24 October 2025

Ms Alex Pullen
CFO
Brightsideco Insurance Limited
Suite 1A, Building E
24-32 Lexington Drive
BELLA VISTA NSW 2153
AUSTRALIA

Dear Alex

Review of Actuarial Information contained in the 2025 Financial Statements

Finity Consulting Pty Limited (Finity) has been asked by Brightsideco Insurance Limited (Brightsideco) to carry out a review of the 30 June 2025 actuarial information contained in the financial statements and to provide an opinion as to its appropriateness. This letter sets out the findings of our review, as required under Section 78 of the Insurance (Prudential Supervision) Act 2010 (the Act).

Pravesh Ponna is an employee of Finity and is the Appointed Actuary of Brightsideco. Pravesh Ponna and Finity have no relationship with Brightsideco apart from being a provider of actuarial services.

Brightsideco's policy is to seek and adopt the advice of the Appointed Actuary in respect of the actuarial information contained in the financial statements. We confirm that the financial statements as at 30 June 2025 have been prepared in accordance with this policy, and as such satisfy the requirements of the Act.

The actuarial information (and use thereof) that I have reviewed is as follows:

- Insurance contract liabilities (Liabilities for remaining coverage and Liabilities for incurred claims)
- Reinsurance contract assets (Assets for remaining coverage and Assets for incurred claims)
- Results of any tests for onerousness, as detailed in NZ IFRS17

My review process is as follows:

- I have checked that Brightsideco's estimates of the claim liabilities have been used appropriately in the financial statements.
- Where possible, checked consistency between assumptions and outputs from the insurance liability valuation to those shown in Brightsideco's financial accounts.

Having carried out my review, my opinion from an actuarial perspective is as follows:

- The actuarial information contained in the 2025 financial statements of Brightsideco has been appropriately included in those statements.
- The actuarial information used in the preparation of the 2025 financial statements of Brightsideco has been used appropriately.
- Brightsideco is maintaining the solvency margin that applies under a condition imposed under section 21(2)(b), noting that the required margin is $0.

I am not aware of any limitations placed on me in performing my review, and all data requested was provided. This report is based on the audited accounts of Brightsideco for the year ending June 2025.

This report is being provided for the sole use of Brightsideco for the purpose stated above. It is not intended, nor necessarily suitable, for any other purpose and should only be relied on the purpose for which it is intended.

Yours sincerely

Pravesh Ponna
Appointed Actuary
Fellow of the Institute of Actuaries of Australia

Brightsideco Insurance Limited
Registration Number 3315009

Annual Report for the year ended 30 June 2025

Brightsideco Insurance Limited

Annual report

For the year ended 30 June 2025

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Brightsideco Insurance Limited

Directors' Report

The Board of Directors (the "Board") present the annual report of Brightsideco Insurance Limited (the "Company") incorporating the financial statements and auditor's report for the year ended 30 June 2025.

With the agreement of the shareholder, the Company has taken advantage of reporting concessions available to it under Section 211 (3) of the Companies Act 1993.

Directors

The following persons were Directors of the Company during the financial year unless otherwise stated:

Simon Cook
Anthony Jones
David Goodsall
David Whyte

The following persons acted as alternate Directors for Simon Cook and Anthony Jones during the financial year:

Chantelle Lawes (alternate for Anthony Jones)
Graham Harris (alternate for Simon Cook)

Graham Harris ceased as Director for the Company on 19 August 2024.
Chantelle Lawes ceased as Director for the Company on 26 May 2025.

Registered Office

Grant Thornton Auckland Limited
L4, Grant Thornton House
152 Fanshawe Street
Auckland

Auditors

KPMG
18 Viaduct Harbour Ave
Auckland

Company details

Company incorporation number	3315009
Inland Revenue Department (IRD) number	106 701 792

Holding company

ICF Holdings Pty Limited ACN 115 419 844

Bankers

ANZ Banking Group (NZ) Limited
15 Mercari Way
Albany, Auckland

Solicitors

DLA Piper New Zealand
Level 15
15 Customs Street West, Auckland

Brightsideco Insurance Limited

Directors' Report (continued)

Principal activities

The Company provided warranty and insurance underwriting services during the course of the financial year. Effective 24 February 2023, the Reserve Bank of New Zealand ("RBNZ") modified the conditions of the Company's licence under the Insurance (Prudential Supervision) Act 2010 in response to the business being put into run-off on 24 August 2022.

Effective as at and from 1 July 2023, the RBNZ modified the Company's licence conditions in response to changes to the New Zealand accounting standard for insurance business and related updates to solvency standards and insurer data reporting.

Review of operations

The net loss after income tax for the year ended 30 June 2025 was ($43,000) (2024: ($173,000)).

In response to the Company's contract with Harvey Norman terminating on 31 July 2022, the business was put into run-off on 24 August 2022 with no new insurance risks being accepted after this date.

The actuarial forecasts as of 30 June 2025 show that the unearned premium will earn out at a favourable loss ratio. Together with cashflow and profit and loss forecasts, the Board have forecast that the Company can meet all future claim obligations.

Matters subsequent to the end of the financial year

There is, at the date of this Report, no matter or circumstance that has arisen since 30 June 2025 that has significantly affected, or may significantly affect:

a) the Company's operations in future financial years;
b) the results of those operations in future financial years; or
c) the Company's state of affairs in future financial years

The Company has applied NZ IFRS 17 Insurance Contracts ("NZ IFRS 17") for the reporting period. Given the Company's run-off status and the nature of its remaining portfolio, the Board and management are exploring if transition from the application of the General Measurement Model (GMM) to the Premium Allocation Approach (PAA) under NZ IFRS 17 may become appropriate. This reflects the simplified measurement permitted under the standard and the expected benefits of reduced complexity and cost in reporting during run-off.

Information on Directors in office at the date of this report

David Goodsall

David Goodsall is an Australian resident and was appointed to the Board on 1 April 2013. He is the chairman of the Audit and Risk Committee. Mr Goodsall is an actuary with extensive experience in the financial and risk management aspects of a wide range of Financial Services companies. He led the Actuarial Practice at Ernst & Young in Australia for many years before starting his own firm in 2009. David now advises Boards and management on strategic governance and was the Industry Representative and Member of the Life Code of Conduct Committee in Australia from its inception in July 2017 until August 2022.

David Whyte

David Whyte is a New Zealand resident and was appointed to the Board on 1 April 2013. David is a Chartered Member of the NZ Institute of Directors, has a postgraduate master's degree in Management and a postgraduate qualification in Corporate Governance from Waikato University. He is also a Fellow of Governance New Zealand Ltd. David chairs Strategi Group, the financial services industry's leading education provider, is a director of DCW Management Ltd, Provident Insurance Ltd, Kiwi Adviser Network Ltd, is a trustee of Foundation North, and advises a number of private clients on Corporate Governance matters. He is an Advisory Board member of Fairway - Financial Dispute Resolution Services Ltd.

Directors' Report (continued)

Information on Directors in office at the date of this report (continued)

Anthony Jones

Anthony Jones is the Chairman of the Board for ICF Holdings Pty Ltd and is a New Zealand resident. ICF Holdings Pty Ltd is the ultimate parent entity of the ICF Group which is head-quartered in Sydney, Australia. Brightsideco Insurance Limited is a 100% owned subsidiary of the ICF Group. The ICF Group has operations throughout Australia, New Zealand, Singapore, Malaysia, Ireland, Slovenia and Croatia and operates in the warranty administration and insurance underwriting business segments. He was appointed to the Board of Directors in April 2011.

In addition, Mr Jones also holds executive functions as General Manager of Operations for Abbott NZ Holdings Limited and as CEO for the Company. Mr Jones's experience includes underwriting, risk management and surveying, national account management and broking gained in international companies such as Vero Insurance, FAI Insurance, HIH Insurance and QBE Insurance.

Mr Jones has a Diploma of Financial Insurance from the ANZ Institute of Insurance & Finance.

Simon Cook

Simon Cook is a director of ICF Holdings Pty Limited and was ICF Group CEO for 8 years ending in 2015. Effective 1 July 2025, Mr Cook was appointed as Managing Director of the ICF Group. He is an Australian resident. He was appointed to the Board of Directors on 1 April 2011. Mr Cook has more than 25 years' experience in the insurance industry having worked for insurance companies, insurance agencies and then the ICF Group from 2004.

Mr Cook has a Diploma of Financial Insurance from the ANZ Institute of Insurance & Finance.

This report is made in accordance with a resolution of the Directors.

The Board of the Company authorised these financial statements for issue on 24 October 2025.

On behalf of the Board

David Whyte	David Goodsall
Director	Director
Date:	Date:

Brightsideco Insurance Limited

Corporate Governance Statement

Brightsideco Insurance Limited (the "Company") is incorporated in New Zealand.

The Company is a wholly owned subsidiary of ICF Holdings, Pty Ltd, an Australian privately owned company. The Company was previously a wholly owned subsidiary of ICF Holdings (NZ) Limited. ICF Holdings (NZ) Limited's ultimate parent was ICF Holdings Pty Ltd. During the current year, ICF Holdings (NZ) Limited was deregistered and its investment in the Company was transferred in specie to ICF Holdings Pty Ltd.

There are two independent directors, David Whyte and David Goodsall, and two non-independent directors, Simon Cook and Anthony Jones, who have been appointed to the Board.

The primary role of the Board is to provide effective governance of the Company's affairs and to protect the interests of its shareholder, whilst having regard for the interests of all stakeholders including policyholders, suppliers and the wider community.

The Board is accountable to its shareholder for the performance of the Company and has overall responsibility for the Company's operations.

This statement contains an outline of the principles, policies, procedures and practices that the Board and management have implemented to govern the operations of the Board and the Company.

In establishing this corporate governance framework, the Board has had regard to its responsibilities at law and various governance standards, including the Governance Guidelines for Licensed Insurers issued by the RBNZ in June 2011.

The Board has adopted a Board Charter, which sets out the principles for the operation of the Board and provides a description of the functions and responsibilities of the Board and the functions delegated to management.

The key functions of the Board are summarised below:

- Approve the strategic direction and related objectives of the Company;
- Consider and approve the Company's annual budget including revenue, profit, capital expenditure and cash flows, as proposed by management, ensuring appropriate resources are available to achieve the business objectives;
- Monitor the financial performance in the implementation and achievement of strategic and business objectives;
- Review and approve the Company's capital management policies and plans, having regard for the various liquidity, solvency and capital adequacy regulatory requirements applying to the Company;
- Approve and oversee the process developed by management to ensure business risks are identified;
- Approve systems of risk management, risk appetite, regulatory compliance and control and associated Company policies to manage those risks;
- Monitor management's implementation of, and compliance with, these systems and controls;
- Manage and assess the performance of the CEO, Anthony Jones;
- Assess the performance of the CEO and approve the CEO's assessment of the performance of each Executive; and

Corporate Governance Statement (continued)

- Determine and approve the level of authority to be delegated to the CEO in respect of operating expenditures, capital expenditures, credit facilities, and risk-taking and approve the further delegation of those authorities to management by the CEO.

The Board may also delegate certain powers, duties and responsibilities to one or more committees of the Board.

The Board is committed to the highest standards of ethical behaviour.

Board members are appointed in accordance with a documented process and all appointments are subject to shareholder approval. There is a formal procedure in place for evaluating the performance of the Board.

The Board has established an Audit and Risk Committee ("ARC") to assist and support the Board in the conduct of certain of its duties and responsibilities. The primary role of the ARC is to assist the Board in verifying and safeguarding the integrity of the Company's financial reporting, reviewing the solvency return and evaluating and improving the effectiveness of the control, risk management and governance processes. The terms of reference of the ARC are contained in a separate Board-approved charter. The members of the ARC are two independent directors, David Whyte and David Goodsall, two non-independent directors, Simon Cook and Anthony Jones, with full participation from the Company Secretary.

Various internal policies which form part of the Company's compliance framework also apply to Directors.

Brightsideco Insurance Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

In thousands of NZD	*Note*	2025	2024
Insurance revenue	*6*	4,478	8,227
Insurance service expense	*7*	(3,903)	(8,398)
Insurance service result before reinsurance contracts held		**575**	**(171)**
Allocation of reinsurance premiums		(2,383)	(3,858)
Amounts recoverable from reinsurers		1,971	4,183
Net expense from reinsurance contracts held		**(412)**	**325**
Insurance service result		**163**	**154**
Investment income	*8*	558	589
Net finance expenses from insurance contracts	*9*	(353)	(672)
Net finance income from reinsurance contracts	*9*	173	333
Net insurance finance result		**(180)**	**(339)**
Other operating expenses	*10*	(600)	(645)
Loss before tax		**(59)**	**(241)**
Income tax benefit	*11*	16	68
Loss for the year		**(43)**	**(173)**

Brightsideco Insurance Limited

Statement of financial position

As at 30 June 2025

In thousands of NZD	Note	2025	2024
Assets			
Cash and cash equivalents	*12*	787	4,126
Other receivables	*13*	530	621
Reinsurance contract assets (net of reinsurer default)	*18*	1,678	4,945
Investments	*14*	8,000	8,653
Total assets		**10,995**	**18,345**
Liabilities			
Other payables	*15*	185	285
Income tax payable	*16*	65	59
Deferred tax liability	*17*	78	180
Insurance contract liabilities	*18*	2,866	7,977
Total liabilities		**3,194**	**8,501**
Equity			
Issued capital	*19*	7,000	7,000
Retained earnings		801	2,844
Total equity		**7,801**	**9,844**
Total liabilities and equity		**10,995**	**18,345**

The notes on pages 10 to 39 are an integral part of these financial statements.

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Brightsideco Insurance Limited

Statement of changes in equity

For the year ended 30 June 2025

		Attributable to equity holders of the Company		
	Note	Share capital	Retained earnings	Total Equity
In thousands of NZD				
Balance at 1 July 2023		7,000	3,017	10,017
Total comprehensive income for the year				
Loss for the year		-	(173)	(173)
Total comprehensive income for the year		**-**	**(173)**	**(173)**
Balance at 30 June 2024		**7,000**	**2,844**	**9,844**
Balance at 1 July 2024		**7,000**	**2,844**	**9,844**
Total comprehensive income for the year				
Loss for the year		-	(43)	(43)
Dividend paid		-	(2,000)	(2,000)
Total comprehensive income for the year		**-**	**(2,043)**	**(2,043)**
Balance at 30 June 2025		**7,000**	**801**	**7,801**

The notes on pages 10 to 39 are an integral part of these financial statements.

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Brightsideco Insurance Limited

Statement of cash flows

For the year ended 30 June 2025

In thousands of NZD	Note	2025	2024
Cash flows from operating activities			
Premium paid		(5)	(21)
Reinsurance recoveries received		3,026	3,960
Claims and other expenses paid		(4,884)	(7,992)
Outward reinsurance premium expense received		2	10
Other operating payments		(525)	(1,245)
Cash utilised in operations		(2,386)	(5,288)
Income taxes paid		(59)	(25)
Net cash outflows from operating activities	12	**(2,445)**	**(5,313)**
Cash flows from investing activities			
Net decrease in investments		653	7,648
Interest income received		453	644
Net cash inflows from investing activities		**1,106**	**8,292**
Cash flows from financing activities			
Dividend paid		(2,000)	-
Net cash outflows from financing activities		**(2,000)**	-
Net (decrease)/increase in cash and cash equivalents		(3,339)	2,979
Cash and cash equivalents at beginning of year		4,126	1,147
Cash and cash equivalents at 30 June	12	**787**	**4,126**

The notes on pages 10 to 39 are an integral part of these financial statements.

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Brightsideco Insurance Limited

Notes to the financial statements

For the year ended 30 June 2025

1. Reporting entity

Brightsideco Insurance Limited (the "Company") is a company limited by shares, incorporated and domiciled in New Zealand and registered under the Companies Act 1993. With the implementation of the Insurance (Prudential Supervision) Act 2010 all insurance entities undertaking insurance business in New Zealand are required to be licensed by the RBNZ. The Company was granted a full license on 1 June 2013. As a result of being a licensed insurer, the Company is deemed to be an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA).

The Company was established to provide warranty underwriting services. These services commenced from 1 June 2013. The Company placed the business into run-off on 24 August 2022 and consequently the RBNZ modified the Company's licence conditions effective 24 February 2023. The RBNZ subsequently modified the Company's licence conditions effective 1 July 2023 in light of changes to the New Zealand accounting standard for insurance business and related updates to solvency standards and insurer data reporting.

The financial statements of the Company are for the year ended 30 June 2025 and were authorised for issue by the Directors on 24 October 2025.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as applicable for Tier 1 for-profit entities, and other applicable Financial Reporting Standards as appropriate to profit-oriented entities. The Company is a profit-oriented entity. The financial statements also comply with International Financial Reporting Standards (IFRS). The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and the FMCA and its financial statements comply with these Acts. The financial statements also comply, where relevant, with the Insurance (Prudential Supervision) Act 2010 and associated Regulations.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets, investments and insurance and reinsurance contracts as detailed in Note 4.

The Company has sufficient resources to meet all of its obligations as and when they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business. Additionally, the Company's level of capital exceeds RBNZ's requirements.

The Company was placed into run-off in August 2022 and has stopped underwriting new policies, with the date of expiry of the last policy on risk being July 2029. The Directors have not resolved to, and do not intend to, liquidate the Company or to cease operations in the foreseeable future, nor are facing a situation where they have no realistic alternative but to do so.

c) Functional and presentational currency

The financial statements are presented in New Zealand Dollars, which is the Company's functional currency. All financial information presented in New Zealand Dollar have been rounded to the nearest thousand dollars unless otherwise indicated.

d) Use of estimates and judgements

The preparation of a financial report in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. 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 about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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2. Basis of preparation (continued)

d) Use of estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about significant assumptions and estimates uncertainty are disclosed in Note 4 Material accounting policies.

3. Changes in material accounting policies

Except for the changes below, the Company has consistently applied the accounting policies as set out in Note 4 to all periods presented in these financial statements.

The Company has applied the Amendments to FRS 44 - Disclosure of Fees for Audit Firms' Services, effective for annual periods beginning on or after 1 July 2024. These amendments require more detailed disclosure of fees paid to the audit firm (and its network firms), categorised into: Audit and review of the financial statements; Other assurance services; Taxation services; and Other non-assurance services. Comparative information for the year ended 30 June 2024 has been restated in Note 22 Auditor's remuneration to conform to the new presentation. These amendments affect presentation and disclosures only and have no impact on the Company's financial position or performance.

4. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Recognition, measurement and presentation of Insurance and Reinsurance contracts

NZ IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual services margin (CSM).

The Company recognises groups of insurance contracts from the beginning of the coverage period. With effect from 1 August 2022, Harvey Norman no longer contracts insurance services from the Company. This means there are no additional groups of contracts that will be recognised in future. All groups of contracts have already commenced their coverage period. There is no opportunity for IFRS 17.25(c) to lead to recognition for onerous groups prior to coverage commencing.

Insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration. See Note 4 (h).

Insurance finance income and expenses are presented separately from insurance revenue and insurance service expenses.

The Company applies the GMM as it writes multi-year extended warranty insurance. This is the default method under NZ IFRS 17.

b) Transition to NZ IFRS 17

The Company initially adopted NZ IFRS 17 on 1 July 2024 applying the modified retrospective approach. No changes have been made to this approach in the current period.

4. Material accounting policies (continued)

c) Level of aggregation of Insurance and Reinsurance contracts

The Company has issued a single insurance contract in New Zealand for insuring the Harvey Norman extended warranty ("EW") product and Harvey Norman accidental damage ("AD") product. The contract is between the Company and Harvey Norman, and provides insurance protection to Harvey Norman in the event that Harvey Norman's customers make extended warranty or accidental damage claims.

The insurance contracts provide cover to Harvey Norman for multiple years of selling extended warranty business. Although there are differing product categories e.g. whites, browns and computers, the nature of the risk (manufacturing faults; Mechanical, electrical & electronical failure; Accidental Damage risk) are similar if not identical across each product category.

As there is a single contract there can only be a single portfolio. The Company has adopted a single portfolio, which is extended warranty business. The Company has adopted a single group, which contains the insurance contract.

d) Contract boundary and coverage periods of Insurance and Reinsurance contracts

The Company has a single ongoing contract with Harvey Norman. The contract provides cover for multiple underwriting years. The Company does not have the ability to reprice the contract. Therefore there is a single group covering multiple underwriting years.

e) Onerous Contracts

Each group, which comprises a single policy between the Company and Harvey Norman, can either be onerous or not onerous.

As the Company has adopted the GMM the fulfilment cashflows will be calculated for each group, and a CSM or a Loss Component will be calculated separately for each group.

f) Discounting of Insurance and Reinsurance contracts

The Company discounts insurance liabilities using a discount rate calculated from Commonwealth Government Bonds or NZ Government Bonds, with an allowance for an illiquidity premium.

The illiquidity premium is estimated based on existing Australian actuarial market practice, analysing the spread of a portfolio of A rated market traded corporate bonds between credit risk and illiquidity.

The yield curve used to discount cash flows that do not vary based on the returns on underlying items is 3.58% for 30 June 2025 (2024: 5.30%).

The same approach is applied for reinsurance recoveries.

g) Liability for Remaining Coverage and Liability for the Incurred Claims – Risk Adjustment

The Company sets the risk adjustment for the LIC and the LRC using a confidence interval approach. The net risk adjustment will provide a 75% probability of sufficiency which reflects the Company's compensation for risk. The Company will calculate the confidence level based on a distribution of claims cost outcomes that allows for non-financial risks.

The Company will establish both gross and reinsurance risk adjustments. The reinsurance risk adjustment will reflect the amount of risk transferred to the Company's reinsurer. The gross risk adjustment will equal the net risk adjustment plus the reinsurance risk adjustment.

4. Material accounting policies (continued)

h) Liability for Remaining Coverage and Liability for the Incurred Claims – Measurement Approach

The Company estimates the LIC and the LRC based on an actuarial assessment prepared for each annual balance date. The assessment includes:

- An unbiased central estimate of future cashflows.
- The cashflows will be discounted to allow for the time value of money.
- The liability will include a risk adjustment for non-financial risk.

The assessment is prepared using information available as at the reporting date.

The cashflows include all future cashflows linked to past service (for the LIC), and future service (for the LRC). These include:

- Future payments on reported incurred claims
- Future payments on incurred but not reported (IBNR) claims
- Future payments on future claims
- An allowance for claims handling and policy administration costs (although the allowance is nil as these costs are borne by a third party)
- Non-reinsurance recoveries
- Any relevant GST recoveries

The Company estimates an equivalent Asset for Incurred Claims and Asset for Remaining Coverage for the reinsurance contracts it holds, based on an actuarial assessment prepared for each annual balance date. The assessment includes cashflows that are relevant to reinsurance contracts held, such as expected reinsurance recoveries.

The Company also allows for non-performance risk for the reinsurance contracts held, which are estimated based on the credit rating and expected probability of default for reinsurance counterparties.

The Company recognises insurance revenue as equal to:

- Insurance service expenses (that is, the reduction in the Liability for Remaining Coverage during the period)
- The release of risk adjustment over the period
- The release of CSM over the period.

i) Liability for Remaining Coverage and Liability for the Incurred Claims – Contractual Services Margin

The Company adopts a coverage unit pattern that is equal over the term of each extended warranty. The overall coverage unit pattern is the weighted average (based on the premium collected) pattern across all extended warranty contracts sold. For practical purposes the coverage unit pattern calculation is prepared for each year of extended warranties issued.

4. Material accounting policies (continued)

j) Liability for Remaining Coverage and Liability for the Incurred Claims – Expenses including allocations

All expenses that relate to fulfilling insurance contracts are borne by a related party, Brightside Co Administration Services NZ Limited ("BCASNZ"). The Company does not incur any expenses that relate directly to the fulfilment of the insurance contracts, and does not pay BCASNZ. Therefore the Company does not include any claims management or policy administration costs in the fulfilment cashflows, and does not include any allocation of its own overhead costs to the fulfilment cashflows.

k) Revenue

i) Investment income

Interest income is recognised in the Statement of profit or loss and other comprehensive income when it accrues, using the effective interest method.

l) Assets backing underwriting liabilities

The assets backing warranty underwriting liabilities are those assets that, in the opinion of the directors would be required to cover the warranty underwriting liabilities plus an allowance for uncertainty.

Warranty underwriting liabilities are assessed by the directors utilising actuarial valuations and estimates to include liabilities for remaining coverage and liabilities for incurred claims (Note 4 (h)).

Underwriting assets are detailed in the accounts and include:

- Cash on hand via banks with an AA- credit rating per Standard and Poor's, a credit rating agency
- Term deposits via banks with an AA- credit rating per Standard and Poor's, a credit rating agency
- Reinsurance contract assets held at least a 50% quota share through reinsurers with an AA- credit rating per Standard and Poor's, a credit rating agency

m) Other receivables

Other receivables are initially measured at the transaction price, unless they contain significant financing components, when they are recognised at fair value, and are subsequently measured at amortised cost. Loss allowances on trade and other receivables are measured at an amount equal to lifetime expected credit losses.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits where the initial maturity is less than three months. Term deposits with an initial maturity of three months and more are classified as investments.

o) Impairment

The Company recognises loss allowances for expected credit losses on receivables. Loss allowances are measured at an amount equal to lifetime expected credit losses. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the receivable.

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4. Material accounting policies (continued)

p) Amortised cost measurement

The Company's investments comprise term deposits which are measured at their amortised cost, equivalent to face value. Interest is accrued over the term of the deposits and is paid periodically or at maturity.

q) Calculation of carrying amount

The carrying amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate computed at initial recognition of these financial assets. Receivables with a short duration are not discounted.

The unwinding of the discount from initial recognition of impairment through to recovery of the written down amount is recognised through interest income.

i) Reversals of impairment

An impairment loss for an asset is reversed in following periods if there are indications that the impairment loss previously recognised no longer exists or has decreased. The impairment loss is reversed, in the profit and loss, only to the extent that it increases the asset back to its original carrying amount before any impairment was recorded.

ii) Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit or loss and other comprehensive income.

r) Share capital

Ordinary shares are classified as equity. Any dividends are recognised as a liability in the financial period in which they are declared.

s) Provisions

A provision is recognised in the Statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

t) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

4. Material accounting policies (continued)

u) Income tax

Income tax on the profit or loss for the financial period comprises current and deferred tax. Income tax is recognised in the Statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous financial periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company is part of a tax consolidated group with members as at 30 June 2025 being South Pacific Warranty Services Ltd and Brightside Co Administration Services (NZ) Ltd.

v) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as a current asset or liability in the Statement of financial position.

w) New standards and interpretations effective in the current year

The following new standards became effective from 1 July 2024 but they do not have a material effect on the Company's financial statements:

Standard number	Topic	Applies to period beginning
Amendments to NZ IAS 1	Supplier finance arrangements	1 July 2024
Amendments to NZ IFRS 16	Lease Liability in a Sale and Leaseback	1 July 2024
Amendments to NZ IAS 7 and NZ IFRS 7	Disclosures of Supplier Finance Arrangements	1 July 2024

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4. Material accounting policies (continued)

x) New standards and interpretations in issue not yet effective

The following standards are not expected to have a material impact on the Company's financial statements in the period of initial application:

Standard number	Topic	Applies to period beginning
NZ IFRS 18 – Presentation and Disclosure	Enhances financial statement presentation and disclosure requirements, including new subtotals and management performance measures.	1 July 2027
NZ IFRS 9 & 7 – Classification & Measurement	Clarifies classification and measurement of financial instruments and related disclosures.	1 July 2026
Annual Improvements to NZ IFRS 2024	Minor amendments to various standards to address inconsistencies and clarify requirements.	1 July 2026
NZ IAS 21 – Lack of Exchangeability	Addresses accounting for situations where currency exchange is not freely available.	1 July 2025

The Company has not early adopted the new standards in preparing these financial statements.

5. Summary of significant actuarial methods and assumptions

Subsequent to the balance date, the Company changed its Appointed Actuary. Mr Andrew Cohen of Finity Consulting ceased this role on 31 July 2025, and Mr Pravesh Ponna of Finity Consulting was appointed effective from 1 August 2025.The transition was managed without disruption to the actuarial valuation process. There were no material changes to valuation methodologies or assumptions as a result of this change.

The effective date of the actuarial valuation of insurance contract liabilities is 30 June 2025. The liability valuation is documented in a report prepared by Mr Pravesh Ponna of Finity Consulting Pty Ltd, the Appointed Actuary for the Company. Mr Ponna has no financial interest or dealings with the Company other than fees paid in respect of the actuarial valuation. The Appointed Actuary is satisfied as to the nature, sufficiency and accuracy of the data used to determine the LIC and the LRC. The key assumptions used in the compilation of the reserves as at 30 June 2025 have been outlined in Note 18.

Section 77(1) of the Insurance (Prudential Supervision) Act 2010 requires the Appointed Actuary to review the actuarial information contained in, or used in the preparation of, the financial statements. The Appointed Actuary is satisfied that he has obtained all of the information and explanations required. He is satisfied that the actuarial information has been used appropriately in the preparation of the financial statements and included appropriately in the financial statements.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed in Note 4, with further discussion on key sources of uncertainty included below:

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5. Summary of significant actuarial methods and assumptions (continued)

i) Future claim costs

There is significant uncertainty associated with estimates of future claim costs. In particular, for retail warranty, the portfolio consists of multi-year contracts that cover technology which is continually changing, and for which often only limited (if any) claims experience is available on which to base modelling assumptions.

ii) Currency Risk

Most of the products covered by the extended retail warranty contracts are imported. Exchange rate fluctuations can have a material impact on the Company's average claim size, especially in the current environment where there is likely to be more volatility in exchange rates.

iii) Contract Coverage & Conditions

Uncertainty arises from the coverage changes associated with the switch during 2014 from the repair only portfolio to the replacement portfolio. The impact of moving to more replacement-focussed contracts on claim frequency is particularly uncertain.

iv) Inflation Risk

The current inflationary environment and potential for inflation to be at high levels for a sustained period of time poses an elevated risk at this valuation.

v) Run-off

Now that the portfolio is in run-off, there are potential impacts (both positive and negative) on claims experience due to operational changes both at the Company and Harvey Norman, as well as higher relative volatility as the liability size reduces.

6. Insurance revenue

In thousands of NZD	2025	2024
Contracts measured under the GMM		
Amounts relating to changes in liabilities for remaining coverage		
- Change in risk adjustment for non-financial risk for risk expired	648	823
- Expected incurred claims and other insurance service expenses	3,830	7,404
Total insurance revenue	4,478	8,227

7. Insurance service expense

In thousands of NZD	2025	2024
Incurred claims and other expenses	(4,108)	(7,740)
Losses on onerous contracts and reversals of those losses	205	(658)
	(3,903)	(8,398)

8. Investment income

In thousands of NZD	2025	2024
Interest income	558	589
	558	589

9. Net insurance finance income and expense

Insurance Contracts

In thousands of NZD	2025	2024
Finance income/(expenses) from insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions at start of period	(280)	(626)
Impact of changes in interest rates and other financial assumptions	(73)	(46)
Total finance income/(expenses) from insurance contracts issued	(353)	(672)

Reinsurance Contracts

In thousands of NZD	2025	2024
Finance income/(expenses) from reinsurance contracts		
Interest accreted to insurance contracts using current financial assumptions at start of period	140	312
Interest accreted to insurance contracts using locked-in rate	(4)	(3)
Impact of changes in interest rates and other financial assumptions	37	24
Total finance income/(expenses) from reinsurance contracts	173	333

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10. Other operating expenses

In thousands of NZD	Note	2025	2024
Operating expenses			
Audit and assurance fees	22	117	122
Professional service fees		122	168
Accounting and secretarial fees		5	4
Office & general expenses		88	83
Management services fees		268	268
		600	645

11. Income tax benefit

Numerical reconciliation between tax benefit and pre-tax net loss

In thousands of NZD	2025	2024
Loss before tax	(59)	(241)
Income tax benefit using the domestic corporation tax rate of 28%	(16)	(68)
Increase in income tax expense due to:		
Other differences	-	-
Income tax benefit	(16)	(68)

Recognised in the Statement of profit or loss and other comprehensive income

In thousands of NZD	2025	2024
Current tax (benefit)/expense		
Current year	86	60
Adjustment for prior periods	-	-
	86	60
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(102)	(128)
Total income tax benefit in Statement of profit or loss and other comprehensive income	(16)	(68)

Imputation credit account

The Company is a member of a New Zealand tax consolidated Group.

The imputation balance as 30 June 2025 available to the Group is $945 (2024: $2,557,965).

12. Cash and cash equivalents

In thousands of NZD	2025	2024
Bank balances	787	4,126
	787	4,126

Reconciliation of cash flows from operating activities

In thousands of NZD	2025	2024
Loss before income tax	(59)	(241)
Adjustments for:		
Investment income	(558)	(589)
Operating loss before changes in working capital and provisions	(617)	(830)
Changes in:		
- Insurance and reinsurance contracts	(1,844)	(3,858)
- Receivables	175	(335)
- Payables	(100)	(265)
Cash used in operating activities	(2,386)	(5,288)
Income taxes paid	(59)	(25)
Net cash outflows from operating activities	(2,445)	(5,313)

13. Other receivables

In thousands of NZD	*Note*	2025	2024
Current			
Receivables due from related parties	*21*	200	375
Other receivables		330	246
		530	621

14. Investments

In thousands of NZD	2025	2024
Current	8,000	7,053
Non-current	-	1,600
	8,000	8,653

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15. Other payables

In thousands of NZD	Note	2025	2024
Payables due to related parties	21	9	24
Other payables		176	261
		185	285

16. Income tax payable

In thousands of NZD	2025	2024
Income tax payable	65	59
	65	59

The current tax payable for the Company represents the amount due to the Inland Revenue Department.

17. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

2025

In thousands of NZD	Assets	Liabilities	Net
Difference in accounting base vs tax base re IFRS 17	-	(78)	(78)
Net tax liabilities	-	(78)	(78)

2024

In thousands of NZD	Assets	Liabilities	Net
Difference in accounting base vs tax base re IFRS 17	-	(180)	(180)
Net tax liabilities	-	(180)	(180)

Movement in temporary differences during the period

2025

In thousands of NZD	Opening Balance	Utilised in tax group	Recognised In Income	Closing Balance
Difference in accounting base vs tax base re IFRS 17	(180)	-	102	(78)
	(180)	-	102	(78)

2024

In thousands of NZD	Opening Balance	Utilised in tax group	Recognised In Income	Closing Balance
Difference in accounting base vs tax base re IFRS 17	(308)	-	128	(180)
	(308)	-	128	(180)

18. Insurance and reinsurance contracts

Insurance Contracts

Analysis by liability for remaining coverage and liability for incurred claims (GMM)

The roll-forward of the net asset and liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below:

For the year ended 30 June 2025
In thousands of NZD

	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Insurance contract liabilities as at 30 June 2024	6,461	701	815	7,977
Net insurance contract liabilities as at 30 June 2024	6,461	701	815	7,977
Changes in the statement of profit and loss or other comprehensive income				
Insurance revenue				
- Contracts under the modified retrospective approach	(4,478)	-	-	(4,478)
Insurance service expenses				
- Incurred claims and other expenses	-	(487)	4,595	4,108
- Losses on onerous contracts and reversals of those losses	-	(205)	-	(205)
Insurance service result	(4,478)	(692)	4,595	(575)
Insurance finance expenses	304	33	16	353
Total changes in the statement of profit or loss or OCI	(4,174)	(659)	4,611	(222)
Cash flows				
Premiums received	(5)	-	-	(5)
Claims and other expenses paid	-	-	(4,884)	(4,884)
Total cash flows	(5)	-	(4,884)	(4,889)
Net insurance contract liabilities as at 30 June 2025	2,282	42	542	2,866

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18. Insurance and reinsurance contracts (continued)

Insurance Contracts (continued)

Analysis by liability for remaining coverage and liability for incurred claims (GMM) (continued)

The roll-forward of the net asset and liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below:

For the year ended 30 June 2024
In thousands of NZD

	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Insurance contract liabilities as at 30 June 2023	14,061	95	991	15,147
Net insurance contract liabilities as at 30 June 2023	14,061	95	991	15,147
Changes in the statement of profit and loss or other comprehensive income				
Insurance revenue				
- Contracts under the modified retrospective approach	(8,227)	-	-	(8,227)
Insurance service expenses				
- Incurred claims and other expenses	-	(56)	7,796	7,740
- Losses on onerous contracts and reversals of those losses	-	658	-	658
Insurance service result	(8,227)	602	7,796	171
Insurance finance expenses	647	4	21	672
Total changes in the statement of profit or loss or OCI	(7,580)	606	7,817	843
Cash flows				
Premiums received	(20)	-	-	(20)
Claims and other expenses paid	-		(7,993)	(7,993)
Total cash flows	(20)	-	(7,993)	(8,013)
Net insurance contract liabilities as at 30 June 2024	6,461	701	815	7,977

18. Insurance and reinsurance contracts (continued)

Reinsurance Contracts

Analysis by assets for remaining coverage and asset for incurred claims (GMM)

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims ceded to reinsurers is disclosed in the table below:

For the year ended 30 June 2025
In thousands of NZD

	Assets for remaining coverage		Assets for incurred claims	Total
	Excluding loss-recovery component	Loss-recovery component		
Reinsurance contract assets as at 30 June 2024	3,329	350	1,266	4,945
Net reinsurance contract assets as at 30 June 2024	3,329	350	1,266	4,945
Net income/(expenses) from reinsurance contracts held				
Allocation of reinsurance premiums paid				
- Contracts under the modified retrospective approach	(2,383)	-	-	(2,383)
Amounts recoverable from reinsurers for incurred claims				
- Recoveries of incurred claims and other insurance service expenses	-	-	2,298	2,298
- Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(329)	-	(329)
Effect of changes in non-performance risk of reinsurers	2	-	-	2
Net income/(expenses) from reinsurance contracts	(2,381)	(329)	2,298	(412)
Net finance income/(expenses) from reinsurance contracts	165	-	8	173
Total changes in the statement of profit or loss or OCI	(2,216)	(329)	2,306	(239)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	(2)	-	-	(2)
Reinsurance recoveries received	-	-	(3,026)	(3,026)
Total cash flows	(2)	-	(3,026)	(3,028)
Net reinsurance contract assets as at 30 June 2025	1,111	21	546	1,678

18. Insurance and reinsurance contracts (continued)

Reinsurance Contracts (continued)

Analysis by assets for remaining coverage and asset for incurred claims (GMM) (continued)

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims ceded to reinsurers is disclosed in the table below:

For the year ended 30 June 2024
In thousands of NZD

	Assets for remaining coverage		Assets for incurred claims	Total
	Excluding loss-recovery component	Loss-recovery component		
Reinsurance contract assets as at 30 June 2023	6,872	47	1,338	8,257
Net reinsurance contract assets as at 30 June 2023	6,872	47	1,338	8,257
Net income/(expenses) from reinsurance contracts held				
Allocation of reinsurance premiums paid				
- Contracts under the modified retrospective approach	(3,858)	-	-	(3,858)
Amounts recoverable from reinsurers for incurred claims				
- Recoveries of incurred claims and other insurance service expenses	-	-	3,878	3,878
- Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	303	-	303
Effect of changes in non-performance risk of reinsurers	2	-	-	2
Net income/(expenses) from reinsurance contracts	(3,856)	303	3,878	325
Net finance income/(expenses) from reinsurance contracts	323	-	10	333
Total changes in the statement of profit or loss or OCI	(3,533)	303	3,888	658
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	(10)	-	-	(10)
Reinsurance recoveries received	-	-	(3,960)	(3,960)
Total cash flows	(10)	-	(3,960)	(3,970)
Net reinsurance contract assets as at 30 June 2024	3,329	350	1,266	4,945

18. Insurance and reinsurance contracts (continued)

Insurance Contracts

Analysis by measurement component (GMM)

The roll-forward of the net asset and liability for insurance contracts issued, measured under the GMM, is disclosed in the table below:

For the year ended 30 June 2025

In thousands of NZD

	Estimates of the present value of future cash flows	Risk adjustment	CSM Contracts under the modified retrospective approach	Other contracts	Total
Insurance contract liabilities as at 30 June 2024	6,936	1,041	-	-	7,977
Net insurance contract liabilities as at 30 June 2024	6,936	1,041	-	-	7,977
Changes in the statement of profit and loss or other comprehensive income					
Changes that relate to current services					
Change in risk adjustment for non-financial risk for risk expired	-	(648)	-	-	(648)
Experience adjustments	278	-	-	-	278
Changes that relate to future services					
Changes in estimates that result in losses and reversals of losses on onerous contracts	(195)	(10)	-	-	(205)
Changes that relate to past services					
Adjustment for liabilities for incurred claims	34	(34)	-	-	-
Insurance service result	117	(692)	-	-	(575)
Insurance finance expenses	308	45			353
Total changes in the statement of profit or loss or OCI	425	(647)	-	-	(222)
Cash flows					
Premiums received	(5)	-	-	-	(5)
Claims and other expenses paid	(4,884)	-	-	-	(4,884)
Total cash flows	(4,889)	-	-	-	(4,889)
Net insurance contract liabilities as at 30 June 2025	2,472	394	-	-	2,866

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18. Insurance and reinsurance contracts (continued)

Insurance Contracts (continued)

Analysis by measurement component (GMM) (continued)

The roll-forward of the net asset and liability for insurance contracts issued, measured under the GMM, is disclosed in the table below:

For the year ended 30 June 2024

In thousands of NZD

	Estimates of the present value of future cash flows	Risk adjustment	CSM Contracts under the modified retrospective approach	Other contracts	Total
Insurance contract liabilities as at 30 June 2023	13,642	1,501	4	-	15,147
Net insurance contract liabilities as at 30 June 2023	13,642	1,501	4	-	15,147
Changes in the statement of profit and loss or other comprehensive income					
Changes that relate to current services					
Change in risk adjustment for non-financial risk for risk expired	-	(823)	-	-	(823)
Experience adjustments	335	-	-	-	335
Changes that relate to future services					
Changes in estimates that adjust the CSM	4	1	(4)	-	1
Changes in estimates that result in losses and reversals of losses on onerous contracts	369	289	-	-	658
Changes that relate to past services					
Adjustment for liabilities for incurred claims	(6)	6	-	-	-
Insurance service result	702	(527)	(4)	-	171
Insurance finance expenses	605	67	-	-	672
Total changes in the statement of profit or loss or OCI	1,307	(460)	(4)	-	843
Cash flows					
Premiums received	(21)	-	-	-	(21)
Claims and other expenses paid	(7,992)	-	-	-	(7,992)
Total cash flows	(8,013)	-	-	-	(8,013)
Net insurance contract liabilities as at 30 June 2024	6,936	1,041	-	-	7,977

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18. Insurance and reinsurance contracts (continued)

Reinsurance Contracts

Analysis by measurement component (GMM)

The roll-forward of the net asset and liability for reinsurance contracts issued, measured under the GMM, is disclosed in the table below:

For the year ended 30 June 2025 *In thousands of NZD*	**Estimates of the present value of future cash flows**	**Risk adjustment**	**CSM Contracts under the modified retrospective approach**	**Other contracts**	**Total**
Reinsurance contract assets as at 30 June 2024	4,324	519	102	-	4,945
Net reinsurance contract assets as at 30 June 2024	4,324	519	102	-	4,945
Changes in the statement of profit and loss or other comprehensive income					
Changes that relate to current services					
CSM recognised for services provided	-	-	97	-	97
Change in risk adjustment for non-financial risk for risk expired	-	(324)	-	-	(324)
Experience adjustments	142	-	-	-	142
Changes that relate to future services					
Changes in recoveries of losses on onerous contracts that adjust the CSM	-	-	(329)	-	(329)
Changes in estimates that adjust the CSM	(98)	(5)	103	-	-
Changes that relate to past services					
Adjustment for assets for incurred claims	17	(17)	-	-	-
Effects of changes in non-performance risk of reinsurers	2	-	-	-	2
Net income/(expenses) from reinsurance contracts	63	(346)	(129)	-	(412)
Net finance income/(expenses) from reinsurance contracts	154	23	(4)	-	173
Total changes in the statement of profit or loss or OCI	217	(323)	(133)	-	(239)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(2)	-	-	-	(2)
Reinsurance recoveries received	(3,026)	-	-	-	(3,026)
Total cash flows	(3,028)	-	-	-	(3,028)
Net reinsurance contract assets as at 30 June 2025	1,513	196	(31)	-	1,678

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18. Insurance and reinsurance contracts (continued)

Reinsurance Contracts (continued)

Analysis by measurement component (GMM) (continued)

The roll-forward of the net asset and liability for reinsurance contracts issued, measured under the GMM, is disclosed in the table below:

For the year ended 30 June 2024
In thousands of NZD

	Estimates of the present value of future cash flows	Risk adjustment	CSM Contracts under the modified retrospective approach	Other contracts	Total
Reinsurance contract assets as at 30 June 2023	7,644	747	(134)	-	8,257
Net reinsurance contract assets as at 30 June 2023	7,644	747	(134)	-	8,257
Changes in the statement of profit and loss or other comprehensive income					
Changes that relate to current services					
CSM recognised for services provided	-	-	265	-	265
Change in risk adjustment for non-financial risk for risk expired	-	(410)	-	-	(410)
Experience adjustments	165	-	-	-	165
Changes that relate to future services					
Changes in recoveries of losses on onerous contracts that adjust the CSM	-	-	303	-	303
Changes in estimates that adjust the CSM	184	145	(329)	-	-
Changes that relate to past services					
Adjustment for assets for incurred claims	(4)	4	-	-	-
Effects of changes in non-performance risk of reinsurers	2	-	-	-	2
Net income/(expenses) from reinsurance contracts	347	(261)	239	-	325
Net finance income/(expenses) from reinsurance contracts	303	33	(3)	-	333
Total changes in the statement of profit or loss or OCI	650	(228)	236	-	658
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(10)	-	-	-	(10)
Reinsurance recoveries received	(3,960)	-	-	-	(3,960)
Total cash flows	(3,970)	-	-	-	(3,970)
Net reinsurance contract assets as at 30 June 2024	4,324	519	102	-	4,945

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18. Insurance and reinsurance contracts (continued)

The following table sets out how the remaining CSM is expected to be recognised in profit or loss after the reporting date for contracts measured under GMM.

Insurance Contracts

In thousands of NZD	2025	2024
Less than one year	-	-
One to two years	-	-
Two to three years	-	-
Three to four years	-	-
Four to five years	-	-
More than five years	-	-
Total	-	-

Reinsurance Contracts

In thousands of NZD	2025	2024
Less than one year	(24)	70
One to two years	(6)	24
Two to three years	(1)	7
Three to four years	-	1
Four to five years	-	-
More than five years	-	-
Total	(31)	102

The following table summarises how profit or loss and equity (net of tax effect) would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities after risk mitigation by reinsurance and assumes that all other variables remain constant.

	Movement in variable	Impact on profit or loss	
In thousands of NZD		2025	2024
Average Claim Size	+10.0%	(118)	(365)
	-10.0%	118	365
Claim Frequency	+10.0%	(118)	(365)
	-10.0%	118	365
Cancellation Rate	+10.0%	11	29
	-10.0%	(11)	(29)
Inflation Rate	+1.0%	(14)	(47)
	-1.0%	14	46
Discount Rate	+1.0%	11	37
	-1.0%	(12)	(38)
Expenses	+1.0%	(12)	(36)
	-1.0%	12	36
Risk Adjustment	+1.0%	(10)	(32)
	-1.0%	10	32

18. Insurance and reinsurance contracts (continued)

The following assumptions have been made in assessing adequacy of the insurance liabilities

Insurance Liability Assumptions

Assumption	2025	2024
Undiscounted mean term (years)	1.04	1.11
Discounted mean term (years)	1.00	1.07
Salvage Overheads[1]	35.00%	35.00%
Risk adjustment (75% probability of sufficiency)	16.00%	15.00%
Total claims inflation	3.00%	3.00%
Discount rate	3.58%	5.30%

1 Applied to future salvage recoveries (net of reinsurance).

19. Equity

Share capital

In thousands

	2025	2024
On issue at 1 July	7,000	7,000
Issued for cash (number of shares)	-	-
On issue at 30 June	7,000	7,000

Issued at NZ$1.00 per share.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

The Company meets all capital adequacy requirements specified by the RBNZ.

Capital Management

The capital management strategy of the Company is to optimise shareholder value by managing the level, mix and use of capital resources. The main objectives are to ensure sufficient capital resources to maintain the business and operational requirements, retain sufficient capital to exceed externally imposed capital requirements, and ensure the entity's ability to continue as a going concern. The Company's capital policy is to hold all surplus capital in bank deposits with bank credit ratings of a minimum of AA-.

The Company's capital includes contributed equity on the statement of financial position of $7,000,000 (2024: $7,000,000).

During the year ended 30 June 2025, the Company paid a dividend of $2,000,000 to its shareholder (2024: nil). This dividend payment was made in accordance with the Company's capital management objectives and policies.

There were no other changes in the Company's approach to capital management during the year.

The Company has embedded in its capital management framework the necessary tests to ensure compliance with the *Interim Solvency Standard 2023,* as amended, issued by the RBNZ in December 2024.

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19. Equity (continued)

Capital Management (continued)

The Company's ARC oversees the computations and capital solvency is carefully monitored against the Company's capital management plan. In addition, the Company manages the required level of capital through maintaining its investment strategy and its reinsurance quota share.

The Company manages its capital by considering regulatory requirements. The primary source of capital used is total equity attributable to owners. Total equity attributable to owners equates to "capital" as defined in the solvency standard and shown below.

The parent entity, ICF Holdings (NZ) Limited, had provided a guarantee to the Company stipulating that if the solvency margin fell below 115%, it would automatically inject new capital of up to $1,000,000. This guarantee was for a fixed seven-year term expiring on 14 October 2029. During the year, ICF Holdings (NZ) Limited was dissolved, and its investment in the Company was transferred to the ultimate parent, ICF Holdings Pty Limited. In accordance with the termination clause of the Deed of Guarantee, which states that the guarantee and obligations terminate if the subsidiary ceases to be a wholly owned subsidiary of the guarantor, the guarantee automatically terminated upon the dissolution of ICF Holdings (NZ) Limited. The ultimate parent, ICF Holdings Pty Limited, has not provided any new guarantee or similar financial support to the Company following this change, on the basis of the strong solvency position of the Company.

Regulatory capital is made up of two components, actual solvency capital and minimum solvency capital, with the difference representing the solvency margin. The calculation of the solvency margin for the Company is detailed below:

Summary of Solvency position 2025

In thousands of NZD

	2025	2024
Balance Sheet capital	7,801	9,844
Adjustments to insurance items	(104)	(407)
Solvency Capital	7,697	9,437
Risk Capital Charges		
insurance risk capital charge	337	747
market risk capital charge	18	53
credit risk capital charge	156	183
operational risk capital charge	64	59
other capital charges	1,184	1,137
Subtotal of risk capital charges	1,759	2,179
Prescribed capital requirement	5,000	5,000
Solvency Margin	2,697	4,437
Solvency Ratio	154%	189%

The 2025 Solvency Margin has been calculated in accordance with the Reserve Bank of New Zealand's *Interim Solvency Standard 2023*, as amended, issued by the RBNZ in December 2024.

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19. Equity (continued)

Capital Management (continued)

The Reserve Bank of New Zealand granted the Company an exemption in February 2023 from the requirement to maintain a current financial strength rating under Section 60(2A) of the *Insurance (Prudential Supervision) Act 2010*. Following the granting of this exemption, the Company ceased being rated by A.M. Best.

20. Financial instruments & risk management

A. Financial Risk Management

The activities of the Company expose it to the following financial risks:
- Credit risk
- Liquidity risk
- Operational risk
- Market risk (include currency risk, cash flow and fair value interest rate risk)

The Company has developed, implemented and maintains Investment and Capital Management Strategies to minimise potential adverse impacts upon the financial performance of the Company arising from financial market volatility.

The key objective of the Company's asset and liability management strategy is to ensure sufficient liquidity is maintained at all times to meet the Company's obligations, including its settlement of insurance liabilities.

Credit Risk
Credit risk relates to the possibility of default by transactional counterparties as well as the loss of value of assets due to the deterioration in credit quality. The Company's credit risk arises predominantly from investments and reinsurance contract assets. The Company does not have exposure to credit risk from insurance contracts because all premiums are received at inception.

Other receivables
The credit risk exposure of the Company is non-repayment of the carrying amounts of the financial assets.

Reinsurance Recoveries
The credit risk exposure on reinsurance recoveries is reduced by only dealing with AA- rated reinsurers as rated by Standard & Poor's or Moody's.

Investments and cash
The Company limits its exposure to credit risk by only investing in term deposits and only with counterparties that have a credit rating of at least AA- from Standard & Poor's or Moody's equivalent. The counterparty banks with which these term deposits are held are rated AA-.

20. Financial instruments & risk management

A. Financial Risk Management (continued)

Other receivable ageing

In thousands of NZD	0 to 30 Days	31-60 Days	61-90 Days	91+ Days	Total
2025					
Other receivables	102	203	13	212	530
Total Other Receivables	102	203	13	212	530
2024					
Other receivables	73	-	-	548	621
Total Other Receivables	73	-	-	548	621

Lifetime expected credit losses recognised against other receivable balances were immaterial.

Credit Exposures

The table below provides information regarding the credit risk exposure of the Company by classifying investments according to Standard and Poor's credit ratings of the counterparties. Trade and other receivables are not rated because of their short term nature and the lack of any singularly material debtors. AAA is the highest possible rating. As at 30 June 2025 the Company did not hold any rated financial assets with a Standard and Poor's credit rating below AA-.

2025 *In thousands of NZD*	AA- rated	Not rated	Total
Financial Assets			
Cash and cash equivalents	787	-	787
Investments	8,000	-	8,000
Reinsurance contract assets	1,678	-	1,678
Other receivables	326	204	530
	10,791	204	10,995

2024 *In thousands of NZD*	AA- rated	Not rated	Total
Financial Assets			
Cash and cash equivalents	4,126	-	4,126
Investments	8,653	-	8,653
Reinsurance contract assets	4,945	-	4,945
Other receivables	242	379	621
	17,966	379	18,345

20. Financial instruments & risk management (continued)

A. Financial Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management of liquidity risk includes asset and liability management strategies. The assets held to back insurance liabilities consist predominantly of cash deposits. The cash deposits are managed so as to principally match the maturity profile of the cash deposits with the expected pattern of claims payments or liability settlements.

Maturity Profiles

The table below summarises the maturity profile of the financial liabilities of the Company based on remaining undiscounted contractual obligations, except for insurance and reinsurance contracts, when maturity profiles are determined on the discounted estimated timing of net cash outflows. Repayments which are subject to notice are treated as if notice were to be given immediately.

	Maturity Periods In Years				
In thousands of NZD	**1**	**2**	**3**	**4-10**	**Total**
2025					
Financial Liabilities					
Other payables	(185)	-	-	-	(185)
	(185)	-	-	-	(185)

	Maturity Periods In Years				
In thousands of NZD	**1**	**2**	**3**	**4-10**	**Total**
2024					
Financial Liabilities					
Other payables	(285)	-	-	-	(285)
	(285)	-	-	-	(285)

20. Financial instruments & risk management (continued)

A. Financial Risk Management (continued)

Maturity Profiles (continued)

The following table summarises the maturity profile of groups of insurance contracts issued that are liabilities and groups of reinsurance contracts held that are assets based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Maturity Periods In Years					
In thousands of NZD	1 year	1-2 years	2-3 years	4-5 years	>5 years	Total
2025						
Insurance & Reinsurance contracts						
Insurance contracts issued that are liabilities	1,688	512	143	80	49	2,472
Reinsurance contracts held that are assets	1,121	256	72	40	24	1,513

	Maturity Periods In Years					
In thousands of NZD	1 year	1-2 years	2-3 years	4-5 years	>5 years	Total
2024						
Insurance & Reinsurance contracts						
Insurance contracts issued that are liabilities	4,287	1,774	606	197	72	6,936
Reinsurance contracts held that are assets	3,000	887	303	98	36	4,324

Market Risk

Market risk is the risk that changes in security market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. The Company has no material exposure to market revaluation of financial instruments.

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20. Financial instruments & risk management (continued)

A. Financial Risk Management (continued)

Cash flow sensitivity analysis for interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The impact of a 1% uplift or reduction in market interest rates would impact pre-tax profit as follows:

In thousands of NZD		Movement in market interest rates	
		Minus 1.0%	Plus 1.0%
Pre-tax impact on profit	2024	(166)	165
Pre-tax impact on profit	2025	(100)	99

B. Risk management objectives and policies for mitigating insurance risks

(i) Objectives

The Company's objectives and policies in respect of managing insurance risks are:

- Understanding insurance risk so as to ensure that claims management reduce any risk of loss.
- Measuring the frequency and severity of possible insurance risk loss events.
- Treating insurance risk with controls designed to assure that any changes in trends or loss patterns are identified at the earliest time via rigorous analysis of detailed monthly claim and loss ratio data.
- Protecting the Company by holding at least 50% reinsurance with AA- rated reinsurers.
- Understanding risks associated with run-off and designing risk management structures in light of the run-off state of the business.

(ii) Concentrations of insurance risk

Please refer to Note 4 c) and Note 4 d).

(iii) Exposure to risk

The Company manages claims in order to mitigate insurance risk primarily through:

- Detailed monthly management reporting on claims costs which may identify a need for changes to pricing or claim management processes
- Detailed analysis of claims cost by manufacturer, model and fault type to identify at the earliest time any recurrent problem that may be recoupable from manufacturers or require discontinuation of future warranty sales for that particular product
- Monthly reporting of all loss ratios including analysis of frequency and severity which may identify a need for changes to pricing or claim management processes.
- As the portfolio runs-off, there are potential impacts (both positive and negative) on claims experience due to operational changes both at the Company and Harvey Norman, as well as a higher risk margin percentage loading reflecting a smaller portfolio size. The risk adjustment was increased from 15% to 16% for the 30 June 2025 valuation to reflect the increased volatility that comes with diminishing liabilities.

21. Related parties

For the year ended 30 June 2025 the Company had an agreement with a related party, Brightside Co Administration Services (NZ) Limited (BCASNZ) to administer premium collection and settle warranty claims on behalf of the Company, as part of its warranty services business. These balances are non-interest bearing and will be settled in cash.

At the statement of financial position date, the Company was owed $200,000 including GST (2024: $375,000) by BCASNZ in relation to a claims float advanced.

At the statement of financial position date, the Company owed $8,526 (2024: $17,762) to BCASNZ.

For the year ended 30 June 2025 warranty claims settled gross of reinsurance on behalf of the Company by BCASNZ totalled $4,883,756 (2024: $7,992,516).

The Company paid a related entity, PCASA Operations Pty Limited (PCASA), for finance and IT services during the year ended 30 June 2025 the amount of $267,695 (2024: $267,695).

At the statement of financial position date, the Company owed $Nil (2024: $6,267) to PCASA.

22. Auditor's remuneration

In thousands of NZD	2025	2024
Audit services		
Audit of the financial statements	107	111
Audit related services[1]	10	11
	117	122

Figures above include fees paid to the audit firm and other member firms within the same network.

Amounts are stated exclusive of GST.

[1]This includes fees in relation to assurance over the Annual Solvency Return.

23. Commitments

There were no commitments as at 30 June 2025 (2024: $Nil).

24. Subsequent events

No significant events have occurred subsequent to the balance sheet date.

Independent Auditor's Report

To the shareholder of Brightsideco Insurance Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 30 June 2025;
- the statements of profit or loss and 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 financial statements of Brightsideco Insurance Limited (the **Company**) on pages 6 to 39 present fairly in all material respects the Company's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

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

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (**IESBA Code**), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Our firm has provided other services to the Company in relation to a reasonable assurance engagement over the Company's Annual Solvency Return as at 30 June 2025. Subject to certain restrictions, partners and employees of our firm may also deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company. These matters have not impaired our independence as auditor of the Company.

Key audit matters

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

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

The key audit matter	How the matter was addressed in our audit
Valuation of insurance contract liabilities **Liability for Incurred Claims ("LIC") ($0.5 million)** **Liability for Remaining Coverage ("LRC") ($2.3 million)**	
Refer to Note 4 and 18 to the financial statements. The Company's insurance contract liabilities represent a significant proportion of its total liabilities and assets. Insurance contract liabilities comprised of the LIC and the LRC. Insurance contract liabilities are measured under NZ IFRS 17 *Insurance Contracts* (**NZ IFRS 17**), and the Company has adopted the General Measurement Model (**GMM**) for measurement. The LRC comprises fulfilment cashflows of services to be provided under groups of insurance contracts, inclusive of a loss component where insurance contracts are onerous. The LIC comprises fulfilment cashflows related to past services provided under groups of insurance contracts which have not yet been paid, including claims that have been incurred but not reported (**IBNR**). This balance is also inclusive of a risk adjustment for non-financial risk, and is adjusted to reflect the time value of money. We considered the valuation of insurance contract liabilities to be a key audit matter due to the significant judgement required by the Company in estimating future cash flows. These estimates are inherently uncertain and require specific audit and actuarial expertise to evaluate complex and subjective actuarial methodologies, judgements and assumptions. Key elements of uncertainty and judgement relate to the following: - The valuation of the LIC involved a high level of judgement in estimating future payments for claims incurred, including case estimates for reported claims, and claims IBNR. - Judgement is required when considering the application of historical experience of claims development to determine current estimates, and there is greater variability between the original estimation and the ultimate settlement of claims where there is a long delay between the claim being incurred and the ultimate settlement date.	We involved our actuarial specialists and performed audit procedures, which included: • assessing management's methodology for identification of facts and circumstances indicating onerous contracts; • identifying and assessing management's judgements and process to determine the key methodologies and assumptions, including the governance process, including: — claims development factors; — loss ratios and expected loss ratios; — discount rates; and — risk adjustment; • assessing the selection of methods and key assumptions applied in the valuation of incurred claims liabilities, including any changes thereto from previous periods. Challenging the actuarial methods and key assumptions by: — analysing the accuracy of previous estimates; — comparing key assumptions to the broader insurance industry, and previous periods; and — comparing claims assumptions in setting the IBNR based on historical experience to previous and current period claims experience; • sample testing of the key qualitative claims information that is used by the Company's Appointed Actuary (**AA**) to form their valuation assumptions; • assessing the Company's risk adjustment methodology and the assumptions used; • evaluating the Company's AA's methodologies for consistency with those used in the industry and with prior periods; • testing material reinsurance contracts to check that recoveries recognised in the financial statements align with the terms of those contracts and the

The key audit matter	How the matter was addressed in our audit
- The estimation of claims at the reporting date relies on the integrity of the underlying data, including claims payments and individual estimates of unsettled claims. - Determination of the discount rate applied to adjust the liability for the time value of money is subjective, and involves judgement from management. - The risk adjustment is also a key area of judgement given it is intended to reflect the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows associated with insurance contracts that arise from non-financial risks.	amount of the respective insurance contract liability; and • evaluating the adequacy of disclosures in accordance with the requirements of NZ IFRS 17, and reconciling the disclosures to underlying accounting records and supporting actuarial data.
Valuation of reinsurance contract assets **Asset for Incurred Claims ($0.5 million)** **Asset for Remaining Coverage ($1.1 million)**	
Refer to Note 4 and 18 to the financial statements. The Company has reinsurance cover in the form of a Quote Share agreement. The valuation of reinsurance contract assets is a key audit matter due to the following factors: • the significant judgement applied in valuing the associated insurance contract liabilities that have been reinsured; • the risk of non-performance by the reinsurer; and • the reinsurance arrangements represent a significant portion of assets. The consideration of the accounting treatment, assessment of recoverability in line with the reinsurance agreement, reinsurer counterparty credit worthiness and capital strength require significant effort by senior audit team members	In addition to the audit procedures undertaken to assess the valuation of insurance contract liabilities above, our procedures included: • forming our own expectation based on our understanding of the key terms of the Quota Share reinsurance agreement and compared our expectations to the Company's estimate, investigating any material differences; • assessing the recoverability of balances owed by the reinsurer by considering their credit worthiness and capital strength based on external sources of information such as Standard and Poor's credit ratings and payment history; and • reconciling the actuarial financial statement disclosures back to the AVR prepared by the Company's AA.

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Other information

The Directors, on behalf of the Company, are responsible for the other information. The other information comprises the Director's Report and the Corporate Governance Statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the 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 shareholder. Our audit work has been undertaken so that we might state to the shareholder 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 shareholder for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Directors for the financial statements

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

- the preparation and fair presentation of the 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 set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Company 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 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 financial statements.

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

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-2/

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

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

For and on behalf of:

KPMG

KPMG
Auckland
24 October 2025