recognise revenue based on a percentage of cost completed. This method involves judgements relating to a contract's expected margin and its stage of completion.

Interest and similar income and expense

The Group recognises the fixed fees charged to customers under its GO-STOCK programme as interest revenue. Refer to Note 12 *GO-STOCK Receivables* for further explanation regarding this programme. This interest revenue is recognised over the term of the GO-STOCK contracts which can be for a term of up to 540 days.

The Group also recognises interest revenue on overdue receivables using the effective interest method. Refer to the accounting policies under Note 6 *Net Interest and Finance Costs* for further explanation on the effective interest method.

Sublease income

The Group recognises lease payments received under subleases as income on a straight-line basis over the lease term. Refer to Note 15 *Right-of-Use Assets and Lease Liabilities* for further explanation.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

2 Cost of Sales

	NOTE	2024 $000	2023 $000
Depreciation and amortisation		89	173
Employee benefits (including commissions)		21,140	24,654
Inventories and consumables	13	634,062	671,783
Freight		12,985	14,925
Other		11,969	11,314
		680,245	**722,849**

3 Other Operating Expenses

	2024 $000	2023 $000
Audit of annual financial statements of the Company by Ernst & Young	420	336
Other assurance services provided by Ernst & Young:		
Limited assurance on emissions reporting	53	–
Other services provided by Ernst & Young:		
Gap analysis on climate reporting disclosures	30	–
Facilitation of sustainability materiality assessment	–	13
Research and development tax incentive advisory	21	–
Employee incentive schemes advisory	–	30
Directors' fees	689	715
Donations	6	34
Increase/(decrease) in provision for impaired trade receivables, GO-STOCK receivables and contract assets	218	(252)
Net bad debts written off / (recovered)	173	703
IT and telecommunication costs	14,870	15,435
Marketing	4,800	5,359
Motor vehicle costs	8,071	7,555
Travel costs	3,363	4,446
Rental and operating lease costs	326	958
Occupancy costs (excluding rental and operating lease)	6,150	5,202
Other staff costs	7,137	7,690
Other expenses	6,590	6,366
	52,916	**54,590**

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

4 Non-Operating Gains/(Losses)

	2024 $000	2023 $000
Gain/(loss) on sale of property, plant and equipment	(37)	382
Other non-operating gains/(losses)	(30)	(55)
	(67)	**327**

5 Impairment and Fair Value Gains/(Losses)

	2024 $000	2023 $000
Net impairment reversal/(impairment) – Property, plant and equipment	–	–
Fair value gains/(losses)	–	51
	–	**51**

Impairment Accounting Policies

The carrying value of the Group's assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount exceeds its recoverable amount. Impairment losses directly reduce the carrying value of assets and are recognised in profit or loss unless the asset is carried at a revalued amount in accordance with another standard.

Non-financial assets

The carrying amounts of the Group's non-financial assets (other than inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset or the cash-generating unit (CGU) to which the asset relates is estimated. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have reduced. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

6 Net Interest and Finance Costs

	2024 $000	2023 $000
Interest income	698	485
Interest funding expense:		
Bank interest on loans and overdrafts	(6,096)	(4,565)
Bank facility fees	(1,086)	(956)
	(7,182)	(5,521)
Net interest income/(expense) excluding interest on lease liabilities	(6,484)	(5,036)
Interest on lease liabilities	(4,276)	(3,800)
Foreign exchange gain/(loss)		
Net gain/(loss) on foreign denominated items	(390)	300
Fair value gain/(loss) on foreign exchange derivatives	1,124	(1,037)
	734	(737)
Net interest and finance income/(expense)	**(10,026)**	**(9,573)**

Interest and Finance Income/Expense Accounting Policies

Interest and similar income and expense

For all financial instruments measured at amortised cost, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

Fair value change on foreign exchange derivatives

The Group undertakes transactions denominated in foreign currencies and exposure to movements in foreign currency arises from these activities. The Group uses forward foreign exchange contracts to manage these exposures. These derivatives are recorded at their fair value with mark-to-market fair value movements flowing through fair value gain/(loss) on foreign exchange derivatives in the consolidated statement of profit or loss. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

7 Income Taxes

A. Income tax recognised in profit or loss

	2024 $000	2023 $000
Current tax benefit/(expense)		
Current year	(92)	(4,633)
Adjustments for prior years	33	(126)
	(59)	(4,759)
Deferred tax benefit/(expense)		
Origination and reversal of temporary differences	(2,316)	(1,790)
Adjustments for prior years	110	131
	(2,206)	(1,659)
Income tax benefit/(expense)	**(2,265)**	**(6,418)**

Change in legislation – tax depreciation on buildings

On 28 March 2024, legislation was enacted which reduced the tax depreciation rate applicable to long-life commercial buildings to the rate of zero percent. The impact of this legislative change for the Group was a reduction in the tax base of these assets, giving rise to an increased temporary difference between the accounting carrying value and the tax base and resulted in a one-off, non-cash, increase in both the deferred tax liability and tax expense of $0.92 million.

	2024 $000	2023 $000
Reconciliation		
Profit from continuing operations before income tax	5,329	23,936
Income tax using the Company's tax rate (28%)	(1,492)	(6,702)
Non-deductible expenditure	(259)	(232)
Non-assessable income	111	75
Tax credits	215	576
Over/(under) provided in prior years	143	5
Deferred tax impact of legislation change – tax depreciation on buildings	(915)	–
Other	(68)	(140)
Income tax benefit/(expense)	**(2,265)**	**(6,418)**

B. Income tax recognised directly in equity

	2024 $000	2023 $000
Deferred tax on movement of actuarial gains/losses on employee benefit plans	(13)	(297)
Income tax benefit/(expense) recognised directly in equity	**(13)**	**(297)**

Refer to Accounting Policies – page 60.

PGG Wrightson

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

7 Income Taxes (continued)

C. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	ASSETS 2024 $000	ASSETS 2023 $000	LIABILITIES 2024 $000	LIABILITIES 2023 $000	NET 2024 $000	NET 2023 $000
Property, plant and equipment	–	512	(404)	–	(404)	512
Intangible assets	–	–	(1,439)	(1,600)	(1,439)	(1,600)
Right-of-use assets	–	–	(25,354)	(23,539)	(25,354)	(23,539)
Lease liabilities	26,775	24,739	–	–	26,775	24,739
Employee benefits	3,885	5,548	–	–	3,885	5,548
Provisions	3,038	3,061	–	–	3,038	3,061
Deferred tax asset/(liability)	**33,698**	**33,860**	**(27,197)**	**(25,139)**	**6,501**	**8,721**

	BALANCE 1 JUL 2022 $000	RECOGNISED IN PROFIT OR LOSS $000	RECOGNISED IN OTHER COMPREHENSIVE INCOME $000	BALANCE 30 JUN 2023 $000	RECOGNISED IN PROFIT OR LOSS $000	RECOGNISED IN OTHER COMPREHENSIVE INCOME $000	BALANCE 30 JUN 2024 $000
Property, plant and equipment	706	(194)	–	512	(916)	–	(404)
Intangible assets	(1,541)	(59)	–	(1,600)	161	–	(1,439)
Right-of-use assets	(26,061)	2,522	–	(23,539)	(1,815)	–	(25,354)
Lease liabilities	27,026	(2,287)	–	24,739	2,036	–	26,775
Employee benefits	7,173	(1,328)	(297)	5,548	(1,650)	(13)	3,885
Provisions	3,373	(312)	–	3,061	(22)	–	3,038
	10,676	**(1,659)**	**(297)**	**8,721**	**(2,206)**	**(13)**	**6,501**

D. Unrecognised tax losses and temporary differences

At 30 June 2024, the Group has no unrecognised deferred tax assets relating to tax losses and temporary differences (2023: Nil).

E. Imputation credits

The Group has $5.9 million imputation credits as at 30 June 2024 (2023: $6.5 million).

Refer to Accounting Policies – page 60.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

7 Income Taxes (continued)

Income Tax Accounting Policies

Income tax expense comprises current and deferred taxation and is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised directly in other comprehensive income or equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantively enacted at the reporting date. Current tax includes any adjustment to tax payable with respect to previous periods. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 at the reporting date. Deferred tax is not recognised for:

- taxable temporary differences arising on the initial recognition of goodwill;
- temporary differences relating to subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable they will not reverse in the foreseeable future;
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be recognised.

Deferred tax assets and liabilities are offset only if certain criteria are met.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

8 Earnings Per Share and Net Tangible Assets

A. Earnings per share (EPS)

The calculation of EPS is based on the following profit figures and number of authorised shares.

	ISSUED ORDINARY SHARES		WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	
	2024 000	2023 000	2024 000	2023 000
Issued ordinary shares at 1 July	75,484	75,484	75,484	75,484
Balance at 30 June	**75,484**	**75,484**	**75,484**	**75,484**

There are no dilutive shares or options (2023: Nil).

	2024 $000	2023 $000
Net profit after tax	3,064	17,518

	2024 $	2023 $
Basic and diluted EPS	0.041	0.232

B. Net tangible assets (NTA)

The calculation of NTA per share, which is a required NZX disclosure, is based on the following NTA figure and the Company's issued ordinary shares at the end of the period.

	2024 $000	2023 $000
Total assets	477,635	496,528
Total liabilities	(312,902)	(327,267)
less Intangible assets	(30,023)	(20,214)
less Deferred tax asset	(6,501)	(8,721)
Net tangible assets	**128,209**	**140,326**

	2024 $	2023 $
NTA per issued ordinary shares at the end of period	1.698	1.859

Earnings Per Share Accounting Policies

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss and the number of shares outstanding to include the effects of all potential dilutive shares.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

9 Cash and Financing Facilities

	NOTE	2024 $000	2023 $000
Cash and cash equivalents		3,785	4,643
Current financing facilities	9A	–	(19,960)
Term financing facilities	9A	(63,000)	(50,000)
Net interest-bearing (debt)/cash and cash equivalents		**(59,215)**	**(65,317)**
GO-STOCK receivables	12	52,551	74,023
Net interest-bearing (debt)/cash and cash equivalents after adjusting for GO-STOCK receivables		**(6,664)**	**8,706**

A. Financing facilities

The Company has a syndicated facility agreement. On 22 December 2023, the syndicated bank facility agreement was amended and restated with an effective date of 19 January 2024. The amended and restated facility subsequently took effect from 19 January 2024 to provide the following:

- Core debt facilities of up to $100.00 million maturing on 27 February 2026 (2023: $90.00 million maturing on 6 December 2024). This facility had $50.00 million drawn at 30 June 2024 (2023: $50.00 million drawn).
- Working capital facilities of up to $85.00 million maturing on 27 February 2026 (2023: $70.00 million maturing on 6 December 2024). This facility had $13.00 million drawn at 30 June 2024 (2023: $19.96 million drawn).

The syndicated facilities fund the general commercial activities of the Group, the seasonal fluctuations in working capital and the GO-STOCK receivables. Interest on these syndicated facilities is determined based on floating rates (i.e. OCR or BKBM plus a margin).

The Company has granted a general security deed and mortgage over all its wholly-owned New Zealand assets to a security trust. Bank of New Zealand acts as facility agent and security trustee for the banking syndicate, which comprises Bank of New Zealand, Coöperatieve Rabobank U.A. (New Zealand branch) and Westpac New Zealand Limited. The agreement contains various financial covenants and restrictions, including maximum permissible ratios for debt leverage and operating leverage, together with limits for GO-STOCK receivables, capital expenditure and asset disposals.

The syndicated facility agreement allows the Group, subject to certain conditions, to enter into additional facilities outside of the Company's syndicated facility. The additional facilities are guaranteed by the security trust. These facilities amounted to $4.77 million as at 30 June 2024 (2023: $6.77 million) and included the following:

- Overdraft facilities of $3.00 million. This facility was undrawn at 30 June 2024 (2023: undrawn).
- Guarantee, letters of credit and trade finance facilities of $1.77 million.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

10 Derivative Financial Instruments

The Group uses forward foreign exchange contracts to manage its exposure to foreign currency fluctuations. In accordance with the Group's treasury policy, the Group does not hold any of these derivative instruments for trading purposes.

	2024 $000	2023 $000
Derivative assets held for risk management		
Current	584	367
Non-current	99	–
	683	367
Derivative liabilities held for risk management		
Current	(192)	(888)
Non-current	–	(112)
	(192)	(1,000)
Net derivative asset/(liability) held for risk management	**491**	**(633)**

Derivative Financial Instruments Accounting Policies

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value, and changes therein are generally recognised in profit or loss. The fair value of forward exchange contracts is based on broker quotes.

Where the Group enters into derivative transactions, these agreements do not meet the criteria for offsetting in the consolidated statement of financial position. The fair value amounts recognised in the consolidated statement of financial position are recorded on a gross basis.

The Group does not currently apply hedge accounting.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

11 Trade and Other Receivables

	NOTE	2024 $000	2023 $000
Accounts receivable due from unrelated parties		111,848	119,774
Accounts receivable due from related parties	23	1	1
Gross accounts receivable		111,849	119,775
less Provision for impaired debtors		(2,308)	(2,030)
Net accounts receivable		109,541	117,745
Contract assets		3,117	3,036
less Provision for impaired contract assets		–	–
Other receivables		20,036	19,771
Prepayments		3,565	4,104
Trade and other receivables		**136,259**	**144,656**
Analysis of movements in provisions for impaired debtors and contract assets			
Balance at the beginning of year		(2,030)	(2,142)
Movement in provision		(278)	112
Balance at the end of the year		**(2,308)**	**(2,030)**

The ageing status of the accounts receivable at the reporting date is as follows:

	TOTAL ACCOUNTS RECEIVABLE 2024 $000	PROVISION 2024 $000	TOTAL ACCOUNTS RECEIVABLE 2023 $000	PROVISION 2023 $000
Not past due	98,624	(561)	109,686	(511)
Past due 1 – 30 days	6,908	(12)	4,772	(11)
Past due 31 – 60 days	3,515	(12)	1,803	(9)
Past due 61 – 90 days	544	(60)	1,222	(46)
Past due 90 plus days	2,258	(1,663)	2,292	(1,453)
	111,849	**(2,308)**	**119,775**	**(2,030)**

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

12 GO-STOCK Receivables

The Group holds receivables in respect of its GO-STOCK range of livestock products. The GO-STOCK range allows farmers to defer payment for the purchase of livestock. The counterparty farmer to the GO-STOCK product is fully exposed to the risks and rewards of ownership of the livestock. To mitigate credit risk, the Group retains legal title to the livestock until its sale. Fee income received in respect of the GO-STOCK receivables is recognised by the Group as interest income over the respective contract period and is included within operating revenue (refer to Note 1 *Operating Revenue*). Accrued interest income in respect of the GO-STOCK receivables is included within Other Receivables (refer to Note 11 *Trade and Other Receivables*) and amounts to $2.35 million as at 30 June 2024 (2023: $2.62 million).

	2024 $000	2023 $000
GO-STOCK receivables – Current	50,531	71,829
GO-STOCK receivables – Non-current	2,336	2,570
	52,867	74,399
less Provision for impairment – GO-STOCK receivables	(316)	(376)
	52,551	**74,023**
Analysis of movements in provisions for impaired GO-STOCK receivables		
Balance at the beginning of the year	(376)	(516)
Movement in provision	60	140
Balance at the end of the year	**(316)**	**(376)**

The ageing status of the GO-STOCK receivables at the reporting date is as follows:

	GO-STOCK RECEIVABLES 2024 $000	PROVISION 2024 $000	GO-STOCK RECEIVABLES 2023 $000	PROVISION 2023 $000
Not past due	52,709	(158)	74,171	(148)
Past due 1 – 30 days	4	(4)	–	–
Past due 31 – 60 days	2	(2)	–	–
Past due 61 – 90 days	2	(2)	–	–
Past due 90 plus days	150	(150)	228	(228)
	52,867	**(316)**	**74,399**	**(376)**

Trade and Other Receivables and GO-STOCK Receivables Accounting Policies

Recognition and measurement

A receivable without a significant financing component is initially measured at the transaction price and classified as financial assets measured at amortised cost. Accounts receivable includes accrued interest.

Impairment

Specific provisions are maintained to cover identified impaired receivables. Judgement is required in determining the impairment provision.

The Group recognises loss allowances for the expected credit loss (ECL) on Trade and GO-STOCK receivables. The Group measures loss allowances for Trade and GO-STOCK receivables at an amount equal to lifetime ECL.

When estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost and effort. This includes both qualitative and quantitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk has increased significantly if the receiveable is more than 60 days past due. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

On a monthly basis, the Group via its Credit Committee, assesses whether Trade and GO-STOCK receivables are credit-impaired. All individual instruments that are considered significant are subject to this approach. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data such as significant financial difficulty of the debtor.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

13 Inventory

	2024 $000	2023 $000
Merchandise	83,587	93,278
Wool and velvet inventory	13,292	16,246
less Provision for inventory write-down	(1,687)	(1,991)
	95,192	**107,533**

During the year, inventories of $634.06 million (2023: $671.78 million) are included in cost of sales in the profit or loss (refer to Note 2 *Cost of Sales*). Included within this amount is a write-down of inventories of $1.12 million (2023: $0.75 million) to net realisable value and reversals of previously recognised write-downs of $0.30 million (2023: $0.57 million).

Inventories Accounting Policies

Raw materials and finished goods are stated at the lower of cost or net realisable value. Cost is determined on a weighted average cost basis. In the case of manufactured goods, cost includes direct materials, labour and production overheads. Judgement is required in determining the net realisable value for inventories.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

14 Intangible Assets

	SOFTWARE $000	RIGHTS & TRADEMARKS $000	CAPITAL WORK IN PROGRESS $000	TOTAL $000
Cost				
Balance as at 1 July 2022	27,472	2,921	3,576	33,969
Additions	16	200	10,507	10,723
Transfers	2,712	(624)	(2,088)	–
Balance as at 30 June 2023	**30,200**	**2,497**	**11,995**	**44,692**
Balance as at 1 July 2023	30,200	2,497	11,995	44,692
Additions	27	–	11,700	11,727
Transfers	567	–	(567)	–
Balance as at 30 June 2024	**30,794**	**2,497**	**23,128**	**56,419**
Amortisation and impairment losses				
Balance as at 1 July 2022	19,921	1,947	–	21,868
Amortisation	2,143	467	–	2,610
Transfers	625	(625)	–	–
Balance as at 30 June 2023	**22,689**	**1,789**	**–**	**24,478**
Balance as at 1 July 2023	22,689	1,789	–	24,478
Amortisation	1,642	276	–	1,918
Balance as at 30 June 2024	**24,331**	**2,065**	**–**	**26,396**
Carrying amounts				
30 June 2023	7,511	708	11,995	20,214
30 June 2024	6,463	432	23,128	30,023

A. Capital work in progress

Capital work in progress includes further investment in the Group's significant IT Business Improvement Programme. Operating expenditure components of the Programme are recognised as an operating expense.

Intangible Assets Accounting Policies

Software

Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over an estimated useful life between 1 and 15 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period and adjusted if appropriate.

Rights

Manufacturing and production rights are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over an estimated useful life between 2 and 10 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period and adjusted if appropriate.

Capital work in progress

Capital work in progress includes the cost of materials, services, labour and direct production overheads and is stated net of impairments.

Impairment

The carrying amounts of the Group's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset is estimated. For intangible assets that have indefinite lives, the recoverable amount is estimated at each reporting date. An impairment loss is recognised in the profit or loss if the carrying amount of an asset exceeds the recoverable amount. Refer to the accounting policy under Note 5 *Impairment and Fair Value Gains/(Losses)* for further explanation.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

15 Right-of-Use Assets and Lease Liabilities

Group as a lessee

The Group leases many assets, including:

– leases of land and buildings from which it conducts operations. These leases range in length from one to fifteen years with various rights of renewal. Where surplus properties are unable to be exited, the Group subleases these properties where possible and derives sublease revenue on a short-term temporary basis.

– leases of motor vehicles and forklifts for use by employees, agents and representatives. These leases range for a period of between three and seven years.

The Group elects not to recognise right-of-use assets and lease liabilities for short-term or low-value property leases. The Group continues to expense lease payments associated with these leases on a straight-line basis.

A. Right-of-use assets

	PROPERTY $000	VEHICLES $000	TOTAL $000
Balance as at 1 July 2022	80,603	12,471	93,074
Additions	557	7,045	7,602
Depreciation charge	(14,161)	(6,291)	(20,452)
Reassessments, modifications and terminations	3,713	131	3,844
Balance as at 30 June 2023	**70,712**	**13,356**	**84,068**
Balance as at 1 July 2023	70,712	13,356	84,068
Additions	4,561	8,850	13,411
Depreciation charge	(15,147)	(6,869)	(22,016)
Reassessments, modifications and terminations	15,567	540	16,107
Balance as at 30 June 2024	**75,693**	**15,877**	**91,570**

B. Lease liabilities

	PROPERTY $000	VEHICLES $000	TOTAL $000
Balance as at 1 July 2022	83,775	12,744	96,519
Additions	488	7,046	7,534
Reassessments, modifications and terminations	3,702	129	3,831
Interest on lease liabilities	3,103	697	3,800
Lease payments	(16,470)	(6,859)	(23,329)
Balance as at 30 June 2023	**74,598**	**13,757**	**88,355**
Balance as at 1 July 2023	74,598	13,757	88,355
Additions	4,431	8,850	13,281
Reassessments, modifications and terminations	15,700	533	16,233
Interest on lease liabilities	3,273	1,003	4,276
Lease payments	(17,805)	(7,674)	(25,479)
Balance as at 30 June 2024	**80,197**	**16,469**	**96,666**

A maturity analysis of lease liabilities is included in Note 19 *Financial Instruments – Fair Values and Risk Management.*

Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. Some of the Group's property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. A reassessment is made subsequently if there is any significant event or significant changes in circumstances within the Group's control. The Group estimates that the potential future lease payments, should it exercise all the extension options, would result in an increase in lease liabilities of $103.9 million (2023: $95.8 million).

Refer to Accounting Policies – page 69.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

15 Right-of-Use Assets and Lease Liabilities (continued)

C. Other disclosures

	NOTE	2024 $000	2023 $000
Amounts in the consolidated statement of profit or loss			
Depreciation on right-of-use assets		(22,016)	(20,452)
Interest on lease liabilities	6	(4,276)	(3,800)
Short-term or low-value lease expenses		(655)	(888)
Variable lease payments not included in the measurement of lease liabilities		(232)	(102)
Income from subleasing right-of-use assets		1,046	1,012
Amounts in the consolidated statement of cash flows			
Total cash outflow for leases		(25,479)	(23,332)

Lease Accounting Policies

The Group adopted NZ IFRS 16 *Leases* from 1 July 2019. The Group assesses at the inception of a contract as to whether the contract is, or contains, a lease as defined in NZ IFRS 16 *Leases*.

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The Group elects not to recognise right-of-use assets and lease liabilities for short-term or low-value leases. The Group continues to expense lease payments associated with these leases on a straight-line basis.

A number of judgements and estimates are made in calculating the right-of-use asset and lease liability amounts. The judgements and estimates include the applicable lease terms (including any rights of renewal expected to be exercised) and the Group's incremental borrowing rate.

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and any estimated restoration costs, and less any lease incentives received. These assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term or the asset's useful life. Right-of-use assets are periodically reduced by impairment losses (if any) and adjusted for certain remeasurements of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable under a residual value guarantee, and any exercise price the Group is reasonably certain to exercise. The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar environment under similar terms and conditions.

After the commencement date, lease liabilities are increased to reflect interest on the lease liabilities and reduced to reflect the lease payments made. Interest on lease liabilities is charged to the profit or loss and is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liabilities.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of any amount payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or recorded in the profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) As a lessor

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease.

The Group recognises lease payments received under operating leases as income within the profit or loss on a straight-line basis over the lease term.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

16 Property, Plant and Equipment

	LAND $000	BUILDINGS $000	PLANT AND EQUIPMENT $000	CAPITAL WORK IN PROGRESS $000	TOTAL $000
Cost					
Balance as at 1 July 2022	12,729	14,735	59,592	4,009	91,065
Additions	–	868	3,378	2,268	6,514
Transfers	–	–	2,785	(2,785)	–
Disposals	(80)	(147)	(1,173)	(1)	(1,401)
Balance as at 30 June 2023	**12,649**	**15,456**	**64,582**	**3,491**	**96,178**
Balance as at 1 July 2023	12,649	15,456	64,582	3,491	96,178
Additions	5,499	704	4,184	1,030	11,417
Reclassification to assets held for sale	(433)	(1,344)	(50)	–	(1,827)
Transfers	–	305	702	(1,007)	–
Disposals	–	–	(1,232)	–	(1,232)
Balance as at 30 June 2024	**17,715**	**15,121**	**68,186**	**3,514**	**104,536**
Depreciation and impairment losses					
Balance as at 1 July 2022	–	4,766	40,642	–	45,408
Depreciation for the year	–	451	4,551	–	5,002
Depreciation recovered to cost of goods sold	–	–	173	–	173
Disposals and transfers	–	(52)	(1,094)	–	(1,146)
Balance as at 30 June 2023	**–**	**5,165**	**44,272**	**–**	**49,437**
Balance as at 1 July 2023	–	5,165	44,272	–	49,437
Depreciation for the year	–	479	4,478	–	4,957
Depreciation recovered to cost of goods sold	–	–	89	–	89
Reclassification to assets held for sale	–	(375)	(50)	–	(425)
Disposals and transfers	–	–	(1,120)	–	(1,120)
Balance as at 30 June 2024	**–**	**5,269**	**47,669**	**–**	**52,938**
Carrying amounts					
30 June 2023	**12,649**	**10,291**	**20,310**	**3,491**	**46,741**
30 June 2024	**17,715**	**9,852**	**20,517**	**3,514**	**51,598**

Capital gains on the sale of property, plant and equipment of $0.07 million were recognised within non-operating items in the year ended 30 June 2024 (2023: $0.38 million gain).

A. Reclassification to assets held for sale

During the year, the Group reclassified a saleyard property from property, plant and equipment to assets held for sale. This follows active marketing of the property and the Group anticipates that a sale within the next 12 months is highly probable. This property is included within the Agency segment.

Refer to Accounting Policies – page 71.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

16 Property, Plant and Equipment (continued)

Property, Plant & Equipment Accounting Policies

Recognition and measurement

Capital work in progress is stated at cost, net of accumulated impairment losses. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the profit or loss during the reporting period that the item is disposed.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, buildings, plant and equipment. Leasehold assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives for the current and comparative periods are between 2 and 40 years (2023: 2 and 40 years) for plant and equipment and between 5 and 50 years (2023: 50 years) for buildings. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The sale must be highly probable and the asset available for immediate sale in its present condition. Non-current assets held for sale are measured at the lower of the asset's carrying amount and its fair value less costs to sell.

Impairment

The carrying amounts of the Group's property, plant and equipment assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset is estimated. An impairment loss is recognised in the profit or loss if the carrying amount of an asset exceeds the recoverable amount. Refer to the accounting policy under Note 5 *Impairment and Fair Value Gains/(Losses)* for further explanation.

17 Trade and Other Payables

	NOTE	2024 $000	2023 $000
Trade creditors		98,787	105,679
Goods received but not invoiced		6,179	5,745
Contract liabilities		1,211	513
Employee entitlements		14,848	19,944
Accruals and other liabilities		27,042	30,061
Loyalty reward programme	21A	1,272	1,211
Other provisions (including product warranty, client claim and make good provisions)	17A, 17B	2,988	3,723
		152,327	**166,876**
Payable within 12 months		149,540	164,107
Payable beyond 12 months		2,787	2,769
		152,327	**166,876**

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

17 Trade and Other Payables (continued)

A. Make good provision on leased properties

During the year ended 30 June 2024, the Group recognised an additional provision of $0.13 million (2023: $0.07 million) in respect of new property leases entered into during the year. These costs have been capitalised to the right-of-use assets and are amortised over the life of the right-of-use assets. The Group also released $0.12 million (2023: $0.05 million) of provision in respect to leased properties which it exited. At the reporting date, the balance of the make good provision is $2.68 million (2023: $2.66 million). The Group expects to settle this liability over the next 10-15 years as the leases expire.

B. Client claims provision

The Group receives client claims from time to time as part of the ordinary course of business and these claims are reviewed on a case by case basis to determine validity. At the reporting date, the Group was in the process of reviewing certain claims for the supply of goods which are typically the responsibility of suppliers under terms of trade. The Group recognises a provision for its best estimate of any obligation.

18 Defined Benefit Asset/(Liability)

The Group makes contributions to the PGG Wrightson Employee Benefits Plan (the "Plan"). The Plan is governed under one trust deed and the assets of the plan are unallocated to any of the Plan members. The Plan provides a range of superannuation and insurance benefits for employees and former employees. The Plan is registered under the Financial Markets Conduct Act 2013. The Plan is not open to new members. Certain retired employees of the Plan are entitled to receive an annual pension payment payable for their remaining life, and in some cases, for the remaining life of a surviving partner.

The Group accounts for its interest in the Plan as a defined benefit plan with defined benefit obligations in accordance with NZ IAS 19 *Employee Benefits* because the Group has a legal obligation to pay further contributions, if the Plan does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Group has an obligation to ensure the Plan has sufficient assets to pay the benefits of all members of the Plan.

The actuarial calculations for the Plan are undertaken by Michael Chamberlain, a fellow of the New Zealand Society of Actuaries, for MCA NZ Limited.

	2024 $000	2023 $000	2022 $000	2021 $000	2020 $000
Present value of funded obligations					
– Defined benefit component	(21,648)	(22,723)	(26,272)	(30,199)	(38,175)
– Defined contribution component	(24,995)	(23,886)	(22,893)	(25,973)	(24,388)
Total present value of funded obligations	(46,643)	(46,609)	(49,165)	(56,172)	(62,563)
Fair value of plan assets					
– Defined benefit component	20,931	21,647	24,146	30,510	28,337
– Defined contribution component	24,995	23,886	22,893	25,973	24,388
Total fair value of the plan assets	45,926	45,533	47,039	56,483	52,725
Total defined benefit asset/(liability)	**(717)**	**(1,076)**	**(2,126)**	**311**	**(9,838)**

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

18 Defined Benefit Asset/(Liability) (continued)

A. Movement in net defined benefit asset/(liability)

	DEFINED BENEFIT OBLIGATION		FAIR VALUE OF PLAN ASSETS		NET DEFINED BENEFIT ASSET/(LIABILITY)	
	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000
Balance as at 1 July	(46,609)	(49,165)	45,533	47,039	(1,076)	(2,126)
Included in profit or loss:						
Current service costs	(450)	(481)	–	–	(450)	(481)
Interest costs	(2,123)	(1,881)	2,076	1,798	(47)	(83)
Included in other comprehensive income:						
Gains/(losses) from change in demographic assumptions	–	–	–	–	–	–
Gains/(losses) from change in financial assumptions	(50)	1,469	–	–	(50)	1,469
Experience gains/(losses)	(1,306)	(587)	–	–	(1,306)	(587)
Expected return on plan assets	–	–	1,582	177	1,582	177
Other:						
Employer contributions	–	–	630	555	630	555
Member contributions	(726)	(794)	726	794	–	–
Benefits paid by the Plan	4,621	4,830	(4,621)	(4,830)	–	–
Balance as at 30 June	**(46,643)**	**(46,609)**	**45,926**	**45,533**	**(717)**	**(1,076)**

The Group expects to pay $0.57 million in contributions to the Plan during the 2025 reporting period (2024: expected $0.57 million and paid $0.63 million). Member contributions are expected to be $0.45 million in 2025 (2024: expected $0.45 million and paid $0.73 million).

As at 30 June 2024, the weighted average duration of the defined benefit obligation (DBO) is 10.97 years for the Plan (2023: 11.5 years).

B. Plan assets

	2024 %	2023 %
Consist of:		
Equities	46	60
Fixed interest	24	27
Cash	30	13
	100	**100**

Plan assets do not include any exposure to the Company's ordinary shares (2023: Nil).

C. Actuarial assumptions at the reporting date

	2024 %	2023 %
Discount rate used – Implied 10.97 year New Zealand Government Bond rate (2023: Implied 11.5 year New Zealand Government Bond rate)	4.70	4.73
Inflation	2.00	2.00
Future salary increases	2.50	2.50
Future pension increases	1.65	1.65

Refer to Accounting Policies – page 74.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

18 Defined Benefit Asset/(Liability) (continued)

C. Actuarial assumptions at the reporting date (continued)

Assumptions regarding future mortality rates based on published statistics and experience:

	2024 MALE YEARS	2024 FEMALE YEARS	2023 MALE YEARS	2023 FEMALE YEARS
Longevity at age 65 for current pensioners	21	24	21	24
Longevity at age 65 for current members aged 45	23	25	23	25

D. Sensitivity analysis

The sensitivity of the DBO to changes in the weighted principal assumptions is:

	2024 DBO (INCREASE) / DECREASE WITH INCREASE IN ASSUMPTION $000	2024 DBO (INCREASE) / DECREASE WITH DECREASE IN ASSUMPTION $000	2023 DBO (INCREASE) / DECREASE WITH INCREASE IN ASSUMPTION $000	2023 DBO (INCREASE) / DECREASE WITH DECREASE IN ASSUMPTION $000
Discount rate (0.50% movement)	793	(886)	886	(932)
Salary growth rate (0.50% movement)	(47)	47	(47)	47
Pension growth rate (0.25% movement)	(373)	373	(280)	419
Life expectancy (1 year movement)	(1,399)	1,399	(1,352)	1,585

Employee Benefits Accounting Policies

Defined benefit plans

The Group's net obligation with respect to its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date on bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the lower of the net assets of the Plan or the current value of the contributions holiday that is expected to be generated.

Remeasurement of the net defined benefit asset or liability, which comprise actuarial gains and losses and the return on plan assets, are recognised directly in other comprehensive income and the defined benefit plan reserve in equity. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the undiscounted amount of short-term employee benefits expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

Provisions made with respect to employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group with respect to services provided by employees up to the reporting date. Remeasurements are recognised in profit or loss in the period in which they arise.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

19 Financial Instruments – Fair Values and Risk Management

A. Accounting classifications and fair values

The tables below set out the Group's classification of each class of financial assets and liabilities, and their fair values.

	FAIR VALUE THROUGH PROFIT OR LOSS $000	AT AMORTISED COST $000	TOTAL CARRYING AMOUNT $000	FAIR VALUE $000
2024				
Financial assets				
Cash and cash equivalents	–	3,785	3,785	3,785
Derivative assets	683	–	683	683
Trade and other receivables and contract assets	–	132,694	132,694	132,694
GO-STOCK receivables	–	52,551	52,551	52,551
Other investments	–	422	422	422
	683	**189,452**	**190,135**	
Financial liabilities				
Debt	–	(63,000)	(63,000)	(63,000)
Derivative liabilities	(192)	–	(192)	(192)
Trade creditors	–	(98,787)	(98,787)	(98,787)
Goods received but not invoiced	–	(6,179)	(6,179)	(6,179)
Lease liabilities	–	(96,666)	(96,666)	–
	(192)	**(264,632)**	**(264,824)**	
2023				
Financial assets				
Cash and cash equivalents	–	4,643	4,643	4,643
Derivative assets	367	–	367	367
Trade and other receivables and contract assets	–	140,552	140,552	140,552
GO-STOCK receivables	–	74,023	74,023	74,023
Other investments	–	340	340	340
	367	**219,558**	**219,925**	
Financial liabilities				
Debt	–	(69,960)	(69,960)	(69,960)
Derivative liabilities	(1,000)	–	(1,000)	(1,000)
Trade creditors	–	(105,679)	(105,679)	(105,679)
Goods received but not invoiced	–	(5,745)	(5,745)	(5,745)
Lease liabilities	–	(88,355)	(88,355)	–
	(1,000)	**(269,739)**	**(270,739)**	

The Group's banking facilities are based on floating interest rates. Therefore, the fair value of the banking facilities equals the carrying value.

Refer to Accounting Policies – page 80.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

19 Financial Instruments – Fair Values and Risk Management (continued)

A. Accounting classifications and fair values (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	LEVEL 1 $000	LEVEL 2 $000	LEVEL 3 $000	TOTAL $000
2024				
Derivative assets	–	683	–	683
Derivative liabilities	–	(192)	–	(192)
2023				
Derivative assets	–	367	–	367
Derivative liabilities	–	(1,000)	–	(1,000)

B. Financial management risk

The Group's primary risks are those of liquidity and funding, credit and market (foreign currency, price and interest rate) risks.

The Group is committed to the management of risk to achieve sustainability of service, employment and profits, and therefore, takes on controlled amounts of risk when considered appropriate. The Board of Directors is responsible for the review and ratification of the Group's systems of risk management, internal compliance and control, code of conduct and legal compliance. The Board maintains a formal set of delegated authorities (including policies for credit and treasury) that clearly define the responsibilities delegated to Management and those retained by the Board. The Board approves these delegated authorities and reviews them annually.

The following management committees review and manage key risks:

- The Senior Management Team meets regularly to consider new and emerging risks, review actions required to manage and mitigate key risks, and to monitor progress.
- The Credit Committee, comprising of management appointees, meets regularly to review credit risk, account limits and provisioning.

Management formally reports on all aspects of key risks to the Audit Committee at least two times each year.

(i) Liquidity and funding risks

Liquidity risk is the risk that the Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. Funding risk is the risk of over-reliance on a funding source to the extent that a change in that funding source could increase overall funding costs or cause difficulty in raising funds.

The Group manages liquidity risk by forecasting daily cash requirements and future funding requirements, and maintaining an adequate liquidity headroom. The Group monitors its liquidity daily, weekly and monthly and maintains appropriate liquid assets and committed bank funding facilities to meet all obligations in a timely and cost efficient manner. The Group has a policy of funding diversification and utilises a banking syndicate to limit concentration risk in relation to liquidity and funding. The funding policy augments the Group's liquidity policy with its aim to ensure the Group has a stable diversified funding base without over-reliance on any one market sector.

The objectives of the Group's funding and liquidity policy is to:

- Ensure all financial obligations are met when due;
- Provide adequate protection, even under crisis scenarios; and
- Achieve competitive funding within the limitations of liquidity requirements.

Refer to Accounting Policies – page 80.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

19 Financial Instruments – Fair Values and Risk Management (continued)

B. Financial management risk (continued)

(i) Liquidity and funding risks (continued)

Contractual maturity analysis

The following schedule analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date (reported on an undiscounted basis). History demonstrates that such accounts provide a stable source of long term funding for the Group.

	CONTRACTUAL CASH FLOW				
	WITHIN 12 MONTHS $000	1 TO 5 YEARS $000	BEYOND 5 YEARS $000	TOTAL $000	AMOUNT IN STATEMENT OF FINANCIAL POSITION $000
2024					
Debt	7,181	67,787	–	74,968	63,000
Derivative liabilities	192	–	–	192	192
Trade creditors	98,787	–	–	98,787	98,787
Goods received but not invoiced	6,179	–	–	6,179	6,179
Lease liabilities	24,543	68,990	16,087	109,620	96,666
	136,882	**136,777**	**16,087**	**289,746**	**264,824**
2023					
Debt	25,460	52,292	–	77,752	69,960
Derivative liabilities	888	112	–	1,000	1,000
Trade creditors	105,679	–	–	105,679	105,679
Goods received but not invoiced	5,745	–	–	5,745	5,745
Lease liabilities	21,895	56,169	21,770	99,834	88,355
	159,667	**108,573**	**21,770**	**290,010**	**270,739**

Changes in liabilities arising from financing activities

	1 JUL 2023 $000	CASHFLOW $000	CHANGES IN FAIR VALUE $000	LEASE ADDITIONS AND MODIFICATIONS $000	30 JUN 2024 $000
Debt	69,960	(6,960)	–	–	63,000
Lease liabilities	88,355	(21,203)	–	29,514	96,666
Total liabilities from financing activities	**158,315**	**(28,163)**	**–**	**29,514**	**159,666**

	1 JUL 2022 $000	CASHFLOW $000	CHANGES IN FAIR VALUE $000	LEASE ADDITIONS AND MODIFICATIONS $000	30 JUN 2023 $000
Debt	37,500	32,460	–	–	69,960
Lease liabilities	96,519	(19,532)	–	11,368	88,355
Total liabilities from financing activities	**134,019**	**12,928**	**–**	**11,368**	**158,315**

Refer to Accounting Policies – page 80.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

19 Financial Instruments – Fair Values and Risk Management (continued)

B. Financial management risk (continued)

(ii) Credit risk

Credit risk is the potential for loss that could occur as a result of a counterparty failing to discharge its obligations. This may be due to extreme weather events or volatility in commodity prices.

Concentrations of credit risk

Financial instruments which potentially subject the Group to concentrations of credit risk principally consist of bank balances, trade receivables, GO-STOCK receivables, other receivables, other investments and forward foreign exchange contracts. The Group places its cash with three major trading banks. Concentrations of credit risk with respect to Trade and GO-STOCK receivables are limited due to the large number of customers included in the Group's farming customer base in New Zealand.

(iii) Market risk

Market risk is the potential for change in the value recorded in the Statement of Financial Position caused by a change in the value, volatility or relationship between market risks and prices. Market risk arises from the mismatch between assets and liabilities, both on and off balance sheet. Market risk includes price, foreign currency and interest rate risk which are explained as follows:

Concentrations of market risk

The Group has exposure to commodity pricing risk on Wool and Velvet inventories and forward Wool and Velvet sales and purchase contracts. This is mitigated by the Group having policies around unmatched positions. Other inventory is of merchandise nature and the Group has a range of suppliers or has entered into long-term supply agreements.

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies and exposure to movements in foreign currency arises from these activities. The Group manages this risk by using forward foreign exchange contracts to hedge foreign currency risks as they arise.

Foreign currency exposure risk

The Group's exposure to foreign currency risk is summarised below. The notional forward exchange cover includes forward foreign exchange contracts entered into to economically hedge forward sale and purchase commitments.

	GBP NZ$000	USD NZ$000	AUD NZ$000	EURO NZ$000
2024				
Cash and cash equivalents	–	118	–	300
Trade receivables	262	590	371	2,873
Trade creditors	(1,098)	(9,905)	(620)	(3,116)
Net amount recorded within the Statement of Financial Position	**(836)**	**(9,197)**	**(249)**	**57**
Forward exchange contracts on the above items and forward sale and purchase commitments				
Notional forward exchange cover	(1,235)	4,963	115	(20,496)
Net unhedged position	**400**	**(14,160)**	**(364)**	**20,553**
2023				
Cash and cash equivalents	–	–	–	553
Trade receivables	62	128	(1)	1,959
Trade creditors	(842)	(11,675)	(606)	(2,397)
Net amount recorded within the Statement of Financial Position	**(780)**	**(11,547)**	**(607)**	**115**
Forward exchange contracts on the above items and forward sale and purchase commitments				
Notional forward exchange cover	5,567	17,446	1,089	18,685
Net unhedged position	**(6,347)**	**(28,993)**	**(1,696)**	**(18,570)**

Refer to Accounting Policies – page 80.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

19 Financial Instruments – Fair Values and Risk Management (continued)

B. Financial management risk (continued)

(iii) Market risk (continued)

Interest rate risk

Floating rate borrowings are used for general funding activities. Interest rate risk is the risk that the value of financial instruments and the interest margin will fluctuate as a result of changes in market interest rates. The risk is that financial assets may be repriced at a different time and/or by a different amount than financial liabilities.

This risk is managed by operating within approved policy limits using an interest rate duration approach. Interest rate swaps, interest rate options and forward rate agreements may be used to hedge the floating rate exposure as deemed appropriate. The Group had no interest rate derivatives at 30 June 2024 (2023: Nil).

Interest rate repricing schedule

The following tables include the Group's liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates:

	WITHIN 12 MONTHS $000	1 TO 2 YEARS $000	OVER 2 YEARS $000	NON-INTEREST BEARING $000	TOTAL $000
2024					
Debt	–	63,000	–	–	63,000
Derivative liabilities	–	–	–	192	192
Trade creditors	–	–	–	98,787	98,787
Goods received but not invoiced	–	–	–	6,179	6,179
	–	**63,000**	**–**	**105,158**	**168,158**
2023					
Debt	19,960	50,000	–	–	69,960
Derivative liabilities	–	–	–	1,000	1,000
Trade creditors	–	–	–	105,679	105,679
Goods received but not invoiced	–	–	–	5,745	5,745
	19,960	**50,000**	**–**	**112,424**	**182,384**

Sensitivity analysis

The Group's treasury policy effectively insulates earnings from the effect of short-term fluctuations in either foreign exchange or interest rates. Over the longer term however, permanent changes in foreign exchange rates and interest rates will have an impact on the profit or loss. A 2% change in interest rate has been modelled as it is considered a reasonably possible change (2023: 2%). The sensitivity of net profit after tax for the year ended 30 June 2024 and 30 June 2023, and shareholders equity as at those dates, to reasonably possible changes in conditions is shown below.

	INTEREST RATES INCREASE BY 2% 2024 $000	INTEREST RATES INCREASE BY 2% 2023 $000	INTEREST RATES DECREASE BY 2% 2024 $000	INTEREST RATES DECREASE BY 2% 2023 $000
Increase/(decrease) in net profit after tax and shareholders' equity	(1,277)	(1,255)	1,220	1,131

Other market risks such as pricing and foreign exchange are not considered likely to lead to material change over the next reporting period. The Group's financial assets and liabilities are predominantly held in New Zealand Dollars (NZD). For this reason, a sensitivity analysis of these market risks is not included.

C. Capital management

The capital of the Group consists of share capital, reserves, and retained earnings. The policy of the Group is to maintain a strong capital base so as to maintain investor, creditor and market confidence while providing the ability to develop future business initiatives. This policy has not been changed during the period.

Refer to Accounting Policies – page 80.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

19 Financial Instruments - Fair Values and Risk Management (continued)

Non-Derivative Financial Instruments Accounting Policies

(i) Non-derivative financial assets

Non-derivative financial assets comprise cash and cash equivalents, trade and other receivables, GO-STOCK receivables and investments in equity and debt securities.

The Group initially recognises financial assets on the date at which the Group becomes a party to the contractual provisions of the instrument, although trade receivables are initially recognised when they are originated.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, the initial investment includes transaction costs that are directly attributable to the asset's acquisition or origination. The Group subsequently measures financial assets at either fair value or amortised cost.

Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets measured at fair value

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes recognised in the profit or loss.

However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses through other comprehensive income. For instruments measured at fair value through other comprehensive income gains and losses are never reclassified to profit or loss and no impairments are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Trade and other receivables and GO-STOCK receivables

Trade and other receivables and GO-STOCK receivables are stated at their amortised cost less impairment losses.

(ii) Non-derivative financial liabilities

Interest-bearing borrowings

Interest-bearing borrowings are classified as other financial liabilities and are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables are recognised at cost and are subsequently measured at amortised cost using the effective interest method after initial recognition.

(iii) Determination of fair values for non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

20 Commitments

A. Capital expenditure not provided for

The Group has no capital commitments as at 30 June 2024 (2023: $3.65 million).

B. Forward purchase commitments

The Group as part of its ordinary course of business enters into forward purchase agreements with wool and velvet growers. These commitments extend for periods of up to two years and are at varying stages of execution. There remains uncertainty associated with yield, quality and market price. Therefore, the Group is unable to sufficiently quantify the value of these commitments.

C. Forward sales commitments

The Group as part of its ordinary course of business enters into forward sales agreements with wool and velvet customers. These commitments extend for periods of up to two years and are at varying stages of execution. There remains uncertainty associated with yield, quality and market price. Therefore, the Group is unable to sufficiently quantify the value of these commitments.

21 Contingent Liabilities

A. PGG Wrightson Loyalty Reward Programme

The Group recognises a provision for the expected level of points redemption from the PGG Wrightson Max Rewards loyalty reward programme. At the reporting date, the balance of live points which does not form part of the recognised provision total $0.08 million (2023: $0.08 million). Losses are not expected to arise from this contingent liability. Revenue in respect of the loyalty reward programme is deferred until such time as the reward is claimed by the customer.

B. Contingent liabilities

The Group receives client claims as part of the ordinary course of business in the supply of goods and services. The Group will pursue recovery of claims with suppliers where appropriate under terms of trade. Accordingly, the amount of any potential obligation in respect of these claims cannot be estimated with sufficient reliability.

22 Seasonality of Operations

The Group is subject to significant seasonal fluctuations. The Group's earnings are weighted towards the first half of the financial year and are primarily related to the Retail business, as demand for New Zealand farming inputs are generally weighted towards the spring season. The second half earnings predominantly relate to Livestock trading as farmers seek to maximise their income following New Zealand's spring calving and lambing season. Other business units have similar but less material seasonal fluctuations. The Group recognises that this seasonality is the nature of the industry and plans and manages its business accordingly.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

23 Related Parties

A. Key management personnel compensation

	2024 $000	2023 $000
Short-term employee benefits	3,789	4,493
Post-employment benefits	131	135
	3,920	**4,628**

Directors' fees incurred during the year ended 30 June 2024 are disclosed in Note 3 *Other Operating Expenses*.

B. Other transactions with key management personnel

Senior Executives or their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. A number of these Senior Executives and their related parties transacted with the Group during the reporting period.

The aggregate value of transactions and outstanding balances (on a GST inclusive basis) relating to the Senior Executives and entities over which they have control or significant influence were as follows:

Key management personnel	Transaction	TRANSACTION VALUE 2024 $000	BALANCE OUTSTANDING 2024 $000	TRANSACTION VALUE 2023 $000	BALANCE OUTSTANDING 2023 $000
Nick Berry	Purchase of retail goods and fuel on-charge transactions	1	–	2	–
Julian Daly	Purchase of retail goods	–	–	1	–
Stephen Guerin	Purchase of retail goods and livestock transactions	32	–	8	–
Peter Moore *(retired 30 June 2023)*	Purchase of retail goods and fuel on-charge transactions	–	–	2	–
Peter Newbold	Purchase of retail goods, livestock transactions and fuel on-charge transactions	30	1	42	1
Peter Scott	Purchase of retail goods and fuel on-charge transactions	2	–	3	–

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

24 Reporting Entity

PGG Wrightson Limited (the "Company") is a company domiciled in New Zealand and registered under the Companies Act 1993 in New Zealand. The Company's registered office is 1 Robin Mann Place, Christchurch. The Company is listed on the New Zealand Stock Exchange and is an FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013.

The consolidated financial statements of PGG Wrightson for the year ended 30 June 2024 comprise the Company, its subsidiaries and interests in associates and jointly controlled entities (together referred to as the "Group"). The Group is primarily involved in the provision of goods and services within the agricultural and horticultural sectors.

SIGNIFICANT SUBSIDIARIES	COUNTRY OF INCORPORATION	DIRECT PARENT	OWNERSHIP INTEREST 2024 %	OWNERSHIP INTEREST 2023 %
Bidr Limited	New Zealand	PGG Wrightson Limited	100	100
Bloch & Behrens Wool (NZ) Limited	New Zealand	PGG Wrightson Limited	100	100
NZ Agritrade Limited	New Zealand	PGG Wrightson Limited	100	100
PGG Wrightson Employee Benefits Plan Trustee Limited	New Zealand	PGG Wrightson Limited	100	100
PGG Wrightson Investments Limited	New Zealand	PGG Wrightson Limited	100	100
PGG Wrightson Real Estate Limited	New Zealand	PGG Wrightson Limited	100	100
PGG Wrightson Trustee Limited	New Zealand	PGG Wrightson Limited	100	100

25 Basis of Preparation

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board, the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for a Tier 1 for-profit entity. These consolidated financial statements have also been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

B. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

– Derivative financial instruments are measured at fair value.

C. Functional and presentation currency

These consolidated financial statements are presented in New Zealand dollars ($), which is the functional currency of each of the Group entities. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

D. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements made in applying accounting policies, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note

11 Carrying value of trade and other receivables
12 Carrying value of GO-STOCK receivables
13 Carrying value of inventories
18 Measurement of defined benefit asset/(liability) – key actuarial assumptions

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

26 Other Material Accounting Policies

The accounting policies set out in these consolidated financial statements have been applied consistently to all reporting periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

A. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. 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.

B. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate at the date that fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated to the functional currency at the exchange rate at the date of the transaction. Foreign currency differences arising are recognised in profit or loss.

C. Disclosure of non-GAAP financial information

Non-GAAP reporting measures have been presented in the consolidated statement of profit or loss or referenced to in the notes to the consolidated financial statements. The following non-GAAP measures are relevant to the understanding of the Group's financial performance:

- Operating EBITDA represents earnings before net interest and finance costs, income tax, depreciation, amortisation, the results from discontinued operations, impairments and fair value adjustments and non-operating items.
- EBIT represents earnings before net interest and finance costs, income tax expense and the results from discontinued operations.

The Directors and management believe the Operating EBITDA and EBIT measures provide useful information as they provide valuable insight on the underlying performance of the business. They are used internally to evaluate the underlying performance of the business and to analyse trends.

These measures are not uniformly defined or utilised by all companies. Accordingly, these measures may not be comparable with similarly titled measures used by other companies. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

D. Standards issued but not yet effective

There are a number of new standards and interpretations that are issued, but not yet effective, for the year ended 30 June 2024 and have not been applied in preparing these consolidated financial statements. The Group expects to adopt these when they become mandatory. While the impact of these new standards and interpretations have not yet been fully quantified, none are expected to materially impact the Group's consolidated financial statements.

PGG WRIGHTSON LIMITED

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

27 Capital and Reserves

Share capital

All shares are ordinary fully paid shares with no par value, carry equal voting rights and share equally in any profit on the winding up of the Group.

Realised capital and revaluation reserve

The realised capital reserve comprises the cumulative net capital gains that have been realised. The revaluation reserve relates to historic revaluations of property, plant and equipment.

Defined benefit plan reserve

The defined benefit plan reserve contains actuarial gains and losses on plan assets and defined benefit obligations. During the year ended 30 June 2024, an amount of $0.04m, which represents the Employee Superannuation Contribution Tax (ESCT) on the lump sum cash contribution made during the year, was transferred from the defined benefit reserve to retained earnings (30 June 2023: Nil).

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments elected at fair value through other comprehensive income until the investments are derecognised or impaired.

Retained earnings/deficit

The retained earnings or deficit equals accumulated undistributed profits or losses.

Dividends

The following dividends were declared and paid by the Company.

	PAYMENT DATE	$ PER SHARE
2023 final dividend – fully imputed	3 October 2023	0.100
2023 interim dividend – fully imputed	4 April 2023	0.120

Share Capital Accounting Policies

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Repurchase of ordinary shares

When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are cancelled. However, treasury stock for which unrestricted ownership has not yet been transferred are not cancelled.

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Independent auditor's report to the shareholders of PGG Wrightson Limited

Opinion

We have audited the financial statements of PGG Wrightson Limited (the "Company") and its subsidiaries (together the "Group") on pages 45 to 85, which comprise the consolidated statement of financial position of the Group as at 30 June 2024, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 45 to 85 present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2024 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ernst & Young provides greenhouse gas reporting assurance and gap analysis for climate statement disclosures as well as research and development taxation incentive services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly,

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our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Collectability of trade and GO-STOCK receivables

Why significant	How our audit addressed the key audit matter
At 30 June 2024 trade and GO-STOCK receivables totalled $162.1m, representing 34% of the Group's total assets. This amount is net of the provision for impaired trade and GO-STOCK receivables of $2.6m. We consider this to be a key audit matter because trade and GO-STOCK receivables are a significant component of Group assets and the provision for impaired receivables involves significant judgement. Disclosures in relation to trade and GO-STOCK receivables and their provisions for impairment are included in notes 11 and 12 to the Group financial statements.	Our audit procedures included the following: • obtained an understanding of management's receivables provisioning process; • assessed management's provisioning methods and whether they comply with NZ IFRS 9 Financial Instruments; • considered the inputs, assumptions and estimates used or made by management; • tested the ageing of receivables by agreeing the recorded ageing of a sample of trade receivables to sales documentation; • considered beef and sheep meat commodity price movements up to and after balance date to assess whether these changes, which are indicative of changes in the value of livestock security held for GO-STOCK receivables, indicated any material increase in the credit risk of GO-STOCK receivables; • considered the appropriateness and sufficiency of the disclosures related to trade and GO-STOCK receivables and the related provisioning.

Inventory Valuation

Why significant	How our audit addressed the key audit matter
Inventory is recorded at the lower of cost and net realisable value. At 30 June 2024 inventory totalled $95.2m, representing 20% of the Group's total assets. This amount is net of a provision for inventory write down of $1.7m. We consider this to be a key audit matter because inventory is a significant component of Group total assets and the cost of inventory includes an estimation of adjustments to reflect	Our audit procedures included the following: • compared a sample of recorded inventory cost to supplier invoices; • assessed the inputs into, and calculation of, adjustments to inventory cost to take account of variable pricing arrangements with suppliers;

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Why significant	How our audit addressed the key audit matter

variable pricing arrangements with suppliers. In addition, the assessment of the net realisable value of slow moving, excess and obsolete inventory involves significant judgement related to whether inventory will be sold and at what value.
 	
Disclosures in relation to inventory and inventory provisions are included in note 13 to the Group financial statements.
	• confirmed with a sample of suppliers the amount of purchases from them subject to variable pricing arrangements for the year, and the amounts receivable from them at year end;
	• considered the methods, models, and assumptions used by management in estimating the net realisable value of slow moving, excess, and obsolete inventory;
	• considered the key inputs into the net realisable value provision calculation including last purchase date, last sale date and volume of sales in the year for selected product lines. We tested these inputs including for a sample of inventory items:
	    • agreeing the last purchase date and last sale date to supporting invoices;
	    • recalculating the annual sales volumes recorded in the inventory system;
	• compared the cost of a sample of inventory items to their most recent selling price;
	• considered the extent of inventory items sold at negative margins in the year;
	• considered the appropriateness and sufficiency of disclosures related to the valuation of inventory.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report which is expected to be made available to us after the date of this auditor's report.

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

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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 during the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/. This description forms part of our auditor's report.

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

Ernst & Young

Chartered Accountants
Christchurch
12 August 2024

Mana Whakahaere Rangatōpū me te Tūtohi a te Poari

Corporate Governance and Board Charter

Incorporating Disclosure of Compliance with the NZX Corporate Governance Code

Te Whakauru Mai i Ngā Whakapuakanga Tautuku me Ngā Tikanga Mana Whakahaere Rangatōpū a NZX

PGW Business Development Manager Real Estate Sandra Macnamara and PGW Real Estate Salesperson Angela Monteith discuss an exciting new residential subdivision in Manapouri with Wendy and Cam McDonald in Southland.

Introduction

The Board of PGG Wrightson Limited is committed to acting with integrity and expects high standards of behaviour and accountability from all of PGG Wrightson's officers and staff. As part of this commitment, the Board has adopted this Corporate Governance Code which incorporates the Board Charter in section 2 below.

PGG Wrightson complies with the Recommendations in the NZX 1 April 2023 Corporate Governance Code (NZX Code) except where specifically disclosed. This Corporate Governance section is current as at 30 June 2024 and has been approved by PGG Wrightson's Board of Directors.

The Board's primary objective is the creation of shareholder value through following appropriate strategies and ensuring effective and innovative use of PGG Wrightson's resources in providing customer satisfaction. PGG Wrightson will be a good employer and a responsible corporate citizen.

PRINCIPLE 1 – Ethical Standards

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

1.1 PGG Wrightson Code of Conduct

Directors recognise that it is their role to set high standards of ethical behaviour, model this behaviour and hold management accountable for observing, fostering and delivering high ethical standards throughout the PGG Wrightson Group. Directors and employees are expected to act honestly and in the best interests of PGG Wrightson, as required by law, and taking account of interests of shareholders and other stakeholders.

In compliance with NZX Code Recommendation 1.1, the Board has several documents that codify minimum standards of ethical behaviour, being the Code of Conduct, which is available at www.pggwrightson.co.nz under Our Company > Sustainability; and the Conflict of Interest Policy, Fraud Prevention Policy, Whistle-Blower Policy and the Board Charter outlined in section 2 below.

The Code of Conduct requires all members of the PGG Wrightson Group, including Directors and employees, to observe the highest of standards of ethics and conduct, in alignment with these PGG Wrightson Group Values:

Accountability:

- Stand by our word and meet commitments.
- Be accountable to our customers and each other.

Leadership:

- Set standards and exceed expectations.
- Take action and strive to excel.
- Lead through innovation.

Integrity:

- Operate ethically and with integrity.
- Treat others with respect.
- Act professionally.

Smarter:

- Find ways to be more effective and efficient.
- Think, decide and act quickly (without compromising quality).
- Learn from mistakes and celebrate successes.

Teamwork:

- Share knowledge and information.
- Work together to create solutions.
- Think and act as One Team.

The Code of Conduct is intended to guide Directors and employees in carrying out their duties and responsibilities. It supports decision-making that is consistent with PGG Wrightson's values and obligations, rather than prescribing a complete list of acceptable and unacceptable behaviour. It reflects expectations that Directors and employees of the PGG Wrightson Group will:

- Comply with standards including all applicable laws, regulations, codes, policies and procedures and lawful and reasonable directions;
- Behave in a professional manner in a way that upholds the PGG Wrightson Group Values and maintains public confidence in our professionalism, honesty and integrity;
- Use PGG Wrightson resources, assets, time, funds and information only for their authorised/intended purpose;
- Treat customers, suppliers, other PGG Wrightson personnel and third parties with respect, courtesy and dignity and taking account of interests of shareholders and other stakeholders;
- Ensure their own and others' health, safety and wellbeing in the workplace, and protect the environment;
- Avoid and/or disclose any Conflicts of Interest (real or apparent). The PGG Wrightson Group has a detailed Conflicts of Interest Policy which contains good practice guidelines surrounding the identification, disclosure and management of staff conflicts of interest;
- Follow company policy on receiving and giving gifts and gratuities;
- Protect PGG Wrightson Group Assets and comply with our Group Fraud Prevention Policy;
- Give proper attention to all matters and create an open communication environment that results in all material items being brought to the attention of Directors and the appropriate management; and
- Protect the confidentiality of and intellectual property rights in all non-public information about our customers, suppliers, PGG Wrightson personnel and business.

The Code of Conduct, and where to find it, is communicated to all staff and is included in regular staff training and inductions.

The Code of Conduct provides mechanisms to report breaches of the Code including unethical behaviour and specifies the disciplinary procedures in place for any breaches. It is the responsibility of the Board to review the Code of Conduct, to implement the Code and to monitor compliance. If there has been a material breach of the Code of Conduct, the Board will be notified by the Chief Executive. No instances of material breaches have been reported.

PGG Wrightson has a Whistle-Blower policy that allows any reports of serious wrongdoing to be made on a protected disclosure basis, which contains a process for direct access to an Independent Director, to help encourage a culture of promoting ethical behaviour and being able to speak up.

PGG Wrightson maintains a Directors and Officers Interests Register which is regularly updated, documenting interests disclosed by all Board members and senior management. The statutory disclosures section in the 2024 Annual Report is compiled from entries in the Directors Interests Register during the reporting period. Directors may not participate in Board discussions nor vote on matters in which they have a personal interest.

1.2 Securities Trading Policy

In compliance with NZX Code Recommendation 1.2, the Company has a detailed financial product trading policy applying to all Directors and staff which incorporates insider trading restraints, and rules. The Securities Trading Policy, which is available at www.pggwrightson.co.nz under Our Company > Sustainability, specifies that no Director or employee may buy or sell PGG Wrightson shares while in possession of inside information. Inside information is material information that is not generally available to the market. The policy also states that Directors and staff in possession of inside information cannot directly or indirectly advise or encourage any person to deal in PGG Wrightson shares. Compliance with the Securities Trading Policy is monitored through the consent process, by education and by notification by PGG Wrightson's share registrar Computershare when any Director or Officer engages in trading activities. Trading in PGG Wrightson shares by Directors and Officers is disclosed to the NZX.

PRINCIPLE 2 – Board Composition & Performance incorporating PGG Wrightson's Board Charter

"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."

2.1 This section 2 outlines the Board's Charter which is in compliance with NZX Code Recommendation 2.1. The Board is committed to the principle that there should be a balance of independence, skills, knowledge and experience among Directors so that the Board works effectively. Directors are, except where permitted by law, required to act in the best interests of PGG Wrightson and to give proper attention to the matters before them. Directors are entitled to seek independent professional advice to assist them in meeting their responsibilities. The Board is responsible for:

- Overall governance;
- Employing the Chief Executive Officer;
- Providing strategic leadership and overseeing the development, adoption and communication of a clear strategy for the business;
- Overseeing management's implementation of PGG Wrightson's strategic objectives and performance;
- Overseeing accounting and reporting systems (including the external audit) and PGG Wrightson's compliance with its continuous disclosure obligations;
- Adopting and reviewing a risk management framework;
- Approval of PGG Wrightson's operating budgets/major capital expenditure;
- Adoption of PGG Wrightson's remuneration policy and other corporate governance documents; and
- Overseeing PGG Wrightson's due diligence and impacts on the economy, environment, and people.

There is a clear understanding of the division of responsibilities between, and the respective roles of, the Board and management. To ensure efficiency, the Board has delegated to the Chief Executive Officer and subsidiary company Boards the day to day management and leadership of the PGG Wrightson Group operations. The Company has a formal delegated authority framework and policy that sets out matters reserved for the Board and sub-delegates certain authorities to the Chief Executive Officer and Managers within defined limits.

2.2 In compliance with NZX Code Recommendation 2.2 that every issuer should have a procedure for the nomination and appointment of Directors to the Board, this is done as circumstances require. PGG Wrightson has a formal and transparent method for the nomination and appointment of Directors to the Board – nominations are publicly called for by notice on the NZX and considered at the Annual Meeting. Checks will be done and key information about a candidate provided to shareholders in the Notice of Annual Meeting, including any material adverse information disclosed in the checks where a candidate is standing for the first time or the term of office if seeking re-election. Directors may be appointed by the Board between Annual Meetings as permitted by the Constitution but are required to seek re-election at the next Annual Meeting. The Constitution contains no provisions for compulsory retirement or a fixed tenure for Directors, although Directors must periodically retire and seek re-election in accordance with the Constitution and NZX Listing Rules.

2.3 In compliance with NZX Code Recommendation 2.3 that an issuer should enter into written agreements with each newly appointed Director establishing the terms of their appointment, the Board has a template Director Letter of Appointment available for use which sets out the written expectations of Directors and which is used for all new Directors.

2.4 In compliance with NZX Code Recommendation 2.4, information about each Director is disclosed in the 2024 Annual Report, including a profile of experience, length of service, independence, ownership interests and attendance at Board meetings. As at 30 June 2024 the Board had five Directors. Their experience, qualifications, and the value that the Directors contributed to the Board are listed in the Board of Directors biographies set out on pages 16 to 17 in the 2024 Annual Report. The Board has an appropriate mix of tenure, skills, diversity, and experience. The Board skills matrix below outlines the qualifications, capabilities, tenure, and gender of each member of the Board.

The Board is structured so each Director brings a range of specialist skills and backgrounds, and they contribute relevant knowledge and experience that complements each other. Each Director has expertise that is relevant to the Company's operations and aligns to our strategic goals. The Board comprises four Independent Directors and one Non-independent Director.

The Board Skills Matrix identifies the key skill that each Director brings to the Board.

SKILLS / EXPERIENCE	GARRY MOORE CHAIR & INDEPENDENT DIRECTOR	SARAH BROWN DEPUTY CHAIR & INDEPENDENT DIRECTOR	MENG FOON INDEPENDENT DIRECTOR	U KEAN SENG DIRECTOR	DR CHARLOTTE SEVERN INDEPENDENT DIRECTOR
Tertiary Qualifications	MBA, B.Com, ACA, AFA, Dip Financial Accounting,CMIOD	BA, LLB, CFInstD		LLB (Hons), B.Ec	MSc, PhD (Geology), ONZM
Accounting & Finance	●	○		○	
Agri-business experience	○	●	○		●
Audit & Risk	●	●		●	
Government Relations & Regulations			●		●
Health, Safety, & Wellbeing					●
Iwi Relations			●		●
Innovation & Technology					●
Legal		●		●	
Listed Company & Markets Experience	●			●	
Sustainability			○		●
Tenure as PGW Director (years)	2	6	2	12	4
Year joined the Board	FY23	FY19	FY23	FY13	FY21
Gender	M	F	M	M	F

● High capability
○ Medium capability

Post 1 July 2024, the current Directors and their experience and qualifications are listed on our website www.pggwrightson.co.nz under Our Company > Our Team. The full Board met nine times during the year ended 30 June 2024, including conference calls and video-meetings. The Board Health, Safety and Environment Committee also convenes during the course of most Board meetings with all Directors attending. Directors also met on other occasions for strategic planning and held conference calls from time to time. The attendance at Board meetings of all Directors who served during the financial year to 30 June 2024 is set out below, including attendance in part:

DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED	NUMBER OF REMUNERATION, NOMINATIONS AND APPOINTMENTS COMMITTEE MEETINGS ATTENDED
Garry Moore	9	4	3
Sarah Brown	9	4	3
Meng Foon	9	0	3
U Kean Seng	9	4	3
Dr Charlotte Severne	8	0	2
Lee Joo Hai *(resigned 24 October 2023)*	2	0	1

	PGG WRIGHTSON LTD'S BOARD OF DIRECTORS AS AT 30 JUNE 2024	PGG WRIGHTSON LTD'S BOARD OF DIRECTORS AS AT 30 JUNE 2023	PGG WRIGHTSON LTD'S OFFICERS AS AT 30 JUNE 2024	PGG WRIGHTSON LTD'S OFFICERS AT 30 JUNE 2023	PGG WRIGHTSON GROUP WORKFORCE* AS AT 30 JUNE 2024	PGG WRIGHTSON GROUP WORKFORCE* AS AT 30 JUNE 2023
Number of Males	3	4	5	7	825	852
Percentage of Males	60%	67%	71%	88%	53%	54%
Number of Females	2	2	2	1	737	719
Percentage of Females	40%	33%	29%	12%	47%	46%
Number of Gender Diverse	–	–	–	–	3	1

* Calculation methodology excludes casuals, fixed term employees and independent commission agents/independent contractors.

2.5 In compliance with NZX Code Recommendation 2.5, the Board has a Diversity and Inclusion Policy which is available at www.pggwrightson.co.nz under Our Company > Sustainability. PGG Wrightson recognises that a diverse and inclusive workplace culture will result in enhanced relationships with all stakeholders, better customer service and improved financial performance. The Board has evaluated PGG Wrightson's performance against its Diversity and Inclusion Policy objectives which relate to the working environment, employment and selection opportunities, Board appointment recommendations, equal and fair treatment under employment policies and a culture of diversity and inclusion and considers that these objectives have been met.

The table above lists the numerical quantitative breakdown of the gender composition of PGG Wrightson's Board of Directors and its Officers as at 30 June 2024 and comparative figures for 30 June 2023. An Officer means a person, however designated, who is concerned or takes part in the management of PGG Wrightson Limited's business but excludes a person who does not report directly to the Board or who does not report directly to a person who reports to the Board.

2.6 In compliance with NZX Code Recommendation 2.6, Directors are expected to undertake appropriate training to remain current on how best to perform their duties as a Director of a listed company. Directors are regularly updated on relevant industry and company issues, undertake visits to PGG Wrightson and customer branches and operations, and receive briefings from Executive Managers from all Business Units. Directors are able to attend PGG Wrightson Business Unit conference sessions to further their training.

2.7 In compliance with NZX Code Recommendation 2.7, the Board has a process to regularly assess the performance of each Director, the Board as a whole, and Board Committees.

2.8 In compliance with NZX Code Recommendation 2.8, a majority of the Board are Independent Directors, with four out of the five Directors as at 30 June 2024 being independent as listed in the 2024 Annual Report. The current number and independence status of Directors is set out on the Board of Directors section of our website www.pggwrightson.co.nz under Our Company > Our Team. In accordance with NZX requirements, no less than one third of the total number of Directors are required to be Independent Directors. The Board meets this requirement. The Board defines an Independent Director as one who:

- Is not an executive of the Company; and
- Has no disqualifying relationship within the meaning of the NZX Listing Rules.

The statutory disclosures section in the 2024 Annual Report lists the Company's Directors' independence status. The Board reviews any determination that it makes on a Director's independence on becoming aware of any information that indicates that a Director may have a relevant material relationship. Directors are required to immediately advise of any new or changed relationships so the Board can consider and determine its materiality. Directors' interests including other relevant directorships that they hold are listed on page 102 of the 2024 Annual Report. None of the Directors sit on any PGG Wrightson Group companies apart from the parent company, PGG Wrightson Limited.

2.9 In compliance with NZX Code Recommendation 2.9, the Chair is an Independent Director.

2.10 The Board's Remuneration, Appointments and Nominations Committee approves the Group's remuneration policy. The Committee also reviews and recommends to the Board for approval the remuneration of the Chief Executive Officer and the remuneration of the executives who report directly to the Chief Executive Officer.

PRINCIPLE 3 – Board Committees

"The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."

The Board has delegated some of its powers to Board Committees where it will enhance its effectiveness in key areas while still retaining Board responsibility. As at 30 June 2024 the Board had three standing Committees – the Audit Committee, the Remuneration and Appointments Committee and the Health, Safety and Environment Committee.

The Committees are made up of a minimum of three Non-executive Director members and each Committee has a written Board-approved charter which outlines that Committee's role, rights, responsibilities, membership requirements and relationship with the Board. In compliance with NZX Code Recommendation 2.7, the Board has a process to formally review the performance of each Committee from time to time in accordance with the relevant Committee's written charter. Proceedings of Committees are reported back to the full Board to allow other Directors to question Committee members.

3.1 **Audit Committee**

In compliance with NZX Code Recommendation 3.1, as explained below, the Audit Committee operates under a written charter, membership is majority independent and comprises solely Non-executive Directors, and the Chair of the Audit Committee Sarah Brown is an Independent Director and is not the Chair of the Board.

The Audit Committee Charter is available on PGG Wrightson's website at www.pggwrightson.co.nz under Our Company > Sustainability.

The members of the Audit Committee during the year were Sarah Brown (Chair), Garry Moore, Lee Joo Hai (until 11 July 2023) and U Kean Seng (from 11 July 2023). The majority of the members of the Audit Committee are Independent Directors. No member of the Audit Committee is an Executive Director. The Audit Committee has appropriate financial expertise, with two current members having an accounting or financial background and the other member has a good understanding of financial/accounting principles as per 3.4 of the Audit Committee Charter. The Audit Committee met four times during the financial year.

The main responsibilities of the Audit Committee are:

- Ensuring effectiveness of the accounting and internal control systems;
- Ensuring the Board is properly and regularly informed and updated on corporate financial matters;
- Monitoring and reviewing the independent and internal auditing practices;
- Recommending the appointment and removal of the external auditor and considering a change in the lead audit partner where the auditors continue in office for a period exceeding five years;
- Ensuring the ability and independence of the auditors to carry out their statutory audit role is not impaired or could reasonably be perceived to be impaired;
- To interface with management, internal auditors and external auditors and review the financial reports, as well as advising all Directors whether they comply with appropriate financial reporting laws and regulations;
- Overseeing matters relating to the values, ethics and financial integrity of PGG Wrightson Group; and
- To report Audit Committee proceedings back to the Board.

The Audit Committee has the authority to appoint outside legal or other professional advisors, if considered necessary. The Audit Committee on occasions meets with the internal auditors and external auditors without the management present.

3.2 In compliance with NZX Code Recommendation 3.2, employees only attend Committee meetings at the invitation of the Committee as is considered appropriate.

3.3 **Remuneration, Appointments and Nominations Committee**

In compliance with NZX Code Recommendation 3.3, the Remuneration, Appointments and Nominations Committee operates under a written Charter, and the majority of members are Independent Directors as the Committee is comprised of the full Board. In compliance with NZX Code Recommendation 4.2 the Charter is available on PGG Wrightson's website at www.pggwrightson.co.nz under Our Company > Sustainability. The Remuneration, Appointments and Nominations Committee during the financial year was chaired by U Kean Seng (until 16 February 2024) and Garry Moore (from 16 February 2024). The Remuneration, Appointments and Nominations Committee met three times during the financial year as part of a full Board meeting. Employees only attend Committee meetings at the invitation of the Committee as is considered appropriate.

The main responsibilities of the Remuneration, Appointments and Nominations Committee are:

- To undertake an annual performance appraisal of the Chief Executive Officer and review the appraisal of direct reports to the Chief Executive Officer;
- To review compensation policy and procedures, including employee benefits and superannuation, and recommend to the Board remuneration changes for the Chief Executive Officer and direct reports to the Chief Executive Officer;
- To review succession planning and senior management development plans; and
- To report Committee proceedings back to the Board.

The role of the Remuneration, Appointments and Nominations Committee as set out in its Charter includes recommending remuneration for Directors to shareholders when recommendations are put forward.

3.4 In relation to NZX Code Recommendation 3.4, the Remuneration, Appointments and Nominations Committee also includes the responsibilities for Board nominations.

3.5 In compliance with NZX Code Recommendation 3.5, the Board has considered but does not think it is currently necessary to have any other Board committees as standing Board committees. Other committees are formed as and when required.

3.6 In relation to NZX Code Recommendation 3.6, if and when necessary, the Board will establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. The protocols will disclose the scope of independent advisory reports to shareholders, the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee. The Board does not consider it necessary to establish such protocols in advance as standing protocols but will do so if the need arises.

PRINCIPLE 4 – Reporting and Disclosure

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

4.1 The Board endorses the principle that it should demand integrity both in financial and non-financial reporting and in the provision by management of information of sufficient content, balance, quality and timeliness to enable the Board to effectively discharge its disclosure duties.

In compliance with NZX Code Recommendation 4.1, the Board has adopted a Continuous Disclosure Policy which is available on PGG Wrightson's website at www.pggwrightson.co.nz under Our Company > Sustainability. The Company will provide timely and adequate disclosure of information on matters of material impact to shareholders and comply with the continuous disclosure and other listing requirements of the NZX relating to shareholder reporting. PGG Wrightson has established and will maintain processes for the provision of information to the Board by management of sufficient content, quality and timeliness, as the Board considers necessary to enable the Board to effectively discharge its duties.

4.2 In compliance with NZX Code Recommendation 4.2, PGG Wrightson's Code of Conduct, Board and Committee Charters, Diversity and Inclusion Policy and other key governance policies are available to view on PGG Wrightson's website at www.pggwrightson.co.nz under Our Company > Sustainability.

4.3 Regarding NZX Code Recommendation 4.3, PGG Wrightson considers that its financial reporting is balanced, clear and objective. The Board receives assurances from the Chief Executive Officer and Chief Financial Officer that the Directors' declaration provided in accordance with International Financial Reporting Standards (IFRS) and NZ IFRS is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

4.4 PGG Wrightson considers that its non-financial reporting is informative, contains forward-looking assessment, and aligns with key strategies and metrics monitored by the Board. In compliance with NZX Code Recommendation 4.4, non-financial disclosures are included in the Annual Report and the Sustainability Report, including material environmental, economic and social sustainability factors and practices, climate-related disclosures, key risks, risk management and relevant internal controls. The Company also communicates through releases to the NZX and media, and on its website at www.pggwrightson.co.nz under Investor Centre.

4.5 PGG Wrightson does not make political donations as a matter of policy.

PRINCIPLE 5 – Remuneration

"The remuneration of Directors and executives should be transparent, fair and reasonable."

5.1 The Board is committed to the policy that remuneration of Directors and Officers/Executives should be transparent, fair and reasonable. The Board's Remuneration Policy for Directors is that Directors' fees in aggregate must be formally approved by shareholders. The total fee pool available for Directors is $875,000 approved by shareholders at the 21 October 2005 Annual Meeting. There are no retirement or 'special exertion' benefits paid or available for Directors. In compliance with NZX Code Recommendation 5.1, the remuneration report section in the 2024 Annual Report lists the Company's Directors' actual remuneration including any Board Committee fees paid. There are no performance incentives for any Directors. The Board has not elected to create a performance-based Equity Security Compensation Plan. Further the Board supports Directors investing in shares in the Company but this is a personal decision for Directors.

5.2 The Board considers that it partially complies with NZX Code Recommendation 5.2, being that PGG Wrightson's policy for remuneration of Officers outlines the relative weightings of remuneration components and relevant performance criteria. Directors' remuneration does not have performance criteria attached to it. All Executive Officer remuneration incentives align with financial and non-financial performance measures relating to PGG Wrightson's objectives and are compatible with PGG Wrightson's risk management policies and systems.

5.3 In compliance with NZX Code Recommendation 5.3, the remuneration arrangements in place for the Chief Executive Officer during the year ended 30 June 2024 including disclosure of the base salary, short-term incentive and the performance criteria used to determine performance-based payments, are outlined on page 105 of the 2024 Annual Report.

PRINCIPLE 6 – Risk Management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

6.1 In compliance with NZX Code Recommendation 6.1, PGG Wrightson has in place a risk management policy and framework for its business to manage existing risks and to report the material risks facing the business and how these are being managed.

PGG Wrightson has in place a Risk Policy and associated framework for its business. The policy and framework allow the business to identify and assess new risks, manage existing risks and regularly report the material risks to the Board. It is the responsibility of the Board to monitor the effectiveness of the broad risk management processes in place.

Key aspects of how risks are managed, as described in the Risk Policy, include:

- A commitment to applying effective risk management for all PGW's business operations. This includes the integration of risk management into PGW's strategy, procedures, projects, and decision making;
- That risks and controls are owned, managed, and monitored by the business unit in which they exist, and/or by a member of the Executive Team for material and strategic risks;
- Risks should be proactively identified and managed by all PGW employees as part of their day-to-day activities. Staff should apply the appropriate controls and monitor them regularly, in a manner that is also aligned with PGW Values; and
- Effective and timely risk reporting, communication, and escalation are critical to support good decision making. Minimum reporting requirements have been defined for Strategic and Business Unit level risks.

Directors receive regular reporting on PGG Wrightson's strategic risks, which include the following areas:

TITLE	GENERAL RISK DESCRIPTION	GENERAL DESCRIPTION OF RISK MANAGEMENT (HIGH LEVEL OVERVIEW ONLY, INCLUDING EXAMPLES)
Biosecurity	Impacts of a biosecurity events / incident response and downstream events (e.g. regulatory response, customer behaviour) and biosecurity compliance requirements.	Compliance with NAIT regulations (including OSPRI audits), internal policies (including Quality Assurance Programs), and signing up to the 'Biosecurity Pledge'. Response planning includes PGG Wrightson's Incident Management Plan, Business Continuity Plans, and a requirement to follow MPI guidelines for any specific event.
Disintermediation	Disruptive business model changes in the markets in which PGG Wrighton operates.	Investment in technology (e.g. bidr and e-commerce), supply chain initiatives, technical expertise, a broad range of offerings (e.g. 'Go' products), specific roles to progress opportunities in various markets, Business Unit specific strategies (aligned to Group strategy).
Liability and claim events	Operational errors and omissions that can lead to liability claims that can potentially impact adversely on PGG Wrightson's performance and reputation.	Regular review of risks, input and training provided by the PGG Wrightson Legal team, mandatory training courses, good oversight of legislative changes, robust processes to respond when potential issues are identified, supplier audits, quality control, and training for staff.
Portfolio offering	Ensuring that the portfolio of goods and services that PGG Wrightson offer keeps pace with the evolving needs of our customers.	Strategic planning, staying in touch with clients and understanding their needs, exploring new opportunities, review of existing business units and performance.
Health, Safety and Wellbeing	Proactively addressing the Health, Safety and Wellbeing of our staff, contractors and other stakeholders that have contact and involvement with PGG Wrightson's operations.	A dedicated team within PGG Wrightson's People & Safety group who partner with all Business Units and Teams. Comprehensive governance oversight by a management Committee and Board Committee. Systems, tools and processes, supported by training, controls checks, Health & Safety Reps, and ongoing improvement opportunities.
Information and cyber security	Protecting the confidentiality, integrity and availability of our business systems, including managing vulnerabilities, and ability to respond to cyber-events.	A dedicated team within PGG Wrightson's Technology team, who deliver a broad range of activities including prevention, detection, training, and incident response capabilities.
Key people	Proactively managing succession planning and key person risks across our business and operations.	A Talent Acquisition & Management programme, backed by policies, training, succession plans, data analytics, and SOPs within Business Units. ESG / GRI elements included in the Annual Report.
Large scale disaster events	PGG Wrightson's business continuity planning and readiness to respond to natural disasters and other material adverse events (e.g. emergencies, crises, business interruption and disasters).	An established Business Continuity Policy and Business Impact Assessment, with supporting guidelines, processes, templates, and testing. Regular reporting to the Risk & Compliance Committee, through to the Audit Committee. Insurance coverage of PGG Wrightson's physical assets.
Market attractiveness and customer profitability	PGG Wrightson's adaptability and ability to respond to market changes (including land use change, farmer and grower profitability and associated spend patterns).	Diversity of PGG Wrightson's offerings and geographic coverage, to manage localised events and sector specific volatility. Management oversight, new technologies, and monitoring customer demand and market changes.
Land use change – (i.e. farmland conversion to forestry)	PGG Wrightson's response planning in relation to large scale conversion of productive land into forestry.	Require government intervention to curb the development of forestry to protect NZ's dry stock country. PGG Wrightson can be advocates, provide technical solutions, and implement response plans (such as people plans and offerings to the forestry sector).
Regulatory compliance	Compliance with current and evolving regulatory requirements.	Policies, procedures, mandatory staff training, input from PGG Wrightson's Legal team, Delegations of Authority, and compliance frameworks. Oversight is provided by the Risk and Compliance Committee.
Environmental health & animal welfare	Adapting to legislative change and ongoing compliance together with evolving market and community expectations on environmental matters.	Ensuring PGG Wrightson understands legislative changes and how to comply, including responding to any specific risk areas. Management via PGG Wrightson's Technical team, including the impact of any changes to PGG Wrightson and our clients.
Climate change	The impact of climate change on PGG Wrightson's operations (including extreme weather events, fires, water shortages and flooding events, adjusting to a low carbon economy etc.).	A dedicated role of Sustainability Manager, supported by key staff throughout the business. Business Continuity Plans (as noted in 'large scale disaster events risk') and a Sustainability Strategy.
Social License to Operate (including ESG)	Responding proactively to ESG reporting and market expectations to ensure PGG Wrightson delivers and meets the expectations of its stakeholders.	Sustainability Manager coordinating activities, including a group wide Sustainability Committee. The Sustainability Report now includes application of GRI Standards.

In discharging the Board's risk management responsibilities, the Board has:

- In conjunction with the Chief Executive Officer, Audit Committee, internal and external audit, set up and monitored rigorous processes for risk management and internal controls to ensure that management prudently and efficiently manage resources, and the identification of the nature and magnitude of the Company's material risks. PGG Wrightson has a comprehensive Group Risk Policy (including Principles, Risk Management Framework, and processes) that aligns with ISO Risk Management Standard;
- Considered the nature and extent of risks the Board is willing to take to achieve its strategic objectives. The Company is committed to the management of risk to achieve sustainability of service, employment and profits, and therefore takes on controlled amounts of risk as considered appropriate;
- In conjunction with the Chief Executive Officer and Audit Committee, reviewed the effectiveness and integrity of compliance and risk management systems within the business. The Board receives and reviews regular reports that includes policies and internal control processes, as well as any developments in relation to key risks. Reports include oversight of the Company's Group risk register and highlight the main risks to the Company's performance and the steps being taken to manage these; and
- Established a separate management Risk and Compliance Committee that is responsible for the oversight of business risks, compliance and business continuity.

The Board maintains insurance coverage with reputable insurers for relevant insurable risks and recently renewed its insurance policies in accordance with the policy approach determined by the Board.

6.2 In compliance with NZX Code Recommendation 6.2, PGG Wrightson has on page 12 of the 2024 Annual Report disclosed how it manages its health and safety risks and has reported on our health and safety risks, performance and management.

PRINCIPLE 7 – Auditors

"The Board should ensure the quality and independence of the external audit process."

7.1 In compliance with NZX Code Recommendation 7.1, the Board has established a framework as set out below for the Company's relationship with its external auditors. This includes procedures:

(a) for sustaining communication with the external auditors;

(b) to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;

(c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors; and

(d) to provide for the monitoring and approval by the Audit Committee of any service provided by the external auditors other than in their statutory audit role.

The Board subscribes to the principle that it has a key function to ensure the quality and independence of the external audit process. The Board operates formal and transparent procedures for sustaining communication with PGG Wrightson's independent and internal auditors. The Board seeks to ensure that the ability, objectivity and independence of the auditors to carry out their statutory audit role is not compromised or impaired or could reasonably be perceived to be compromised or impaired. The auditors are invited to attend all Audit Committee meetings (except where auditor remuneration or performance is discussed). This attendance also from time to time includes invitations for private sessions between the Audit Committee and the external auditor without management present. In addition, the lead audit partner of the external auditor is rotated at least every five years.

To ensure there is no conflict with other services that may be provided by the external auditors, the Company has adopted a policy whereby the external auditors will not provide any other services unless specifically approved by the Audit Committee.

The external auditors Ernst & Young, and the lead audit partner, were appointed on 13 April 2021 and did provide additional non-audit work to the Group in the year ended 30 June 2024. The remuneration paid by the Group for audit work is disclosed on page 55 of the 2024 Annual Report. The remuneration paid by the Group for non-audit work was $104,000. The nature of the type of non-audit work is disclosed in the audit report. The external auditors confirmed in their audit report on pages 86 to 89 of the 2024 Annual Report that those matters did not impair their independence as auditor of the Group.

7.2 In compliance with NZX Code Recommendation 7.2, the external auditor attends the Annual Meeting to answer questions from shareholders in relation to the audit.

7.3 In compliance with NZX Code Recommendation 7.3, PGG Wrightson's internal audit functions are disclosed here. The internal audit function sits within the Risk and Assurance team, which is comprised of a functional leader and supported by a panel of co-source partners. The internal audit function is responsible for carrying out internal audits in accordance with the internal audit plan approved annually by the Audit Committee. The function reviews and reports on the effectiveness of internal control systems and processes for the Company. Internal audit function have unfettered access to the Board.

PRINCIPLE 8 – Shareholder Rights & Relations

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

8.1 While the Company does not have a formal shareholder or stakeholder relations policy, the Board actively fosters constructive relationships with its shareholders, as appropriate. The Board is at all times cognisant of the need to protect and act in the best interests of the Company's shareholders.

In compliance with NZX Code Recommendation 8.1, PGG Wrightson's website www.pggwrightson.co.nz has an Investor Centre where investors and interested stakeholders can access financial and operational information and key corporate governance information. This contains key governance documents and policies, contact details for investor matters, current and past Annual Reports, notices of meetings and other key dates in the investor schedule, the constitution, media releases and NZX announcements, periodic financial information, dividend histories and other information. PGG Wrightson lists its Business Unit descriptions and key activities on its website, and its releases contain information on business goals and performance. The Company encourages shareholder participation at the Annual Meeting, by providing as an item of General Business, the conducting of a shareholder discussion, where a reasonable opportunity is given for shareholders to question, discuss or comment on the management of the Company.

8.2 In compliance with NZX Code Recommendation 8.2, PGG Wrightson allows investors the ability to easily communicate with it, including providing the option to receive communications electronically. The Company has continued to seek to improve shareholder participation, efficiency and cost effectiveness of communication with shareholders by offering them its e-comms programme, where shareholders can elect to receive their security holder communications electronically.

8.3 In compliance with NZX Code Recommendation 8.3, shareholders have the right to vote on major decisions which may change the nature of the Company.

8.4 If PGG Wrightson was seeking additional equity capital in the future, it would consider the recommendation in NZX Code Recommendation 8.4 to offer further equity securities to existing equity security holders of the same class on a pro rata basis and no less favourable terms before further equity securities are offered to other investors.

8.5 In compliance with NZX Code Recommendation 8.5, the shareholders' Notice of Annual Meeting is posted on the website as soon as possible and at least 20 working days prior to meetings.

9 Annual Review

9.1 A review of this Corporate Governance Code and associated processes and procedures is completed on an annual basis to ensure the Company adheres to best practice governance principles (as promulgated by the relevant authoritative bodies) and maintains high ethical standards.

Statutory Disclosures | *Ngā Whakapuakanga ā-Ture*

The following particulars of notices were given by Directors of the Company pursuant to section 140(2) of the Companies Act 1993 for the year 1 July 2023 to 30 June 2024

DIRECTOR	INTEREST	ORGANISATION
Garry Moore	Chair	Garry Moore Limited Dairycool Limited Reflex Nominees Limited Debt Discounting (NZ) Limited
	Trustee	Burnett Valley Charitable Trust The Moore Family Trust
Sarah Brown	Director	Horizon Meats NZ Limited Blue Sky Meats (Number 1 Limited) Blue Sky Meats (NZ) Limited Southland Building Society (SBS Bank) Southsure Assurance Limited Fraser Properties Limited Howie Johns Limited
Meng Foon	Chair	Hokotehi Moriori Trust
	Director	MY Gold Investments Limited
	Trustee	MY Trust NZ Philanthropic Foundation
	CEO	Rawhiti Mediation Services
U Kean Seng	Head of Corporate and Legal Affairs	Agria Corporation (resigned December 2023)
Dr Charlotte Severne	Chair	Whenua Haumanu – Programme Governance Group
	Deputy Chair	Māori Soldiers Trust
	Director	Tuaropaki Power Company TPC Holdings Limited Severne & Associates Limited
	Trustee	The Māori Trustee Severne Whanau Trust Pott Severne Family Trust
	Crown Representative	Te Ropu Wakahaere
Lee Joo Hai *(Resigned 24 October 2023)*	Director	Hyflux Limited Agria Corporation Agria (Singapore) Pte Limited Lung Kee (Bermuda) Holdings Limited IPC Corporation Limited Agria Asia Investments Limited

Directors' Shareholdings

As at 30 June 2024, the following Directors of PGG Wrightson Limited held a beneficial interest in shares in PGG Wrightson Limited:

DIRECTOR	REGISTERED HOLDER	NUMBER OF SHARES
S Brown	Sarah Jane Brown & Keith William Brown	11,400
M Foon	Meng Liu Fon	1,000
G Moore	Garry Mervyn Moore & Tanya Gail Moore	20,000
Dr C Severne	Charlotte Marewa Severne, Joachim Helmut Pott and Richard William Lucy as Trustees of the Pott Severne Family Trust	7,500

Lee Joo Hai and U Kean Seng are associated persons of substantial product holder Agria (Singapore) Pte Limited holding 33,463,399 shares.

Directors' Share Transactions

No Directors of PGG Wrightson Limited notified the Company of on-market share transactions between 1 July 2023 and 30 June 2024.

Directors' Independence

The Board has determined that as at 30 June 2024:

- The following Directors are Independent Directors: S Brown, M Foon, G Moore and Dr C Severne; and
- The following Directors are not Independent Directors by virtue of their association with a substantial product holder: Lee Joo Hai and U Kean Seng.

NZX Waivers

There were no NZX Waivers applying to PGG Wrightson Limited during the financial year.

Directors' Indemnity and Insurance

In accordance with section 162 of the Companies Act 1993 and the Constitution of the Company, the Company has insured Directors and Officers against liabilities to other parties that may arise from their positions as Directors and Officers of the Company, Subsidiaries and Associates. This insurance does not cover liabilities arising from criminal actions and deliberate and reckless acts or omissions.

Use of Company Information by Directors

The Board has implemented a protocol governing the disclosure of Company information to its substantial product holders. In accordance with this protocol and section 145 of the Companies Act 1993, Lee Joo Hai and U Kean Seng gave notice that while Directors they may disclose certain information to Agria Corporation in order to seek, and inform the Board of, its view as to the governance and operation of the Company and in order to enable Agria Corporation to comply with certain statutory obligations.

Remuneration Report | *Pūrongo Utu*

Letter from the Remuneration, Appointments and Nominations Committee Chair

As Chair of the PGG Wrightson Remuneration, Appointments and Nominations Committee, I am pleased to present PGG Wrightson's Remuneration Report, covering the Financial Year Ended 30 June 2024.

The Remuneration, Appointments and Nominations Committee is a Committee of the Board of Directors (who are all members) governed by written charter. The charter requires members to be appointed by the Board of Directors from amongst the Non-executive Directors of PGG Wrightson Limited. All current Directors are Non-executive Directors. The Committee is responsible for the overview of the Company's People and Safety strategy and the direction of PGG Wrightson's Remuneration Policy and Framework.

PGG Wrightson operates a mature, consistent, transparent and fairly applied Remuneration Policy and Framework which covers all employees at PGG Wrightson, including our CEO and Executive Leadership Team. Our framework is structured to ensure it aligns to our strategy, culture and values.

With support from our remuneration partner, Strategic Pay, all roles at PGG Wrightson are evaluated using Strategic Pay's "SP10" Job Evaluation Methodology which allocates bands or grades, which are then compared against private sector benchmarking. This ensures our employees receive market competitive remuneration for the work they undertake, which assists us in retaining and attracting the best talent. All PGG Wrightson employees are paid the equivalent of that year's Living Wage, or at least 85% of the private sector market mid-point for their role, whichever is the higher.

PGG Wrightson does not have any employees covered by collective bargaining agreements, each employee is engaged under an "Individual Employment Agreement".

The Remuneration, Appointment and Nominations Committee set PGG Wrightson's CEO, Executive and Senior Management Incentive Plans to include targeted financial, strategic and/or operational and safety Key Performance Indicators (KPIs) which drive business performance and provide shareholder value – these then filter down into front line incentive and commission plans. This ensures our framework can recognise individual, team and company performance whilst maintaining business performance and shareholder value.

Garry Moore
Chair
Remuneration, Appointments and Nominations Committee

FY24 Remuneration

PGG Wrightson provided a budget for salary increases in FY24 which was aligned to both the private sector market movements over the previous 12 months, future predicted movements of the market, and what remains affordable to the Company to ensure it can support shareholder value and reflect business performance.

As a result of the financial performance of the business in FY24, the threshold EBITDA target was not met and no incentive payments were awarded to the Chief Executive Officer, Executive and Senior Management.

Chief Executive Officer Remuneration

In compliance with the NZX Code Recommendation 5.3, this section lists disclosure of the remuneration arrangements in place for PGG Wrightson's Chief Executive Officer Stephen Guerin. The Board of Directors' general policy for Chief Executive remuneration is payment of a base salary and an annual at-risk short-term incentive. The short-term incentive has a threshold EBITDA target which must be met for the scheme to open. The target amount of the short-term incentive payment is a percentage of base salary, being 20% for the financial year, with the maximum payable being 150% of the target amount. The short-term incentive is payable on the achievement of certain key performance criteria focused on PGG Wrightson's financial performance (meeting of EBITDA and Cashflow targets), delivery of strategic objectives and Safety and Wellbeing performance for the respective financial year.

PGW has not paid any severance benefits ('golden parachutes' or 'handshakes') within FY24 and PGW has no contractual obligation to pay these under existing arrangements.

During FY24 the salary of the Chief Executive Officer was reviewed by the Remuneration, Appointments and Nominations Committee to reflect the movement of the private sector market and Chief Executive Officer performance, and an increase of 11.4% was supported.

As at 30 June 2024 the total number of PGG Wrightson shares owned by the Chief Executive Officer was 3,842.

The Chief Executive Officer's overall remuneration relating to the year ended 30 June 2024 is as follows:

YEAR	FIXED REMUNERATION		TOTAL FIXED REMUNERATION	SHORT TERM INCENTIVE (STI)		DISCRETIONARY PAYMENT	TOTAL
	BASE SALARY	OTHER BENEFITS*		EARNED	AMOUNT EARNED AS A % OF MAXIMUM AWARDS		(FIXED REM + STI EARNED + DISCRETIONARY PAYMENT)
FY24	$1,116,950	$39,363	$1,156,313	$0	0%	$50,000	$1,206,313
FY23	$1,014,968	$ 38,825	$1,053,793	$194,974	99%	$0	$1,248,767

* *KiwiSaver employer contribution paid during the year.*

The Chief Executive Officer does not have any long-term incentives.
The Discretionary Payment to the CEO is to acknowledge the additional workload during the governance disruptions in the second half of FY24.

ESG Disclosures

PGG Wrightson's ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) is 19.14.

PGG Wrightson's ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is 2.5.

PGG Wrightson has excluded casuals, contractors and commission agents given they are not guaranteed hours.

Full time equivalent pay rates are used for each part time employee.
The following types of compensation have been included:

- Cash compensation paid during the reporting period (base salary, bonus/discretionary payments, incentive payments, other variable cash payments, other allowances, commission where applicable to employees); and
- Employer contributions to retirement schemes.

The title of the highest paid individual at PGG Wrightson is the Chief Executive Officer.

PGG Wrightson has signed up to "Mind the Gap" and will be reporting on its Gender Pay gap from FY24.

The robustness of PGG Wrightson's Remuneration Framework is based on role, not individual, shows the Company has broad pay equity on equivalent roles at PGG Wrightson, which have been broken down below for operations (business facing) roles and business support roles. The Gender Pay gap is presented as the difference in median hourly rate of female staff compared to male staff (meaning a +5% difference would represent female median hourly rate below males, whereas a -5% difference would represent female median hourly earnings above males).

OPERATIONS – ROLE MID-POINT	NUMBER OF EMPLOYEES IDENTIFYING AS FEMALE	NUMBER OF EMPLOYEES IDENTIFYING AS MALE	GENDER PAY GAP
Under $60K	399	238	0%
$60K-$80K	135	55	0%
$80K-100K	56	60	5%
$100K-150K	74	345	5%
$150K+	8	29	0%

BUSINESS SUPPORT – ROLE MID-POINT	NUMBER OF EMPLOYEES IDENTIFYING AS FEMALE	NUMBER OF EMPLOYEES IDENTIFYING AS MALE	GENDER PAY GAP
Under $60K	24	3	-1%
$60K-$80K	61	22	0%
$80K-100K	13	5	-7%
$100K-150K	40	36	0%
$150K+	13	19	-3%

This data shows employees identifying as female have greater representation in the lower pay band, and less representation in higher pay bands, which contributes to PGG Wrighton's overall Gender Pay gap of 29%, as explained by the table below.

CATEGORY	NUMBER OF EMPLOYEES IDENTIFYING AS FEMALE	NUMBER OF EMPLOYEES IDENTIFYING AS MALE	GENDER PAY GAP
Executive	2	5	37%
Leadership	7	76	-10%
Operations	672	727	27%
Business Support	151	85	28%
All PGW	832	893	29%

A working group is developing strategies to address the lower representation of females in higher pay bands, predominantly leadership roles.

Remuneration Bands

This Remuneration Report contains disclosure of the employees (other than employees who are Directors) who received remuneration and any other benefits in their capacity as employees of the Company and its subsidiaries, the value of which was or exceeded $100,000 per annum, in brackets of $10,000, as required by the Companies Act 1993.

The schedule includes:

- All monetary payments actually made during the year, including termination payments and the face value of any short-term and any at-risk long-term incentives granted, where applicable;
- The employer's contributions to superannuation funds, retiring entitlements, health insurance schemes and other payments to terminating employees (e.g. long service leave); and
- Livestock employees who are remunerated on a commission basis and whose remuneration fluctuates materially from year to year. Livestock remuneration includes incentives paid in the current year that were earned in respect of the prior year's performance.

The schedule excludes:

- Amounts paid post 30 June 2024 that related to services provided in the 2023/2024 financial year;
- Telephone concessions to some employees that can include free telephone line rental, national and international phone calls and online services;
- Independent real estate/livestock commission agents; and
- Any benefits received by employees that do not have an attributable value.

No employees appointed as a Director of a subsidiary company of PGG Wrightson Limited receives or retains any remuneration or other benefits from PGG Wrightson Limited for acting as such.

BAND	COUNT
$100,000 – $110,000	106
$110,000 – $120,000	91
$120,000 – $130,000	61
$130,000 – $140,000	65
$140,000 – $150,000	44
$150,000 – $160,000	44
$160,000 – $170,000	35
$170,000 – $180,000	22
$180,000 – $190,000	17
$190,000 – $200,000	26
$200,000 – $210,000	19
$210,000 – $220,000	11
$220,000 – $230,000	8
$230,000 – $240,000	9
$240,000 – $250,000	8
$250,000 – $260,000	4
$260,000 – $270,000	10
$270,000 – $280,000	2
$280,000 – $290,000	7
$290,000 – $300,000	2
$300,000 – $310,000	5
$310,000 – $320,000	7

BAND	COUNT
$320,000 – $330,000	3
$330,000 – $340,000	1
$340,000 – $350,000	5
$360,000 – $370,000	1
$370,000 – $380,000	2
$380,000 – $390,000	1
$390,000 – $400,000	1
$400,000 – $410,000	2
$410,000 – $420,000	1
$430,000 – $440,000	1
$440,000 – $450,000	1
$460,000 – $470,000	3
$510,000 – $520,000	1
$520,000 – $530,000	2
$540,000 – $550,000	2
$590,000 – $600,000	1
$610,000 – $620,000	2
$770,000 – $780,000	1
$1,160,000 – $1,170,000	1
$1,310,000 – $1,320,000	1
Total	636

Director Remuneration

The following persons held office as a Director during the year to 30 June 2024 and received the following remuneration (including the value of any benefits). Fees are not paid for membership of the Remuneration, Appointments and Nominations Committee, or for the Health, Safety & Environment Committee (except for the Chair). The total fee pool available for Directors is $875,000 approved by shareholders at the 21 October 2005 Annual Meeting. The Directors did not receive additional fees or benefits to those fees listed in the table below and did not have any shares issued or transferred to them as Director remuneration. The Directors' shareholdings in PGG Wrightson Limited are listed below on page 103 of this Annual Report. Figures are gross, rounded and exclude GST (if any):

When determining the fees for Non-executive Directors, the Board considers benchmarked data from other NZX listed companies, the performance of the company and the time and effort required to fulfil Directors' responsibilities.

Director remuneration outcomes

A breakdown of Board and Committee fees for the period are set out in the table below:

DIRECTOR NAME	FEE	FEE FOR AUDIT & RISK COMMITTEE	FEE FOR HEALTH & SAFETY COMMITTEE	TOTAL REMUNERATION RECEIVED
G Moore	$134,505	$10,000		$144,505
S Brown	$110,000	$40,000		$150,000
M Foon	$90,000			$90,000
Dr C Severne	$90,000		$10,000	$100,000
U Kean Seng	$164,189	$9,701		$173,891
Lee Joo Hai*	$29,674	$299		$29,973
Total	**$618,369**	**$60,000**	**$10,000**	**$688,369**

* Lee Joo Hai resigned as Board Chair and from the Audit Committee on 4 July 2023 and as Director 24 October 2023

Fees for G Moore & U Kean Seng include prorated payments for time in roles:

- G Moore Chair from 16 February 2024; and
- U Kean Seng Acting Chair from 4 July 2023 to 16 February 2024 and Audit Committee member from 4 July 2023.

Annual Fee Schedule as at 30 June 2024

	ANNUAL FEE
Chair	$210,000
Deputy Chair	$110,000
Director	$90,000
Audit Committee Chair	$40,000
Audit Committee Member	$10,000
Health & Safety Committee Chair	$10,000

General Disclosures | *Ngā Whakapuakanga Arowhānui*

Subsidiary Company Directors

The following persons held the office of Director of the respective subsidiaries (as defined in the Companies Act 1993) during the year or part year as indicated on behalf of the Group. Directors appointed (A) or who resigned (R) during the year or part year are indicated. Staff appointments do not receive Director fees or other benefits as a Director. Unless otherwise indicated, Group ownership is 100%.

LEGAL COMPANY NAME	PGG WRIGHTSON APPOINTED DIRECTORS
Ag Property Holdings Limited	JS Daly, SJ Guerin
Bidr Limited	SJ Guerin, PC Scott, RJ Shearer
Bloch & Behrens Wool (NZ) Limited	JS Daly, SJ Guerin, GW Edwards (R), RJ Shearer (A)
National Saleyards Limited (66.67%)	JS Daly (A), PJ Newbold
NZ Agritrade Limited	JS Daly, SJ Guerin
PGG Wrightson Employee Benefits Plan Trustee Limited	CD Adam, JS Daly *(Alternate Director)*, S Guerin, JA O'Neill, PR Drury
PGG Wrightson Investments Limited	JS Daly, SJ Guerin
PGG Wrightson Real Estate Limited	JS Daly, SJ Guerin
Sheffield Saleyards Co Limited (53.5%)	RG Nordstrom

Shareholder Information | *Ngā Mōhiohio Kaipupurihea*

PGG Wrightson Limited is quoted on the New Zealand Stock Market of NZX Limited (code PGW).
As at 30 June 2024, PGG Wrightson Limited had 75,484,083 ordinary shares on issue.

Substantial Product Holders

At 30 June 2024, the following security holders had given notices in accordance with the Financial Markets Conduct Act 2013 that they were a substantial product holder in the Company. The number of shares shown below are as recorded in the Company's share register.

SHAREHOLDER	NUMBER OF SHARES AT 30 JUNE 2024	DATE OF NOTICE
Elders Limited	9,409,296	14 December 2022
Agria (Singapore) Pte Limited	33,463,399	10 April 2019
Agria Group*	33,463,399	17 December 2018

* *Agria Group being Agria Group Limited, Agria Corporation, Agria Asia Investments Limited, Agria (Singapore) Pte Ltd, New Hope International and New Hope Group Co., Ltd as listed in the substantial security product notice.*

Twenty Largest Registered Shareholders

The 20 largest shareholders in PGG Wrightson as at 31 July 2024 were:

SHAREHOLDER	NUMBER OF SHARES HELD	% OF SHARES HELD (ROUNDED)
1. Agria (Singapore) Pte Limited	33,463,399	44.33
2. Elders Limited	9,409,296	12.47
3. New Zealand Depository Nominee Limited	1,425,447	1.89
4. HSBC Nominees (New Zealand) Limited	1,292,599	1.71
5. Accident Compensation Corporation	743,326	0.98
6. Forsyth Barr Custodians Limited	695,382	0.92
7. Custodial Services Limited	648,703	0.86
8. FNZ Custodians Limited	508,674	0.67
9. Nicolaas Johannes Kaptein	500,962	0.66
10. JBWere (NZ) Nominees Limited	499,016	0.66
11. Citibank Nominees (New Zealand) Limited	329,408	0.44
12. NZX WT Nominees Limited	324,409	0.43
13 Elizabeth Beatty Benjamin & Michael Murray Benjamin (Michael Benjamin Family a/c)	300,000	0.40
14. GMH 38 Investments Limited	300,000	0.40
15. H&G Limited	295,000	0.39
16. Totara Grove Investments Limited	280,000	0.37
17. Ian David McIlraith	230,000	0.30
18. BNP Paribas Nominees (NZ) Limited	205,840	0.27
19. Robert Vincent Cottrell & Lesley Maureen Cottrell	202,898	0.27
20. Andrew Paul Lissaman Everist	201,500	0.27

Analysis of Shareholdings

Distribution of ordinary shares and shareholdings at 31 July 2024 was:

RANGE	TOTAL HOLDERS	NUMBER OF SHARES	% OF SHARES
1 – 499	5,098	836,415	1.11
500 – 999	1,085	729,920	0.97
1,000 – 1,999	1,105	1,457,950	1.93
2,000 – 4,999	1,119	3,369,747	4.46
5,000 – 9,999	494	3,236,863	4.29
10,000 – 49,999	522	9,335,061	12.37
50,000 – 99,999	42	2,704,232	3.58
100,000 – 499,999	33	6,419,859	8.50
500,000 – 999,999	3	1,803,295	2.39
1,000,000 Over	5	45,590,741	60.40
Total	**9,506**	**75,484,083**	**100.00%**

Registered addresses of shareholders as at 31 July 2024 were:

ADDRESS	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS	NUMBER OF SHARES	% OF SHARES
Singapore	8	0.08	33,525,873	44.41
New Zealand	9,243	97.23	31,537,311	41.78
Australia	147	1.55	10,158,745	13.46
Other	108	1.14	262,154	0.35
Total	**9,506**	**100.00%**	**75,484,083**	**100.00%**

Glossary | *Rārangi Kupu*

Acronym / Term	Definition
$	New Zealand dollar
$m	New Zealand dollar million
AI	Artificial Intelligence
ALT	A Lighter Touch
Base Salary	Salary paid by to an employee, excluding any additional compensation or benefits
B&B	Bloch & Behrens
Board	Board of Directors for PGG Wrightson Limited
CEO	Chief Executive Officer
CGU	Cash-generating unit
Company	PGG Wrightson Limited
CPI	Consumer Price Index
D365	Microsoft Dynamics 365
DBO	Defined Benefit Obligation
Director	A Director of PGG Wrightson Limited
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest, Tax, Depreciation, and Amortisation
EPS	Earnings Per Share
ESG	Environmental, Social, and Governance
ECL	Expected Credit Loss
FTE	Full-time equivalent
FY	Financial Year ended or ending 30 June of the relevant year
GHG	Greenhouse Gas Emissions
GRI	Global Reporting Initiative
Group	PGG Wrightson Limited and its controlled entities
HSE	Health, Safety, Environment
IFRS	International Financial Reporting Standard
IoT	Internet of Things
ISO	International Organisation for Standardisation
IT	Information Technology
KPI	Key Performance Indicator
MPI	Ministry for Primary Industries
NAIT	National Animal Identification and Tracing
NPAT	Net Profit After Tax
NPS	Net Promotor Score
NTA	Net Tangible Assets
NZD	New Zealand dollar
NZ GAAP	New Zealand Generally Accepted Accounting Practice
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZX	New Zealand Stock Exchange
NZX CODE	NZX Corporate Governance Code 2023
OSPRI	Operational Solutions for Primary Industries
PGW	PGG Wrightson Limited
PLB	Personal Locator Beacon
PSA	Pseudomonas syringae pv. Actinidiae
R&D	Research and development
Reps	Representative
tCO2-e	Tonnes per carbon dioxide equivalent
TSR	Total Shareholder Return
WMI	Wairapapa Moana ki Pouakani Incorporation

Corporate Directory | *Whaiaronga Rangatōpū*

Company number 142962 NZBN 9429040323497

Board of Directors
as at 30 June 2024

Garry Moore
Chair (from 16 February 2024), Audit Committee member and Independent Director

Sarah Brown
Deputy Chair, Chair of Audit Committee and Independent Director

Meng Foon
Independent Director

U Kean Seng
Director
Acting Chair (4 July 2023 – 16 February 2024)

Dr Charlotte Severne
Chair of Health, Safety and Environment Committee and Independent Director

Lee Joo Hai
Chair (resigned 4 July 2023)
Director (resigned 24 October 2023)

Executive Team
as at 30 June 2024

Stephen Guerin
Chief Executive Officer

Nick Berry
General Manager Retail & Water

Julian Daly
General Manager Corporate Affairs /Company Secretary

Grant Edwards
General Manager Wool (until 31 March 2024)

Sarah Mears
Acting General Manager People & Safety (from 6 May 2024)

Peter Newbold
General Manager Livestock & Real Estate

Peter Scott
Chief Financial Officer

Rachel Shearer
General Manager People & Safety (until 5 May 2024)
Acting General Manager Wool (from 6 May 2024)

Registered Office

PGG Wrightson Limited
1 Robin Mann Place
Christchurch Airport
Christchurch 8053

PO Box 292
Christchurch 8140
Telephone:
0800 10 22 76 (NZ only)
+64 3 372 0800 (International)
Email: enquiries@pggwrightson.co.nz

Auditors

Ernst & Young
Level 4
93 Cambridge Terrace
PO Box 2091
Christchurch 8140
Telephone: +64 3 379 1870

Managing your shareholding online | *Te whakahaere tuihono i tō pānga hea*

To change your address, update your payment instructions and to view your investment portfolio, including transactions, please visit:

www.investorcentre.com/nz

General enquiries can be directed to:
Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622

enquiry@computershare.co.nz

Private Bag 92119, Auckland 1142, New Zealand

Telephone +64 9 488 8777

Facsimile +64 9 488 8787

Please assist our registrar by quoting your CSN or shareholder number.