Blairlogie Pine Investment
Supplementary Document

This document supplements the Product Disclosure Statement ("PDS") dated 20 September 2024 for an offer of shares in the Blairlogie Pine Investment, being a Limited Partnership Structured Investment, offered by Forest Enterprises Growth Limited.

This Supplementary Document is to be read together with the PDS. This is the only supplementary document issued.

Dated 1 July 2026

This document and the PDS give you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.companiesoffice.govt.nz/disclose.

Forest Enterprises Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

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Blairlogie Pine Investment
Financial Information

Section 6 of the PDS contains Financial Information.

The share price is amended from $67.69 per share to $71.19 per share, or $14,238 for each minimum parcel of 200 shares. This has arisen because the first Call due on 30 June 2026 has been made.

In the audited accounts to 31 December 2025, the total Investment Contributions to 31 December 2025 were $4,780,858. Since that date, further total Calls of $700,000 due on 30 June 2026 have now been paid.

The audited Financial Statements and Annual Report to 31 December 2025 can be downloaded from the Disclose Register.

The principal assumptions in the Cashflow Projection on the Expected Life of the Investment are still valid.

Set out on the following pages is the Key Information Summary from the PDS. This is updated to reflect the price for the minimum shareholding increasing as the date for the first annual investor contribution has now passed. In addition, the annual Investor Administration Fee has increased by $1.80 to $61.80.

All section and page references in the key information summary refer to the PDS.

1. Key Information Summary

1.1. What is this?

This is an **Offer** of **shares** in Blairlogie Pine Investment, a forest-owning **Managed Investment Scheme** (referred to as the '**Investment**' or the '**Scheme**'). Your money will be pooled with other **Investors**' money and invested. The Manager and **Issuer** of the Scheme, **Forest Enterprises Limited** (**FEL** or the **Manager**) invests the money in establishing and maintaining the forest assets for the generation of returns from the sale of **Carbon Credits** and, potentially, from harvesting if that would provide greater returns. FEL receives fees for this management. The assets and fees are described in this document. By investing in this Scheme, you are relying on the investment decisions of FEL and returns from the forest assets that the Scheme invests in. There is a risk that you may lose some or all of the money you invest.

Key terms and technical words in this **Product Disclosure Statement** (**PDS**) are presented in **bold** text on first use and can be found in the Glossary of Terms on pages 45-48.

1.2. Who manages this Scheme?

FEL is the licensed Manager of the Scheme. **Forest Enterprises Growth Limited** (FEG or the Offeror), a related party of the Manager, is the Offeror of the shares in the Scheme. Refer to Section 10 About Forest Enterprises Limited and Others Involved in the Scheme for further details.

1.3. What are you investing in?

General nature of the forestry investment

The Scheme is structured as a long-term investment in a young second rotation forest in the Wairarapa region for the purposes of carbon sequestration. The primary strategy is the sale of Carbon Credits earned by the growing trees, and the secondary strategy is to harvest timber if investment returns are greater from harvesting than selling Carbon Credits.

The Scheme will conclude in 30 years. The investment return should commence in 10 years (around 2034) when sufficient Carbon Credits are accumulated to generate a surplus cashflow.

A return on investment will be dependent on income generated from selling Carbon Credits during the period of the Investment and sale of the Land and Trees on the Land at the conclusion of the Investment.

Investment objectives and strategy of the Scheme

The Scheme's investment objective and strategy is to purchase the Land, complete the Forest and Carbon Management Plan to optimise the value of the Trees for carbon production and distribute the proceeds to Investors.

Key existing and proposed Scheme Property

The main property of the Scheme is the Land plus re-planted Trees (established or to be re-established). The Land is second rotation forestry land classified as Pre-1990 forest land and Post-1989 forest land under the Climate Change Response Act 2002. The table below sets out the total forest area (in hectares):

Blairlogie Pine Investment									
Legal land area		888.2 hectares		Potentially Productive Area			818.8 hectares		
Pre-1990 Forest Land		86.5 hectares		Post-1989 Forest Land			729.15 hectares*		
Total hectares planted or to be planted: 770.9 hectares									
2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
9.1	32.3	47.1	108.9	39.6	0	112.4	148.5	143.3	129.7

*Valuation refers to 732.3ha area has been adjusted with remapping

Note: Carbon sequestration is occurring in the forest and while Carbon Credits will be available to be sold from 2029, they will initially be used to offset expenses. It will take until approximately 2034 before there is surplus revenue from the sale of Carbon Credits available to distribute. No Carbon Credits are earned on the Pre-1990 forest areas.

Key source of borrowings used, or able to be used, in the future to acquire Scheme Property

No term loan facility is anticipated. The Manager will arrange an operating overdraft of up to $100,000.

1.4. Key terms of the Offer

Product on Offer	Shares in a **Limited Partnership** and an equivalent number of beneficially held shares in a **General Partner** Company of the Limited Partnership.
Minimum Number of Shares Available	The Offeror offers up to 100,000 shares (the maximum number of shares available) for sale under this PDS.
Minimum Initial Shareholding	The minimum initial investment is 200 shares, and you can invest in any number of additional shares subject to availability and thresholds in the governing documents.
Price per 200-share parcel	$14,238 (Additional shares being $71.19 per share).
Estimated Future Contributions (Calls) per 200-share parcel	The investment is contributory by nature. There was an annual **Call** in June 2026 of $700 per 200 shares. If sufficient Carbon Credits can be sold, there will be only one further annual Call in June 2029, estimated to be also $700 per 200 shares. In addition, the annual $61.80 **Investor Administration Fee** will be charged once per year regardless of the size of shareholding. Calls and timing will vary from the projections as a consequence of changes to the work program in the **Plan** and carbon prices over time. These changes may be material although changes to the Plan that have a material cost impact are subject to Investor vote.
Failure to pay Calls	Calls are due on 30 June in each year in which they are required to meet the annual budget. Failure to pay Calls would put the Investor in default and subject to forfeiture of their shares as per the **Governing Documents.**
Offer Opening Date	20 September 2024
Intended Offer Closing Date	No fixed closing date. Closes when all shares have been sold.
Further Details	For further details on the terms of the offer, see section 5 – Terms of the Offer.

1.5. How you can get your money out

An investment in the Scheme (the Limited Partnership) is not redeemable on demand. The Scheme has a fixed term of 30 years which expires on or about 31 December 2054 when the Limited Partnership will be wound up and you will get your money out. The Land must be sold before the Scheme is wound up.

Your investment in these LP shares can be sold prior to completion of the 30-year term but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment. However, Investors can arrange a private sale of their shares, or choose to offer their shares for sale on the **secondary market** operated by FEL. You cannot sell your shares or choose to offer your shares for sale on the secondary market during the **Hold Period** when FEG is selling shares under this Offer. All Investors will be notified when FEG has sold all the shares it holds and the Hold Period ends.

Money will begin to be distributed to investors once surplus carbon sales have occurred or harvest proceeds are received. This is expected to be from 2034 for Carbon Credit sales.

1.6. Key drivers of returns

The Manager considers that the most significant current and future aspects of the Scheme that will have, or may have, an impact on the Scheme's financial performance are:

- Future carbon prices
- Government policy

The scale of the Investment, with a ten-year age class spread, reduces the impact of any short-term impact of carbon price changes.

A robust **Forest and Carbon Management Plan**, the Manager's expertise in forest management, and best practice silviculture contribute to the prudent management of costs and enable the option of a secondary strategy of harvest if investment returns are greater from harvesting than selling Carbon Credits. Further information about the key drivers or returns and the key strategies and plans of the Manager can be found in Section 2 *Factors that may affect the financial performance and Investors' returns*.

1.7. Blairlogie Pine Investment financial information

Returns will not be generated until second rotation trees on Post-1989 forest land have generated sufficient Carbon Credits to sell. This is expected to be around 2034 so initially the most useful information is projected Carbon Credit prices. If the price of carbon reduces so that harvesting the trees will provide a better return, Calls will be required to meet annual expenditure. An annual $61.80 Investor Administration Fee is charged once each year regardless of the size of shareholding.

No material borrowings are anticipated. The Manager will arrange an operating overdraft with the BNZ of up to $100,000.

Prospective financial information included in this PDS has been extracted from prospective financial statements prepared in accordance with the Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the **Offer Register**. The prospective financial statements to 31 December 2025 have been subject to a limited assurance engagement and an unmodified opinion has been issued by Grant Thornton New Zealand Audit Limited. A copy of the opinion is on the Offer Register. Longer term Prospective Financial Information in accordance with FRS 42, not reviewed by Grant Thornton New Zealand Audit Limited, is also on the Offer Register.

Property and forest asset valuation

On 16 December 2022, the forest property that forms the property and assets of the Scheme was transferred to Blairlogie Pine LP in exchange for shares in the Limited Partnership. These shares constitute the shares that were distributed to Foundation Investors or acquired by Forest Enterprises Growth Limited and offered to new investors under this Product Disclosure Statement. The Land is held in trust by the **Custodian**, TEA Custodians (Forest Enterprises) Limited. The value of those forest properties as at 23 May 2024 was:

Forest Property	Valuation	Value May 2024
Land & Improvements	Morice Ltd	$4,715,000
Tree crop value	Cost or Valuation (includes future replant)	$1,819,072
Total value		**$6,534,072**

The valuation is based on the objective mechanism where the Land component is based on independent land valuations carried out by a registered land valuer and the Tree component of the valuation is based on existing and projected re-establishment costs incurred by the seller of the properties. For a more detailed explanation see *Acquisition of Key Property* in Section 2.

1.8. Key risks of this investment

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about Blairlogie Pine Investment's future performance and returns is suitable for you. The price of shares in the Scheme (including the annual Calls on such shares) should reflect the potential returns and the particular risks of these shares in the Scheme. FEL considers that the most significant risk factors that could affect the value of the shares in the Scheme are:

Crop Risk	The risk of unfavourable climatic events, disease and fire may cause failure of all or part of the Trees or the forest producing less carbon, volume and poorer quality logs in the event of a harvest. **Mitigating Factors** These risks are minimised by careful forest management. Insurance cover is currently in place to minimise the risk in respect of fire related events. These are second rotation forests with proven history in growing the quantity and quality necessary for a successful tree crop.
Market Risk	The risk associated with changes in supply and demand for Carbon Credits over time resulting in changes in prices. **Mitigating Factors** A significant drop in Carbon Credit pricing and uncertainty regarding the future application of the NZ ETS scheme to forestry is mitigated through a silviculture regime that preserves the production potential of the forest enabling harvest if harvesting is more profitable than selling Carbon Credits.
Carbon Risk	Changes to the ETS could alter how many Carbon Credits are available to be sold and the price at which they trade. If an unexpected event occurs such as fire, there is no requirement to repay Carbon Credits, but no further Carbon Credits would be generated until 'pre unexpected event' Carbon Credits were replenished. **Mitigating Factors** If the price of Carbon Credits reduces significantly, the forest may be able to be harvested economically.

This summary does not cover all of the risks. You should also read Section 7 *Risks to Returns from Blairlogie Pine Investment*.

1.9. What fees will you pay?

The table below summarises the fees and expenses that you will be charged to invest in this Scheme. Further information about fees is set out in Section 8 *What are the Fees?*

The fees in the table are an estimate of fees to be charged to the Scheme in the periods indicated. Each individual Investor's share of these expenses will relate to their pro rata share of the Investment. For example, if an Investor purchases the minimum shareholding of 200 shares, the figures would be divided by 500 for the Investor's share (500 x 200 = 100,000 shares).

Ongoing Investment Fees & Expenses		
Manager and Associated Persons	**Period Ended 31 December 2024**	**Year Ended 31 December 2025**
Base Management Fee	$1,778	$10,490
Investor Admin Fee	$0	$10,000
Forest Activity Supervision Fee	$2,934	$43,842
Investment update & indicative valuation fee	$1,375	$5,500
Investor meeting costs	$500	$500
Disbursements	$7,000	$7,000
Other Fees and Expenses		
Direct forestry expenditure	$5,867	$203,423
Supervisor's Fees	$1,128	$4,510
Audit Fees	$6,500	$6,500
Insurance	$2,658	$3,870
Subscriptions and Levies	$6,143	$11,918
Rates	$2,020	$8,080
Interest charges	$1,000	$8,050
Contingency	$3,000	$3,000
Total	**$41,901**	**$326,683**

1.10. How will your investment be taxed?

The Investment is not a portfolio investment entity (PIE). See Section 9 *Tax* for more information.