



Product Disclosure Statement

For an offer of Secured Deposits
by Xceda Finance Limited

Dated 30th June 2026



This document gives 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.

Xceda Finance 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.

This is a replacement Product Disclosure Statement, which replaces the product disclosure statement dated 07th September 2023.

1. Key information summary

What is this?

This is an offer of secured deposits (“**Secured Deposits**”). Secured Deposits are debt securities issued by Xceda Finance Limited (“**Xceda**”). You give Xceda money, and in return Xceda promises to pay you interest and repay the money at the end of the term. If Xceda runs into financial trouble, you might lose some or all of the money you invested.

About Xceda

Xceda Finance Limited is a Non-bank Deposit Taker (“**NBDT**”) regulated by the Reserve Bank of New Zealand. Established in 1989, Xceda has grown from a small regional finance company based in Whakatāne in to a nationwide financial services institution offering deposit and lending products.

Xceda is comprised of Xceda Finance Limited and its wholly-owned Australian subsidiary, Xceda Finance Pty Ltd (“**Xceda Finance Australia**”) – both entities constitute the “**Xceda Group**”. Xceda has been operating since 1989.

Xceda continues its business activities as a NBDT pursuant to this Product Disclosure Statement (as updated from time to time) (the “**PDS**”) and its Trust Deed dated 15 March 2004 and as most recently amended and restated on 30th August 2023 (the “**Trust Deed**”).

Key terms of the offer

Description of Secured Deposits	<p>Secured debt securities.</p> <p>The terms of any Secured Deposit as described below will be agreed with you when an application is made. For currently offered terms and products (including current interest rates) please see Xceda's website www.xceda.co.nz/term-deposits.</p>
Currency of Secured Deposits	<p>Secured Deposits are offered in New Zealand Dollar (NZD).</p>
Term of investment	<p>Secured Deposits may:</p> <ul style="list-style-type: none">• have a fixed term ranging from six months to five years (such as a term deposit), or• have no fixed term (such as an on call or notice saver deposit). Secured Deposits without a fixed term may be withdrawn in part or in full provided that any required amount of notice has been provided. Super Saver withdrawals require one business day's notice. Notice Saver withdrawals require 90 days' notice.
Interest	<p>Interest may be:</p> <ul style="list-style-type: none">• fixed for the term of the Secured Deposit. This will be the case for any term deposit unless otherwise agreed with you; or• variable and subject to change during the term of the Secured Deposit. This will be the case for any on call or notice saver deposits. <p>Interest rates are available on Xceda's website and are subject to change without notice. Xceda aims to set interest rates which are competitive according to market conditions and which reflect its preferred maturity and liquidity profile.</p> <p>Interest is calculated on a daily basis from the date Xceda receives the application money (subject to the clearance of those funds) and will be paid in accordance with the instructions specified in your application.</p>

Early Withdrawal

Secured Deposits with a fixed term (such as term deposits) may be withdrawn prior to maturity only in limited circumstances. Xceda may charge an early withdrawal fee calculated on an adjusted interest rate. We may also repay you early.

Secured Deposits without a fixed term (such as on call or notice saver deposits) may be withdrawn in part or in full at any time provided that any required amount of notice has been provided.

We may also repay you at any time.

Please refer to Section 2 of this PDS for more information.

Who is responsible for repaying you?

Xceda is responsible for repayment of the Secured Deposits. At the date of this PDS, the Secured Deposits are guaranteed by the only other member of the Xceda Group, Xceda Finance Australia, under a guarantee (the “**Guarantee**”) contained in the Trust Deed and a Supplemental Trust Deed dated 27 October 2020 pursuant to clause 7 of the Trust Deed (together with the Trust Deed, the “Trust Documents”). See section 4 of this PDS for further details.

The offer of Secured Deposits under this PDS and the related returns are not guaranteed by Covenant Trustee Services Limited (the “**Supervisor**”), any shareholder of Xceda or any person other than Xceda Finance Australia.

How you can get your money out early

There are a limited number of circumstances where Xceda will consider early repayment at the request of an investor (other than in accordance with any applicable notice requirement, such as for a notice saver deposit). The circumstances where Xceda will consider such early repayment relate to distribution of the assets of an estate, certain hardship circumstances at Xceda’s discretion, and where the terms upon which the investment was accepted so provide.

Xceda also has the right to repay investors early in certain circumstances. See Section 2 of this PDS for further details relating to early repayment and transfer.

These Secured Deposits cannot be sold or transferred to anyone else.

How Secured Deposits rank for repayment

On a liquidation of Xceda, your rights and claims under the Secured Deposits would rank:

- **AFTER** certain Supervisor liabilities and all creditors preferred by law and any permitted prior security interests;
- **EQUALLY** with all other investors in Secured Deposits; and
- **AHEAD** of any lesser ranking secured creditors and all unsecured creditors.

In certain circumstances Xceda is permitted to grant a security interest that will rank in priority to the security interest granted to the Supervisor under the Trust Deed, including when acquiring any asset, provided that the amount borrowed or raised or owing and secured against that asset (together with any other existing prior security interests) does not exceed 2% of the Xceda Group’s Total Tangible Assets.

More information on the ranking of securities upon the event of liquidation of the Xceda Group can be found in Section 4 of this PDS.

What assets are these Secured Deposits secured against?

Under the Trust Documents, the Xceda Group has granted a security interest to the Supervisor, which secures its payment obligations under the Secured Deposits. The security interest is over all present and after-acquired personal property, and over real property and property other than personal property, including all assets of Xceda Finance Australia. More information on the ranking of securities upon the event of liquidation of Xceda can be found in Section 4 of this PDS.

Where you can find Xceda's financial information

The financial position and performance of Xceda are essential to an assessment of Xceda's ability to meet its obligations under the Secured Deposit. You should also read Section 5 of this PDS.

Key risks affecting this investment

Investments in debt securities have risks. A key risk is that Xceda does not meet its commitments to repay you or pay you interest (credit risk). Section 6 of the PDS discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Secured Deposits should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair. Xceda considers that the most significant risk factors are:

Liquidity risk

Xceda's ability to meet its payment obligations is connected to the loans it makes and to Xceda's ability to obtain a flow of new deposits. If reinvestment rates or borrower repayments were to reduce materially, there is a risk that Xceda may not have enough cash on hand at any one time to pay depositors in a timely manner.

Loan default risk

If a significant number of borrowers defaulted on their obligations at around the same time, there may be insufficient funds to fully repay Xceda's investors, or it could trigger a default under the Trust Deed due to insufficient capital.

This summary does not cover all of the risks of investing in Secured Deposits. You should also read Section 6 of this PDS (Risks of Investing) and other sections of the PDS that describe risk factors (for example, the key features of the product).

What is Xceda's credit rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

Xceda has been rated by Equifax Australasia Credit Ratings Pty Ltd ("**Equifax**"). Equifax gives ratings from AAA through to C (excluding ratings attaching to entities in default).

On 5th January 2026, Equifax issued Xceda a credit rating of B+ with a Positive Credit Watch. According to Equifax's criteria, this rating is classified as "Sub Prime" and has "Moderate" risk level. Xceda's current rating and Equifax's credit rating report can be viewed on our website at: www.xceda.co.nz/term-deposits/.

Rating	Default rates (5 years)	Classification	Risk level
AAA	0.17	High grade	Negligible
AA+	0.31		
AA	0.44		
AA-	0.55		
A+	0.76	Investment grade	Very low
A	0.81		
A-	1.47		
BBB+	2.08		Low
BBB	3.19		
BBB-	4.37		
BB+	7.13	Near prime	Low to moderate
BB	7.49		
BB-	10.52		
B+	16.34	Sub prime	Moderate
B Stable	22.21		High
B-	24.16		
CCC+	28.16	watch	Very high
CCC	29.90		
CCC-	39.16		
CC	52.87	Distressed	Extremely high
C	55.00		
D	100.00		

Protection under depositor compensation scheme

Xceda's Secured Deposits, are protected deposits under the depositor compensation scheme, which protects up to \$100,000 per eligible depositor per deposit taker.

For more information about the scheme, please refer to the Reserve Bank of New Zealand's internet site at www.rbnz.govt.nz/dcs.



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Letter from the Chairman of the Board of Directors of Xceda

Xceda Finance Limited (“**Xceda**”) is a Non-bank Deposit Taker regulated by the Reserve Bank of New Zealand. Established in 1989, we have grown from a small regional finance company based in Whakatāne into a trusted, nation-wide financial services institution offering deposit and lending products.

Xceda is governed by an experienced Board of Directors and Senior Management team, all operating under a comprehensive compliance and governance framework, supervised by the Reserve Bank and an independent trustee. Our staff are dedicated to the core values of accountability, respect and responsibility.

Our deposit accounts provide the funding necessary to facilitate offering lending products to our customers. Xceda specialises in mortgage lending and business finance, typically for terms less than 5 years. This shorter term, asset-backed lending strategy ensures strong liquidity and capital protection measures are in place to meet the financial and service commitments we make to our depositors.

Fundamental to our philosophy is providing a personalised service to our customers, often in areas of the market not served well by the major banks. It is this focus on service and support that has seen Xceda create a loyal and growing customer base across all of New Zealand. Technology advancement is a key objective for our future, ensuring that we can continue to offer tailored financial services products whilst also utilising the latest in product and service innovations.

During the past decade there have been significant

changes in the financial services industry in New Zealand. Key legislation governing all aspects of our day-to-day operations has been introduced to safeguard the interests of investors. These changes culminated in Xceda becoming licensed as a Non-bank Deposit Taker (“NBDT”) by the Reserve Bank in March 2015. More recently, the Deposit Takers Act (“DTA” or the “Act”) received royal assent in July 2023, and when fully implemented in 2028, will create a single regulatory regime for all licensed deposit takers in New Zealand. We welcome the introduction of the DTA, and the associated regulations and standards which will govern the future operations of Xceda alongside the banks, building societies and credit unions.

The Product Disclosure Statement has key information important to your decision to invest with Xceda. Please read it carefully and consider taking financial advice.

On behalf of the Board of Directors and staff of Xceda, I thank you for considering the services and products being offered by Xceda pursuant to this Product Disclosure Statement.

Yours faithfully,

Ian Hankins
Chairman

2. Terms of the offer

Terms of the offer

Description of Secured Deposits	<p>Secured debt securities.</p> <p>The terms of any Secured Deposit as described below will be agreed with you when an application is made. For currently offered terms and products (including current interest rates) please see Xceda's website www.xceda.co.nz/term-deposits.</p>
Currency of Secured Deposits	<p>Secured Deposits are offered in New Zealand Dollar (NZD).</p>
Term of investment	<p>Secured Deposits may:</p> <ul style="list-style-type: none">• have a fixed term ranging from six months to five years (such as a term deposit), or• have no fixed term (such as an on call or notice saver deposit). Secured Deposits without a fixed term may be withdrawn in part or in full provided that any required amount of notice has been provided. Super Saver withdrawals require one business day's notice. Notice Saver withdrawals require 90 days' notice.
Interest rates	<p>Interest may be:</p> <ul style="list-style-type: none">• fixed for the term of the Secured Deposit, at a rate which depends upon the length of term invested. This will be the case for any term deposit unless otherwise agreed with you; or• variable and subject to change during the term of the Secured Deposit. This will be the case for any on call or notice saver deposit. <p>The fixed interest rate or initial variable interest rate for each investment will be confirmed to you by email or letter following our receipt of the application money.</p> <p>Interest rates payable are available on Xceda's website and are subject to change without notice. Xceda aims to set interest rates which are competitive according to market conditions and which reflect its preferred maturity and liquidity profile.</p> <p>The Secured Deposits when offered as per above will be published on Xceda's website: www.xceda.co.nz/term-deposits. Any such continuation or discontinuation of such products will be updated on such website from time to time.</p>
Interest payments	<p>Interest due for on call deposits or notice saver deposits will be credited to your account on a monthly basis.</p> <p>Investors in term deposits are entitled to choose from a range of interest payment options as detailed below:</p> <ul style="list-style-type: none">• Monthly Direct Credit: If you select 'Monthly Direct Credit' on the application form, the net interest earned on your investment will be direct credited as cleared funds to the bank or financial institution account specified in the application form on a monthly basis; or

Interest payments
(cont.)

- **Monthly Transfer:** If you select 'Monthly Transfer' on the application form, the net interest earned on your investment will be transferred to an Xceda Super Saver or Notice Saver account on a monthly basis; or
- **Quarterly Direct Credit:** If you select 'Quarterly Direct Credit' on the application form, the net interest earned on your investment will be direct credited as cleared funds to the bank or financial institution account specified in the application form on a quarterly basis; or
- **Quarterly Compounding:** If you select 'Quarterly Compounding' on the application form, the net interest earned on your investment will be automatically reinvested on a quarterly basis. You will then earn interest on interest; or
- **Quarterly Transfer:** If you select 'Quarterly Transfer' on the application form, the net interest earned on your investment will be transferred to an Xceda Super Saver or Notice Saver account on a quarterly basis;

If you choose to have interest paid or compounded quarterly, it will be done on the last day of March, June, September and December of each relevant year. If you choose to have interest paid monthly, it will be done on the last day of each relevant month.

Interest is calculated on a daily basis from the date Xceda receives the application money (subject to the clearance of those funds) and will be paid in accordance with the instructions specified in your application.

Maturity of Secured
Deposit

Secured Deposits without a fixed term (such as on call and notice saver deposits) may be withdrawn in part or in full at any time provided that any required amount of notice has been provided.

For Secured Deposits with a fixed term (such as term deposits), Xceda will send out a notice prior to the maturity date of your deposit and provide you with the options available at maturity, such options include to:

- (i) be fully or partially repaid,
- (ii) be fully or partially reinvested, or
- (iii) transfer any amount of the funds to a Notice Saver or Super Saver.

If you do not advise Xceda within two (2) working days prior to the maturity date of your fixed term deposit with your maturity instructions. Your deposit balance will be transferred to an Xceda on call deposit account until instructions are received.

Ranking of Secured
Deposits on
liquidation

On a liquidation of Xceda, your rights and claims under the Secured Deposits:

- Would **rank after** the Supervisor's costs, charges, expenses and liabilities, and all of its remuneration together with interest, and all claims given priority by operation of law and the Trust Deed;
- Would **rank equally** with all other holders of Secured Deposits, including those who invested pursuant to an earlier or later product disclosure statement; and

Would **rank ahead** of any lesser ranking secured creditors (at the date of this PDS there are none), and all unsecured creditors.

Minimum investment amount For Secured Deposits with a fixed term (such as term deposits), the minimum subscription amount which must be paid by you is NZ\$2,500. Higher amounts may also be required to be eligible for particular account options, terms or rates.

For Secured Deposits without a fixed term (such as on call or notice saver deposits), an initial minimum balance may be required. Xceda may also set a maximum allowed balance. Details relating to minimum & maximum balances will be published on Xceda's website.

You may request to subscribe to amounts outside of the minimum and maximum limits. These requests will be subject to Xceda's approval.

Early repayment Secured Deposits without a fixed term (such as on call and notice saver deposits) may be withdrawn in part or in full at any time provided that any required amount of notice has been provided.

Xceda relies on committed Secured Deposits to properly plan its business, and for this reason will only agree to early repayment at the request of an investor (other than in accordance with any applicable notice requirement, such as for an on call or notice saver deposit) in limited circumstances.

The circumstances under which such early repayment may be considered at Xceda's discretion are:

- Estates: where Secured Deposits form part of an estate and the trustees wish to distribute the assets of the estate (as the case may be);
- Hardship: where, due to unforeseen circumstances, an investor's continued investment may give rise to some form of material hardship; and/or
- Terms of investment: where the terms, upon which the investment was accepted, so provide.

If Xceda agrees to accept, for any reason, a request by an investor for the investment to be repaid early (other than in accordance with any applicable notice requirement), Xceda may charge an early withdrawal fee calculated on an adjusted interest rate or fixed fee. This calculation will depend on the timing and circumstance of the withdrawal.

Xceda also has a general right to repay investors early. Xceda may without the approval of investors, upon giving at least fourteen (14) calendar days' notice in writing of its intention to the Supervisor and all investors, repay all Secured Deposits (including accrued interest), whether or not due for repayment.

Trust Documents

Xceda entered into a Trust Deed with the Supervisor on 15 March 2004, which was amended most recently on 30th August 2023, in relation to the Secured Deposits (the "**Trust Deed**"). Xceda and Xceda Finance Australia entered into a Supplemental Trust Deed with the Supervisor dated 27 October 2020 pursuant to clause 7 of the Trust Deed (the "**Supplemental Trust Deed**").

A copy of the Trust Deed and the Supplemental Trust Deed (the "**Trust Documents**") may be obtained from the Disclose Register at: <https://disclose-register.companiesoffice.govt.nz>.

Interest rate and comparison

Xceda aims to set interest rates which are competitive according to market conditions and which reflect its preferred maturity and liquidity profile.

At the date of this PDS, a comparison of term deposits' interest rates, including the Secured Deposits and together with information relating to credit ratings, deposit sizes and interest payment information, can be found at www.interest.co.nz/saving/term-deposits-1-to-5-years.

3. The Xceda Group and what it does

Overview

Xceda was incorporated in 1989 in Whakatāne, Bay of Plenty with its origins based in asset-backed lending and offering term investment products to New Zealanders. In March 2015, Xceda became licensed by the Reserve Bank of New Zealand as a Non-Bank Deposit Taker (“NBDT”).

Today, the Xceda Group is comprised of Xceda and its 100% owned Australian subsidiary, Xceda Finance Australia. Xceda Finance Australia is a guarantor of the Secured Deposits.

The Group is in the business of borrowing money from investors in the form of Secured Deposits, and lending that money to borrowers. We make these loans for various purposes to individuals, corporations and trusts, tailored to the borrower's requirements and secured against property (in the form of mortgages) or other types of assets.

Xceda currently has offices in Auckland and Whakatāne, and Xceda Finance Australia has its office located in Brisbane. Xceda was previously named Asset Finance Limited. The company changed its name to Xceda Finance Limited on 15th October 2021.

The industry in which Xceda operates

Xceda has been offering fixed term deposits to the public since 2004. Xceda is classified as a NBDT and is licensed under the Non-bank Deposit Takers Act 2013. Xceda is part of the financial services industry and operate alongside banks and non-bank deposit takers which issue term deposits.

Xceda's competition for deposit customers is the registered banks, other Non-Bank Deposit Takers (i.e. regulated finance companies, building societies and credit unions) and non-prudentially regulated finance companies and mortgage trusts.

In relation to lending, Xceda's main competition is other Non-Bank Deposit Takers and non-prudentially regulated finance companies. The majority of Xceda's lending activities is either to customers that would not currently qualify for bank lending, or is in niches in which banks do not operate or do not target.

Many of Xceda's customers use the company for short term bridging financing, then later refinance with a bank.

Keys to generating income

Xceda depends on funds being raised through the issue of our secured deposit products. These deposit funds enable us to offer lending products to customers.

Our key source of income is the loan receivables and interest rate margins generated by lending money to borrowers. Xceda also generates income from fees and charges for loan establishment, default payments, early termination (for borrowers), and early repayment (for investors).

Our profitability is determined by the margin we make between our secured deposit rates paid to customers and our lending rates and fees charged to borrowers.

Deposit Taking

Xceda offers various forms of secured deposit products as further described in Section 2 (Terms of the offer) and Section 4 (Key Features of Secured Deposits).

Lending

Xceda specialises in mortgage lending, typically secured by first mortgages over residential property. Loan terms vary depending on the nature of the lending, ranging from short-term facilities (3 months – 24 months) to longer-term mortgages with terms up to 30 years.

Loan products and characteristics

The table below shows the types of products and loan characteristics that Xceda currently offers to borrowers.

Product Category	Description
Mortgages	<p>This loan product category consists of loans secured by a first or second mortgage over residential dwellings, land or commercial buildings..</p> <p>These loans are broadly categorised into:</p> <ul style="list-style-type: none">- Short Term (Bridging) Loans – typically provided for shorter durations to support time sensitive transactions, such as property settlements, bridging finance, or development projects.- Long Term Property Investment Loans – typically provided for longer durations up to 30 years and supported by residential income generating or owner occupied property, with repayment structures aligned to the borrower's servicing capacity.
Business Finance	<p>This loan product category consists of any loan or credit facility we have provided to businesses to fund working capital or the purchase of assets.</p>
Personal Loans	<p>This loan product consists of loans provided to an individual for personal purposes, that is not secured by a mortgage security.</p>

Loan Characteristics	Description
Loan Purpose	<p>Loans can be provided for business, investment, or personal purposes.</p>
Loan Terms	<p>Loans are offered to Borrowers from 3 months up to 30 years.</p>
Repayments	<p>Loans can be repaid pursuant to the following structures: (i) principal and interest; (ii) interest only; or (iii) capitalised interest only.</p>
Limitations	<p>Our Credit Risk Management Policy sets out certain limitations on lending practices, including but not limited to:</p> <ul style="list-style-type: none">• Maximum loan size;• Security type;• Loan to value ratios for each loan product type;• Concentration limits of loan types (e.g. geographical and industry sector limits);• Limits on capitalised interest loans; and• Limits on related party lending.

Loan policy and approval process

The assessment of any loan advance to a borrower starts with a loan application being submitted by the borrower or their adviser to Xceda's credit assessment team (managed by our Head of Credit Risk). The application provides information relating to the proposed loan, including: details of the requested loan facility amount, the identity of the proposed borrower and any guarantor/s, and the security available. The application is then considered in detail by the credit team in accordance with Xceda's lending criteria and credit risk management policy ("**Credit Risk Management Policy**"). Elements considered and investigated as part of the process include: the profile and credit history of the borrower and guarantor/s, the security available as collateral for the loan, the repayment structure, and the borrower's income, affordability and cash flow.

Once our credit team has analysed all of the information required to assess a loan application, a decision can be made on whether to approve a loan facility to the customer, and what terms and conditions should apply.

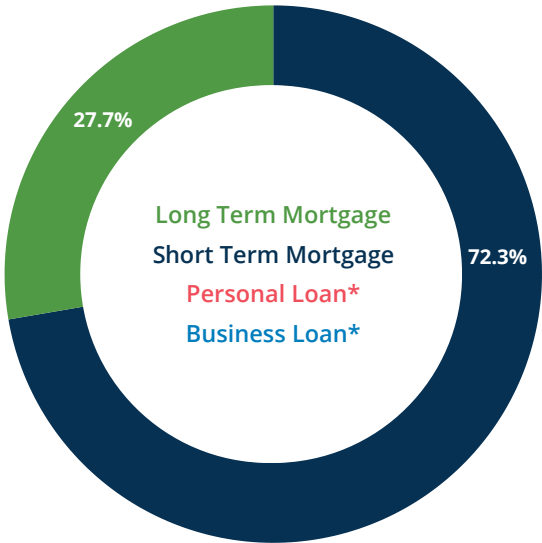
Approval authority is delegated based on the size of the loan exposure. There are multiple tiers of approvals stipulated under our Credit Risk Management Policy. For example loans over \$500,000 require a level 1 and a level 2 approver, and Board approval is required for any exposure over \$3 million.

Many loan applications are rejected during the credit underwriting process, for reasons including insufficient security, poor borrower credit history or lack of repayment servicing capability. Certain applications are approved for a reduced amount compared to what was originally requested, based on the circumstances of the application.

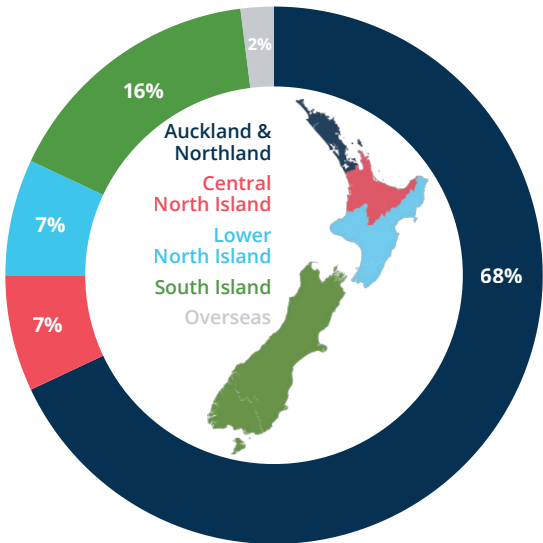
Breakdown of loan book as at 31 March 2026

The following charts and tables provide a snapshot of Xceda’s loan products, lending by region and the spread of loan to value ratios across the mortgage product category as at 31 March 2026.

Concentration by Product



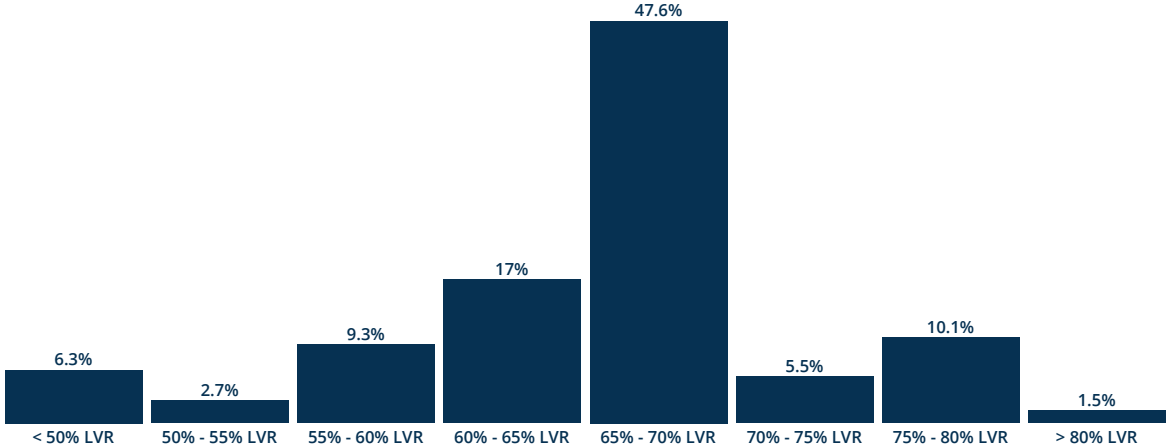
Concentration by Region



*Personal and Business Loans represented 0% of the total loan book as at 31 March 2026 and are therefore not separately shown in chart above.

The loan book is spread across New Zealand, with the largest concentration in Auckland, followed by the South Island, and lower relative exposure in other North Island regions. Auckland represents New Zealand’s largest and most active property market, which can support greater market depth and collateral liquidity. Maintaining lower exposure to smaller regional markets, while retaining some geographic diversification, helps reduce reliance on any one area and supports a more balanced overall risk profile.

Loan to Value (LVR) Bands - as % of Mortgages



The LVR profile of Xceda’s mortgage portfolio shows that lending is generally supported by meaningful borrower equity. Lower LVR lending provides a greater collateral buffer if property values decline or if Xceda needs to enforce its security. Xceda manages LVR exposure through its Credit Risk Management Policy, which sets loan-to-value limits by product type and forms part of the broader credit approval and ongoing loan monitoring process.

Action taken against defaulting loans

The software system Xceda uses was developed in New Zealand and tailored to suit Xceda’s business. After importing bank transactions each business day, the software automatically identifies accounts that are past due one day or more. When payments are missed Xceda can send a letter, make a phone call or send a text message. The severity of Xceda’s action is determined primarily by how far past due an account is and the type of security Xceda has.

Xceda’s first and preferred option is always for the client to pay the arrears or enter into a suitable arrangement to pay the arrears over a reasonable time-frame. However, if a client chooses to ignore the problem or is unable to make a suitable payment arrangement, Xceda is forced to act upon security it has over any assets pledged as collateral. It can take a significant amount of time to sell real estate, with the process often taking up to 6 months.

Such action may include selling the assets held under a security arrangement. Delays can occur in any sale process. For example, if the property owner can’t be served with the required documents, if Xceda enters into a payment arrangement that is subsequently not kept, or if the property doesn’t attract a reasonable sale price at first attempt.

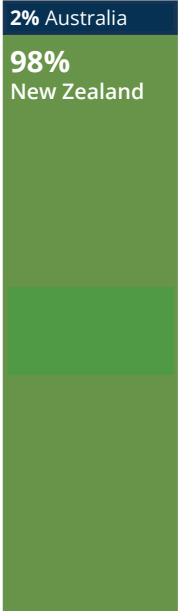
Once all security options have been exhausted, if the client is not paying the loan then the balance is written off as a bad debt.

Australian Lending (Xceda Finance Pty Ltd)

On 27th October 2020 Xceda established a 100% owned subsidiary in Australia named Xceda Finance Pty Ltd (Australian Company Number 645 443 054) (“Xceda Finance Australia”).

Xceda Finance Australia was established to advance commercial loans in the Australian market to non-consumer borrowers (i.e. companies and trusts). The operation of Xceda Finance Australia is under the oversight of the Board of Xceda, and has restrictions on its lending and operational activities, including:

- the Board of Xceda Finance Australia must at all times include all directors of Xceda plus at least one Australian-resident director approved by the Supervisor;
- all operational, security monitoring and systems management shall be conducted by Xceda (or at the direction of Xceda);
- it shall only be permitted to undertake lending pursuant to Xceda’s credit policy as approved from time to time by the Supervisor; and
- the maximum quantity of loans to Australian borrowers or where the security is located in Australia cannot exceed in aggregate 20% of the total net loan book of Xceda.



About Xceda's Board and Senior Management

Xceda is governed by a board consisting of three (3) directors, two (2) of whom are independent and one (1) Executive Director.

DIRECTORS

Ian Hankins

Independent Chairman

Ian joined the Board on 9th December 2022. Ian has a 28-year career in retail banking, investment banking and wealth management gained across NZ, Australia and the UK. Over the last 10 years held a number of senior management and internal director roles at Westpac NZ including CFO, Chief Transformation Officer and GM Consumer Bank. In 2022 he joined Forsyth Barr and currently leads their Wealth management division.

Ian has a Bachelor of Commerce and Administration majoring in Money and Finance from Victoria University and in 2020 was awarded a Fellow membership of CPA Australia.

Jim Reardon

Independent Director

Jim joined the Board on 1st April 2026. Jim is an experienced independent director, finance committee chair, and former bank treasurer with over 40 years' experience across banking, capital markets, investment management, and financial risk management. Jim brings deep expertise in governance, audit and risk oversight, capital structure, regulatory compliance, and strategic financial stewardship.

Daniel McGrath (BA/LLB, MA (Cantab))

Chief Executive Officer and Managing Director

Daniel was appointed a Director on 16 August 2018. He was then appointed Chief Executive Officer on 1 April 2019.

Daniel has extensive experience in senior management positions, having worked as a solicitor for major international law firms Freshfields Bruckhaus Deringer LLP and Shearman & Sterling LLP, representing banks, private equity firms and global corporations. Daniel was also Senior Legal Counsel for ASX-listed Challenger Financial Services Group Ltd, advising on acquisitions and divestments for the Challenger's funds management group.

Daniel holds a BA/LLB from Queensland University of Technology and an MA from Cambridge University.

SENIOR MANAGERS

Graeme O'Leary (BCOM, CA)

Chief Financial Officer

Graeme was appointed as our Chief Financial Officer (CFO) in November 2020. Graeme started working with Xceda in the 18 months prior to his appointment as one of our external accountants at Ernst & Young. Graeme brings vast experience and capability to Xceda's financial governance practices. Graeme holds a Bachelor of Commerce (BCom) in Accounting & Commercial Law from the University of Otago, and is a member of the Chartered Accountants Australia & New Zealand (CA ANZ).

Graeme works in our Auckland office alongside Daniel (the CEO), Darryl (the CCRO) and our commercial lending team.

Darryl French

Chief Credit Risk Officer

Darryl was appointed as our Chief Credit Risk Officer (CCRO) in October 2021. Having worked in several senior management teams, Darryl has been involved in building a finance company from the ground up, with another he increased the market cap value from \$1.5 million to over \$250 million and managed multi-million-dollar complex loan positions in distress. Darryl has managed projects creating policy, procedures, loan assessment scorecards and has experience in business development, business analysis, staff management and establishing governance. Darryl has a real passion for the Finance and Recovery sector and brings a wealth of knowledge to our team.

Darryl works in our Auckland office alongside Daniel (the CEO) and Graeme (the CFO).

Nicola Andresen

General Manager - Deposits

Nicola started employment at Xceda in 1992 when the company was operating under its former name Asset Finance Limited. Nicola has worked in a wide variety of roles in the company, and therefore has a comprehensive understanding of all aspects of operations. Nicola is primarily responsible for Investor Relations for our secured deposit products, as well as managing the general day-to-day running of the deposits team in Whakatāne. Nicola brings an abundance of knowledge on the history of Xceda and the finance industry in general after more than 25 years of experience in the sector.

Nicole Awhimate (BCOM)

Systems, Risk and Compliance Officer

Nicole started at Xceda Finance as a Loans Officer in 2012, after completing her bachelors degree at Victoria University. She has worked in a wide variety of roles within the company and as such has a great depth of understanding of Xceda and our customers. Most recently Nicole has been working as our Systems, Risk and Compliance Officer, taking on the role of managing our compliance function. Nicole brings a wealth of knowledge about our processes and history.

Nicole holds a BCOM in Management and Commercial Law from Victoria University. Nicole works in our Whakatāne office.

4. Key features of Secured Deposits

Ranking and security

The Secured Deposits are secured by a security interest which the Xceda Group has granted under the terms of the Trust Documents over all of the Xceda Group’s assets to the Supervisor for the benefit of investors. Except for prior ranking security interests totalling no more than 2% of Total Tangible Assets and certain other very limited exceptions, the Trust Deed prohibits the Xceda Group from granting any security interests that rank ahead of, or equally with, the first interest given to the Supervisor for the benefit of investors under the Trust Deed in relation to Secured Deposits.

As at the date of the PDS, the assets subject to the security interest included net loans and advances, and other assets (comprised of certain equipment). As at the date of this PDS, the Xceda Group had granted a prior ranking security interest to ASB Bank over a \$250,000 term deposit, which was provided as security for a bank guarantee issued in favour of the landlord of Xceda’s business premises. The only claims that rank ahead of the first interest given to the Supervisor are those given preference by law such as PAYE and RWT.

Information on the amount of the Secured Deposits secured by the security interest described above and the value of the assets subject to the security interest, based on the financial position of Xceda at its most recent balance date (or a more recent stated date), is incorporated by reference into this document and is available online on the Disclose register in the document entitled “Ranking and Security”. The Disclose Register is available at <https://disclose-register.companiesoffice.govt.nz> (OFR10985).

In certain circumstances the Xceda Group is permitted under the Trust Documents to create security interests over its assets which rank in priority to the security interests granted in favour of the Supervisor under the Trust Deed, including to secure any borrowing or money owed in purchasing or acquiring assets, provided that the amount secured by all prior ranking security interests does not exceed 2% of the Xceda Group’s Total Tangible Assets.

References to “**Total Tangible Assets**” in this PDS shall have the meaning given to them in the Trust Deed. A copy of the Trust Deed may be obtained from the Disclose Register at:

<https://disclose-register.companiesoffice.govt.nz>.

The diagram below illustrates the ranking of the Secured Deposits on Xceda’s liquidation.

	Ranking on liquidation of Xceda	Examples
Higher ranking/ earlier priority	Liabilities that rank in priority to the Secured Deposits	Creditors preferred by law and any permitted prior ranking security interests
	Liabilities that rank equally with the Secured Deposits	Secured Deposits, including the accrued interest
Lower ranking/ later priority	Liabilities that rank below the Secured Deposits	Lesser ranking secured creditors and unsecured creditors
	Equity	Distribution of surplus assets

A ranking diagram, including indicative amounts based on the financial position of Xceda at its most recent balance date (or a more recent stated date), is incorporated by reference into this document and is available online on the Disclose register in the document entitled “Ranking and Security”. The Disclose Register is available at <https://disclose-register.companiesoffice.govt.nz> (OFR10985).

Guarantees

Under the Trust Deed, Xceda has agreed to ensure that each of its subsidiaries provides the Guarantee. At the date of this PDS, payments on the Secured Deposits are guaranteed by Xceda's sole subsidiary, Xceda Finance Australia, under the Guarantee contained in the Trust Documents. Xceda Finance Australia guarantees the payment of all amounts owed by Xceda in respect of the Secured Deposits. The Guarantee is not subject to any limits or conditions.

Under the Trust Deed, the obligations of Xceda Finance Australia under the Guarantee are secured by the security described under "Ranking and security" above. There is no limit on the amount secured under this security. Xceda believes that the secured assets are sufficient and are reasonably likely to be sufficient to repay the liability of the Guarantee and pay all other liabilities that rank equally with or in priority to the Guarantee.

The offer of Secured Deposits under this PDS and the returns payable thereon are not guaranteed by the Supervisor, and any shareholder of Xceda or any person other than Xceda Finance Australia.

Currencies

Xceda provides Secured Deposits with a fixed term (such as term deposits) in New Zealand Dollar (NZD).

Secured Deposits with no fixed term (such as on call and notice saver deposits) are also offered in New Zealand Dollar (NZD).

5. Xceda's financial information

Xceda is required by law and its Trust Deed to meet certain financial requirements, including maintaining a minimum capital ratio, limiting its exposure to related parties and ensuring it complies with certain liquidity requirements. Detailed information showing how Xceda is currently meeting these financial requirements and other selected financial information is set out in the Disclose Register in the document entitled "Financial Information". The Disclose Register is available at <https://disclose-register.companiesoffice.govt.nz> (OFR10985).

These financial requirements referred to above are minimum requirements. Meeting them does not mean that Xceda is safe. The section on specific risks relating to Xceda's creditworthiness sets out risk factors that could cause its financial position to deteriorate.

Other limitations, restrictions and prohibitions

Details of other financial restrictions that Xceda is subject to can also be found in the document entitled "Financial Information" on the Disclose Register.

6. Risks of investing

General risks

Your investment is subject to the general risk that if Xceda experiences significant losses through its lending, it may become insolvent and may not be able to meet its obligations to depositors to pay interest or to repay the principal amount of deposits.

Specific risks relating to Xceda's creditworthiness

Should the following risks arise, the likelihood that Xceda may default on its payment obligations under the Secured Deposits would significantly increase:

Loan default risk:

Loan default risk is the risk that Xceda is not able to recover loans in full from its borrowers. Xceda relies on its borrowers to repay their loans and to make interest payments on their due date.

If a number of borrowers defaulted on their loan obligations around the same time, there may be insufficient funds to fully repay holders of the Secured Deposits. As at 31st March 2026 the six largest borrowers represented approximately 11.6% of the total loan portfolio. If all or a majority of these borrowers defaulted around the same time, this could significantly increase the risk of default on our payment obligations to holders of Secured Deposits.

We are also exposed to risks associated with the geographical concentration of our lending. At 31 March 2026, the geographic spread of investors was as follows:

Concentration by Region

Region	% of Loan Book
Auckland & Northland	68%
Central North Island	7%
Lower North Island	7%
South Island	16%
Overseas	2%
Total	100%

Xceda manages loan default risk by adhering to strict credit approval policies. All loan applications are subject to careful assessment by Xceda and once approved in accordance with Xceda's Credit Risk Management Policy, all loans are managed and reviewed on an ongoing basis. All loans are made within prudent loan-to-value ratios.

Xceda restricts its exposure to any one borrower or group of closely-related borrowers and maintains at least the minimum capital ratio as required by its Trust Deed. The minimum capital ratio provides a financial buffer to absorb any losses that may be incurred from lending money to customers who fall into default.

Interest rate risk:

Interest rate risk is the risk that interest rates will change, thereby increasing or decreasing the cost of borrowing or the profitability of lending. Like all lenders and deposit takers, Xceda is exposed to this risk, as its profitability depends on maintaining an appropriate margin between the cost of funds it raises from the public and the interest and fees it receives from borrowers. To mitigate interest rate risk, Xceda largely provides fixed lending & deposit arrangements while constantly managing and monitoring interest rate margins.

Liquidity risk:

Liquidity risk is the risk that Xceda will encounter difficulty in meeting commitments associated with its financial liabilities and future commitments. These commitments include repayment of deposits as they mature and payment of interest as it falls due. Xceda's ability to meet its payment obligations is connected to the loans it makes and to Xceda's ability to obtain a flow of new deposits. If reinvestment rates or borrower repayments were to reduce materially, there is a risk that Xceda may not have enough cash on hand at any one time to pay depositors in a timely manner.

Xceda actively manages the maturity profile of its assets and liabilities, ensuring there are sufficient funds available to meet its financial obligations as they fall due. Xceda aims to maintain consistent reinvestment rates and new investment inflows for its retail funding, to meet its financial commitments.

A large proportion of investors choose to reinvest on the maturity of their existing stock. In the year to 31 March 2026 the rate of reinvestment was 63%.

Xceda's Trust Deed requires that Xceda maintains certain minimum liquidity levels. These liquidity levels are reported to our Supervisor monthly, while Xceda monitors its liquidity position on a regular basis.

Operational risks:

Operational risk is the risk that inadequate or failed procedures, systems or policies give rise to either financial loss or damage to Xceda's reputation and standing in the marketplace. Xceda has a smaller team relative to larger financial institutions and therefore reliance on the competency and availability of each team member and our systems is vital.

A material or sustained loss of confidence in Xceda could result in a reduction in our ability to attract or retain access to our deposit funding from customers. This could in turn result in adverse liquidity outcomes and our ability to repay investors.

Xceda manages and seeks to mitigate operational risk through ensuring tested procedures and robust systems are in place including but not limited to: cyber security protection measures such as two-factor authentication for access to IT systems; tiered and monitored access to key IT systems; appropriate segregation of duties; delegations of authority; disaster recovery plans for system failures or natural disasters. These procedures and systems are regularly reviewed as part of Xceda's internal audit program.

Regulatory and legislative risks:

Like all of the financial sector Xceda is required to comply with various legal obligations, and any material failure to comply with these could result in damage to Xceda's reputation and/or expose Xceda to financial and/or other penalties. Severe reputational damage and/or large financial penalties could increase withdrawal rates and decrease reinvestment rates, which could have a material and adverse effect on the financial condition of Xceda which ultimately could affect payment obligations to depositors.

Any change to existing laws, or the introduction of new laws, could result in additional legal requirements being imposed on Xceda and/or result in increased costs for Xceda. Xceda takes its regulatory obligations seriously and manages risk through its Risk Management Programme.

Currency risk:

This is the risk that movements in foreign exchange rates affect the New Zealand dollar value of offshore investments made by the Xceda Group. Specifically, such risk arises in relation to Australian Dollar loans advanced to borrowers of Xceda Finance Australia – see "Australian Lending" section on page 12. The Xceda Group may at times have a material proportion of its loan book in Australian Dollars. Changes in the value of Australian Dollars against the value of New Zealand Dollars may impact its financial performance and cashflows.

If the value of Australian Dollars decreased materially against the value of New Zealand Dollars at such times, there is a risk that Xceda may incur material losses or not have sufficient cash to repay investors in NZD Secured Deposits.

Xceda mitigates currency risk by holding New Zealand Dollar cash and by using foreign exchange hedging (this is where we enter into a financial contract aimed at protecting against changes in foreign exchange rates). Therefore, Xceda considers the likelihood of currency risk having a material affect to be low.

Credit rating risk:

Xceda has an Equifax Ratings credit rating of B+ (“positive credit watch”) as at 05/01/2026. Equifax has stated that Xceda’s credit rating is supported by its incumbent market position in the New Zealand NBDT industry, continued healthy liquidity profile commensurate with its size, healthy capital adequacy levels and improving asset quality metrics. Xceda’s rating is however limited by its relatively small scale, limited product offerings and operating risks associated with a growing loan book.

Xceda’s rating can be influenced by the wider New Zealand economy. In the event this credit rating was downgraded it may have a material and adverse impact on withdrawal and reinvestment rates for maturing deposits and on Xceda’s ability to raise new funds from prospective depositors. If, as a result of such event, Xceda was unable to raise funds, the costs of raising funds were to materially increase, or significant numbers of deposits were withdrawn, this may have a material and adverse effect on the financial performance and financial condition of Xceda, which could affect payment obligations to depositors.

Key staff risk:

Xceda is reliant on its key staff, notably the senior leadership team. Should a number of staff be unavailable for a period of time, there is a risk that operations could be impacted for a period until suitable replacements are identified.

Xceda mitigates this risk through the development of comprehensive procedures, processes and controls across key areas of the business and holds key person insurance whereby any unavailability through sickness or injury of identified senior staff members will trigger insurance to cover the costs associated with their unavailability for a period of 12 months each.

7. Tax

Investing in interest-bearing investment products will have tax implications. The effect of taxation will vary according to your personal circumstances. If you have any queries relating to the tax consequences of your investment, you should seek independent professional advice prior to investing and satisfy yourself as to the tax implications of the investment.

Withholding tax

Under current legislation, Xceda is required to deduct resident withholding tax (“**RWT**”) or non-resident withholding tax (“**NRWT**”) (as the case may be) from the gross interest payable to you on your investment, and to account for this deduction directly to the Inland Revenue Department.

If you receive payments of interest subject to RWT, provided you supply Xceda with your IRD number, you can choose the rate of RWT to be deducted (being either 39%, 33%, 30%, 28%, 17.5% or 10.5%). Where you do not provide your IRD number withholding tax is deducted at the default rate (currently 45%).

Xceda is required to deduct RWT unless you notify Xceda that you have RWT-exempt status (as defined in section YA 1 of the Income Tax Act 2007) in the application form (or at a later date if relevant) and that status remains valid on the record date for the relevant payment. If you have RWT-exempt status, you are required to notify Xceda immediately if that status is no longer valid at any time during the period of your investment.

If you are a qualifying non-resident, and Xceda’s prior agreement is sought, Xceda will deduct the approved issuer levy (as defined in section 86F of the Stamp and Cheque Duties Act 1971) in lieu of deducting NRWT.

Xceda does not accept responsibility, nor does it give any undertaking or warranty that RWT deductions will not be made from any interest paid to any person who has or is entitled to have RWT-exempt status, where Xceda has not been notified of such status in the application form (or at a later date if relevant). There is no undertaking or warranty given that NRWT deductions will not be made from interest remitted to any address outside New Zealand in circumstances where Xceda has not been notified that such payments are subject to RWT not NRWT, irrespective of whether or not the recipient of the interest is or may become a tax resident in New Zealand.

There may be other tax consequences from acquiring or disposing of the investment.

8. Who is involved?

	Name	Role
Issuer	Xceda Finance Limited	Xceda issues the debt securities you are purchasing.
Supervisor	Covenant Trustee Services Limited	Provides independent oversight of Xceda in relation to the Secured Deposits.
Legal advisers	Minter Ellison Rudd Watts	Xceda's solicitors with regard to the preparation of this PDS and other regulatory matters.
Auditors	Grant Thornton New Zealand Audit Limited	Our independent auditors of our annual and half yearly financial statements and Trust Deed compliance.
Accountants	Price Waterhouse Coopers (PwC)	PwC provide tax and accounting advice to Xceda.

9. How to complain

You can make a complaint to any of the following entities:

Name	Contact details
Xceda Finance Limited	38 Richardson Street PO Box 497 Whakatāne Telephone: (+64 7) 306 0272 Toll free within NZ: 0800 11 22 75 Email: complaints@xceda.co.nz Website: www.xceda.co.nz
Covenant Trustee Services Limited	Level 6, 191 Queen Street (Crombie Lockwood Building), Auckland PO Box 4243, Shortland Street Auckland 1140 Telephone: 0800 746 422
The Insurance and Savings Ombudsman Scheme (ISO Scheme)*	PO Box 10-845 Wellington 6143 Phone: 0800 888 202 Email: info@ifso.nz Website: www.ifso.nz

*This entity will not charge you a fee for investigating or resolving a complaint.

Complaints can also be made to the Financial Markets Authority through its website www.fma.govt.nz.

10. Where you can find more information

Further information relating to Xceda and Secured Deposits is available free of charge on the Disclose Register at: <https://disclose-register.companiesoffice.govt.nz>. A copy of information on the offer register is available free of charge on request to the Registrar of Financial Service Providers, or on Xceda's website at www.xceda.co.nz.

11. How to Apply

1. Read Xceda's Product Disclosure Statement.
2. Decide which Secured Deposit product you wish to apply for, including the term and interest rate where applicable.
3. Complete the application form either online at <https://apply.xceda.co.nz/> or in paper form which can be sent to you via an email or post.
4. Submit your completed application form to Xceda by email, post, or through the online application process.

You may also request an investment information pack at www.xceda.co.nz/term-deposits/.

Before your application can be accepted, Xceda must complete customer due diligence and verify your identity in accordance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. Xceda may request supporting documents or further information from you for this purpose.

12. Contact information

Whakatāne Office
38 Richardson Street
PO Box 497
Whakatāne

Auckland Office
Level 17, QBE Centre
125 Queen Street,
Auckland, 1010

Telephone: (+64 7) 306 0272
Toll free within NZ: 0800 11 22 75
Email: invest@xceda.co.nz
Website: www.xceda.co.nz

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PO Box 497, Whakatāne

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