ANNUAL REPORT 2024

THE RESULTS ARE IN

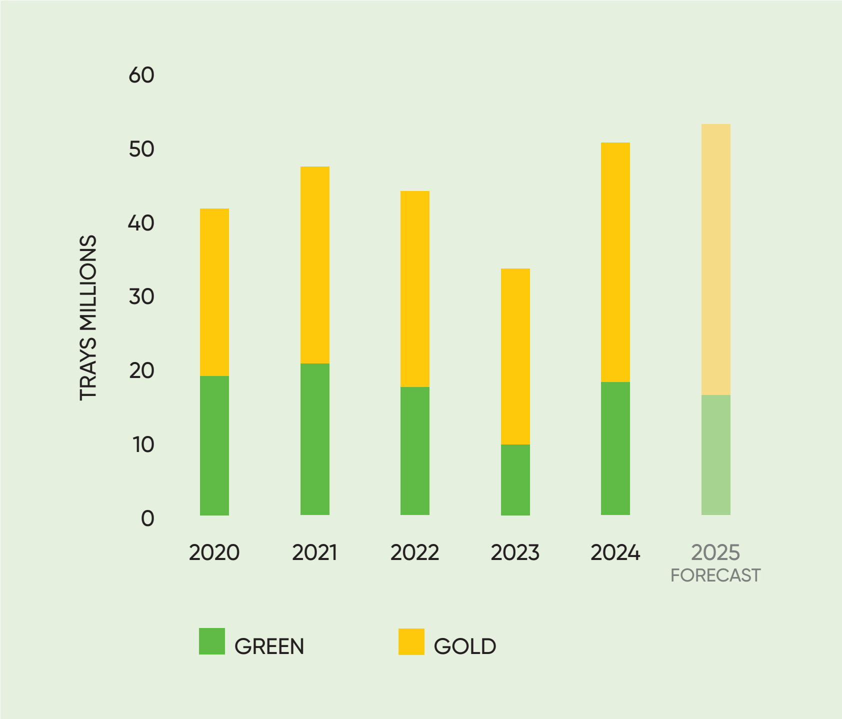
EastPack
Growers at heart

The 2024 season is the result of years of commitment — both from EastPack and our growers who put their trust in us. Together, we've navigated challenges, adapted to change, and refined our approach season after season. By staying the course, making strategic improvements, and working as one, we've delivered a record-breaking year. This is not just our success — it belongs to every grower who believed in the plan and helped bring it to life.

THE RESULTS OF TRUST AND TIME

Contents

The commitment from our growers and the results of the constant refinement season after season has delivered a record-breaking year.



Class 1 Trays Packed. A record

50.8m

Trays Packed in 2024.

Up 52% on 2023 as the industry recovered from the significant weather events across our growing regions in 2023.

HIGHLIGHTS

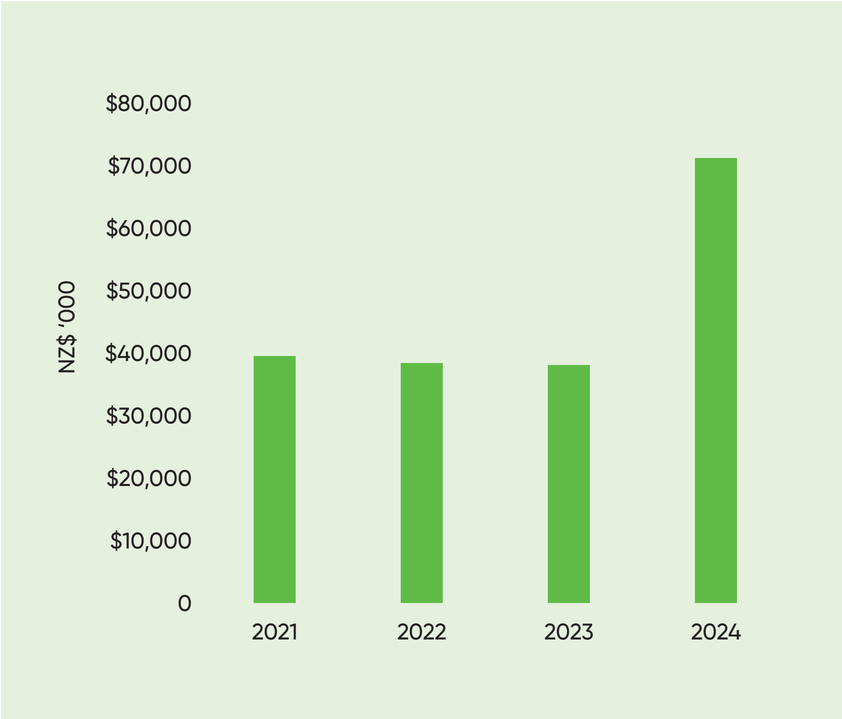
EBITDA

$71.1m

EBITDA in 2024.

Up 87% on 2023 through the increased volumes being packed and the investment in capacity and efficiency achieved over the last 5 years.

EBITDA is Earnings before Interest, Tax, Depreciation, Amortisation and Fair Value Adjustments and is an important measure of the Group's performance that Directors use to monitor financial operating cash generation performance and compare to prior years' performance.



Capital Expenditure – Investment in Property, Plant and Equipment

$50.7m

Invested in Capital Expenditure 2024.

Investment in both capacity and efficiency in 2024 will see significant increase in productivity in 2025.

Chair & CEO's Report

HARD WORK PAYS OFF

A record crop of 50.8m trays was packed in 2024, a 52% increase on 2023, but it was also a crop of outstanding quality, seeing record low fruit loss and repack levels.

Braden Hungerford left
Chair

Hamish Simson right
Chief Executive Officer

On behalf of the Board, we are pleased to present EastPack's Annual Report for the year ended 31 December 2024.

After years of challenges that tested every part of our industry – unpredictable weather, labour shortages and rising costs, 2024 is the year that everything came together to deliver an outstanding result. The difficult years made us focus and refine our systems and processes, and have laid the foundation for the results achieved in 2024. There have been many small changes, made with determination and foresight to redefine what success looks like. Every piece of fruit packed and every decision made reflects the dedication and perseverance of our growers, teams and partners.

A record crop of 50.8m trays was packed in 2024 a 52% increase on 2023, but it was also a crop of outstanding quality, seeing record low fruit loss and repack levels. This is a testament to our growers and the care taken from orchard through harvest to get a great quality crop to the packhouse.

EastPack is a volume business and over the past eight years the company has invested heavily in new capacity and capability to pack the increasing volumes of kiwifruit. The weather through the harvest period was excellent allowing a smooth packing window and our team packed the crop in record time. This flowed into the financial results with revenue up 40% to $297.3m and Net Profit before tax at a record $30.0m.

Through the last five years the company has taken a number of steps to improve productivity and quality whilst reducing costs. Improved information systems have given the business greater insights into our operations, identifying constraints and performance challenges which have been able to be managed to improve efficiency. These steps along with the investment made in automation have seen a step change in our cost efficiency with the labour cost to pack a tray of fruit in 2024 down 3% on what it cost us in 2021 noting that in that time we have seen inflation of 19%.

The quality of the fruit was exceptional in 2024 with record low fruit loss across the industry. EastPack again performed strongly with fruit loss in 2024 for Gold at a record low at 0.42% compared to the rest of the industry at 0.75%. Similarly, Green fruit loss was a record low at 0.32% compared to the rest of the industry at 0.63%. We had good numbers of staff allowing the business to operate a full seven-day roster, allowing the team to concentrate on quality through the packing process.

In 2023, with reduced volumes and profitability, we cut back on our capital expenditure with minimal expenditure on capacity or efficiency for the 2024 season. However, we continued to invest in information technology and lower cost projects to build on our business systems and processes to continue to drive efficiency and effectiveness. With the 2024 season showing significant improvement, the business has undertaken further investment with construction of a new Controlled Atmosphere coolstore at Washer Road and major automation upgrades at the Collins Lane and Ōpōtiki sites. The Controlled Atmosphere store at Washer Road will add critical capacity to the site, whilst the automation projects will deliver improved productivity and reduced costs.

Prospa – Orchard Management Services

Prospa, our orchard management division, has had a strong year with a rebound in volumes and profitability after a challenging 2023 year. Prospa currently has over 1,200 hectares managed or leased which delivered 33% of the total crop packed by EastPack in 2024.

Prospa orchards continue to perform strongly with a number of our Prospa managed orchards being the top performing orchard in their region across all EastPack orchards.

The overall average Orchard Gate Return delivered by Prospa in all regions was above the industry average for that region. We continue to invest in our people, systems and innovation to deliver strong results for our orchard owners.

Prospa is expected to continue to grow in 2025 and into the future. Orchard management and support will be a core plank in EastPack's service proposition to our growers both now and in the future. The company is developing systems and processes to help manage the increasing complexity and compliance of orchard management along with increasing the business resilience for future challenges.

Pinpoint Laboratory Services

Pinpoint, our laboratory operations business had another strong year both operationally and financially. The current core business for the laboratory is the collection and testing of kiwifruit for maturity and the number of tests completed will vary from season to season. In 2024 we tested a similar number of tests to 2023 despite the 50% increase in industry production. The 2023 Gold crop was impacted by fruit being below normal dry matter levels. This resulted in a number of growers' fruit being slow to reach the required dry matter levels and growers seeking greater or more additional laboratory tests than normal. In 2024, with good growing conditions, dry matter levels were reached quickly and therefore despite the large increase in the overall kiwifruit crop from 2023, growers did not need additional maturity monitor and clearance tests to be processed by Pinpoint.

The company has invested significantly in 2024 on an expansion of the laboratory which will provide Pinpoint with the capability to complete further laboratory services for EastPack, the kiwifruit industry and other industries in the future. In 2025, the laboratory will be working through the method development and certification required to complete these services with the target to be able to be offer the new services later in 2025.

Financial Result

With record volumes combined with the operational performance improvements, EBITDA increased 87% to a record $71.1m. The cost efficiencies delivered in 2023 when the crop volumes were low were carried forward into 2024. The investment in capacity and automation further drove profitability. The quality of the crop was outstanding, allowing the company to repack low volumes. We repacked 75% less fruit than we had budgeted for resulting in much lower costs but also lower revenue for this activity.

The improvement in profitability can be best shown when comparing to 2021 which was our previous record high crop season at 47.4m trays. Tray volumes in 2024 are up 7.2% on 2021, but EBITDA for 2024 was up 65% on a per-tray basis.

Interest and depreciation costs have continued to rise in 2024 following the significant investment in capital expenditure across the sites, increased borrowings and higher interest rates. With overall higher borrowing levels and elevated interest rates, interest expense has increased by $1.0m on 2023.

EastPack Key Financial Statistics	2024	2023	2022	2021
Volumes	50.8m TE	33.5m TE	44.8m TE	47.4m TE
Revenues	$297.3m	$212.6m	$234.2m	$233.5m
EBITDA	$71.1m	$38.0m	$38.3m	$39.5m
EBITDA (Normalised – excl Unusual one-off items)	$71.1m	$38.0m	$38.3m	$40.3m
EBITDA (Normalised) as a % of Revenue	23.9%	17.9%	16.4%	17.2%
EBITDA (Normalised) per tray packed	$1.40	$1.13	$0.86	$0.85
Depreciation	$25.2m	$23.1m	$22.8m	$21.0m
Interest	$15.9m	$14.9m	$7.0m	$4.3m
Dividends paid	$3.2m	$0.0m	$4.2m	$2.5m
Net profit before taxation	$30.0m	$0.1m	$9.0m	$16.2m
Net profit after taxation (NPAT)	$18.9m	–$0.1m	$6.6m	$12.3m
NPAT (Normalised – excl FV Adj/Tax depreciation change)	$21.4m	–$0.1m	$6.6m	$12.3m

Legislation was enacted, effective from 1 January 2024 relating to the removal of deductibility of tax depreciation on non-residential buildings. This had the effect of increasing EastPack's deferred tax liabilities. The one-off impact of this was a deferred tax charge of $2.5m in the Consolidated Income Statement. This reduced our Net Profit after Tax to $18.9m. Removing this one-off item would have seen Net Profit after Tax at $21.4m.

Insurance

Over the past six years EastPack has invested heavily in fire protection for our sites with Quarry Road now fully sprinklered, and Washer Road in the process of being sprinklered. All new construction of coolstores is in fire protected coolstore panels and we have fire protected the majority of our plantrooms which is the primary source of coolstore fires. With our investment in fire protection, the company has been in a good position to set up a new captive insurance structure. EastPack Risk Management Limited has been set up as a captive insurance company to provide the Group with direct access to the London and Asian reinsurance markets. As a fully owned EastPack subsidiary, the captive provides the same level of cover as per our previous insurance but reduces the company's reliance on domestic insurers where insurance capacity is tight. By accessing overseas insurance markets directly, significant cost savings have been achieved over expected insurance premiums.

Dividend

With the rebound in volumes in 2024 and the strong financial results received the Board has declared a 6 cents per share final dividend for the 2024 year. An interim dividend of 3 cents per (pre-consolidation) share was paid in August 2024. This brings total dividends for the year to 10.5 cents per post-consolidation share.

Dividends need to be considered having regard to the forward financial performance and capital requirements to support growers and the need to maintain a resilient financial position.

Capital Investment

In the last five years EastPack has invested $236.8m in property, plant and equipment. This has provided the company with capacity to pack and store up to 55m trays of kiwifruit. The investment has also included significant investment in automation and efficiency of our graders and the benefits of this investment has been seen in the 2024 financial results.

Our investment in 2024/25 was concentrated on automation and Controlled Atmosphere storage where we garner strong gains in productivity and cost efficiency. We have commissioned significant automation projects in 2025 at our Ōpōtiki and Collins Lane sites following the significant investment in Grader 3 at Quarry Road and Bravo grader at Washer Road. We will look to further automation at other sites over the coming years.

Zespri have signalled an intention to increase the release of Gold licence over the next five years which will see a continuation of growth in kiwifruit volumes. EastPack will need to continue to invest in more coolstorage as volumes grow, but also continue to invest in upgrades to existing refrigeration for both efficiency and sustainability improvements as we move to modern refrigerants and control systems.

The company will continue to invest in fire protection systems across the group, not just for insurance purposes but to provide strong business continuity in the event of a fire.

Shareholding and Funding

EastPack is a cooperative, owned by its growers. In 2020, the company moved from its dual transactor share/investor share structure to the current ordinary share structure which created a stronger balance sheet for the company as it removed the redemption risk on transactor shares. However, following the change we have seen limited trading of shares and the change in structure resulted in the company having 105m shares and a large number of former growers who we refer to as dry shareholders.

In 2024, after consultation with our growers, we have made a number of changes to our shareholding processes. We have implemented the requirement that all our growers must share up over time to meet the required share standard of one share for every tray of production based on the average production of the three best years from the last four years.

EastPack team at Washer Road in full capacity.

We have had good numbers of staff in 2024 with a good contingent of New Zealand staff supplemented by overseas staff on Working Holiday Visas, and our RSE workers.

With this, a shareholder charge of 20 cents per tray is charged to all growers who do not meet the shareholding requirement. The total amount of funds raised through the shareholder charge is then utilised to buy-back shares from dry and overshared growers through a targeted Buy-Back which was conducted in August 2024. The shares purchased through the Buy-Back were then issued to those growers who paid the shareholder charge. This will be an annual process providing an opportunity for dry shareholders to exit the company and for under-shared growers to share up over time. Under-shared growers can continue to acquire shares by purchasing on Sharemart the company's share trading platform.

In December 2024, the company consolidated its shares on a ratio of 1.5 to 1.0 which has reduced the total number of shares on issue from 105.9m to 70.6m shares. This more closely aligns with our current production at 50.8m trays and the projected growth in kiwifruit in the future. The share standard remains at one share per tray. With EastPack looking to buy-back shares annually and less shares in the market we expect to see the share value improve. At the end of 2024 the net assets of the company per share was $2.89. The shares have traded at a significant discount to this value.

In late 2024, the company negotiated a new Syndicated Bank facility and introduced a fourth bank, China Construction Bank to the Syndicate. The facility has been increased to $212m and is in three tranches with expiry on those tranches in 2027 and 2029.

Our People

Whilst we have discussed above about our hard assets, our biggest asset is actually our people. We have a core team of permanent staff and a large seasonal team that we need to recruit each year. It is our staff that deliver the results to our growers and shareholders. With the company investing in automation we will need less seasonal staff to man our graders, but we also need more skilled staff to operate the complex machinery that we operate. We need capable people who can be flexible and work in a fast-paced environment to operate and maximise the capability of our equipment and the decisions our team make lead directly to the fruit outcomes that our growers receive. As a company our staff culture is very important to us and our staff engagement scores for both our seasonal and permanent staff improved again in 2024.

In 2024, we introduced seven-day rosters across all our sites. Previously we ran six-day rosters which could extend where people worked more than six days in a row. With our new rostering system, we have been able to roster effectively over seven days so everyone gets a break each week and we monitor staff hours closely. This has resulted in needing to recruit more people to cover the shifts but our staff are working sustainable hours per week and we have seen a marked reduction in tiredness and absenteeism. This has the added benefit of increasing the companies overall weekly packing capacity.

We have had good numbers of staff in 2024 with a good contingent of New Zealand staff supplemented by overseas staff on Working Holiday Visas, and our Recognised Seasonal Employer (RSE) workers. We were fully manned with a good quality workforce on day one of the season.

With support from the government, in 2024 we were able to maintain our Recognised Seasonal Employer (RSE) workforce of 730. The RSE workers are a key part of our staffing levels, and we take the care and management of our RSE workers very seriously. We have built up our pastoral care team to support them whilst also ensuring our accommodation is of a high standard.

We continue to have events to keep our staff engaged and enjoying work at EastPack with events like food shouts and fun days like pyjamas day and other fun participation activities.

We celebrate diversity with cultural days on which staff are able to show off their local culture.

Health and Safety

A core part of EastPack's culture is operating safely so Health and Safety is a core plank in everything we do. Health and Safety is a focus from the production floor to the Board of Directors. Each site has Health and Safety committees that meet regularly, reviewing all activities across the site and considering the health and safety implications of any new activity. The company has a central Health and Safety team that oversees the overall business activity as it pertains to health and safety. The site meetings are attended by members of the Senior Leadership team and Board members attend these meetings on a regular basis. In 2024 there were 17 site Health and Safety Meetings that had Board member attendance. The Board has a Health and Safety sub-committee which meets five times in the year or more often if required. The entire Board sit on that Health and Safety Committee and a Key Performance Indicator (KPI) is set for Board members to attend site Health and Safety Meetings.

Our 2024 season Health and Safety metrics have seen our KPI move slightly higher than 2023 as expected with the large increase in fruit packed. All our measures however remain at very good levels with our 2024 TRIFR (Total Recorded Injury Frequency Rate) result final EastPack total of 12.53 (Target < 20), Prospa 5.43 (Target < 8) and Pinpoint at 2.08 (Target <4). Our targets are set based on top quartile results for similar industries.

We are constantly assessing risks both internally and through external reviews to ensure we operate in a safe manner. We have completed significant guarding projects around our moving machinery and as we automate more of our graders, this requirement for guarding becomes more significant. We have processes to ensure that all new developments are assessed for health and safety implications.

Following a roof fall incident in 2023 the team have come up with innovative new ways to access roofs safely which will be rolled out across all our sites along with further protection systems once a person is on a roof.

We have processes to identify early pain and discomfort of our staff to ensure injuries are minimised and staff can be re-assigned to other activities if required. We have occupational health experts and physiotherapists attending our sites regularly to support our programmes and assist staff with any pain or discomfort.

Health and Safety is not just about safety and we continue to have initiatives around health checks, mental health and living well. Our mental health expert was on site and available to staff through the year and a number of staff used Vitae our employee assistance programme when needing counselling.

Board

In May 2024, John Loughlin stood down as Chair and Independent Director of our Board. We acknowledged John in the 2023 Annual Report but again thank John for his outstanding contribution to EastPack over the past 10 years and the wider kiwifruit industry over the past 20 years. We have not replaced the Independent Director position vacated by John at this time, as we work through the skills we are looking for to complement the current Board. The Board consists of Braden Hungerford (Chair), Dylan Barrett, Paul Edkins, Mark Giles, David Jensen, Murray McBride, Elly Sharp and Mark Yeoman.

In July 2024, Andrew Livingston was appointed to the Board Observer role following Rikki James in 2023/24. The Board Observer role continues to be an integral part of developing future Directors and leaders for both the company and the industry. It is great to see Rikki now taking an active role in EastPack Entity Trust (EET) and chairing the EET Pool Rules Committee. We are seeking expressions of interest in the Board Observer role for the year from 1 July 2025.

Our Growers

2024 was a year of recovery for most of our growers following the weather events in 2023. Most growers saw significant recovery in volumes and good market returns from Zespri, which has brought a new level of optimism to the industry.

We would like to thank our loyal grower shareholders who have supported us with their business again in 2024. We appreciate that the changes to our capital structure has been challenging for some of our growers but we look forward to rewarding our shareholders with better dividends and share value in the future.

We would also like to acknowledge the members of the EastPack Entity Trust (EET) Forum for their input and guidance which has been highly valued in 2024 and will remain so in 2025 and beyond.

2025

The 2025 season is shaping up to be another strong year with a small increase in the total industry crop. However, we are expecting a more normal year in terms of weather and crop quality which will likely see a more challenging harvest period with more rain than we had in 2024.

As a volume business, the increase in crop bodes well for the company to make a good profit in 2025 and be able to continue to invest but also return dividends to our loyal shareholders.

We have already sourced good numbers of staff for 2025 which will see the business manned at the required level to pack growers fruit when it is ready to be packed.

Our management team are ready to navigate the challenges that may present and will be looking to manage the business as efficiently as possible to maximise profits and reward the capital that has been invested in EastPack.

We would like to thank our loyal grower shareholders who have supported us with their business again in 2024.

Acknowledgements

2024 was a year that delivered an outstanding financial result both for EastPack and our growers. We would like to acknowledge and thank our staff at EastPack for their hard work and dedication to achieving the outcomes for our growers and the results that the team delivered during the year. The results achieved reflect decisions made over a number of years as the team have honed the business to be highly efficient and effective.

We also acknowledge our Directors and the leadership they have demonstrated. We are confident that with our team, along with our investment not just in plant and machinery but also in our processes and systems, that we are well placed to continue to deliver the service and quality outcomes that our grower shareholders require in 2025.

The Directors, management and staff are committed to building on a prosperous future for EastPack and our growers.

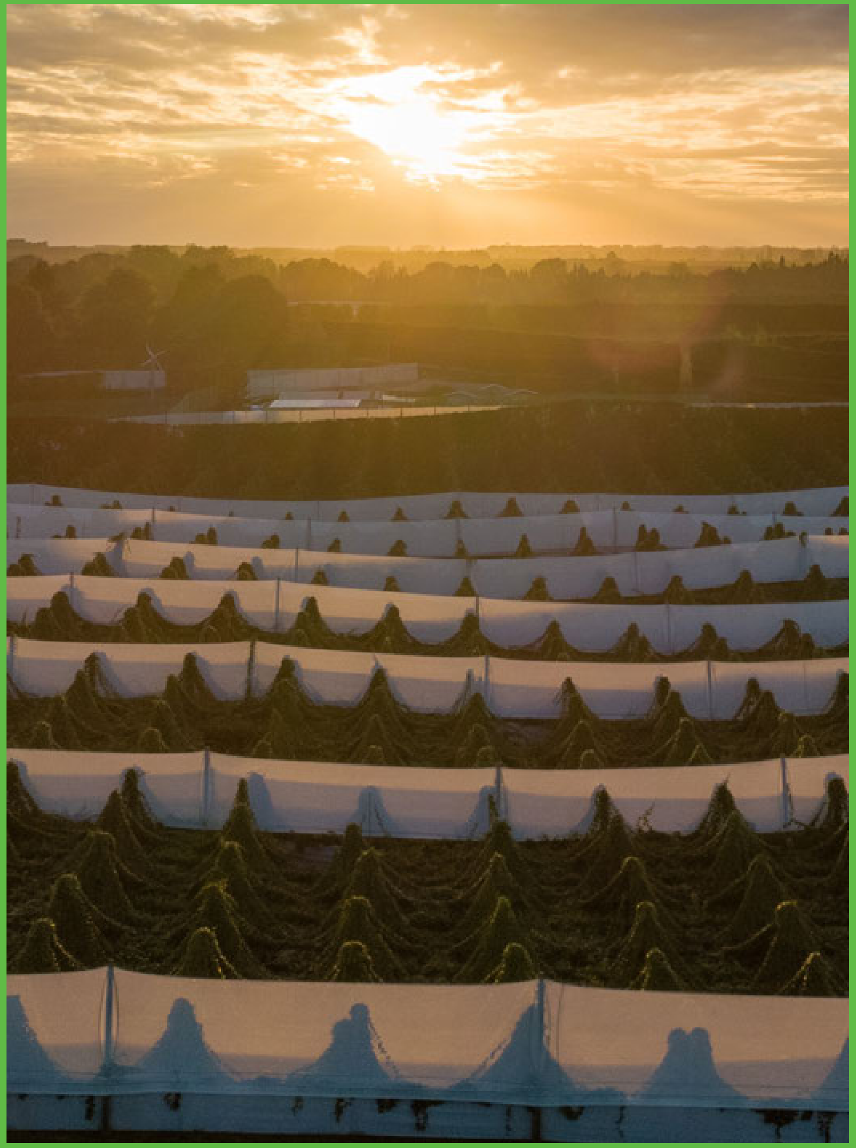
Braden Hungerford
Chair

Hamish Simson
Chief Executive Officer

Board of Directors

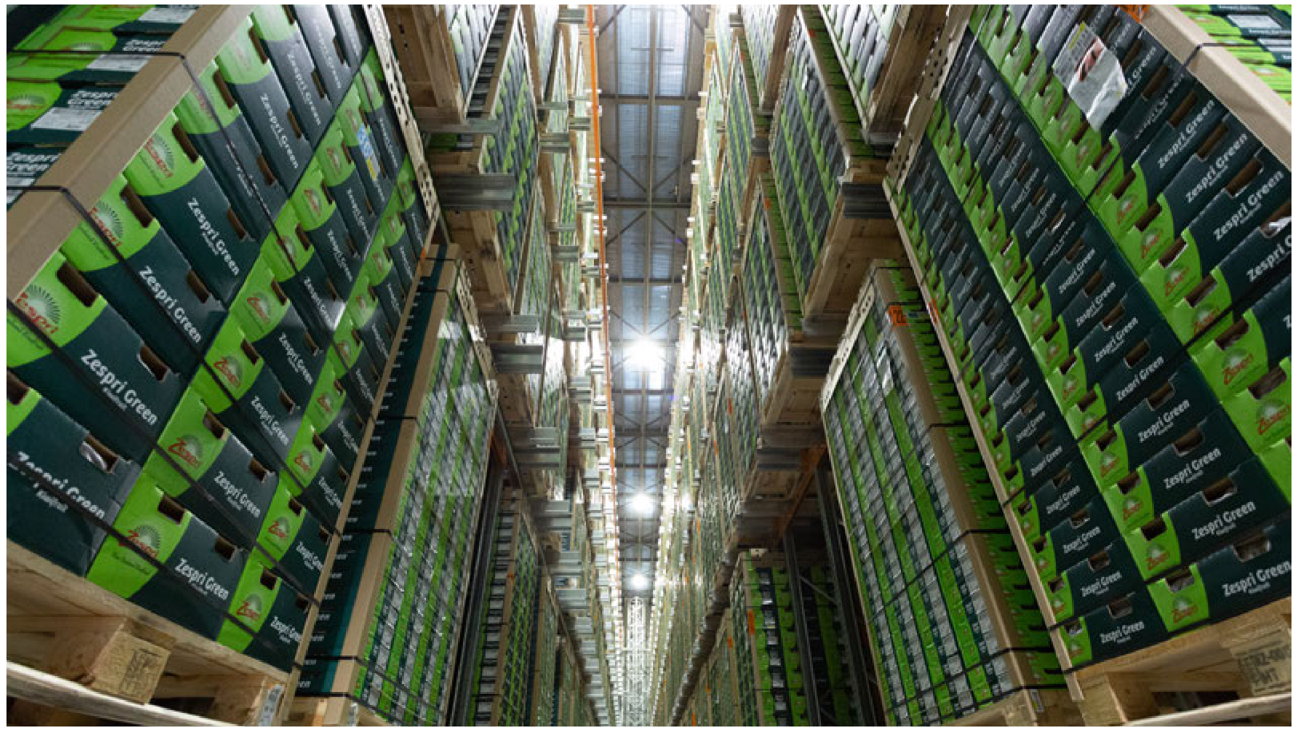
EastPack Entity Trust

PARTNERS MATTER



The EastPack Entity Trust (EET) is an integral part of the relationship between Growers and EastPack. The EET Forum is made up of growers who act as advisors to the trustee of EET. The Forum is an important part of the cooperative where key industry matters, and grower concerns can be heard. The Forum provides guidance to EastPack and Zespri on matters pertaining to growers The Forum also considers the pool rules on which growers are paid.

The EET Forum is made up of representatives from the various growing regions. In the Bay of Plenty; Robert Humphries (Chair), John Bourke, Sandra Clink, Sam Coxhead, Brigid Crawford, John Gibson, Murray Holmes, Rikki James, Ruan Nunes , Seth Pardoe, Simon Pieters, Malkit Singh, Mark Thompson, and Tim Torr, along with Steve Trebilco in the Waikato, Wayne Hall in Hawkes Bay/ Poverty Bay, and Aaron Mallett in Northland. Dylan Barrett and Elly Sharp are the current EastPack Board representatives on the EET Forum. In 2024, Andrew Dunstan and Brett Wotton stood down from the Forum. We would like to thank Andrew and Brett for their valuable contribution to EET over the period they served on the Forum.



The EastPack Entity Trust (EET) is an integral part of the relationship between Growers and EastPack.

EastPack Limited is the Trustee of EET and therefore the Directors of EastPack are in effect acting as the trustees of EET. The EET Forum as advisers to the trustee are tasked with:

- Helping increase the Net OGR of EastPack growers by providing feedback to the cooperative and assisting in the dissemination of information back to our growers.
- Suggesting ways to improve yields/size/dry matter and to increase EastPack growers' profitability and overall wealth.

The EET Forum also have a representative on the NZKGI forum. EET's NZKGI representative is Robert Humphries who is also on the NZKGI Executive Committee.

The Forum met formally five times over the 2024 calendar year along with a number of email consultations between Forum members and teleconference calls/electronic meetings on urgent matters as required.

The Forum meetings have a number of standing agenda items depending on the time in the year. The agenda items include:

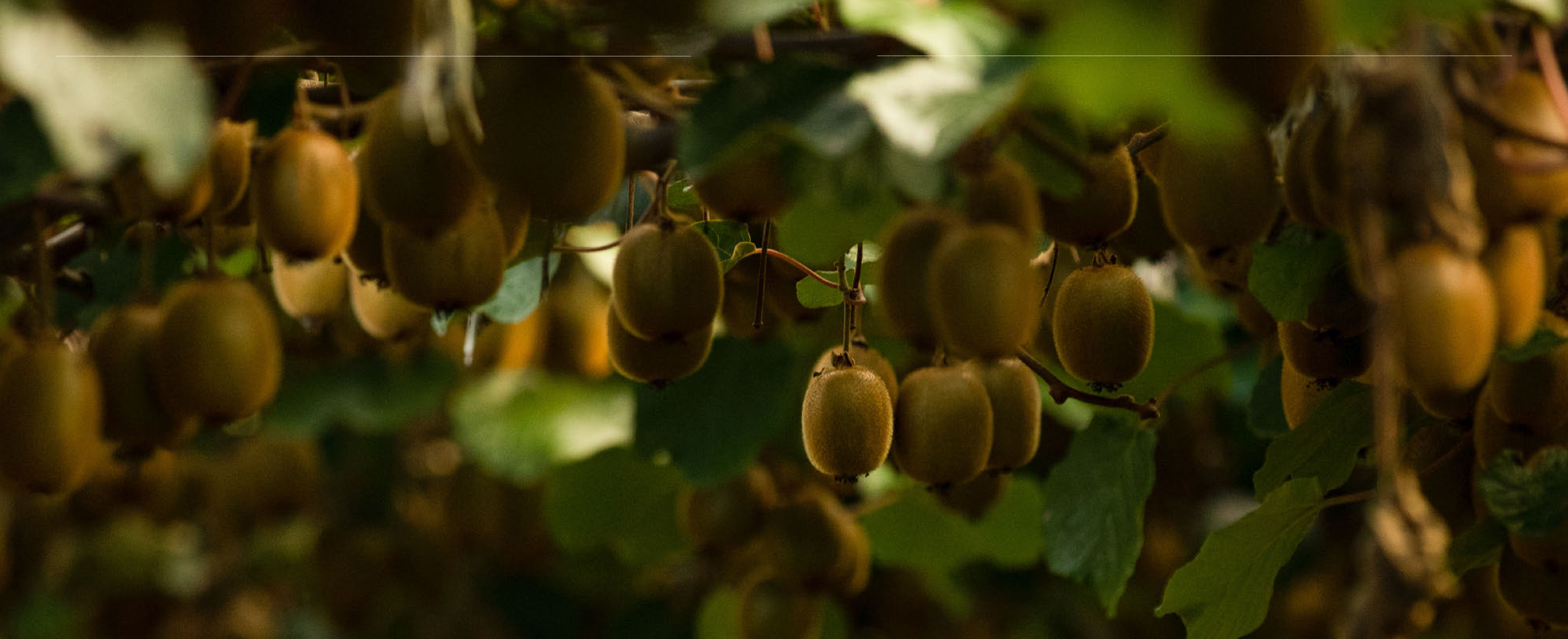
- Receiving and reviewing operational reports from EastPack on business and fruit performance.
- Receiving EET financial reports
- Receiving updates from NZKGI, ISG and IAC.
- Receiving presentations from Zespri on relevant matters and market updates.
- Matters of relevance to EastPack growers including as an example industry quality performance.
- Review of Zespri pool changes and putting a position forward to Zespri/ IAC/NZKGI.

The Forum has several sub-committees that make recommendations to the EET Forum. The current sub-committees are a Remuneration Committee, Pool Rules Committee and Contracts Review Committee.

In 2024 the Pool Rules Committee considered a number of pool rules which included :

- Red Pooling and treatment of Red Supplier Accountability.
- Supplier Accountability.
- Pooling of the China Storage Incentive top-up.
- Gold Late Harvest sub-pool.
- Kiwistart Maturity Areas with a Mainpack Clearance.

The Pool Rules Committee considered significant data around the above areas and recommended a new sub-pool for Kiwistart Maturity Areas with a Mainpack Clearance. The Pool Rules Committee also reviewed in depth the results of moving the pooling ratios for Gold and Hayward from 40% Direct/60% Pooled to 50:50. The high quality crop in 2024 with low fruit loss meant that a number of the pool rules were not tested in a situation where growers need protection from for example fruit loss. The Pool Rules Committee will continue to review pool rules in future years and recommend refinements where required.



The Forum will continue to monitor industry fruit performance in 2025 when the potential for a more challenging harvest period, along with an increase in volumes, will put pressures on capacity and see higher fruit loss than in 2024.

EET also has a Harvest Review Working Group which met and discussed the 2024 season. This working group was formed after the challenges encountered in 2022 and considers harvest practice, control points and auditing. The outcomes of the 2024 harvest season were a significant improvement on prior years.

In 2024, the Forum considered a number of matters including:

- Reviewing Zespri's Supplier Accountability processes and outcomes. In 2024 a number of anomalies between market results for Supplier Accountability arose and the Forum heard presentations from Zespri and advice from EastPack in this regard. The Forum sought assurances from Zespri on improvements to the Supplier Accountability processes.
- Review of the performance of EastPack's Controlled Atmosphere for Gold for the 2024 season.
- Receiving a presentation from Colin Bond, the CEO of NZKGI, on the NZKGI AGM in and in particular the resolutions to increase the NZKGI levy and constitutional changes to allow NZKGI to register under the new Incorporated Society Act.
- Receiving a presentation from Zespri on the Zespri Producer vote and questioning a number of aspects of the recommendation.
- Receiving an updated EET Reference Guide – this guide outlines how EET operates but also how grower funds are distributed through the various pool mechanisms. This is an important document available to all EET growers.
- Considering industry decision papers for 2025 season payments including the 2025 Maturity Review, 2025 Indicative Period 1 Rates, 2025 Indicative Time Rates, GA 39's non-standard supply, Quality – Red 19 Grade standards, and Schedule 2.

As noted previously the 2024 season was a record season in terms of volume of fruit but also of fruit quality with record low fruit loss and rework activity. The Forum through the year monitored industry fruit performance and delivery of quality so 2024 was not a year of any significant quality issues. The Forum will continue to monitor industry fruit performance in 2025 when the potential for a more challenging harvest period along with an increase volumes will put pressures on capacity and see higher fruit loss than in 2024.

The Trustee thank the current Grower representatives on EET Forum for their service to all growers and look forward to continuing guidance from the EET Forum members.

Senior Leadership Team

Phil Karl
GM
Operations

Kura Poulava
GM
Human Resources

Patrick Kuiper
Chief Technology
Officer

Merv Dallas
Chief Financial
Officer

Hamish Simson
Chief Executive
Officer

Richard Fraser-Mackenzie
GM
Logistics & Supply

Aaron Wright
GM
Prospa

Toby Potter
GM
Grower Services

Sustainability

GROWING OUR FUTURE

EastPack has continued its Sustainability journey in 2024 and has had its Greenhouse Gas Emissions (GHG) measured for its third year being the financial year to 31 December 2023.

This report outlines EastPack's progress over the past 12 months towards its environmental, social and governance sustainability goals.

EastPack has continued its Sustainability journey in 2024 and has had its Greenhouse Gas Emissions (GHG) measured for its third year being the financial year to 31 December 2023. Toitu Envirocare audit our emissions and we have been certified as a Toitu Carbonreduce organisation.

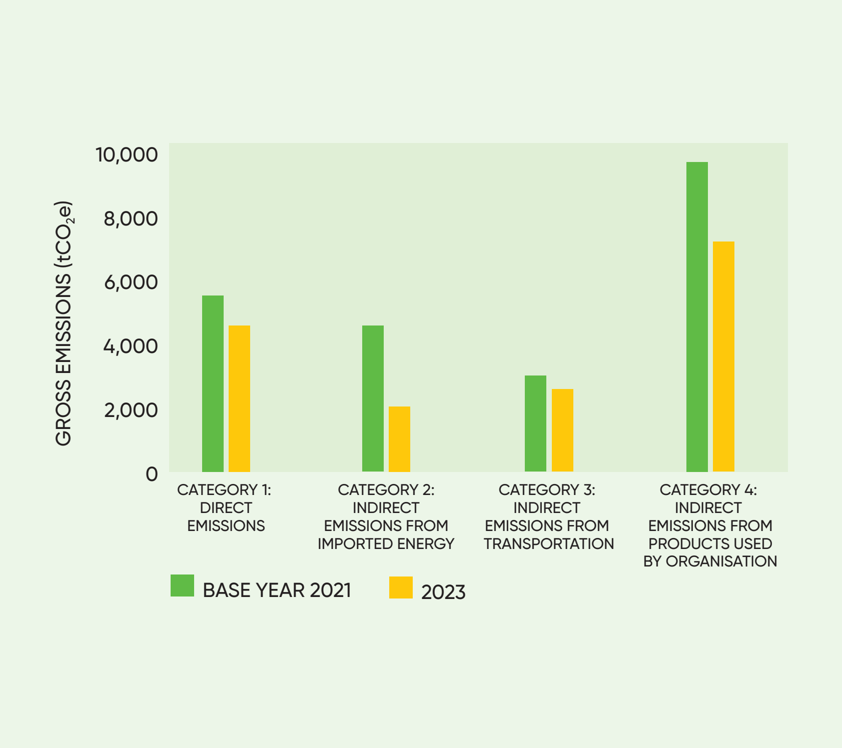
EastPack is a seasonal horticultural business where every season is different with different volumes being packed and the length of the season can vary dependent upon how fast Zespri sells the kiwifruit crop in overseas markets.

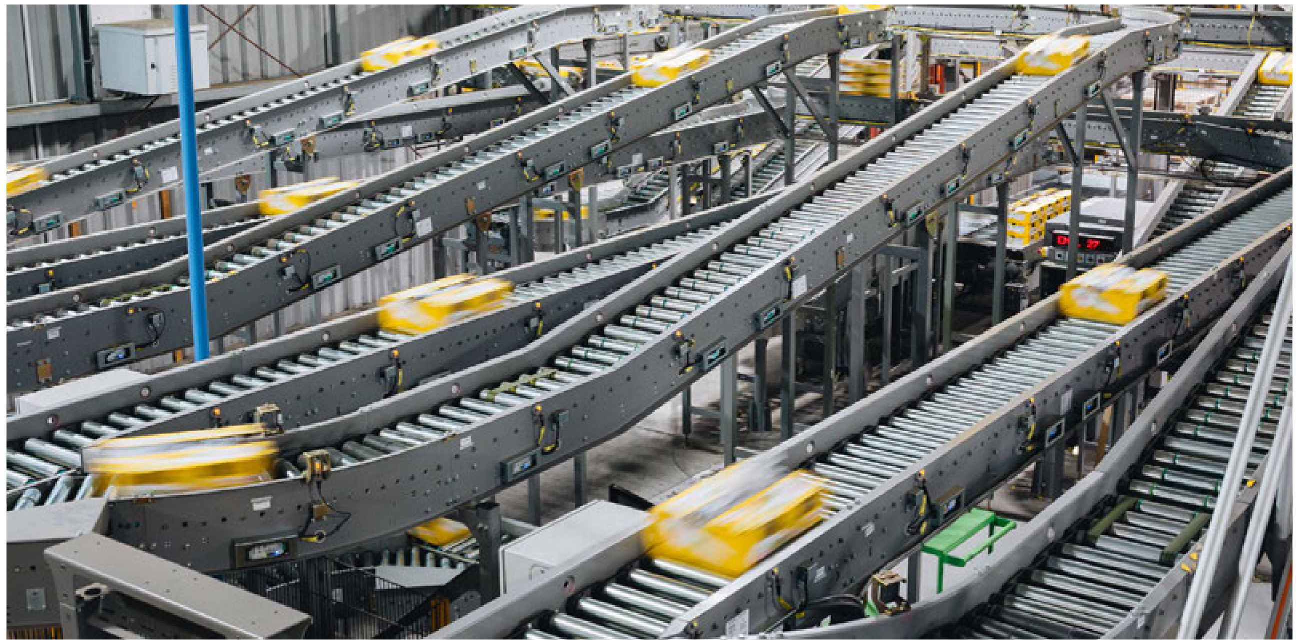
The 2023 kiwifruit crop was very small after a number of weather events and was down 29% on our base 2021 year. Further Zespri sold the 2023 crop quickly resulting fruit being stored in our coolstores for a shorter period and therefore we used significantly less electricity. Consequently, we have seen a large reduction in our GHG emissions in 2023. The total verified emissions for the 2022 calendar year was 16,385 tCO2e which compares to 21,136 tCO2e in 2021 a 22.5% decrease in total emissions (illustrated right).

22.5%

Decrease in total emissions.

The total verified emissions for the 2023 calendar year was 16,385 tCO_2e which compares to 21,136 tCO_2e in 2021.





Our top 10 Greenhouse gas emissions are as shown in the graph below right.

The three largest emission factors of packaging, electricity and road freight are driven to a large extent by the volume of fruit we pack cool and store, and how quickly Zespri ships the fruit.

We have set our measurement targets and results in future based on intensity measures using the production metric of kiwifruit trays packed in the table on page 27.

At an intensity measure level, we have made improvements from 2021 to 2023 but on a per tray basis a small increase on 2022, which is seasonally impacted by the low volume of fruit.

On the packaging side, we need to rely on the work completed by Zespri in this regard. We have seen a continuing shift to bulk packaging being ordered by Zespri which reduces the volume of both cardboard and plastic per tray equivalent of fruit.

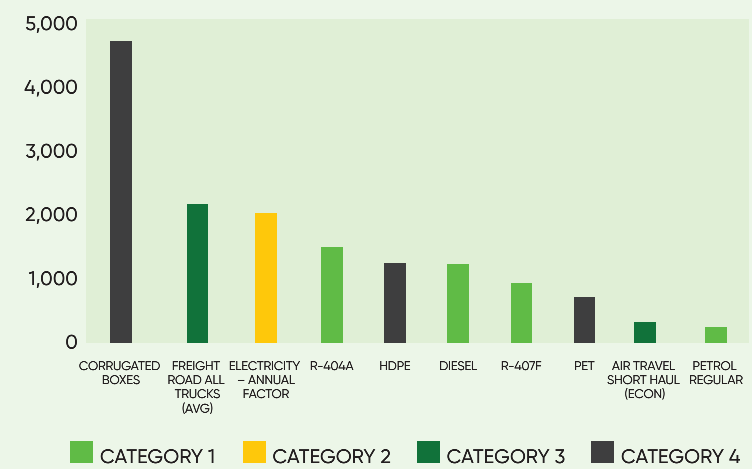
Our teams monitor electricity usage very closely and in 2024 further initiatives based off the data sets and monitoring has seen further gains in electricity efficiency. We continue to upgrade our plant and control systems to more energy efficient systems. Upgrades in coolstore plant also result in moving from older style refrigerants to modern refrigerants. We have seen the Global Warming Potential (GWP) of our plant reducing and have a five-year refrigeration upgrade plan which will see this reduce further.

Sustainability is not just about carbon, and we are considering ESG (Environment, Social, Governance) as a whole.

At an environmental level we maintain focussed on reducing waste and recycling more of our waste streams. We are measuring our landfill and have taken a number of steps to reduce landfill. In 2024 we have acquired more land at Washer Road to develop a significant stormwater system improving our stormwater management on this site and in 2025 will be completing similar stormwater improvements at Quarry Road.

At a social level, EastPack is focussed on delivering a strong staff culture and we are focussed on our staff management, staff welfare and health and safety. We measure employee engagement and have been pleased to see our engagement scores continue to increase. We have seen our people grow and were pleased to see another internal promotion to Site Manager level in 2024. In 2024 we have implemented seven-day rosters which has seen a significant reduction in staff working excess hours, a real challenge in a high pressure seasonal business where our staff work hard in the packing season. We continue to evolve and improve our management processes with leadership programmes operating to support our leaders to deliver our company culture and ethos.

Top 10 Greenhouse Gas Emissions.



The health and safety of our staff and contractors who work on the company's premises is a large part of the company culture, and we continue to invest in this area. In 2024, we were thrilled to be awarded the prestigious HSE Global best initiative based on Safety II principles award. It is an award given to an organisation which demonstrates the best example of successful initiatives inspired by the principles of Safety II. Such principles are focused on methodologies that support safety and prevention in workplaces.

EastPack sponsors a number of community organisations, including the Katikati Innovative Horticulture

Trust, the Eastern Bay Community Foundation, the Ōpōtiki St John, the Edgecumbe Fire Station and the Maketu Coast Guard. We employ a large number of people in the Bay of Plenty and support and utilise a wide range of local businesses. The RSE scheme is an effective source of support to the island communities where these workers come from.

The company has strong governance in place and values diversity in the business. The company has a broad range of policies in place with particular emphasis on ethical business practices. The company takes a conservative approach to tax management and makes no political donations.

In 2025, we will measure the company's carbon emissions for the 2024 year and will continue to evolve our systems and processes and implement initiatives to deliver a sustainable future.

Measurement Targets.

	2023 TOTAL EMISSIONS	2022 TOTAL EMISSIONS	2021 TOTAL EMISSIONS
Total Net Emissions	16,385.24	21,135.92	22,772.89
Intensity Measures			
Trays Packed (Class 1 and 2 Trays packed (per 10,000) (Gross tCO_2e/each))	46.20	45.56	49.09
Operating Revenue (Gross tCO_2e/\$millions)	82.67	94.75	102.09

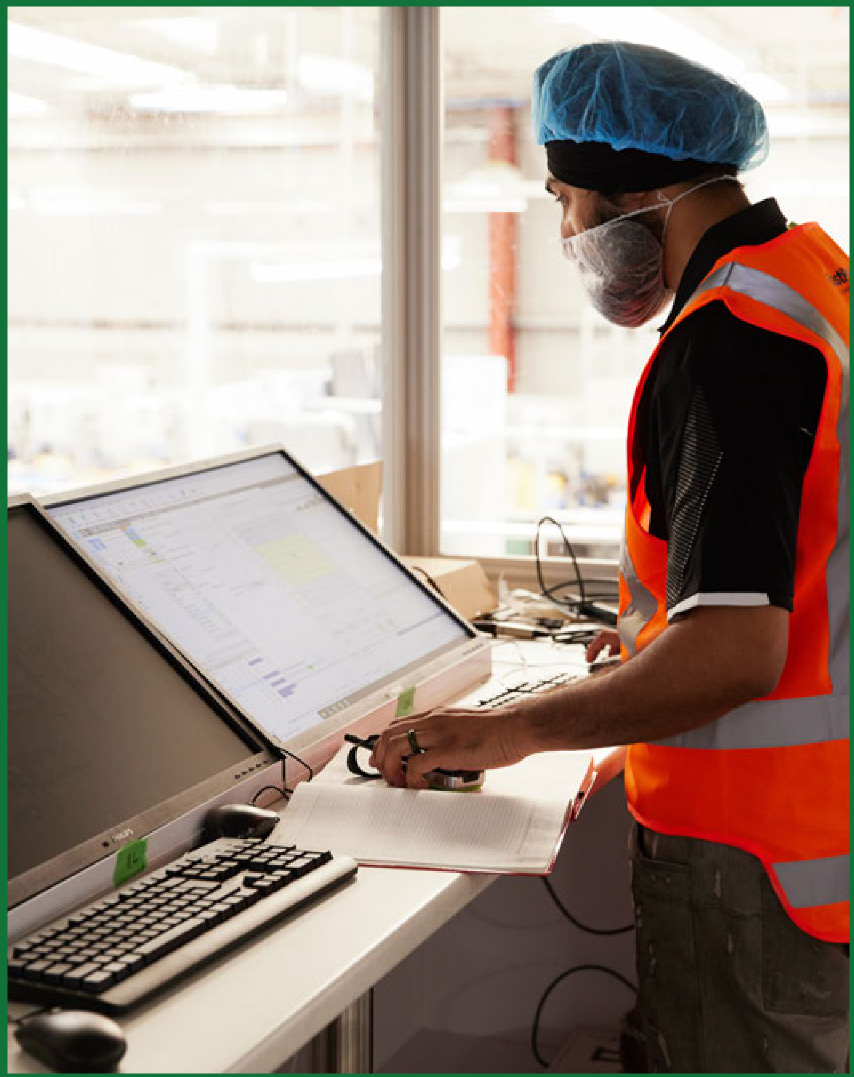
Statement of Corporate Governance

RESPECT STARTS WITH LEADERSHIP

Good corporate governance is acting and leading with integrity and maintaining a high standard of business ethics, underpinned by written policies and procedures which ensure that the culture and expectations are clearly understood and respected throughout EastPack.

The Board considers it essential that a high standard of corporate governance practices is in place across the organisation, starting with the Directors themselves at Board level. This section provides an overview of the key elements of EastPack's corporate governance framework.

EastPack Limited is regulated by the provisions of the Companies Act 1993, the Cooperative Companies Act 1996 and other relevant legislation governing the duties of Directors, including financial reporting obligations, offering and trading in securities, employment, environment, and health and safety. As EastPack also issues shares, it is required to comply with all requirements of applicable securities legislation, including the Financial Markets Conduct Act 2013 and, therefore, share transactions and some EastPack publications are subject to scrutinyby the Financial Markets Authority.



Financial Statements

It is the Directors' responsibility to ensure preparation of financial statements that give a true and fair view of the financial position of EastPack as at the end of the financial year and the results of operations and cash flows for the year. The external auditors are responsible for expressing an independent opinion on the financial statements.

The financial statements set out in this report have been prepared by management in accordance with generally accepted accounting practice. They are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable judgements and estimates.

After reviewing internal management financial reports and budgets, the Directors believe that the EastPack Group will continue to be a going concern in the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Board of Directors

The Company's constitution requires a minimum number of five shareholder Directors, and all of those shareholder Directors shall hold Ordinary Shares unless otherwise determined by ordinary resolution. The maximum number of Directors is nine.

At least one third of Directors shall retire from office each year at the Annual Meeting but shall be eligible for re-election. The retiring Directors must be those Directors who have been longest serving since they were last elected.

In addition to the shareholder Directors, the Board may appoint not more than three persons to be Directors of the Company for such period as the Board shall think fit. An appointed Director shall not be taken into account in determining the number of Directors who are to retire by rotation at any Annual Meeting and he or she shall cease to hold office as a Director at the expiration of the period for which he or she was appointed. An Appointed Director must be confirmed by shareholders at the following Annual meeting of the Company.

The Board considers it essential that a high standard of corporate governance practices is in place across the organisation, starting with the Directors themselves at Board level.

The Board currently comprises six shareholder Directors, and two appointed Directors. One of the appointed Directors has become a grower and a shareholder since his appointment.

The Directors have a wide range of skills and expertise that they use to the benefit of EastPack.

The primary responsibilities of the Board include:

- to establish the vision of EastPack
- to establish long term goals and strategies for EastPack
- to approve annual financial reports
- to approve annual budgets
- to approve corporate policies
- to ensure EastPack has good internal controls and keeps adequate records
- to ensure legislative compliance
- to monitor the performance of executive management
- to appoint the CEO and fix terms of employment
- to ensure appropriate communication to stakeholders.

Board procedures are governed by the Constitution and the Board's Operating Manual which includes a Board Charter and Code of Ethics.

Conflicts of Interest and Related Parties

Directors disclose any general and specific interests that could conflict with their obligations to the Company. The Company maintains a register of disclosed interests. Transactions with related parties and balances outstanding relating to the year ending 31 December 2024 are disclosed in Note 20 of the Notes to the Financial Statements.

Risk Management

The management of risk is a key focus for the Board. A risk management system is in place which is used to identify and manage all business risks. The risk profile is reviewed annually and monitored regularly throughout the year.

The Board monitors the operational and financial aspects of EastPack and considers recommendations from external auditors and advisors on the risks that EastPack faces.

The Board ensures that recommendations made are assessed and appropriate action is taken where necessary to ensure risks are managed appropriately.

Internal Controls

It is management's responsibility to ensure adequate accounting records are maintained.

Directors are responsible for EastPack's system of internal financial controls. Internal financial controls have been implemented to minimise the possibility of material misstatement. They can provide only reasonable assurance and not absolute assurance against material misstatements or loss. No major breakdowns of internal controls were identified during the year.

Committees

The Board operates the following standing committees:

- Audit Committee
- Remuneration and Appointments Committee
- Health and Safety Committee
- Directors' Remuneration Committee.

Audit Committee

The primary objective of the Committee is to assist the Board of Directors in fulfilling its responsibilities and regulatory compliance relating to the accounting and reporting practices of EastPack and each of its subsidiaries. In addition, the Committee:

- Monitors and administers any conflicts of interest which may arise, in particular those resulting from EastPack being a Grower Co-operative.
- Reviews the recommendations and the audit conducted by the External Auditors.
- Reviews the financial information presented by management and recommend to the Board the approval of Financial Statements for release to shareholders, regulators and the general public.
- Monitors the appropriateness and effectiveness of EastPack's administrative, operating and accounting controls.
- Reviews and advises on the risk management practices of EastPack.
- Approves the internal audit programme, receive reports and address recommendations considered appropriate.

This committee is chaired by Mark Yeoman.

Health and Safety Committee

The role of the Health and Safety Committee is to assist the Board in discharging its responsibilities relative to Health and Safety performance and regulatory conformance. In addition, the committee:

- Liaises with management and relevant staff in Health and Safety.
- Reviews the annual Health and Safety audit plan.
- Assesses the performance of Health and Safety.
- Reviews Health and Safety reporting/policies/procedures/implementation.
- Oversees compliance with statutory responsibilities relating to Health and Safety.
- Understands the hazards that employees and contractors face in the course of their roles with and for EastPack and the management of those hazards.
- Ensures recommendations are actioned by management.

This committee comprises the full Board and is chaired by Paul Edkins.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee has the responsibility to make recommendations in respect of the appointment of Directors and the appointment and remuneration of senior executives and related matters.

This committee is chaired by Mark Giles.

Directors' Remuneration Committee

The Committee comprises the Chair of the Board and three Grower shareholders appointed at the shareholder's Annual General Meeting. The Committee reviews and recommends the level of Directors' remuneration to be approved by shareholders at the Annual General Meeting.

The current members of this committee are Ray Sharp, Cathy Brown, and Mike Maltby, with Braden Hungerford representing the Board.

The Board also currently operate a Leadership Working committee.

Attendance at Meetings

The Board currently meets formally ten times each year, with additional meetings held as required. The meeting format follows guidelines that ensure all Directors have available the necessary information to participate in an informed discussion on all agenda items. Separate strategic planning meetings are held annually in conjunction with the senior management team.

Directors' Remuneration

Directors' remuneration during the year is disclosed in the Statutory Information section of this report.

Employee Remuneration

Employee remuneration greater than $100,000 per annum received in their capacity as employees during the year is disclosed in the Statutory Information section of this report.

Entries in the Interests Register

In addition to the interests and related party transactions disclosures in Note 20 of the Notes to the Financial Statements, there were no interests disclosed to the Board during the year.

STATUTORY INFORMATION

As required by Section 211 of the Companies Act 1993 we disclose the following information:

EastPack's principal activities during the year were:

- Packing and coolstorage of kiwifruit
- Orchard management

Directors' Interests

D.J. Barrett, P.T. Edkins, M.T. Giles, B.G. Hungerford, D.P. Jensen, M.R. McBride, and E.L. Sharp, own or have interests in orchards for which the Company provides services on normal commercial teams.

M.R. McBride own a kiwifruit contracting businesses that provide labour and contracting services to Prospa Orchard Management Services Ltd under normal commercial terms.

M.T. Giles is a shareholder and Director of Techspace Consulting Limited that provided consulting services to EastPack limited under normal commercial terms.

Share Dealing

Directors acquiring shares or any interest in shares in the Company during the year are as follows:

	ORDINARY SHARES ACQUIRED DURING THE YEAR	ORDINARY SHARES SOLD DURING THE YEAR	SHARES CANCELLED ON CONSOLIDATION	ORDINARY SHARES HELD AT THE END OF THE YEAR FULLY PAID
Barrett, D J	17,573		-48,659	97,319
Edkins P T	20,480		-251,363	502,728
Giles M T	17,839		-22,163	44,327
Hungerford B G	67,839		-520,195	1,040,394
Jensen D P	71,365		-164,034	328,069
McBride M	850,000		-1,976,893	3,953,789
Sharp E L	63,959		-1,086,442	2,172,889

Remuneration and Other Benefits

The following persons held office as Director during the year and received the following remuneration:

	REMUNERATION 2024	2023
Barrett, D J	85,594	61,312
Edkins P T	72,948	32,156
Giles M T	62,552	59,418
Hungerford B G	119,156	57,750
Jensen D P	77,260	60,188
Loughlin J J	51,004	136,500
McBride M	60,885	61,438
Montgomery M J	–	13,344
Scott, NJ	–	28,197
Sharp E L	69,344	32,156
Yeoman M D	74,749	59,916
	673,493	**602,375**

M D Yeoman was appointed as a Director in January 2023.

M J Montgomery passed away in January 2023.

N J Scott resigned as a Director in May 2023.

P T Edkins was appointed as a Director in May 2023.

E L Sharp was appointed as a Director in May 2023.

Remuneration of Employees

The number of employees, who are not Directors, whose remuneration and benefits exceeded $100,000 in the financial year were:

	GROUP
$100,000 – $109,999	17
$110,000 – $119,999	21
$120,000 – $129,999	6
$130,000 – $139,999	14
$140,000 – $149,999	2
$150,000 – $159,999	6
$160,000 – $169,999	8
$170,000 – $179,999	4
$180,000 – $189,999	2
$190,000 – $199,999	1
$200,000 – $209,999	2
$210,000 – $219,999	1
$230,000 – $239,999	1
$280,000 – $289,999	1
$290,000 – $299,999	1
$320,000 – $329,999	1
$350,000 – $359,999	3
$370,000 – $379,999	1
$1,050,000 – $1,059,999	1

Donations

No donations of a material nature were made by EastPack during the year.

Use of Company Information

The Board received no notices during the year from Directors requesting the use of Company information received in their capacity as Directors which would not have been otherwise available to them.

Co-operative status

In the opinion of each Director, the Company is a co-operative company within the meaning of that term given by the Co-operative Companies Act 1996 and for the following reasons:

(a) The Company continues to carry on, as its principal activity, a co-operative activity as set out in Section 3 of the Co-operative Companies Act 1996;

(b) The constitution of the Company states its principal activities as being co-operative activities; and

(c) Not less than 60% of the voting rights of the Company are held by transacting shareholders as defined in section 4 of the Co-operative Companies Act 1996.

For and on behalf of the Board:

Braden Hungerford
Chair

19 March 2025

Top 20 Shareholders

SHAREHOLDER	ORDINARY SHARES HELD
Trinity Lands Limited	4,892,244
Frontier Orchards Limited Partnership	3,031,212
Pine Valley Orchard Limited	1,829,408
Wotton Trust	1,793,985
Cape Fruit Company Limited	1,642,557
Bayview Estate (2017) Limited	1,304,146
Carol Franklin	1,123,642
Ron Flowers & John Flowers	1,116,304
Blennerhassett & Son Limited	1,083,270
Tirohanga Fruit Company Limited	1,000,521
Reekie Orchards Limited	968,261
Simise Trust	929,727
Steele Family Trust	881,273
Eric William Casey & Neil Richard Casey	879,713
Wedge Co Limited	766,576
Tanad Farms Limited	744,439
Cameron Orchards Limited	686,924
Otara Land Company Limited	681,583
Walt Goldsmith	660,957
Corrie Overdevest	629,832

FINANCIAL STATEMENTS

For the year ended 31 December 2024.

Financial Statements

for the year ended
31 December 2024.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024.

	NOTES	2024 ($000'S)	2023 ($000'S)
Revenue	1	297,307	212,574
Packaging materials		(48,338)	(34,975)
Employee benefits expense		(112,057)	(84,659)
Directors compensation		(726)	(579)
Other expenses	2	(65,044)	(54,331)
		(226,165)	(174,544)
Earnings before net finance costs, tax and depreciation		**71,142**	**38,030**
Depreciation	9, 14	(25,218)	(23,061)
Earnings before net finance costs and tax		**45,924**	**14,969**
Finance income including unrealised gain/(loss) on derivatives		(19)	94
Interest expense		(15,899)	(14,999)
Net finance Costs		(15,918)	(14,905)
Net profit before taxation		**30,006**	**64**
Taxation expense	4	(11,084)	(160)
Net profit/(loss) after taxation		**18,922**	**(96)**
Earnings per share			
Basic earnings per share before the impact of the removal of tax depreciation on buildings	5	$0.30	$0.00
Basic and diluted earnings per share	5	$0.27	$0.00

These financial statements should be read in conjunction with the Notes to the financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024.

	NOTES	2024 ($000'S)	2023 ($000'S)
Net profit/(loss) after taxation		18,922	(96)
Items that will not be reclassified subsequently to profit or loss			
(Loss)/Gain on revaluation of property, plant and equipment, net of tax	6	–	(729)
Changes in the fair value of equity investments	6	28	(91)
Total items that will not be reclassified subsequently to profit or loss		**28**	**(820)**
Items that may be reclassified subsequently to profit or loss			
Movement in cash flow hedge reserve		(473)	(552)
Total items that may be reclassified subsequently to profit or loss		(473)	(552)
Total other comprehensive income		(445)	(1,372)
Total comprehensive (loss)/income for the year		**18,477**	**(1,468)**
Total comprehensive income attributable to			
Owners of the company		18,477	(1,468)
Total comprehensive income for the year		**18,477**	**(1,468)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024.

	NOTES	SHARE CAPITAL ($000'S)	OTHER RESERVES ($000'S)	RETAINED EARNINGS ($000'S)	TOTAL ($000'S)
Opening balance 1 January 2023		44,843	74,538	70,119	189,500
Net profit after taxation		–	–	(96)	(96)
Other comprehensive income, net of tax	6	–	(1,372)	–	(1,372)
Total comprehensive income for the year		–	(1,372)	(96)	(1,468)
Ordinary shares issued	7	1,858	–	–	1,858
Nil paid shares issued	7	1,372	–	–	1,372
Closing balance 31 December 2023		48,073	73,166	70,023	191,262
Net profit/(loss) after taxation		–	–	18,922	18,922
Other comprehensive income, net of tax	6	–	(445)	–	(445)
Total comprehensive income for the year		–	(445)	18,922	18,477
Dividends paid	8	–	–	(3,177)	(3,177)
Cancellation of nil paid shares	7	(1,382)	–	–	(1,382)
Shares acquired through buy back	7	(4,730)	–	–	(4,730)
Shares issued through shareholder charge	7	4,393	–	–	4,393
Shares issued under dividend reinvestment programme	7	42	–	–	42
Closing balance 31 December 2024		**46,397**	**72,721**	**85,768**	**204,886**

These financial statements should be read in conjunction with the Notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024.

	NOTES	2024 ($000'S)	2023 ($000'S)
Equity			
Share capital	7	46,397	48,073
Other reserves	6	72,721	73,166
Retained earnings		85,768	70,023
Total equity		204,886	191,262
Current assets			
Cash and cash equivalents	17	3,127	1,076
Trade and other receivables	16	14,236	20,043
Provision for taxation	4(e)	–	305
Biological assets	18	4,663	4,109
Inventories	19	7,038	8,146
Total current assets		29,064	33,679
Non current assets			
Property, plant and equipment	14	400,179	372,512
Right of use assets	9	6,118	5,727
Derivative financial instruments	23	–	377
Investments	15	1,883	1,685
Total non current assets		408,180	380,301
Total assets		437,244	413,980
Current Liabilities			
Borrowings	10	17,100	10,500
Lease liabilities	9	1,650	2,002
Trade and other payables	11	24,226	17,828
Employee entitlements	12	2,302	2,287
Provision for taxation	4(e)	4,617	–
Income in advance	13	643	1,144
Total current liabilities		50,538	33,761
Non current liabilities			
Derivative financial instruments	23	748	354
Deferred taxation	4(b)	24,497	18,528
Borrowings	10	152,496	167,052
Lease liabilities	9(b)	4,079	3,023
Total non current liabilities		181,820	188,957
Total liabilities		232,358	222,718
Net assets		204,886	191,262

For and on behalf of the Board

Braden Hungerford – Chairman
19 March 2025

Mark Yeoman – Director
19 March 2025

These financial statements should be read in conjunction with the Notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024.

	NOTES	2024 ($000'S)	2023 ($000'S)
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		299,147	214,215
Interest received		985	701
Dividends received		278	248
		300,410	215,164
Cash was applied to:			
Payments to suppliers and employees		(217,574)	(184,199)
Interest paid		(15,073)	(14,415)
Lease interest paid		(590)	(329)
Taxation paid		–	(1,134)
		(233,237)	(200,077)
Net cash flows from operating activities	3	**67,173**	**15,087**
Cash flows from investing activities			
Cash was applied to:			
Purchase of property, plant and equipment		(51,712)	(31,349)
		(51,712)	(31,349)
Net cash flows from investing activities		**(51,712)**	**(31,349)**
Cash flows from financing activities			
Cash was provided from:			
Issue of ordinary shares		–	1,891
Shareholder charge converted to shares from treasury stock		4,393	–
Proceeds of current bank borrowings		7,044	11,543
Proceeds from non-current bank borrowings		35,000	–
		46,437	13,434
Cash was applied to:			
Payment of lease liability		(1,940)	(2,582)
Payment of dividends		(3,177)	–
Repayment of non-current bank borrowings		(50,000)	–
Purchase of own shares as treasury stock		(4,730)	–
		(59,847)	(2,582)
Net cash flows from financing activities		**(13,410)**	**10,852**
Net increase/(decrease) in cash and cash equivalents		2,051	(5,410)
Opening cash and cash equivalents		1,076	6,486
Closing cash and cash equivalents	17	**3,127**	**1,076**

These financial statements should be read in conjunction with the Notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS.

for the year ended 31 December 2024.

This section contains the notes to the consolidated financial statements for EastPack Limited, its subsidiaries and associates. To give stakeholders a clear insight into how EastPack organises its business, the note disclosures are grouped into six sections:

Basis of Preparation

Reporting entity and statutory base

EastPack Ltd (the "Company") is a co-operative Company domiciled and incorporated in New Zealand under the Companies Act 1993 and registered under the Co-operative Companies Act 1996. The Company is an FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013.

The consolidated financial statements for the "Group" are for the economic entity comprising the Company and its subsidiaries per Note 15. The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013.

Nature of operations

The principal activities of the Group are operating packhouses, providing coolstorage services and providing orchard management.

Statement of compliance and basis of preparation

These financial statements comply with generally accepted accounting practice in New Zealand ("NZ GAAP"). For the purposes of complying with NZ GAAP, the Company is a for-profit entity. The financial statements also comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS").

The consolidated financial statements are presented in New Zealand dollars (NZD)($), which is the Company's functional currency. All financial information presented in NZD($) has been rounded to the nearest thousand unless otherwise stated.

The financial statements have been prepared on a historical cost basis, with the following exceptions:

- Shares in unlisted companies are measured at fair value.
- Land, land improvements and buildings are remeasured using the revaluation model.
- Biological assets are measured at fair value.
- Derivative financial instruments are measured at fair value.

The material accounting policies applied in the preparation of the financial statements are set out below and in the relevant notes.

The financial statements were approved by the Board of Directors on 19 March 2025. Once issued, the Directors do not have the power to amend these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries and the results of associates of the Company as at 31 December 2024 and their results for the year then ended.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associate companies

Associates are all entities over which the Group has significant influence but not control, generally evidenced by a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the parent entity's profit or loss, while in the consolidated financial statements they reduce the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to profit/(loss) of associates in profit or loss.

Profits and losses arising from upstream and downstream transactions are recognised in the Group's financial statements only to the extent of the unrelated investors' interests in the associates. Unrealised gains on transactions between the Group and its associates are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Basis of Preparation (continued)

Goods and Services Tax (GST)

All revenue and expense transactions are recorded exclusive of GST. Assets and liabilities are similarly stated exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. The net amount of GST recoverable from, or payable to, Inland Revenue, is included in the Statement of Financial Position.

Foreign currency

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Critical Accounting Estimates, Judgements and Assumptions

Estimates and judgments are based on past performance and management's expectation for the future. In the application of NZIFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Assumptions underlying managements estimates can be found in the following notes to the financial statements:

Note	Area of estimation or judgment
14 Property, plant and equipment	Valuation and impairment assessment
18 Biological assets	Fair value

Going concern assumption

Whilst the Group has negative working capital of $21.474 million as at 31 December 2024, this is seasonal and mostly due to the timing of cash flows in relation to preparation for the coming harvest, which takes place after balance date in the months of March to June. Current liabilities also includes $17.1 million of borrowings which mature on 12 December 2025. The Group's other loan facility tranches expire on 12 December 2027 and 12 December 2029 (see note 10) and there is no indication that these would not be able to be refinanced at that time. The total banking facility is $212 million and as at 31 December 2024, $69.9 million remains undrawn (see note 21(d)) and the Group is in compliance with its banking covenants.

After consideration, the Directors have concluded that, based on current information, the Group will continue to operate as a going concern and the financial statements have been prepared on that basis.

Summary of material changes in accounting policies

The accounting policies have been applied consistently throughout the periods presented in the financial statements.

Due to the formation of EastPack Risk Management Limited (see note (15(c)) during the year, NZ IFRS 17 Insurance contracts is applicable to the Group. NZ IFRS 17. Issued by the New Zealand Accounting Standards Board (NZSAB) establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued.

The Group applies the Premium Allocation Approach (PAA) to measure contracts. Under the PAA, an entity should recognise insurance acquisition cash flows in the liability for remaining coverage (LRC) and amortise acquisition cash flows as insurance expenses. Alternatively, an entity can choose to recognise insurance acquisition cash flows as an expense when incurred if each insurance contract in a group has a coverage period of one year or less.

There are no new standards, amendments or interpretations that have been issued and are effective that are expected to have a material impact on the Group.

NOTE 1: Revenue

The Group's major revenue streams are post harvest operations and orchard management.

	2024 ($000'S)	2023 ($000'S)
Revenue from contracts with customers		
– Post harvest operations	265,257	186,297
– Orchard management	20,071	14,746
– Laboratory services	3,845	3,841
– Labour hire revenue	2,004	2,129
Other revenue	1,803	1,304
Total revenue from contracts with customers	292,980	208,317
Dividends received	278	248
Rent revenue	21	160
Interest revenue	985	701
Pollen revenue	3,043	3,148
Total	297,307	212,574

Accounting Policies

The Group's major revenue streams are post harvest operations and orchard management.

Post harvest

The Group enters into two standardised post harvest contracts:

- The first has two performance obligations; one to collect the fruit via picking and transportation, the other being maturity testing which is provided as needed. The charges are separated in the contract. All revenue is recognised when the service is performed.
- The second has multiple service offerings: to pack fruit; to cool and despatch fruit; and to sell class 2 fruit to authorised markets. These are stand alone services provided by EastPack. Each service offering has one performance obligation and a separate transaction price detailed in the contract and the obligations are recognised when services are performed; packing fruit as fruit is packed, cooling fruit as fruit is loaded out from the coolstores and class 2 as fruit is sold on behalf of growers.

Orchard management

The Group enters into two orchard management contracts that are largely standardised:

- The first is the management contract which has one performance obligation; to manage fruit production. Revenue is recognised as the service is performed and is calculated at cost plus a margin as per the contract. The management fee included in the contract is recognised evenly over the contracts' 12-month period. An incentive fee based on the volume of kiwifruit produced is recognised evenly over the contracts 12-month period based on forecast production and a final wash up once the season is finalised.
- The second orchard management contract has one performance obligation: to collect the supply of fruit on short-term or long-term leased orchards. The transaction price is determined using a forecasted Orchard Gate Return (OGR). Revenue is recognised when crops are picked. The final return is determined once the season is finalised and any final adjustment is made at that time.

Principal versus agent relationship

A principal relationship is one where the Group has the performance obligation to provide the good or service directly and has control of the asset or the right to direct the asset. An agency relationship is one where the performance obligation is to arrange for the good or service on behalf of the supplier. The Group currently has agent relationships for the sale of non-class 1 fruit.

Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established.

Rent revenue

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Interest revenue

Interest income is recognised on a time-proportion basis using the effective interest method.

NOTE 2. Other expenses

The following items have been included in other expenses in the EastPack Ltd Consolidated Income Statement.

	2024 ($000'S)	2023 ($000'S)
Administration costs	7,894	6,300
Electricity	11,014	7,364
Insurance	5,910	4,925
Leased orchard expenses	12,036	7,945
Licence fees	4,628	3,701
Loss compensation	574	487
Plant and equipment hire	1,509	1,051
Repairs and maintenance	8,637	5,185
Research and development	453	105
Software as a service	221	823
Sponsorship	71	22
Sundry packaging expenses	1,806	1,651
Transport costs	957	1,538
Vehicle expenses	1,768	1,755
Wharf costs	1,038	603
Auditors remuneration:		
Amounts paid or payable to the auditors for:		
Auditing the financial statements – KPMG		
FYE 2024	141	–
FYE 2023	10	140
FYE 2022	–	11
Note Issue Registry – KPMG		
FYE 2024	4	–
FYE 2023 and 2022	–	8

NOTE 3. Reconciliation of net surplus with cash flow from operating activities

	2024 ($000'S)	2023 ($000'S)
Net profit/(loss) after tax	18,922	(96)
Add/(less) Non cash items		
Depreciation	25,218	23,061
Bonus issue of shares in unlisted companies	(177)	(139)
Deferred tax expense/(income)	5,990	(183)
Derivative financial (income)/expense	19	(94)
	31,050	22,645
Movement in Working Capital		
Increase/(decrease) in trade and other payables, excluding movement relating to purchases of property, plant and equipment	7,752	(4,938)
Increase/(decrease) in employee entitlements	15	(41)
Decrease/(increase) in trade and other receivables	4,459	1,376
(Increase)/decrease in biological assets	(554)	(17)
Decrease/(increase) in inventory	1,108	(1,998)
(Decease)/increase in income in advance	(501)	(561)
Increase/(decrease) in provision for tax	4,922	(1,283)
	17,201	(7,462)
Net cash flow from operating activities	67,173	15,087

NOTE 4. Income tax

	2024 ($000'S)	2023 ($000'S)
Current tax expense/(income)	5,094	343
Deferred tax expense/(income)	5,990	(183)
	11,084	160

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

	2024 ($000'S)	2023 ($000'S)
Profit before income tax expense	30,006	64
a) Prima facie income tax payable on profit before tax		
Income tax at 28% (2023: 28%)	8,401	18
Tax effect of		
– Non-deductible expenses	82	28
– Non-assessable income	(6)	(7)
– Imputation credits received	(83)	(66)
– Recognise deferred tax on buildings not depreciable (refer note 5)	2,526	–
– Prior period adjustments	(81)	(7)
– Adjustments to deferred tax	245	194
Income tax expense	11,084	160

b) Deferred taxation balances	2024 ($000'S)	2023 ($000'S)
Deferred tax assets		
Stock obsolescence	56	5
Employee entitlements	628	442
Trade and other payables	(88)	57
Cash flow hedge	–	(20)
Tax losses recognised	–	1,328
Trade and other receivables	(204)	(80)
	392	1,732
Deferred tax liabilities		
Property, plant and equipment	(23,584)	(18,686)
Biological assets	(1,305)	(1,574)
	(24,889)	(20,260)
Net deferred tax assets/(liabilities)	(24,497)	(18,528)

c) Deferred taxation movements recognised in income	2024 ($000'S)	2023 ($000'S)
Deferred tax assets		
Stock obsolescence	51	(47)
Employee entitlements	186	(10)
Trade and other payables	(146)	(46)
Tax losses recognised/(utilised)	(1,328)	1,328
Trade and other receivables	(124)	(331)
	(1,361)	894
Deferred tax liabilities		
Property, plant and equipment	(4,898)	(679)
Biological assets	269	(32)
	(4,629)	(711)
Net deferred tax income/(expense)	(5,990)	183

Legislation was enacted, effective 1 January 2024 relating to the removal of deductibility of tax depreciation on non-residential buildings. This had the effect of increasing EastPack's deferred tax liabilities. The one-off impact of this was a deferred tax charge of $2.5m in the consolidated Income Statement.

NOTE 4. Income tax (continued)

d) Deferred taxation movements in equity	2024 ($000'S)	2023 ($000'S)
Deferred tax		
Cash flow hedge	20	121
Property, plant and equipment	–	(215)
	20	(94)

e) Provision for Taxation	2024 ($000'S)	2023 ($000'S)
Balance as at 1 January	305	(978)
Net current year movement	(5,094)	–
Income tax payments during the year	–	1,134
Prior period adjustments	172	149
Balance as at 31 December	(4,617)	305

f) Imputation Credit Account	2024 ($000'S)	2023 ($000'S)
Imputation credits available for use in subsequent reporting periods	30,217	25,967

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

a. Imputation credits that will arise from the payment of the amount of the provision for income tax;
b. Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
c. Imputation credits that will arise from the receipts of dividends recognised as receivables at the reporting date.

Accounting Policies

The income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

NOTE 5. Earnings per share

	2024	2023
Profit/(loss) attributable to ordinary shareholders ($000's)	18,922	(96)
Total number of ordinary shares issued and fully paid at 31 December	70,409,189	105,907,968
Weighted average number of ordinary shares issued and fully paid at 31 December	70,625,070	70,443,605
Basic earnings per share before the impact of the removal of tax depreciation on buildings (refer note 4)	$0.30	$0.00
Basic earnings per share – Ordinary Shares	$0.27	$0.00
Diluted earnings per share – Ordinary Shares	$0.27	$0.00

The calculation of basic and diluted earnings per share is based on profit/(loss) attributable to ordinary shareholders divided by the weighted average number of ordinary shares on issue during the year.

NOTE 6. Other reserves

	REVALUATION SURPLUS ($000'S)	CASH FLOW HEDGE RESERVE ($000'S)	FINANCIAL ASSETS AT FVOCI ($000'S)	TOTAL OTHER RESERVES ($000'S)
Balance as at 1 January 2023	73,654	500	384	74,538
Revaluation – gross	(514)	–	(91)	(605)
Deferred tax	(215)	–	–	(215)
Fair value movement on hedging instruments	–	(673)	–	(673)
Deferred tax	–	121	–	121
Other comprehensive income	(729)	(552)	(91)	(1,372)
Balance as at 31 December 2023	**72,925**	**(52)**	**293**	**73,166**
Balance as at 1 January 2024	72,925	(52)	293	73,166
Revaluation – gross	–	–	28	28
Fair value movement on hedging instruments	–	(657)	–	(657)
Deferred tax	–	184	–	184
Other comprehensive income	–	(473)	28	(445)
Balance as at 31 December 2024	**72,925**	**(525)**	**321**	**72,721**

The asset revaluation portion of other reserves relates to the revaluation of land and improvements and buildings. For further details, refer to Note 14.

NOTE 7. Share capital

	2024 NUMBER OF SHARES	2023 NUMBER OF SHARES	2024 ($000'S)	2023 ($000'S)
Ordinary shares as at 1 January	106,921,916	104,650,797	48,073	44,843
Shares issued under dividend reinvestment program	42,444	–	42	–
Cancellation of Nil Paid shares	(1,013,948)	–	(1,382)	–
Ordinary shares issued	–	1,283,880	–	1,858
Nil paid shares issued	–	987,239	–	1,372
Shares acquired through buy back	(4,729,725)	–	(4,730)	–
Shares issued through shareholder charge	4,392,721	–	4,393	–
Impact of share consolidation	(35,204,219)	–	–	
Ordinary Shares Balance as at 31 December	70,409,189	106,921,916	46,397	48,073
Shares are classified as follows:				
Held by ordinary shareholders	70,409,189	106,921,916		
Held by EastPack as treasury stock	224,670	–		
	70,633,859	106,921,916		

Treasury stock		
Treasury stock as at 1 January	–	–
Treasury stock purchased through targeted buy-out	4,729,725	–
Treasury stock issued through targeted share issue	(4,392,721)	–
Share consolidation	(112,334)	–
Treasury Stock as at 31 December	224,670	–

In February 2023, the Company completed a share issue for undershared growers. Growers had the option of acquiring their full complement of shares at $1.42 per share or have their full complement issued over a two-year period issued at $1.50 per share payable one third February 2023, one third in February 2024 and a final instalment in February 2025. Following changes to EastPack's shareholding requirements, 1,013,948 Nil paid shares payable in February 2024 and February 2025 were cancelled in March 2024.

NOTE 7. Share capital (continued)

In August 2024, the Company completed a targeted share buy-back and acquired 4,729,725 shares at $1.00 per share. In October 2024 the company issued 4,392,721 shares to undershared shareholders through the shareholder charge mechanism. The remaining 337,004 shares were consolidated in December 2024 to 224,670 shares which are held as treasury stock. These shares will be issued to undershared shareholders in 2025.

On 3 December 2024, the Company completed a 1.5:1.0 share consolidation of all fully paid shares decreasing the total number of shares on issue at that time from 105,950,412 shares to 70,633,859 shares (including treasury stock). Part shares as a result of the calculation of the consolidation were rounded up to a whole share.

All ordinary shares have no par value, rank equally subject to the voting cap and are classified as equity. Each shareholder is entitled to one vote per ordinary share up to a maximum that is calculated by reference to the lesser of the number of shares held or that shareholders' New Zealand production supplied to EastPack. The voting rights of shareholders are capped by reference to the individual shareholders' share of total production supplied to the Company during the year.

NOTE 8. Distribution to owners

	2024 ($000'S)	2023 ($000'S)
Ordinary shares – dividend paid	3,135	–
Ordinary shares – share issued under dividend reinvestment programme	42	–

Dividends paid on ordinary shares amounted to 3.0 cents per share fully imputed. (2023: 0 cents per share).

NOTE 9. Leases

Information about the leases for which the Group is a lessee is presented below.

a) Right of use assets	LAND BUILDINGS AND IMPROVEMENTS ($000'S)	OTHER PLANT AND EQUIPMENT ($000'S)	TOTAL ($000'S)
2024			
Opening book value 1 January 2024	1,989	3,738	5,727
Additions	788	1,856	2,644
Depreciation for the period	(1,104)	(1,149)	(2,253)
Closing book value 31 December 2024	**1,673**	**4,445**	**6,118**
Cost	4,998	7,511	12,509
Accumulated depreciation	(3,325)	(3,066)	(6,391)
	1,673	4,445	6,118
2023			
Opening book value 1 January 2023	1,689	3,789	5,478
Additions	1,258	1,152	2,410
Depreciation for the period	(958)	(1,203)	(2,161)
Closing book value 31 December 2023	**1,989**	**3,738**	**5,727**
Cost	6,202	7,178	13,380
Accumulated depreciation	(4,213)	(3,440)	(7,653)
	1,989	3,738	5,727

NOTE 9. Leases (continued)

b) Lease liabilities	MINIMUM LEASE PAYMENTS ($000'S)	INTEREST ($000'S)	PRESENT VALUE ($000'S)
2024			
Within one year	1,956	(306)	1,650
One to five years	4,622	(543)	4,079
Beyond five years	–	–	–
Total	**6,578**	**(849)**	**5,729**
Current			1,650
Non-current			4,079
2023			
Within one year	2,217	(215)	2,002
One to five years	3,236	(213)	3,023
Beyond five years	–	–	–
Total	**5,453**	**(428)**	**5,025**
Current			2,002
Non-current			3,023

c) Lease expenses included in profit or loss	2024 ($000'S)	2023 ($000'S)
Interest	590	329

Accounting Policies

As lessee, lease liabilities are measured at the present value of future lease payments, discounted at the Group's incremental borrowing rate.

Right of use assets are initially accounted for at cost, comprising the initial amount of the lease liability. Right of use assets are subsequently depreciated using the straight-line method over the term of the lease. The majority of leases are coolstore leases and forklifts. The Company maintains strong relationships with the Lessors of coolstores as these coolstores are important to enable the Company to efficiently store kiwifruit prior to sale. Kiwifruit volumes have increased significantly over the past 5 years and are expected to increase further in future years. When considering the lease term, the Group applies judgement in determining whether it is reasonably certain that an extension or termination option will be exercised.

In assessing whether an agreement contains a lease the Group considers whether that agreement conveys the right to control the use of the asset for a period of time in exchange for consideration. In assessing whether an agreement conveys the right to control the use of an asset, the Group assesses whether:

- the agreement includes the use of an identified asset
- throughout the term of the agreement, the Group has the right to receive the economic benefits from the use of the asset
- the Group has the right to direct the use of the asset.

NOTE 10. Borrowings

	2024 ($000'S)	2023 ($000'S)
Banking facility	142,100	150,500
Subordinated note	28,810	28,810
Subordinated note issue costs	(1,314)	(1,758)
Total	169,596	177,552
Current portion	17,100	10,500
Non current portion	152,496	167,052
Total	169,596	177,552

The current portion represents borrowings which have a maturity date of less than twelve months from reporting date. The Group secured a new banking facility in December 2024 with a syndicate of 4 banks (ASB Bank, Rabobank, Bank of New Zealand and Construction Bank of China) with a total facility of $212m (2023: $205m). The facility is in three tranches that mature on 12 December 2027 and 12 December 2029. Bank of New Zealand operate as security agent for the syndicate.

The current interest rates on the secured borrowings range from 5.2% to 5.64% (2023: 7.4% to 7.53%).

On 4 September 2022, EastPack Limited released a Product Disclosure Statement of subordinated unsecured fixed rate notes to New Zealand retail investors. The note issue offer was subscribed at $28.8m on 12 December 2022 and issued on 16 December 2022. The bond issue has a term of five years and matures on 16 December 2027 with a fixed 8.51% interest rate for the year to 16 December 2025. The interest rate is set annually at the 5 Year Government bond rate plus a margin of 4.5%. A minimum interest rate of 8.5% applies over the term of the notes. Transaction costs associated with the issue of the bond totalling $2.3m is recognised in the profit and loss using the effective interest rate methodology over the term of the note.

Security

The Bank of New Zealand as Security Agent holds a perfected security interest in all present and after acquired property of the Group and a registered first mortgage over all land and buildings of the Group (note 21).

Banking covenants

The Group is subject to various banking covenants as part of the Group's total facility with the syndicate of banks. The Group obtained agreement from its banking syndicate in October 2023 to reduce the 30 June 2024 interest cover ratio. The long-term covenants returned to agreed levels from 31 December 2024.

Accounting Policies

The Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss and financial liabilities measured at amortised cost. Financial liabilities measured at amortised cost include trade and other payables, refunds due to resigned shareholders and borrowings. These financial liabilities are recognised initially at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is recognised in profit or loss over the period of the borrowing using the effective interest method.

NOTE 11. Trade and other payables

	2024 ($000'S)	2023 ($000'S)
Trade payables	7,532	6,456
Sundry payables	11,087	5,890
GST payable	1,254	2,215
Related party payables (see note 20)	4,353	3,267
Total	24,226	17,828

NOTE 12. Employee entitlements

Employee entitlements include annual leave expected to be settled within 12 months of the reporting date and long service leave. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

	2024 ($000'S)	2023 ($000'S)
Balance as at 1 January	2,287	2,328
Net movement in provision	15	(41)
Balance as at 31 December	2,302	2,287
This is represented by:		
Current liability	2,302	2,287
Non-current liability	–	–
Total	2,302	2,287

Accounting Policies

Liabilities for employee entitlements are carried at the present value of the estimated future cash flows.

Wages, salaries, statutory days in lieu, annual leave, and sick leave

Liabilities for wages and salaries, including non-monetary benefits, statutory days in lieu, annual leave and sick leave are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Bonus plan

The Group recognises bonuses when it is contractually obliged to make such payments, or when there is a past practice that has created a constructive obligation to make such payments.

Superannuation plans

The Group pays contributions to defined contribution superannuation plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

NOTE 13. Income in advance

	2024 ($000'S)	2023 ($000'S)
Income in advance	643	1,144

Managed orchards that pay a fixed monthly instalment to cover costs may have paid the Group more than the actual costs as at 31 December 2024. Revenue recognised that was included in the income in advance balance at the beginning of the period equates to the opening balance of income in advance. The balance as at 31 December 2024 reflects the performance obligation required to be met in 2025.

NOTE 14. Property, plant and equipment

	2024			2023		
	COST/ VALUATION ($000'S)	ACCUMULATED DEPRECIATION ($000'S)	BOOK VALUE ($000'S)	COST/ VALUATION ($000'S)	ACCUMULATED DEPRECIATION ($000'S)	BOOK VALUE ($000'S)
Buildings	287,184	66,714	220,470	285,307	58,283	227,024
Land and improvements	48,523	4,451	44,072	48,298	4,072	44,226
Plant and equipment	213,636	131,185	82,451	204,972	118,232	86,740
Furniture and fittings	8,857	4,368	4,489	7,894	3,741	4,153
Capital work in progress	48,697	–	48,697	10,369	–	10,369
Total	606,897	206,718	400,179	556,840	184,328	372,512

If land and buildings had been carried at cost less depreciation, the carrying amounts would have been:

	2024 ($000'S)	2023 (RESTATED) ($000'S)
Buildings	159,776	165,229
Land and improvements	22,994	23,148

Each class of land and improvements and buildings is revalued to their estimated fair value on a rolling three-year cycle or more frequently if there is evidence that indicates the carrying value of these may differ significantly from the fair value. Key land and improvements and buildings were revalued to their estimated fair value in accordance with the valuation reports dated 28 November 2023 by independent registered valuer, Paul Higson (ANZIV, MPINZ) and Michael Reay (ANZIV, MPINZ) of the firm CBRE ("valuer").

As at 31 December 2024, the directors believe there are no indications that would suggest the carrying value of land and improvements and buildings differ materially from their fair value and as a consequence there is no need to revalue those assets.

The valuers consider three different approaches in concert to arrive at a fair value:

1. **Market approach:** considers sales of other comparable properties.
2. **Capitalisation of rentals:** assumes a hypothetical lease of the property with a current market rental being established and capitalising this at an appropriate rate of return (8.25% – 9.25%).
3. **Discounted cash flow:** a variation of the investment method whereby it takes the current market rental calculated under the investment method and forecasts net cash flows over a ten year period. Cash flows are adjusted for expected growth in market rentals and estimated costs incurred to maintain land and buildings in operational use. This method assumes land and buildings are sold in the terminal year (year 11).

Further details on the sensitivity of the valuation is included in note 22.

Valuations	2024 ($000'S)	2023 ($000'S)
Impact of valuation		
Revaluation through profit and loss	–	–
Revaluation through asset revaluation reserve	–	(514)
	–	(514)

NOTE 14. Property, plant and equipment (continued)

Movements in carrying amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period are as follows:

	BUILDINGS ($000'S)	LAND AND IMPROVEMENTS ($000'S)	PLANT AND EQUIPMENT ($000'S)	FURNITURE AND FITTINGS ($000'S)	CAPITAL WIP ($000'S)	TOTAL ($000'S)
2024						
Balance at 1 January 2024	227,024	44,226	86,740	4,153	10,369	372,512
Additions and Net Transfers	1,877	225	9,321	963	38,328	50,714
Disposals	–	–	(82)	–	–	(82)
Depreciation expense	(8,431)	(379)	(13,528)	(627)	–	(22,965)
Carrying amount at 31 December 2024	220,470	44,072	82,451	4,489	48,697	400,179

	BUILDINGS ($000'S)	LAND AND IMPROVEMENTS ($000'S)	PLANT AND EQUIPMENT ($000'S)	FURNITURE AND FITTINGS ($000'S)	CAPITAL WIP ($000'S)	TOTAL ($000'S)
2023						
Balance at 1 January 2023	182,680	45,661	69,147	4,377	58,155	360,020
Additions and Net Transfers	51,364	227	29,803	474	(47,786)	34,082
Revaluations	770	(1,284)	–	–	–	(514)
Disposals	–	–	(175)	(1)	–	(176)
Depreciation expense	(7,790)	(378)	(12,035)	(697)	–	(20,900)
Carrying amount at 31 December 2023	227,024	44,226	86,740	4,153	10,369	372,512

Accounting Policies

All items of property, plant and equipment are initially measured at cost. The cost of an item of property, plant and equipment includes its purchase/construction price, costs directly attributable to bringing it to the location and condition necessary for it to operate as intended. Where an item of property, plant and equipment is self-constructed, its construction cost includes the cost of materials and direct labour and an appropriate proportion of production overheads. Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably.

After initial recognition, all items of property, plant and equipment, except land and improvements and buildings are measured at cost less accumulated depreciation and impairment losses.

Land and improvements and buildings are measured at revalued amounts less any subsequent depreciation and impairment losses plus the cost of additions since last revaluation. Revaluations are undertaken by an independent registered valuer with sufficient frequency to ensure that the carrying value of the item does not differ materially from its fair value. Increases in the carrying amount arising from revaluations are credited to other reserves in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in profit or loss, in which case the increment is recognised in profit or loss. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (i.e. if the asset is impaired). An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the asset being disposed of and are included in profit or loss. Upon disposal or derecognition of a revalued asset, any revaluation reserve relating to the particular asset is transferred to retained earnings.

Depreciation

Land is not depreciated. Capital works in progress are not depreciated until completed and available for use. Depreciation on other assets is calculated using the straight-line or diminishing value methods to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The residual value and useful lives of all assets are reviewed and adjusted if appropriate at each reporting date.

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NOTE 14. Property, plant and equipment (continued)

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation basis	
Land improvements	4.0 – 10%	Straight line/Diminishing value
Buildings	1.5 – 48%	Straight line
Plant and equipment	10.0 – 60%	Diminishing value
Furniture and fittings	9.5 – 60%	Diminishing value

NOTE 15. Investments

	2024 ($000'S)	2023 ($000'S)
Financial instruments held at fair value through other comprehensive income (see note 15(a) below)	1,808	1,610
Investments in associates (see note 15(b) below)	75	75
	1,883	1,685
a) Financial instruments held at fair value through other comprehensive income		
Shares in unlisted companies	1,808	1,610
Shares		
Opening balance	1,610	1,562
Additions	170	139
Disposals	–	–
Revaluation	28	(91)
Total Investments in shares	1,808	1,610

Investments in other entities are measured at fair value, based on the closing share price at reporting date where this is available.

b) Investments in associates	2024 ($000'S)	2023 ($000'S)
The Nutritious Kiwifruit Company Ltd	75	75
	75	75

	2024 PERCENTAGE HELD	2023 PERCENTAGE HELD	BALANCE DATE	INCORPORATED IN
Associate companies				
The Nutritious Kiwifruit Company Ltd	50%	50%	31 March	New Zealand
Tauranga Kiwifruit Logistics Ltd	34%	34%	28 February	New Zealand

Tauranga Kiwifruit Logistics Ltd is engaged in wharf logistics out of the Port of Tauranga. The Nutritious Kiwifruit Company Ltd is engaged by the Group to sell, market and export kiwifruit to the Australian market.

All associate companies are incorporated in New Zealand and are accounted for using the equity method. There are no significant restrictions on the ability of any associate companies to pay dividends, repay loans or otherwise transfer funds to the investor company. No associate companies have a quoted market price for the investment. No commitments or contingencies are present with associate companies. The financial performance of all associates for the period ending 31 December 2024 has been incorporated in these financial statements.

NOTE 15. Investments (continued)

c) Subsidiaries

Subsidiaries:	2024 PERCENTAGE HELD	2023 PERCENTAGE HELD	BALANCE DATE	INCORPORATED IN
Bay of Plenty Fruitpackers Ltd	100%	100%	31 December	New Zealand
BayPack Ltd	100%	100%	31 December	New Zealand
BayPak Growers Ltd	100%	100%	31 December	New Zealand
EastPack Avocado Company Ltd	100%	100%	31 December	New Zealand
EastPack Risk Management Ltd	100%	–	31 March	Cook Islands
EastPack RSE Services Limited (prev. New Zealand Orchard Investments Ltd)	100%	100%	31 December	New Zealand
Pinpoint Laboratory Services Ltd (prev. Bay Hort (1991) Ltd)	100%	100%	31 December	New Zealand
Prospa Contracting Services Ltd	100%	100%	31 December	New Zealand
Prospa Orchard Management Services Ltd	100%	100%	31 December	New Zealand
Satara Kiwifruit Supply Ltd	100%	100%	31 March	New Zealand
Satara Ventures Ltd	100%	100%	31 December	New Zealand
Southlink Supply Ltd	100%	100%	31 December	New Zealand
Stroba Ltd	100%	100%	31 December	New Zealand
Stroba Systems Ltd	100%	100%	31 December	New Zealand
Te Matai Kiwi No1 Ltd	100%	100%	31 December	New Zealand
Zest Company BOP Ltd	100%	100%	31 December	New Zealand

EastPack Avocado Company Ltd is an avocado supplier.

EastPack Risk Management Ltd provides insurance services to EastPack Ltd.

EastPack RSE Services Ltd provides services to RSE employees of EastPack Ltd.

Pinpoint Laboratory Services Ltd provides laboratory services to EastPack and other businesses in the horticultural industry.

Prospa Contracting Services Ltd provides spraying services to EastPack and other businesses in the horticultural industry.

Prospa Orchard Management Services Ltd provides orchard management services to EastPack and other businesses in the horticultural industry.

Southlink Supply Ltd provides administration services and industry representation in respect of produce supplied.

All other subsidiaries are non operating.

Accounting Policies

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification depends on the purpose for which the investments were acquired and the nature of the cashflows. Management determines the classification of its investments at the initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

The Group's loans and receivables comprise trade and other receivables, intercompany advances, unpaid transactor shares and cash and cash equivalents. Loans and receivables are carried at amortised cost using the effective interest method.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise: Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant. Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

The Group has made an irrevocable election at initial recognition for financial assets, being investments in shares to be presented at fair value through other comprehensive income as they are not held for trading.

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NOTE 15. Investments (continued)

Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

The Group has no financial assets classified as financial assets at fair value through the profit or loss as they have elected to classify financial assets held as fair value through other comprehensive income.

Purchases and sales of investments are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. Immaterial investments in equity instruments that do have a quoted market price in an active market and whose fair values cannot be reliably measured are recognised and subsequently carried at cost,on the basis that this approximates fair value.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

NOTE 16. Trade and other receivables

	2024 ($000'S)	2023 ($000'S)
Trade receivables	9,088	10,750
Expected credit loss allowance	(176)	(34)
Accrued income and sundry receivables	1,626	4,942
Prepayments	3,697	4,374
Related party receivables	–	10
Associate receivables	1	1
Balance at 31 December	14,236	20,043

Accounting Policies

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

As stated in Note 21 the Group has recognised expected credit losses for all trade receivables. Debts which are known to be uncollectible are written off. As the Group experiences minimal impairment of receivables, the allowance for expected credit loss is established based upon the payment profiles and historical credit losses adjusted for forward looking information regarding customers' ability to pay.

NOTE 17. Cash and cash equivalents

	2024 ($000'S)	2023 ($000'S)
Funds in bank	3,127	1,076

Accounting Policies

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

NOTE 18. Biological assets

	2024 ($000'S)	2023 ($000'S)
Balance at 1 January	4,109	4,092
Costs capitalised	4,663	4,109
Costs released to profit and loss	(4,109)	(4,092)
Balance at 31 December	4,663	4,109

Accounting Policies

Biological assets represent the value of developing the fruit on leased orchards that is due to be harvested in the following year. Biological assets are capitalised leased orchard expenses carried forward in the Statement of Financial Position as an asset and recognised at the same time as the income to which they relate, i.e. against the crop proceeds from the following year. Due to there being insufficient biological transformation as at reporting date, the Group has determined that cost approximates fair value. Costs include labour, materials and other direct costs allocated to the asset. No costs are capitalised for more than one season.

NOTE 19. Inventories

	2024 ($000'S)	2023 ($000'S)
Packaging stock	2,924	4,101
Pollen stock	3,856	3,713
Provision for obsolescence	(7)	(17)
Other materials and chemicals	265	349
Balance at 31 December	7,038	8,146

Packaging and other inventory is subject to retention of title clauses.

Accounting Policies

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

NOTE 20. Transactions with related parties

a) Key management personnel

Key management includes all personnel whom have the authority and responsibility for planning, directing and controlling the activities of the Group. This includes senior management and directors.

Key management personnel and director compensation:

	2024 ($000'S)	2023 ($000'S)
Short-term employee benefits (including directors' remuneration)	4,089	4,045

NOTE 20. Transactions with related parties (continued)

Transactions with entities controlled by key management personnel and directors

Post-harvest charges, other revenue and dividends

Several members of the Group's key management personnel are shareholders and/or directors of entities that pack their fruit with EastPack Limited. These entities are charged at rates consistent to those charged to other growers and pay for these charges via the EastPack Entity Trust. Other revenue is received for the sale or provision of goods and services.

	2024 ($000'S)	2023 ($000'S)
Other revenue	5,251	4,772
Post-harvest charges	24,818	15,547

These entities are also entitled to dividends in accordance with the same rules applied to other ordinary shareholders. The total dividends paid to these entities is as follows:

	2024 ($000'S)	2023 ($000'S)
Dividends	344	–

In addition to the above, members of the Group's key management personnel are also shareholders and/or directors in organisations who provide services to the Group. Such services include orchard contracting services, rental services, kiwifruit bin cartage and orchard materials and consumables. The amounts paid to such entities are as follows:

	2024 ($000'S)	2023 ($000'S)
Consulting and orchard contractor charges	197	283
Operating lease costs	230	227
Kiwifruit bin cartage	7,322	4,494

b) Other related party transactions

EastPack Entity Trust

EastPack Entity Trust is a related party that acts as an administrator of revenues and expenses for the sale of kiwifruit on behalf of growers. EastPack Limited received $288,093,827 (2023: $194,288,543) for the provision of services to EastPack Entity Trust. EastPack Limited paid EastPack Entity Trust $124,685(2023: $203,712) for second hand packaging. EastPack Entity Trust paid EastPack Limited $1,263,732 (2023: $950,760) for administration fees. A balance of $4,340,982 (2023: $3,266,562) was payable to EastPack Entity Trust as at 31 December 2024 (note 11).

Subsidiaries and associates

Related parties of the Group include subsidiaries and associates disclosed in note 15, and key management personnel (directors and the senior leadership team).

Guarantees with related parties

Te Matai Kiwi Partnership has a guarantee for the amount of $150,000, plus interest and costs in terms of the BNZ's standard guarantee form, from EastPack Limited.

No related party debts have been written off or forgiven during the year (2023: $Nil).

EastPack Entity Trust holds an all obligations unlimited guarantee from EastPack Limited.

NOTE 21. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including currency risk and interest rate risk) and capital risk.

a) Credit Risk

To the extent that the Group has a receivable from another party, there is a credit risk in the event of non-performance by that counterparty. Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents, trade and other receivables, intercompany advances and unpaid ordinary shares. The Group manages its exposure to credit risk to minimise losses from bad debts. The Group generally has the ability to withhold either rebates or dividends from receivables owing from growers and transacting shareholders. Management also actively monitor and manage other receivables. In respect of cash and cash equivalents, the Group monitors the credit quality of major financial institutions that are counter parties to its financial instruments, and does not anticipate non-performance by the counter parties. Management assesses there to be no significant credit risk associated with intercompany advances or unpaid ordinary share capital.

NOTE 21. Financial risk management (continued)

Exposures to credit risk at balance date are:

	2024 ($000'S)	2023 ($000'S)
Cash and cash equivalents	3,127	1,076
Trade and other receivables	10,539	15,669

The above maximum exposures are net of any recognised impairment losses in these financial instruments. No collateral is held on the above amounts.

Concentrations of Credit Risk

At reporting date the majority of the Group's cash and cash equivalents were with the Bank of New Zealand, which has a high credit rating. The Group does not have any other significant concentration of credit risk as receivables are spread over a large number of customers, however, a significant majority of these receivables are owed by third parties from within the Kiwifruit industry.

Status of trade and other receivables excluding prepayments

	2024		2023	
	GROSS ($000'S)	IMPAIRMENT ($000'S)	GROSS ($000'S)	IMPAIRMENT ($000'S)
Not yet due	7,989	–	10,453	–
Overdue 0–31 days	407	–	1,430	–
Overdue 32–91 days	1,195	–	1,777	–
Overdue 92–184 days	346	–	975	–
Overdue more than 184 days	602	176	1,034	34
Total trade and other receivables excluding prepayments	10,539	176	15,669	34

Expected credit loss

Due to the nature of trade receivables, minimal loss is expected to occur, and the majority of receivables are not overdue. The Group has calculated its expected credit loss allowance using the simplified approach which calculates the expected credit loss over the lifetime of the receivables. The Group recognised an expected credit loss allowance at reporting date of $176,000 (2023: $34,000).

b) Liquidity Risk

Liquidity risk represents the Group's ability to meet its contractual obligations in relation to financial liabilities as they fall due. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls. See note 10 for further details regarding the Group's borrowing facilities.

2024	STATEMENT OF FINANCIAL POSITION ($000'S)	CONTRACTUAL CASH FLOWS ($000'S)	6 MONTHS OR LESS ($000'S)	6 – 12 MONTHS ($000'S)	1 – 2 YEARS ($000'S)	2 – 5 YEARS ($000'S)	> 5 YEARS ($000'S)
Banking facility	142,100	158,802	3,438	3,438	6,875	145,052	–
Subordinated note	27,496	36,166	1,226	1,226	2,452	31,262	–
Lease liabilities	5,729	4,929	1,214	1,047	1,252	1,416	–
Trade and other payables	24,226	24,226	24,226	–	–	–	–
	199,551	224,123	30,104	5,711	10,579	177,730	–

2023	STATEMENT OF FINANCIAL POSITION ($000'S)	CONTRACTUAL CASH FLOWS ($000'S)	6 MONTHS OR LESS ($000'S)	6 – 12 MONTHS ($000'S)	1 – 2 YEARS ($000'S)	2 – 5 YEARS ($000'S)	> 5 YEARS ($000'S)
Banking facility	150,500	160,025	5,224	5,224	149,577	–	–
Subordinated note	27,052	39,354	1,318	1,318	2,636	34,082	–
Lease liabilities	5,025	4,743	1,441	1,090	1,170	1,042	–
Trade and other payables	17,828	17,828	17,828	–	–	–	–
	200,405	221,950	25,811	7,632	153,383	35,124	–

c) Market Risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies however the exposure is minimal as the Group's normal trading activities are conducted in New Zealand dollars.

(ii) Risk Management related to horticulture activities

The Group is exposed to market and production risks associated with the horticulture industry. The major risks are disease, weather events and pests which impact the volumes of fruit to the post harvest operations as well as volumes produced by the Group's orchards and/or leased crops.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has exposure to interest rate risk to the extent that it borrows or invests for a fixed term or enters into interest rate swaps. The Group manages its cost of borrowing by placing limits on the proportion of borrowings at floating rates, and the proportion of fixed rate borrowing that is repriced in any year.

Bank borrowings

An increase/decrease of 1% in interest rates would decrease/increase pre-tax profit and equity of the Group by +/- $1,709,000 (2023: +/- $1,793,000) if the interest rate change was apparent for the full year and assuming a full drawdown on the borrowings of $170.9m. There are no other significant interest bearing financial instruments subject to interest rate risk.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting period and their related hedged items. Interest rate swap contract assets and liabilities are included in note 23.

Term Loan	AMOUNT $'000	HEDGE RATE	BANK INTEREST RATE	HEDGE EXPIRY
2024	15,000	5.720%	5.655%	20 October 2025
	30,000	4.895%	5.630%	04 November 2025
	10,000	4.840%	5.625%	04 November 2025

	AMOUNT $'000	HEDGE RATE	BANK INTEREST RATE	HEDGE EXPIRY
2023	15,000	5.720%	5.655%	20 October 2025
	30,000	4.895%	5.630%	04 November 2025
	15,000	5.870%	5.655%	19 April 2024
	10,000	4.840%	5.625%	04 November 2025

d) Capital Risk

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to growers, shareholders and other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and maximise returns. In order to maintain or adjust the capital structure, the Group may adjust distributions to shareholders, amount of dividends paid to shareholders, return capital to shareholders, issue new shares, amend capital spending plans or sell assets to reduce debt.

The Shareholders have appointed the directors to manage the co-operative in order to maximise returns. The Directors, consistent with others in the Kiwifruit industry, monitor and manage capital based on trays supplied and returns to growers and investors.

The Group monitors capital on the basis of its shareholder equity ratio. This ratio is calculated as total equity divided by total assets.

NOTE 21. Financial risk management (continued)

The shareholder equity ratio at 31 December is:

	2024 ($000'S)	2023 ($000'S)
Total equity	204,886	191,262
Total assets	437,244	413,980
Shareholder equity ratio	**47%**	**46%**

The Group is subject to, and monitors, financial covenants imposed by its lenders from time to time. These covenants include such measures as maintenance of equity ratios and earnings times interest cover. The company obtained agreement to a reduction in the interest cover ratio at 30 June 2024 which returned to the agreed interest cover level at 31 December 2024. At no stage during the year did the Group breach any of its agreed lending covenants.

The Group has current bank facilities of $212 million with the Company's banking syndicate, of which $69.9 million remains undrawn as at balance date (2023: $54.5 million).

NOTE 22. Determination of fair values of assets and liabilities

Fair value measurement for financial assets, non-financial assets and liabilities

The fair value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their carrying value due to their short-term nature.

Fair value measurement

The table below analyses those financial instruments carried at fair value. The different levels of the fair value hierarchy have been defined below.

Level 1: Quoted prices (unadjusted) in active markets for identified assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability that have to be developed to reflect the assumptions that a market participant would use when determining an appropriate price.

2024	LEVEL 1 ($000'S)	LEVEL 2 ($000'S)	LEVEL 3 ($000'S)
Derivative financial instruments – liability	–	(706)	–
Unlisted equity shares	–	1,808	–
Land and improvements and buildings	–	–	264,542
	–	1,102	264,542

2023	LEVEL 1 ($000'S)	LEVEL 2 ($000'S)	LEVEL 3 ($000'S)
Derivative financial instruments – asset	–	377	–
Derivative financial instruments – liability	–	(354)	–
Unlisted equity shares	–	1,610	–
Land and improvements and buildings	–	–	271,250
	–	1,633	271,250

The fair value measurement for land and buildings has been categorised as Level 3, as the inputs used as part of the valuation techniques are based on unobservable inputs. There were no transfers into or out of Level 3 of the fair value hierarchy during the reporting period.

The following shows each valuation technique used in measuring the fair value of land and buildings, as well as the significant unobservable inputs used and the inter-relationship between the key unobservable inputs and fair value measurement.

NOTE 22. Determination of fair values of assets and liabilities (continued)

Land and buildings

The fair value of land and buildings is determined using valuations by an independent valuer as set out in note 14. Three different approaches are used to arrive at the fair value of the land and improvements and buildings. A weighted average of the three valuation methods is applied to derive the final valuation, with greater weighting applied to the income capitalisation approach and equal weighting applied to the discounted cash flow approach and market approach. The information below relates to the valuations undertaken at 31 December 2023.

Discounted cash flow approach

The current market rental calculated under the income capitalisation approach is used to forecast net cash flows over a ten-year period. Allowances are made for expected rental growth and estimated costs incurred to maintain the land & buildings. Having determined the net annual income, a terminal value is established using a terminal capitalisation rate (8.75% – 9.75%). Cash flows are discounted at a market related discount rate (9.00% – 10.00%).The present value of the aggregate of each cash flow establishes market value. This method assumes land & buildings are sold in the terminal year.

Key unobservable inputs	*Inter-relationship between key unobservable inputs and fair value measurement*
Current market rental	*Higher market rental results in increased fair value. Lower market rental results in a decreased fair value.*
Discount rate	*Higher discount rate results in decreased fair value. Lower discount rate results in an increased fair value. Specifically, an increase in the discount rate of 0.25% would decrease the fair value by approximately $4,011,000 and a decrease in the discount rate of 0.25% would increase the fair value by approximately $4,097,000.*
Terminal capitalisation rate	*Higher capitalisation rate results in decreased fair value. Lower capitalisation rate results in a increased fair value. Specifically, an increase in the capitalisation rate of 0.25% would decrease the fair value by approximately $3,225,000 and a decrease in the capitalisation rate of 0.25% would increase the fair value by approximately $3,401,000.*

Income capitalisation approach

Assumes a hypothetical lease of the property with a current market rental being established and capitalised at an appropriate rate of return (8.25% – 9.25%).

Key unobservable inputs	*Inter-relationship between key unobservable inputs and fair value measurement*
Current market rental	*Higher market rental results in increased fair value. Lower market rental results in a decreased fair value.*
Capitalisation rate of return	*Higher capitalisation rate results in decreased fair value. Lower capitalisation rate results in a increased fair value. Specifically, an increase in the capitalisation rate of 0.25% would decrease the fair value by approximately $7,354,000 and a decrease in the capitalisation rate of 0.25% would increase the fair value by approximately $7,788,000.*

Market comparison

Considers recent sales of other comparable type properties.

Key unobservable inputs	*Inter-relationship between key unobservable inputs and fair value measurement*
Current market sales	*Higher market sales results in increased fair value. Lower market sales results in a decreased fair value.*

Valuer's assumptions

In preparing the valuation reports, the valuer has made the assumption that the property will continue to be occupied by the existing business and accordingly the valuations are based on a notional lease being in place with a market rental being paid.

NOTE 23. Derivative financial instruments

	2024 ($000'S)	2023 ($000'S)
Interest rate swap liability	(706)	(354)
Electricity forward agreement asset	–	377
Electricity forward agreement liability	(42)	–

The fair values of the interest rate swaps are determined at balance date.

Accounting Policies

Derivatives are initially recognised at fair value at the date a derivative is entered into and subsequently re-measured to their fair value at each balance date. The resulting gain or loss is recognised as a financing cost in profit or loss immediately unless the derivative is identified as a hedge instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are classified as current or non-current based on the effective date.

The Board uses judgement in selecting an appropriate valuation technique for financial instruments. For derivative financial instruments, assumptions are based on quoted market rates and reliance placed on quotes provided by Bank of New Zealand.

NOTE 24. Commitments

EastPack Group is committed to incur capital expenditure for the expansion of coolstore capacity, extension to packhouses, upgrade of refrigeration equipment and the installation of a new grader and grader technology.

	2024 ($000'S)	2023 ($000'S)
Estimated capital expenditure contracted for at balance date but not provided for:	13,330	2,603

NOTE 25. Contingent liabilities

As at 31 December 2024 the Company is not aware of any Contingent Liabilities (2023: $400,000). The contingent liability in 2023 was subject to an insurance claim which has been accepted and settled by the insurance company in 2024.

NOTE 26. Significant events after balance date

There have been no material events occurring subsequent to balance date requiring adjustment to our disclosure in the financial statements.

KPMG

Independent Auditor's Report

To the Shareholders of EastPack Limited (**Group**)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement, statements of other comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of EastPack Limited (the **Company**) and its subsidiaries (the **Group**) on pages 35 to 62 present fairly in all material respects the Group's financial position as at 31 December 2024 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

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

We are independent of EastPack Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

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

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

Key audit matters

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

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

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The key audit matter	How the matter was addressed in our audit
Valuation of Buildings and Land and Improvements	
As disclosed in note 14, the Group has Property, Plant and Equipment of $400 million, including $265 million of Buildings and Land and Improvements. The Group has a policy of recording these assets at fair value with periodic valuations performed by an external independent valuer. As at 31 December 2024 the Directors believe that there are no indicators that would suggest the carrying value of Buildings and Land and Improvements differs materially from their fair value, and as a consequence no revaluation was performed. The valuation of these assets is considered a key audit matter due to the judgement required in determining fair values and the sensitivity of the fair value to key inputs.	Our audit procedures included: • Obtained and reviewed Management's assessment that concluded that the carrying value of Buildings and Land and Improvements did not differ materially from their fair value as at 31 December 2024; • Reviewing publicly available market commentary published by reputable valuers and assessed whether the key assumptions used in Management's assessment as at 31 December 2024 were in line with the market commentary; • Obtained Management's sensitivity analysis for each property and ensured the veracity of the model; and • Assessed the financial statement disclosures to determine whether they comply with accounting standards and appropriately illustrate key inputs, assumptions and sensitivities. We have no matters to report as a result of our procedures.

Other information

The Directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Use of this independent auditor's report

This independent auditor's report is made solely to the Shareholders. Our audit work has been undertaken so that we might state to the Shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

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Responsibilities of Directors for the consolidated financial statements

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

— the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
— implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
— assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

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

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
— to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

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

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

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

For and on behalf of:

KPMG

KPMG
Tauranga
19 March 2025

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Growers at heart