# Towards a Healthier Tomorrow

ANNUAL REPORT FY25

New Zealand King Salmon

Cover image: Te Pangu, Tory Channel/Kura Te Au.

# Contents

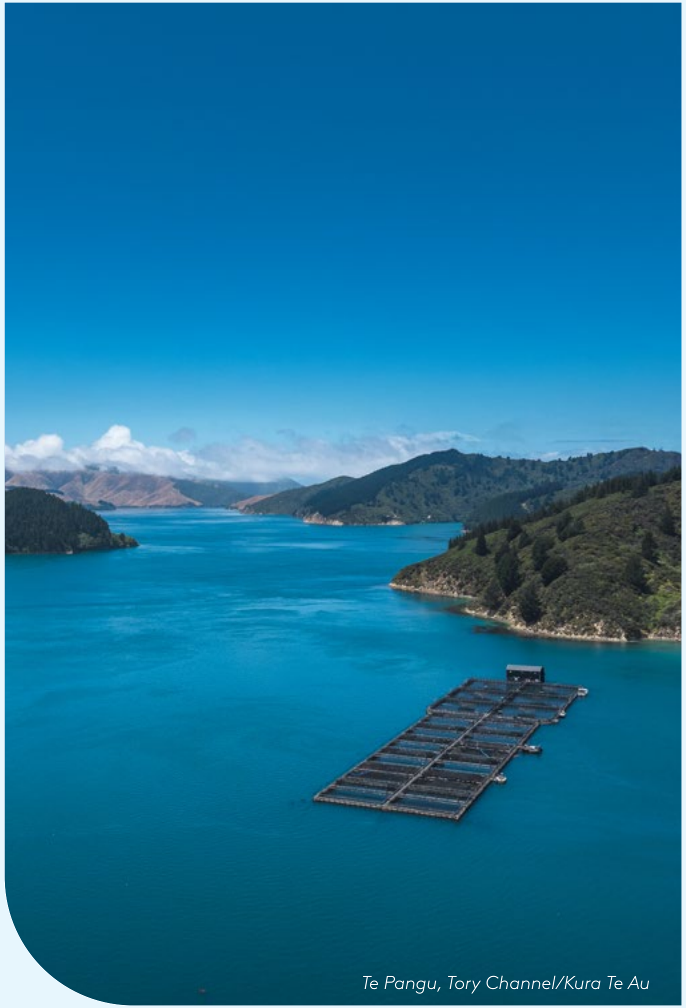


*The Annual Report is dated 27 March 2025 and signed on behalf of the Board by:*

*Mark Dewdney*
Chair

*Paul Munro*
Chair - Audit, Finance and Risk Committee

# Overview



Te Pangu, Tory Channel/Kura Te Au

# Chair and CEO Report

Ensuring we have a solid strategy and an accountable action plan, backed by the organisational capabilities to implement it, has been priority number one this year.

*Mark Dewdney*
**Chair**

*Carl Carrington*
**Chief Executive Officer**

## Turning Strategy into Action

This year has been one of planning and strategising as we prepare to become the world's first open ocean King salmon farmers at our Blue Endeavour site. For the past decade, our production has been capped while awaiting access to new marine space. Blue Endeavour will unlock future growth for both New Zealand King Salmon (NZKS) and Aotearoa New Zealand's emerging aquaculture sector.

> Blue Endeavour will unlock future growth for both NZKS and Aotearoa New Zealand's emerging aquaculture sector.

To seize this opportunity, we have developed a growth-focused strategy and a fit-for-purpose organisational structure. Our clear purpose and roadmap position us for long-term success.

We introduced this strategic reset in our previous Annual Report and company updates. This year, we'll reveal more about our new company purpose.

# Our Purpose Statement—Towards a Healthier Tomorrow

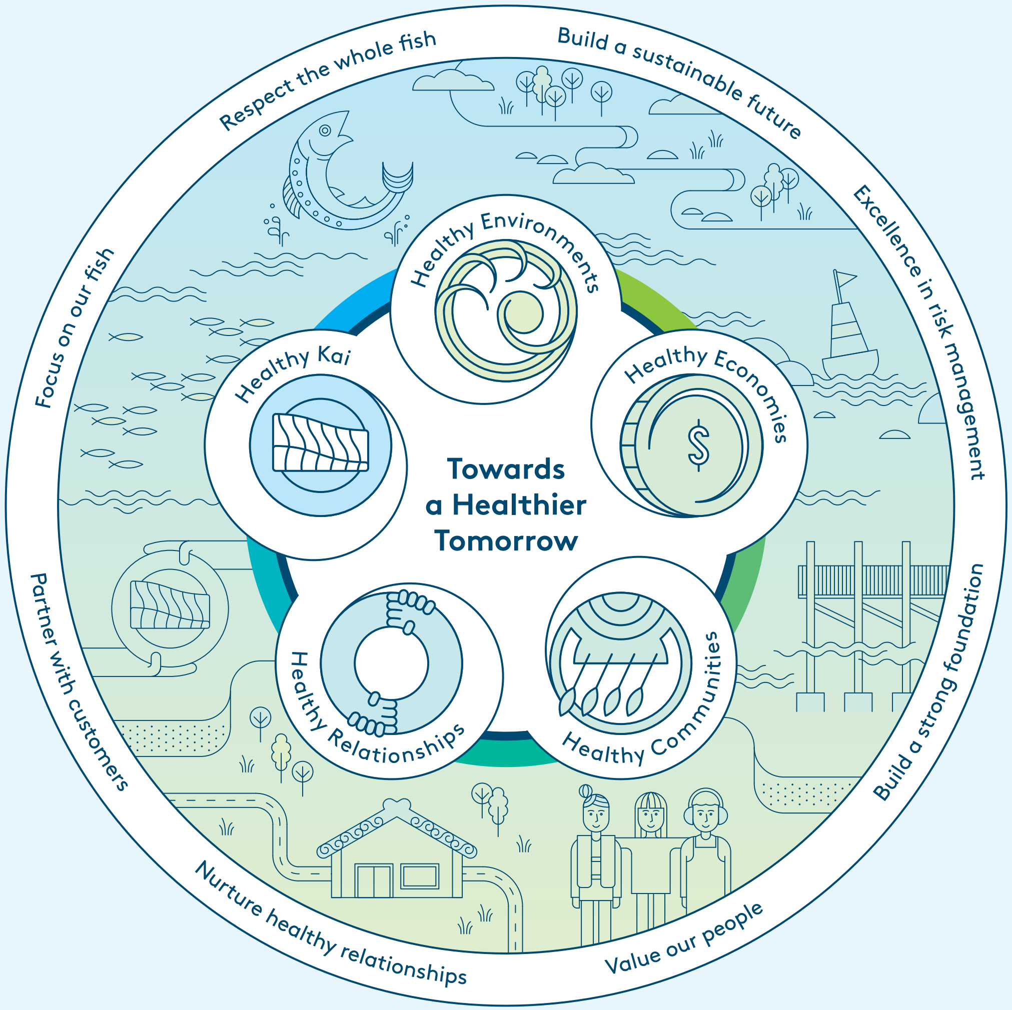
This broad and aspirational purpose acknowledges that health is at the core of our company—driving everything we do, from the health of our fish and teams to our customers, communities, and environment. Health is what we aim to contribute to and what we depend on. Health is the foundation of wealth and without it, long-term prosperity is not possible.

We intentionally use the word 'healthier' to reflect a direction of progress. We are developing meaningful metrics to track this progress and will share more details in time.

Our efforts focus on five key dimensions: healthy economies, healthy environments, healthy relationships, healthy communities, and healthy kai.

We understand that while words and intentions are important, our actions will demonstrate this purpose. We have therefore structured this year's Annual Report around this purpose statement and the five dimensions, to show how we are turning our strategy into action, and to track our progress meaningfully against our own goals.

> Health is at the core of our company—driving everything we do, from the health of our fish and teams to our customers, communities, and environment.



## Intentional Investments to Build Confidence and Enable Growth

We are making intentional investments in the right things, for the right reasons, in the right order, and at the right time. Executing this well will drive us towards success.

FY25 has been a year of solid progress, with strong economic results showing that we're continuing in the right direction. Entering this growth phase with a healthy balance sheet gives us the ability to invest in our growth plans.

We continue to balance fiscal prudence with intentional investments designed to deliver meaningful results. In FY25, we focused our investments on strengthening existing operations while strategically allocating resources to support growth. These investments included expenditures for the Blue Endeavour service vessel and pilot farm pens, ongoing research and development, and new processing equipment.

Importantly, our investments this year went beyond financial. We dedicated time and energy to building strong relationships with tangata whenua, shareholders, government, industry, science institutes, the Moananui blue economy cluster, and other key stakeholders. Relationship building is a core focus of our new strategy. By understanding the diverse perspectives surrounding our operations—locally, nationally, and globally—we can strengthen our social license to operate and ensure long-term support and trust in our future.

> Maintaining our 'fish come first' approach is essential, as healthy, thriving fish are key to both our growth and long-term sustainability.

The foundation of our success will always be our fish. Maintaining our 'fish come first' approach is essential, as healthy, thriving fish are key to both our growth and long-term sustainability.

However, the natural environment will always pose challenges for our fish, as we saw with our March 2025 disclosure to the market that warmer summer sea temperatures have impacted our FY26 harvest volumes and profitability. Prolonged elevated water temperature can increase stress, reduce the salmon's resistance to bacteria and other pathogens, and also reduce growth rates.

We know we must never take our focus off our fish and our natural challenges—it also underscores the importance of the investments we are making in improved fish health outcomes to further mitigate risk, such as in thermotolerance, vaccine development and diets. By prioritising the welfare of our fish, we safeguard our stable core business and drive steady improvements—one eye on the now, and the other on the future.

## Managing Risk to Support Growth and Reduce Volatility

Ensuring we have suitable risk mitigations in place to support our growth plans and reduce volatility has been a core company focus.

Effectively managing risk is essential for sustained success and long-term value. By staying focused on risk management, we can make better decisions, use resources wisely, and pursue sustainable growth that aligns with our goals while building resilience for the future.

We apply this risk management approach across all areas of the business, including:

- Piloting Blue Endeavour open ocean farming and Recirculating Aquaculture Systems (RAS).
- Diversifying sales into alternative markets.
- Hydrological mapping at freshwater sites to assess climate-related risks such as floods and droughts.
- Investing in breeding research to improve salmon resilience in warmer waters.

It is important to remember that there is often a lag between investments made and the delivery of results or returns. The biological rhythms of our fish and nature dictate our investment cycles. Sometimes, you won't see the outcomes of our investments in risk mitigations, for example, investments in flood protection, where essentially, 'no news is good news'. Identifying potential volatility and reducing the opportunity for adverse events keeps the pathway ahead as smooth as possible for our company. In this context, dividends will remain on hold as we strengthen our capital base and funding capacity to bring Blue Endeavour to reality.

By staying focused on risk management, we can make better decisions, use resources wisely, and pursue sustainable growth that aligns with our goals while building resilience for the future.

## Supportive Government Policy and Harnessing Collaborative Opportunities

As an industry leader in the rearing of King salmon, we take our responsibility seriously, including identifying strategic opportunities to collaborate, partner and create value for both our company, and NZ Inc. The most significant example of this is our Future Farming partnership.

# Future Farming—a NZKS and New Zealand Government Partnership

On 3 March 2025, we announced a significant, multi-year partnership with the New Zealand Government under the Sustainable Food and Fibre Futures (SFF Futures) fund.

The programme is expected to cost ~$29.3 million in total, with an investment by the government of up to $11.7 million.

Across its five-year duration, the 'Future Farming' programme will pilot the technologies that will provide the 'blueprint' for substantive and sustainable salmon farming growth in NZ, especially within new open ocean environments.

This programme encompasses three workstreams that will prove the technologies necessary for any significant industry growth:

- Blue Endeavour Pilot—in relation to open ocean aquaculture (OOA),
- Recirculating Aquaculture Systems (RAS) Pilot—in relation to freshwater hatchery technologies, and
- Novel Breeding Strategies Leveraging Genomics—to improve fish resilience and breeding accuracy.

The successful deployment of these technologies in a pilot but commercially relevant scale will demonstrate their utility to the wider NZ salmon farming sector. It will provide the business confidence for other companies to deploy similar technologies to unlock significant growth, while also supporting the long-term viability of the industry against climate-change exacerbated challenges.

NZKS acknowledges the co-funding of this project by the Ministry for Primary Industries' Sustainable Food and Fibre Futures fund. This project is one of the highest-value investments made by SFF Futures since the fund was established in 2018 and demonstrates both NZKS' and the wider sector's strategic importance for New Zealand. Crown funding will assist NZKS' ability to share what is learned from this project across the industry, thereby providing the 'blueprint' for industry-wide growth.

Our team has invested significantly in this application process over the past twelve months, and it is an example of our collaborative approach bearing fruit for our company. We would like to thank our project management team and the New Zealand Government for their hard work in achieving this great outcome.


*Image: Hon Todd McClay announcing the launch of the Future Farming partnership at Tentburn.*

# Future Farming

## RAS Pilot

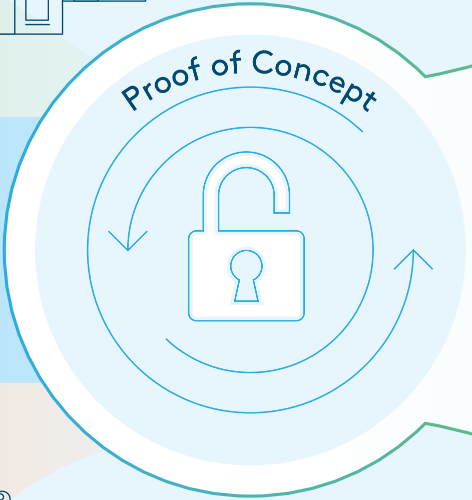
Pilot land-based hatchery technology—testing a modular recirculating aquaculture system. Production metrics including fish performance and health. Operational metrics including water quality, biofilters and operational efficiencies.

## Blue Endeavour Pilot

Pilot open ocean pen technology—two pens installed to test system and methodologies, measuring fish health and production outcomes.

## Novel Breeding Strategies

Testing new genomic selection technologies—improves breeding accuracy, accurate selection of desirable resilience traits e.g. thermotolerance.




## Outcomes

### Blue Endeavour Scaled

~10,000MT, generating ~$350M additional export revenue, creates 'blueprint' for industry.

### NZ Salmon Farming Sector Expands

Proves transferable technologies for wider industry adoption, sector achieves scale, and builds resilience.

### NZ Salmon Global Export Expansion

NZ expands position as global leader in King salmon, sector production increases significantly.

## The Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Bill 2024

Another critical milestone this financial year was the passing of the Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Bill 2024 in August. This landmark outcome has ensured our continued tenure at our inshore farms and is an overwhelmingly positive vote of confidence for the aquaculture sector focused on building a healthier future for New Zealand. Critically, it gives us the certainty of tenure to continue farming our current inshore farms, which will play a crucial role in our entry into offshore environments such as Blue Endeavour.

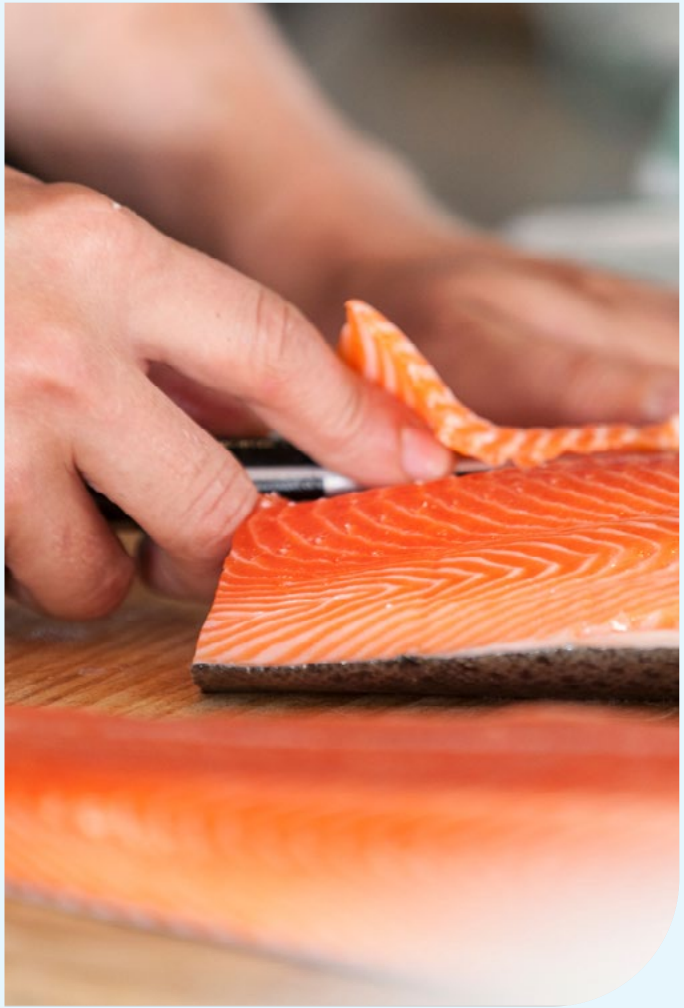
> Consumer demand for King salmon remains high, and New Zealand holds a global market leadership position for this high-value species.

## Outlook

We hold an overall optimistic outlook for the coming financial year. Challenges resulting from some summer related pressures did see us reduce our harvest volumes and profitability forecast for FY26, however we maintain laser focus on continuing to reduce risks given the inherent uncertainties of farming a biological asset.

The government has a double-export growth agenda to help drive the economic recovery. The aquaculture sector is a critical primary industry, and we are well-positioned to support and lead this goal.

Consumer demand for King salmon remains high, and New Zealand holds a global market leadership position for this high-value species. We are actively planning sales and market development to ensure the increased supply from Blue Endeavour meets growing demand. We see major growth opportunities and untapped potential in key markets, such as Australia and China. To support this, we are laying the groundwork to secure demand for the staged production increase.




Ōtānerau, Queen Charlotte Sound/Tōtaranui

## Summary

This time last year, we received the final permissions to farm at Blue Endeavour. A year later, we are pleased to share with you the significant progress and planning we have undertaken to turn the polygons on the map into reality.

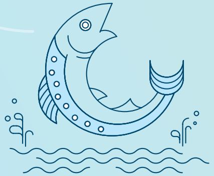
In addition, we have the privilege of working in partnership with the New Zealand Government on this significant undertaking through the Future Farming project.

This has been another solid year for NZKS as we continue to build the foundations required to execute our growth plans. We extend our heartfelt thanks to all those who have contributed to another successful year—our dedicated team, our shareholders, our customers, and our communities. Together, we can drive progress towards a healthier tomorrow.

*Mark Dewdney*
**Chair**

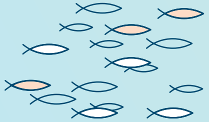
*Carl Carrington*
**Chief Executive Officer**

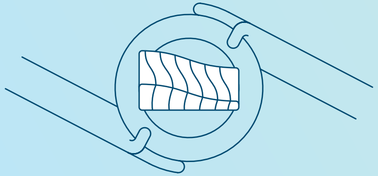
# Salmon Bites



**23.4kg**
The largest Ōra King TYEE to date

**6,778 MT**
Harvested

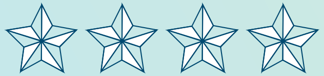




**68%**
Export sales

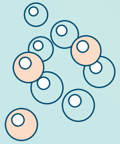
**32%**
Domestic sales

Our products are enjoyed in
**14**
countries worldwide

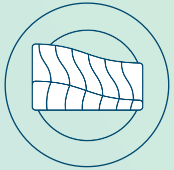


**4** Star BAP certified

**~200,000**
Fish for Blue Endeavour growing at Tentburn hatchery



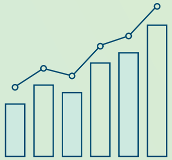
**50+**
Community events and engagements



**~600kg**
Salmon gifted under our community sponsorship programme

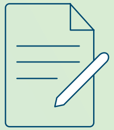
**~320kg**
Of waste collected over 33 beach clean ups

**$29.7** million
Pro-forma EBITDA

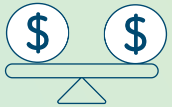


**$13.4** million
Net Profit After Tax

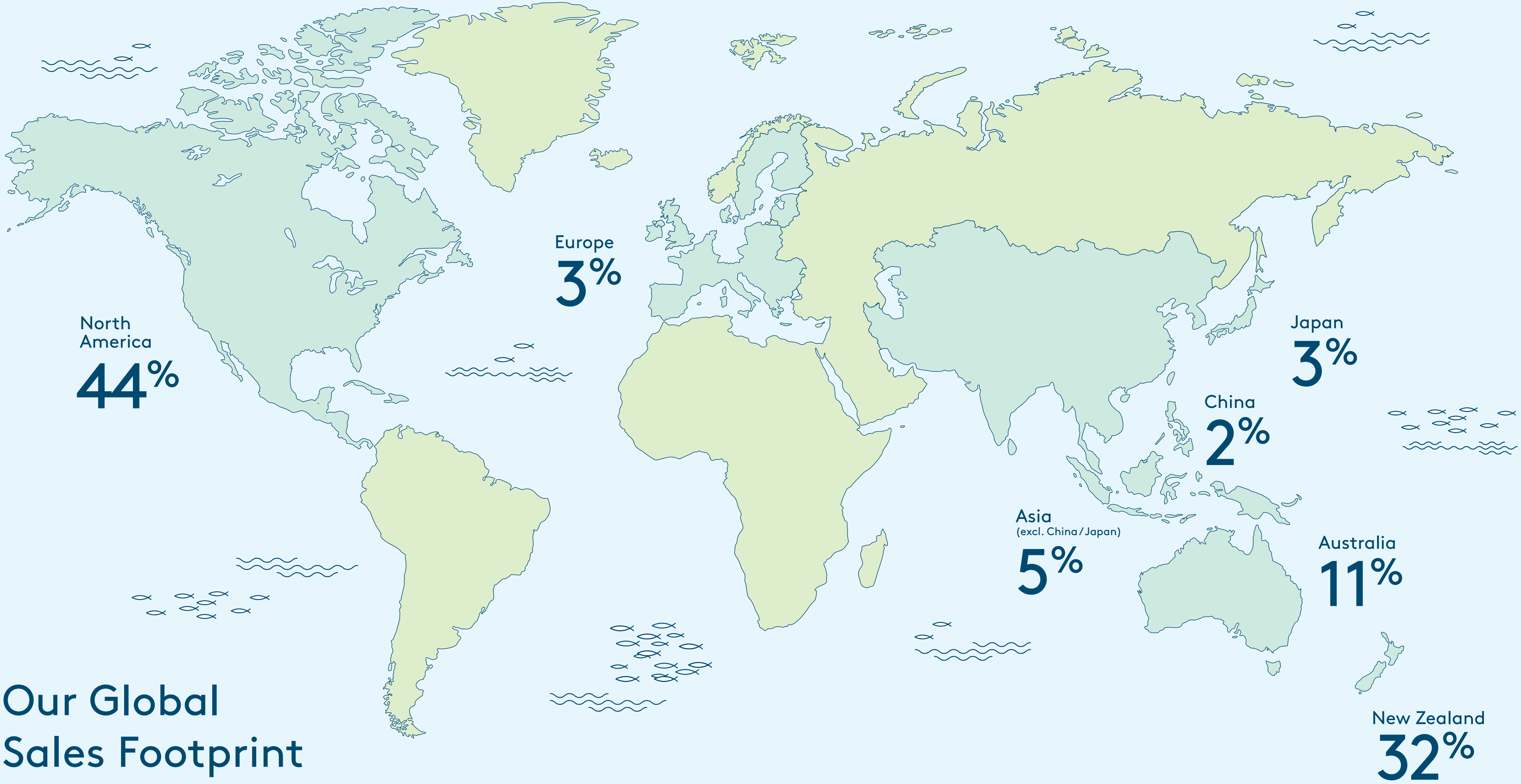
**1st**
Climate Related Disclosures Report published



Gender pay gap is below the NZ median of
**8.2%**



# Our Global Sales Footprint




# Performance Highlights

The FY25 result (on a Pro-Forma Operating EBITDA[1] result) represents NZKS' best financial performance since listing. However, in achieving this result the Board and Management have identified both the opportunity and the need to continue to improve and produce consistent results. The Company remains focused on how it can continue to reduce risks, given the inherent uncertainties of farming a biological asset in the sea.

Additional biomass combined with a continued focus on product and market optimisation delivered a record $211m in revenue. The increase in revenue helped offset increases in both direct costs (the cost of harvesting and processing fish) and corporate costs (investments in the corporate office capability and an increase in compliance costs).

The continued improvement in profitability and the retention of profits provides a strong balance sheet for future growth initiatives. As at 31 January 2025, NZKS has ~$50m of net cash on hand.

GAAP results were adversely impacted by a decrease in fair value of $7.7m, mainly driven by biological assets (FY24 fair value increase of $15.8m) and a smaller contribution from the continued unwind of early close out of FX contracts $4.3m (FY24 $6.7m) which occurred in FY21 and FY22.

## Group Financial Performance

| | GAAP | | | Pro-Forma | | |
|---|---|---|---|---|---|---|
| NZ$000s | FY25 | FY24 | % chg. | FY25 | FY24 | % chg. |
| Volume Sold (t) | 6,582 | 5,899 | *12%* | 6,582 | 5,899 | *12%* |
| Revenue | 210,993 | 187,106 | *13%* | 210,993 | 187,106 | *13%* |
| Gross Profit[2] | 45,365 | 59,052 | *(23%)* | 59,874 | 49,591 | *21%* |
| Gross Profit %[2] | 22% | 32% | | 28% | 27% | |
| EBITDA | 26,384 | 46,990 | *(44%)* | 29,729 | 24,475 | *21%* |
| EBITDA % | 13% | 25% | | 14% | 13% | |
| EBIT | 18,247 | 39,405 | *(54%)* | 21,592 | 16,890 | *28%* |
| NPAT | 13,359 | 28,452 | *(53%)* | 15,767 | 12,241 | *29%* |

[1]Refer to Glossary for the NZKS definition of Pro-Forma Operating EBITDA.

[2]FY24 GAAP Gross Profit has been restated due to a change in presentation in the financial statements. Depreciation associated with growing and processing salmon is now included in cost of goods sold.

# Performance Highlights

## Fish Performance

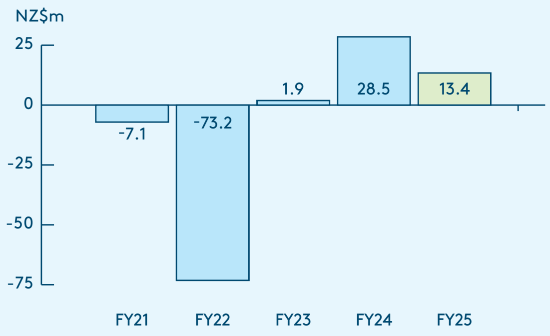
Fish performance remains the core focus for the business. FY25 completed the second full year of the adapted farming strategy, which involves having the majority of biomass in the cooler Tory Channel / Kura Te Au region over the warmer months, before towing to the Queen Charlotte Sound / Tōtaranui. As noted during half year, the positive biological performance shown in the first summer period, including lower summer mortality, was repeated over the 2023-24 summer.

FY25 harvest volumes were just under 6,800MT which is within the range of expected harvest volumes. Pleasingly, FY25 also saw an overall increase in average harvest size.

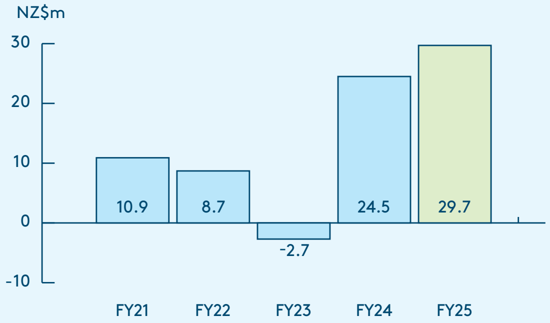
Unfortunately, higher than expected sea farm mortality, coupled with lower than anticipated growth rates over the most recent summer period (2024-25) will result in a reduced harvest for FY26. Although the mortality is well below the FY22/FY23, being the 2021-22 summer period, this highlights the need to be constantly working to improve fish performance outcomes.

Feed prices for the full year were slightly above FY24 level. Our most recent feed prices (repriced quarterly) have seen a decrease heading into FY26. Our trial pen facility was completed in December 2024 with the first feed trial underway from Jan 2025. This facility is crucial to our ongoing diet development work with our feed partners.

## GAAP NPAT

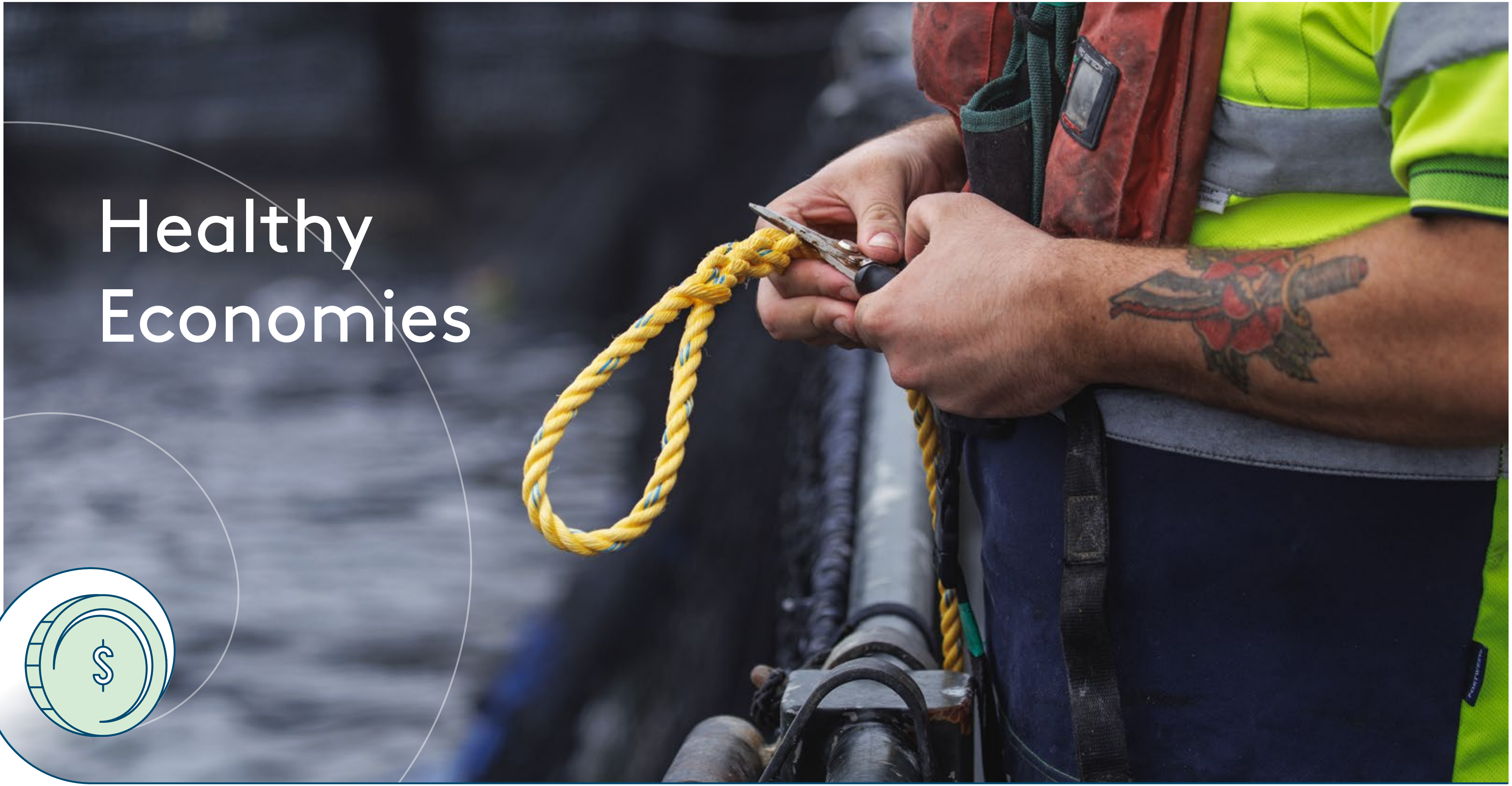



## Pro-Forma Operating EBITDA




## Biological Performance

| | FY25 | FY24 | % chg. |
|---|---|---|---|
| Harvest Volume (MT) | 6,778 | 6,238 | 9% |
| Average Harvest Weight (Kg) | 3.89 | 3.24 | 20% |
| Feed Conversion Ratio (FCR) | 1.78 | 1.74 | 1% |
| Closing Livestock Biomass | 4,879 | 5,379 | (9%) |
| Feed Cost ($/Kg of feed) | 3.41 | 3.38 | 1% |



# Healthy Economies

*Ngāmahau, Tory Channel/Kura Te Au*

# Healthy Economies

We are proud to be a significant contributor to both regional and national economies, with future plans that will further grow this impact. Our Blue Endeavour project, once fully developed, could add ~$350 million in annual export revenue, which aligns to the central Government's focus on an export-led economic recovery.

## The Role of Aquaculture in Economic Growth

New Zealand's aquaculture sector is at a pivotal moment, with a goal to quadruple its value to $3 billion annually within the next decade, as outlined in the New Zealand Aquaculture Development Plan 2025–2030.

Our multi-year partnership with the New Zealand Government through the Future Farming project is a critical first step in achieving this—proving the technologies and practices that will shape the future of open ocean farming and unlock the full potential of New Zealand's King salmon industry.

# Bold Endeavours

## Leading the Future of Open Ocean King Salmon Farming

Developing New Zealand's first open ocean King salmon farm is a complex undertaking involving multiple interconnected projects. Each critical aspect underscores the importance of a structured, step-by-step approach—carried out with precision and rigour—to ensure long-term success.

### Stable Core Business

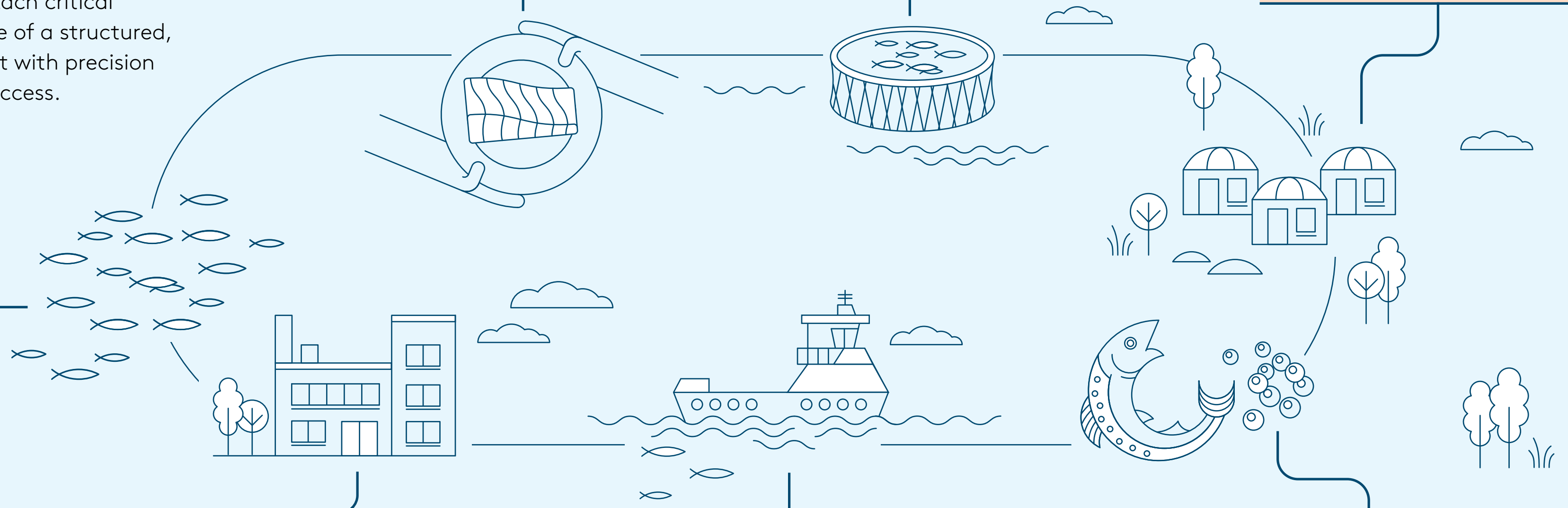
The foundation of all future initiatives lies in maintaining a stable core business. This provides the cash flow required to support and sequence the necessary investments.

### Pilot Open Ocean Farm

A cautious, phased entry into open ocean farming, minimising risk and ensuring a thorough and deliberate approach to scaling operations.

### Pilot Recirculating Aquaculture Systems (RAS)

Land-based infrastructure is vital for farming the ocean, particularly increasing freshwater capacity for smolt. We will implement a modular, pilot-scale RAS to learn about this technology before scaling up to meet this critical need.



### Well-Boat

Scaling beyond the pilot phase will require a well-boat to support the transportation of live fish in Blue Endeavour's large-scale operations.

### Factory Capacity Expansion

As our current factory approaches its end-of-life and production capacity limits, understanding the costs and timelines for a significant upgrade is crucial.

### Supporting Infrastructure

Essential infrastructure, including a specialised service vessel and advanced net cleaning equipment, will be integral to operations.

### Future Breeding Programmes

Success in primary production depends on robust breeding programmes. Continued investment in breeding, including the development of genomics for resilience will underpin our long-term viability.

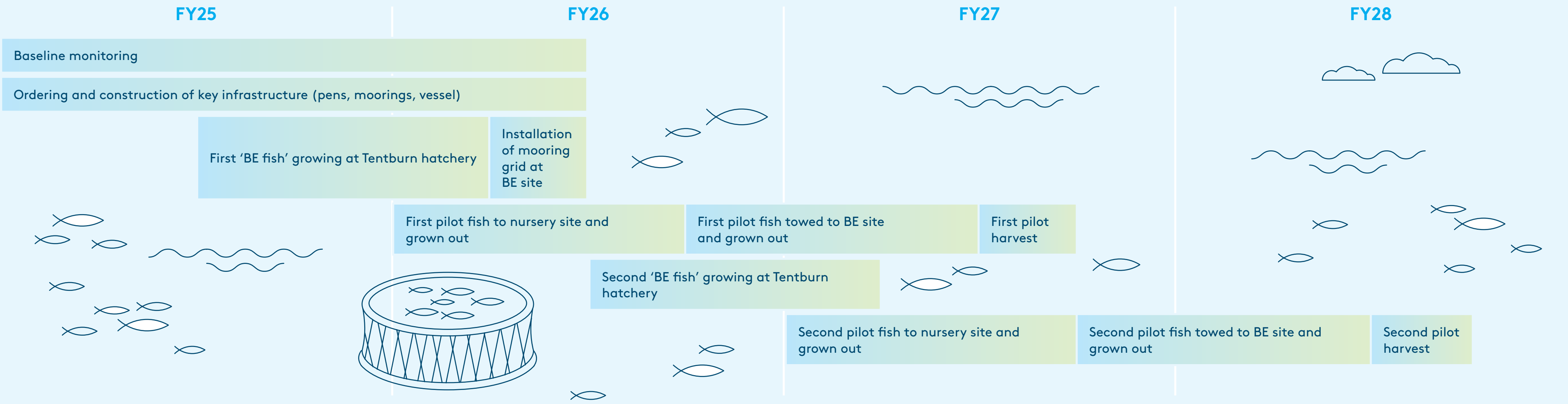
# A Pilot Approach to Open Ocean Farming

As shown by our nine-year journey to establish Blue Endeavour (BE), aquaculture is a sector that rewards patience, caution, and precision. With this in mind, we are launching a pilot-scale open ocean farm over two harvest cycles. This phased approach will ensure careful implementation, minimise risk, and build confidence among stakeholders.

Preparations for the pilot progressed significantly in FY25. Infrastructure is under construction, baseline environmental studies are underway, and the first cohort of fish is growing at Tentburn. Once operational, key activities—such as feeding, environmental monitoring, fish health checks, and pen and net maintenance—will be managed from a custom-built service vessel.

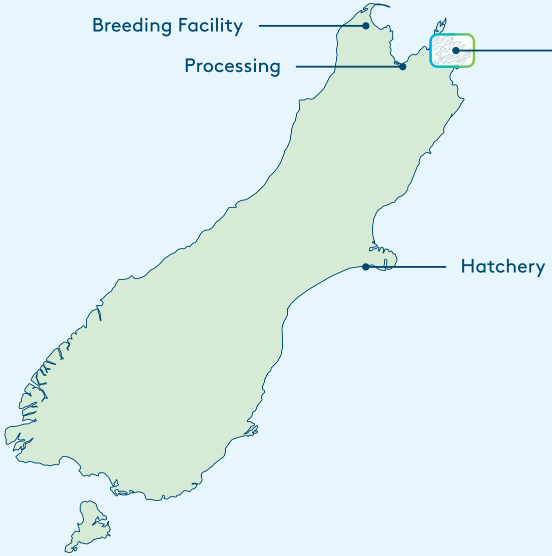
In the second harvest cycle, fish numbers will increase slightly while keeping operations at a pilot scale. This phased approach will help us address the unique challenges of open ocean farming, validate critical components such as infrastructure, operating procedures, fish welfare, and refine processes as needed. By taking time to adapt and learn, we will be well-positioned to scale-up with confidence.

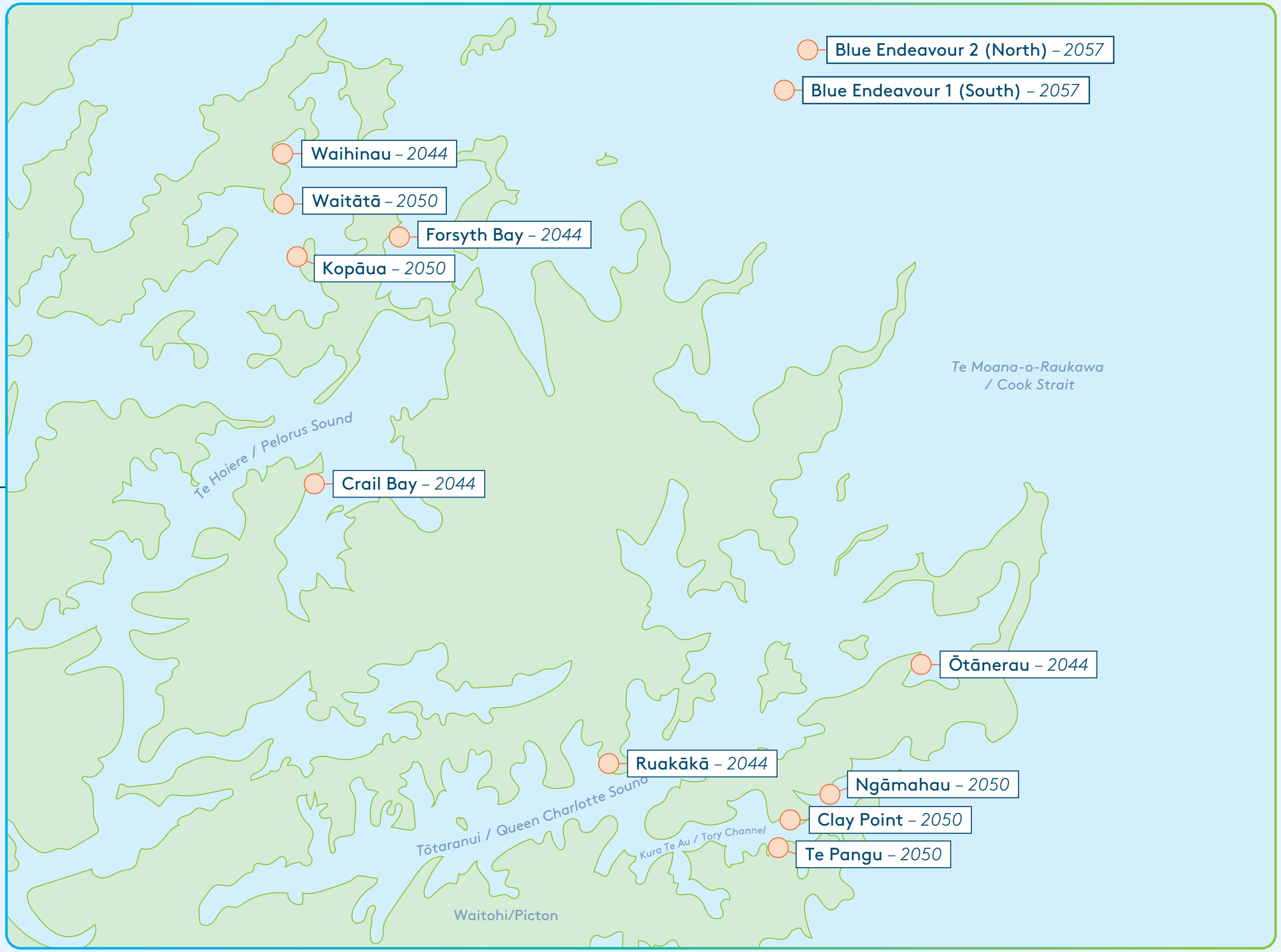
## Key milestones:



# A Stable Foundation for Growth

Our sea farm sites in Pelorus Sound / Te Hoiere are essential to Blue Endeavour operations, functioning as vital nursery farms and key harvest locations. The Extended Duration of Coastal Permits for Marine Farms Bill, which came into effect in the second half of FY25, guarantees certainty of tenure at these sites until at least 2044. This provides a stable foundation for future growth and underpins the long-term success of our operations.



## Infrastructure Investment for Future Growth

As part of our commitment to supporting key operations and future growth, we have invested in a new transport and grading facility at Tentburn. Fully commissioned in FY25, this facility plays a critical role in our freshwater operations by ensuring efficient fish assessment and transfer. It is an essential upgrade that will support increased volumes in the years ahead.

## Building Strong Regional Economies

We are proud that our operations directly support over 440 team members and deliver significant economic benefits through local employment, community investment, and partnerships with local suppliers and businesses. The money invested into, or spent with NZKS stimulates regional economies, creating direct and indirect employment and supporting businesses across a range of industries.

> As part of our commitment to supporting key operations and future growth, we have invested in a new transport and grading facility at Tentburn.

**We are committed to fostering thriving, resilient regional communities through:**

- **Job Creation:** Providing stable, meaningful careers with opportunities for training, development, and upskilling.
- **Local Suppliers:** Prioritising local suppliers and contractors directs investment into the regions where we operate, supporting industries such as logistics, engineering, and other services.
- **Community Contributions:** Sponsorships, scholarships, and partnerships that strengthen education, well-being, and environmental initiatives, ensuring our success benefits the communities we call home.

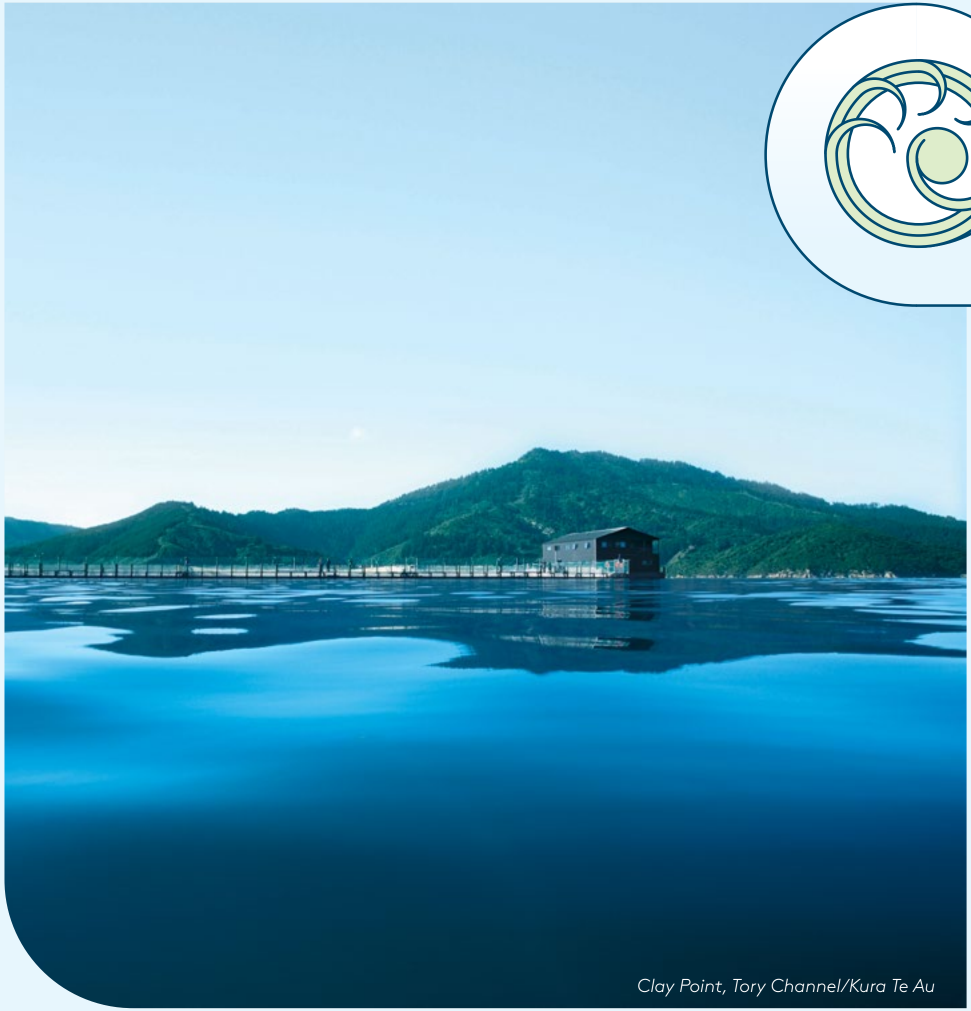
By investing in people, partnerships, and local businesses, we continue to drive sustainable economic growth that supports current and future generations.

## Investing in a Thriving Future

Looking ahead, we are committed to sustainable growth and shared prosperity. FY25 was a milestone year, laying the foundations for future success. By prioritising growth, operational excellence, and environmental responsibility, we create value for shareholders while supporting strong regional and national economies.

# Healthy Environments

*Te Pangu, Tory Channel/Kura Te Au*



Clay Point, Tory Channel/Kura Te Au

# Healthy Environments

We depend on a healthy environment for our fish to thrive. Minimising our environmental footprint and working with the natural world is core to our business.

## Fish Health and Welfare

The health of our fish is directly tied to the ecosystems we operate within, making the natural environment vital to our success. Operating in New Zealand's unique marine and freshwater environments is both a privilege and a responsibility we take seriously. Our approach is guided by environmental, social, and governance (ESG) principles.

Whilst we recognise that farming practices can impact on the environment, we maintain a focus on minimising this. We undergo independent scientific monitoring across all our sites, continually monitor against relevant metrics, and actively engage in the consent processes. In addition to this, we maintain Best Aquaculture Practice (BAP) certification across all our aquaculture sites which encompasses an annual independent, in-person audit.

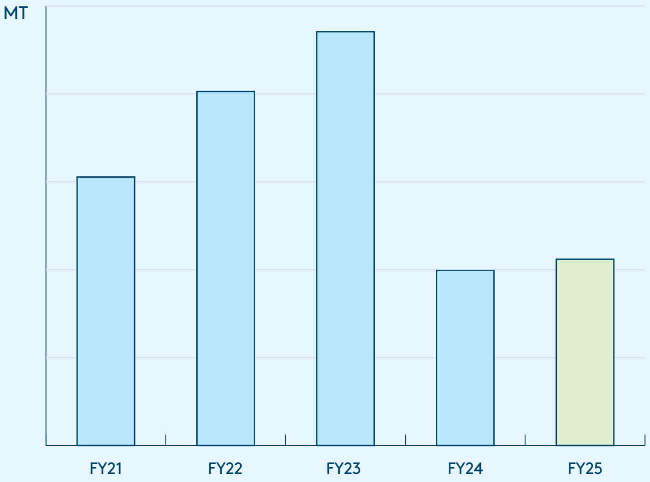
## Recognising our Responsible Practices

Beyond our four-star BAP certification and consent processes, we work to maintain certifications, partnerships, and recommendations, for example, engaging with the New Zealand farmed King salmon industry on important industry recommendations, such as the Monterey Bay Green 'Best Choice' rating.

## Biological Performance

In FY25, by strategically farming most of our biomass in the cooler waters of the Tory Channel / Kura Te Au during the warmer months, our biological performance was as anticipated and kept Q4 mortality levels within expected ranges.

### Total Mortality Biomass



## Ongoing Investment in Research and Development (R&D)

We are dedicated to advancing fish health, welfare, and production outcomes through targeted R&D initiatives:

- **Seafarm Trial Pens:** In FY25, we invested in a series of 12 trial pens at Ruakākā, enabling collaboration with feed and science partners to conduct feed and health trials in our farming environment. This facility will support more targeted, scientifically rigorous trials aimed at improving fish health and optimising performance outcomes.
- **Thermotolerance and Genomics* Development:** Now in its third year, our collaboration with the Cawthron Institute has made promising progress in identifying thermotolerant salmon families. This genetic selection approach addresses the climate-related risk of warming ocean waters. Parallel seafarm trials will test the real-world effectiveness of lab results and identify additional resilience and performance traits. The first thermotolerant fish are expected to be stocked at sea in mid-FY28.
- **Smoltification:** Smoltification is the process where young salmon naturally adapt to transition from freshwater to seawater. A key fish health priority is reducing the impact of young salmon failing to adapt to seawater, which we refer to as early runting. Recent trials have shown promising solutions using RAS technology, which we plan to commence work on the pilot in FY26 and FY27, along with more immediate improvements through diet changes.

Through these focused R&D efforts, we aim to address current challenges, enhance fish health, and unlock long-term growth opportunities.

*__Genomics__ is the study and mapping of genomes (the full set of genetic instructions for an organism) but does not involve the manipulation of genes or genomes. Genomic selection in our breeding programme will allow much more accurate selection of individual broodfish which have desirable traits. This will improve the pace of genetic gains in our stock—with an emphasis on resilience traits such as thermotolerance.


*Ruakākā, Queen Charlotte Sound/Tōtaranui*

*Image: Aerial view of seafarm trial pens.*

## Climate

We were proud to release our first Climate-Related Disclosures for the year ended 31 January 2024, on 28 May 2024. This is a positive step in our sustainability journey, providing a framework to guide and measure decision-making. Our ability to understand and adapt to climate-related risks and opportunities is crucial to future growth—a priority that management acknowledges and remains focused on.

Blue Endeavour marks a significant step in expanding production capacity, and we recognise that this growth may impact our overall carbon footprint. However, we remain committed to growing responsibly.

In FY25, we worked with third parties to explore opportunities for reducing Scope 1 and 2 emissions. Although immediate opportunities are limited, emission reduction strategies will continue to factor into business decision-making. We have also become a partner of The Aotearoa Circle and are part of the group developing the Seafood Nature, Climate and Te Ao Māori Scenarios. This work will continue to support our Climate-Related Disclosure reporting maturity.

We remain proud to produce healthy, nutritious, and high-quality protein and firmly believe that farmed salmon plays a key role in building sustainable and resilient food systems.

Read our Climate-Related Disclosure Report

Our FY25 Climate-Related Disclosures will be available on the company website, no later than 31 May 2025.

## Building Climate and Freshwater Resilience

We are addressing climate risks to safeguard the sustainability of our freshwater operations at Tentburn and Tākaka. In FY25, comprehensive hydrological assessments enhanced our understanding of flood and drought risks and led to the development of tailored resilience projects:

- **Hydrological Mapping:** Data from assessments will inform projects to mitigate flood and drought impacts.
- **RAS Technologies:** Pilot projects exploring advanced freshwater systems to reduce water usage and build resilience, with a potential rollout in FY26–FY27.

These initiatives support operational resilience and sustainable growth in response to climate challenges.

## Striving Toward Whole Fish Utilisation

We continuously work to maximise the value of every part of our salmon by unlocking the full potential of remaining raw materials (RRMs). Each year, we make steady progress through dedicated research and development. Looking ahead, we are confident in even greater opportunities for innovation and growth.

## Turning Organic Waste into Renewable Resources

In FY25, we completed New Zealand's first in-house aquaculture finfish ensilage plant in Picton. This allows us to transform by-products into feedstock for biogas and organic fertiliser while diverting organic waste from landfill.

The commissioning of this facility is the result of a four-year project and a significant step forward in our responsible management of resources. In FY26, we will focus on boosting efficiency, fine-tuning the technology, and working with our partners in this space. Building on this success, we are exploring new, innovative applications for RRMs, with key initiatives including:

> In FY25, we completed New Zealand's first in-house aquaculture finfish ensilage plant in Picton.

- **High-Value Protein Recovery:** Recent investigations identified an opportunity to repurpose salmon kidney line protein into valuable raw materials. A new process now captures and uses this protein as a key ingredient in nutrient-rich fish meal for non-salmon applications. This initiative maximises the RRM nutritional value, reduces organic waste, and moves us closer to our goal of fully utilising the whole fish.
- **High-Value Product Development:** In collaboration with external experts such as Callaghan Innovation and Auckland University of Technology (AUT), we are researching innovative ways to extract premium products from our RRMs. Insights from these efforts, expected in early FY26, will inform future factory upgrades and growth strategies.

We are highly dependent on the health and vitality of this taonga Te Waikoropupū, and are proud to contribute to mitigating the risks fire poses.

## Fostering a Circular Economy Culture

Driving circularity at NZKS extends beyond infrastructure to encompass internal capabilities and team ownership. Initiatives such as the Go Green Fund and participation in the XLabs Future of Food and Beverages programme empower team members to actively contribute to responsible operating procedures.

- **Go Green Fund:** This internal programme empowers team members to share ideas for a greener future, with support from Office Max to fund these initiatives and projects. In FY25 the fund has supported initiatives such as the below XLab participation and removing single use paper towels from non-food safe buildings.
- **XLabs Participation:** In FY25, the team conducted a critical systems mapping exercise across our processing operations. Key findings highlighted the potential to transform kidney line protein into valuable raw materials, serving as the catalyst for the high-value protein recovery project. It also led to new strategies for improving water management, reducing environmental impact, and enhancing operational resilience.

Spotlight on Healthy Environments

## Wildfire Risk Mitigation at Te Waikoropupū Springs

Te Waikoropupū Springs are a sacred taonga for mana whenua ki Mohua/Golden Bay, and the nation. The Springs and surrounding bush area have been registered as a wāhi tapu site with Heritage New Zealand Pouhere Taonga, and have been awarded a Water Conservation Order, the highest protection order available from the Environmental Court.

However, the Springs draw significant visitors, which drastically increases the risk of unconstrained fires when coupled with the highly flammable vegetation surrounding the roadside.

The project aims to remove highly flammable species along the road frontage leading to the Springs and replace them with low-flammability options. Additional initiatives include community education, signage, and an electronic fire detection system.

Our Tākaka hatchery, where our fish start their lives, is situated downstream of the Springs. We are highly dependent on the health and vitality of this taonga and are proud to contribute to mitigating the risks fire poses. NZKS is a partner alongside Manawhenua ki Mohua, Fire and Emergency New Zealand (FENZ), the Department of Conservation (DOC), and Corrections NZ, and we are committed to sponsoring and supporting the programme into the future.


## Supporting Taonga Manu

We are proud to contribute to a range of native bird recovery and rehabilitation efforts this year.

### Tara Iti Conservation

In FY25, we continued supporting DOC and Auckland Zoo in protecting the critically endangered Tara Iti. By supplying live smolt under DOC's supervision, we provided emergency feed to help chicks develop and transition to a live diet—an essential part of their early growth. Our contribution supports the Tara Iti breeding and release programme, which prepares chicks for life in predator-free environments.

### Hoiho Recovery with King Salmon Smoothies

We also supported the endangered Hoiho (yellow-eyed penguin) through nutrient-rich King salmon smolt provided to the Dunedin Wildlife Hospital. Rangers collect newly hatched chicks and transfer them to the hospital for intensive care. The omega-3-rich salmon smolt is a key ingredient in fish smoothies that help the chicks gain strength. Once they reach a healthy weight, the chicks are reunited with their parents. Past efforts using this approach have achieved a success rate of over 90%.

### Additional Bird Recovery Support

This year, we also provided smolt to the Kororā Little Blue Penguin Trust for their urgent appeal and fundraised for the Kārearea Falcon Trust at the Picton Maritime Festival.

While providing smolt can present some logistical challenges, we remain proud and committed to supporting critical bird rehabilitation initiatives when possible.

*Images: Left, NZKS and Kārearea Falcon Trust fundraising at the 2025 Picton Maritime Festival. Above, Kororā/Little Blue penguin recuperating with the help of our salmon.*

# Healthy Relationships

# Healthy Relationships

We have an ecosystem of important relationships which we are dependent upon for success. We will continue to strengthen and invest in our relationships to achieve a healthy future.

## Meaningful Relationships Underpin Success

Our ability to succeed depends on building strong, meaningful relationships. By fostering meaningful connections and partnerships, we are building shared growth and resilience across our business and communities as we work towards a healthier tomorrow.

The following examples from FY25 demonstrate how our relationship-driven approach translates into impactful actions and tangible results.

## Strengthening Relationships with Tangata Whenua

In FY25, we prioritised whakawhanaungatanga (building connections) and strengthening our relationships with tangata whenua. This included one-on-one and collective hui, along with site visits across our operations. These meaningful engagements are fostering deeper understanding and enriching us as an organisation. Through these relationships, we are discovering shared values, building our cultural awareness and internal capabilities, and exploring opportunities for future collaboration.

## Partnering for Industry Advancement

Strong industry relationships drive progress for our company, the aquaculture sector, and the broader blue economy. Through key initiatives, we foster collaboration, share expertise, and drive sector-wide innovation.

One key example is our growing partnership with the New Zealand Government through the Future Farming project—an essential initiative advancing open ocean farming and supporting long-term industry growth. We also engage with blue economy clusters, such as Moananui in New Zealand and the Blue Economy CRC in Australia, fostering cross-industry dialogue and innovation to enhance aquaculture on both sides of the Tasman.

Locally, we maintain a strong partnership with Aquaculture New Zealand (AQNZ) through active Board involvement, conference sponsorship and participation, and talent development initiatives. As part of this, we supported and judged the 2024 Emerging Leaders Award, which recognises and nurtures future industry leaders.

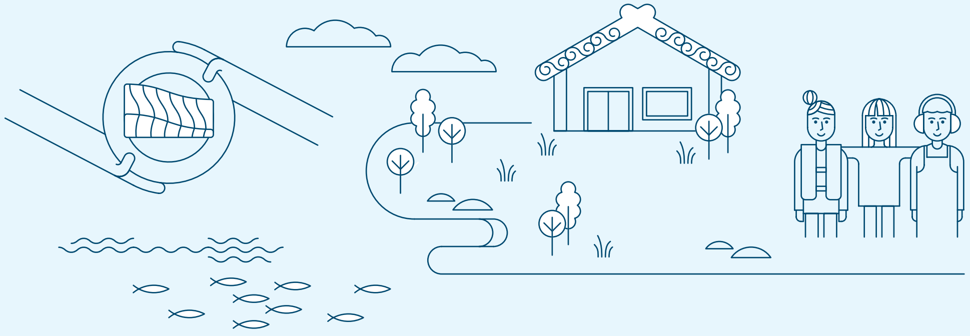
At the 2024 AQNZ conference in Nelson, we presented 'Bold Endeavours', sharing insights into our open ocean farming journey and outlining the opportunities, challenges, and key steps ahead for the sector's next major milestone.

**At the 2024 AQNZ conference in Nelson, we presented 'Bold Endeavours', sharing insights into our open ocean farming journey.**

Partnerships with science and research specialists play a vital role in driving innovation in fish health, welfare, resilience, and sustainable farming practices. These collaborations support our strategic goals while benefiting the wider aquaculture sector.

Our leadership in food safety plays a key role in strengthening New Zealand's seafood industry. Through positions like Chair of the New Zealand Food Safety Science and Research Centre (NZFSSRC) Industry Advisory Group and representation on the Seafood Standards Council, we collaborate closely with industry partners and the Ministry for Primary Industries (MPI) to enhance food safety systems.

*Image: CEO, Carl Carrington presenting at the 2024 AQNZ conference.*



## Engaging with our Customers

Building strong, trust-based relationships with customers is vital to our continued success in both domestic and export markets. In FY25, we prioritised strengthening connections and delivering excellent service standards to boost customer confidence and solidify our reputation as a trusted supplier and partner.

Through tailored operational visits and proactive dialogue, we strengthened connections with local and global customers, including distributors, importers, and chefs. These engagements showcased our commitment to transparency, operational excellence, and shared goals.

## Investing in our Shareholders

Clear and consistent communication with our shareholders is essential to building trust and staying aligned with our strategic goals. In FY25, we continued to provide regular updates, including Annual and Half-Year Results presentations. We also participated in the NZX Spotlight Series and nationwide events hosted by the NZ Shareholders Association.

By cultivating strong relationships and fostering meaningful partnerships, we continue to drive sustainable growth, delivering value for our stakeholders whilst collectively working towards a healthier tomorrow for current and future generations.

Spotlight on Healthy Relationships

## Building the Future of Aquaculture with NMIT

At NZKS, we are shaping the future of aquaculture through our longstanding relationship with Nelson Marlborough Institute of Technology (NMIT). Together, we equip the next generation of aquaculture leaders with practical skills, experience, and industry connections to drive innovation and sustainable growth.

Each year, we provide fertilised salmon eggs (salmon-eyed eggs) for students to study the full salmon life cycle, and we supply whole fish for health checks and dissection sessions, ensuring hands-on learning in fish health and anatomy. Through placements, field trips, and research projects, students gain real-world industry insights.

Beyond hands-on learning, we invest in future leaders by offering scholarships —supporting over 20 students with nearly $150,000 in funding over the past decade. We also play an active role in shaping the aquaculture curriculum through our contributions to NMIT's Aquaculture Industry Advisory Committee, ensuring programmes align with industry needs.

It's a two-way exchange—NZKS team members also attend NMIT each year for advanced training in fish health and necropsy techniques, strengthening expertise on both sides.

This relationship extends beyond NZKS and NMIT—it strengthens New Zealand's entire aquaculture sector, fostering collaboration, innovation, and industry-ready talent for long-term growth.

# Healthy Communities


# Healthy Communities

We have been part of the fabric of Te Tauihu for over 35 years. We value our team members and communities (in the region and beyond), who are woven into our company.

## Building a Strong, Engaged, and Thriving Workforce

With over 440 team members, we are dedicated to fostering a workplace that supports their health, safety, and growth. This year, we took significant steps to build a connected, inclusive, and engaging culture—one that not only attracts and retains exceptional talent but also ensures our people feel valued and supported in their roles.

*Image: Team members at the 2025 Picton Maritime Festival.*

## Culture and Engagement

- **New Values:** We introduced our refreshed internal values—Safety First; Better Every Day Together; Provenance; and Responsibility—to guide our internal culture and behaviours. A new recognition framework, launching in FY26, will tie into these values, ensuring team members are celebrated for demonstrating our principles.
- **Employee Engagement:** Our FY25 engagement survey delivered our best-ever score—84% overall engagement, with an impressive 85% response rate. Notably, our aquaculture division saw an 11% increase, and our processing division achieved 89% engagement. Action plans are now in place to build on this success.
- **Collaboration Initiatives:** To strengthen connections across our business, we reinstated key engagement activities, including:
  - **CEO and GM Lunches:** Quarterly lunches where the CEO meets with small groups of team members to discuss the business, their challenges, and ways we can improve as an organisation.
  - **Big Family Day Out:** A highlight of FY25, giving over 100 team members and their families an immersive experience at our seafarms.


*Clockwise from left: Team members enjoying the Big Family Day Out, boat moored at the seafarms during the Big Family Day Out, CEO and GM lunch with team members.*

## Health, Safety, and Wellness

**Safety Focus:** The health and safety of our people remains a primary focus. Our 30+ active Health and Safety representatives play a key role in strengthening our safety strategy. This year, we hosted two leadership health and safety conferences and made critical advancements in risk management, particularly in pedestrian and mobile plant separation.

**Period Equity Programme:** To promote workplace wellness, we expanded our free period products programme to all processing, seafarm, and hatchery sites, to ensure equal access.

**Near-Miss Reporting and Lost Time Frequency Injury Rate:** Our FY25 lost time injury frequency rate of 35 per 1 million hours worked, highlights the need to enhance near-miss reporting and tackle systemic challenges. We are dedicated to making further improvements in safety and fostering a healthier, safer work environment for everyone by focusing on these areas.

> Our 30+ active Health and Safety representatives play a key role in strengthening our safety strategy.

Spotlight on
Healthy Communities

## Connecting Our People

In March 2024, we hosted the inaugural New Zealand King Salmon Big Family Day Out, bringing together over 100 team members and their families to foster collaboration, connection, and engagement across the business.

Travelling together by bus from Nelson to Picton, the group set off to visit our Te Pangu and Clay Point seafarms in the Tory Channel. The day included guided farm tours, stunning views, and a shared lunch. For many, it was their first opportunity to see our seafarms up close, making the experience both informative and memorable.

The event received enthusiastic feedback, deepening appreciation for our operations and strengthening pride and connection among our team members and their families.

The Big Family Day Out highlights our commitment to valuing our people by fostering collaboration and building meaningful connections across different areas of the business.

## Training, Development, and Succession Planning

- **Upskilling Our People—We continue to invest in our teams through:**
  - **A Life Skills Programme:** Over 30 team members completed ~740 hours of personal development training, covering communication, problem-solving, and financial management.
  - **Open Learning Portal:** Over 550 course enrolments this year, offering team members access to quality learning opportunities.
  - **Emerging Leader Programme:** Launching in FY26, this initiative will train nine future leaders with mentoring and core leadership skills.
- **Performance Management:** FY25 saw the launch of our bespoke IT-based performance management system, streamlining goal-setting, feedback, and development conversations.

## Attracting and Retaining Talent

- **Long-Term Incentives:** In FY25, the Long-Term Incentive (LTI) scheme was refreshed to ensure we retain and motivate key senior managers.
- **Scholarships:** Supporting local talent, with three NMIT scholarship recipients this year including a current team member.

By investing in our people and prioritising their health, development, and engagement, we continue to build a strong, connected workforce while strengthening our position as a local employer of choice.

> Over 30 team members completed ~740 hours of personal development training.

Spotlight on Healthy Communities

## Honouring a Legend

The newly commissioned transport and grading facility at Tentburn, stands as a lasting tribute to Mike Anderson, a much-loved and respected member of the NZKS family who sadly passed away in March 2024.

Mike's 20+ year tenure began as a hatchery technician at Kaituna, Marlborough, in 1999, before he relocated to Tentburn in 2004 following Kaituna's closure. The quintessential gentle giant, Mike's large stature was only matched by the size of his heart and his generous, kind nature. To commemorate Mike's incredible legacy and deep connection to Tentburn, his teammates chose to name the new facility in his honour. Given its size and importance to our operations, it felt only fitting that the facility share his nickname.

*Image: The 'Big Mike' building at Tentburn.*

The Big Mike building was officially unveiled in December 2024 during a moving ceremony attended by Mike's family, who joined the NZKS team to celebrate his contributions and enduring impact.

Mike's legacy will forever live on at NZKS—not just in the name of the building but in the spirit of camaraderie, kindness, and hard work that he embodied every day.

## Commitment to Our Local Community

We support our community through a variety of initiatives that align with our values and geographic footprint. Our contributions include financial support, product donations, scholarships, event support and participation, and fundraising activities. Our business creates ripples of positive impact for multitudes of other organisations and groups.

## Community Sponsorship Programme

In FY25, we aligned our sponsorship programme with our new strategic purpose 'Towards a Healthier Tomorrow', setting out the following goals:

- Supporting the health and wellbeing of our regional communities.
- Enhancing the health of the environment we depend on.
- Building healthy relationships with tangata whenua.
- Nurturing talent and skills for a future healthy workforce.
- Maintaining a healthy corporate presence and participation in our communities.

*Image: Rangatahi from Te Tauihu performing at the pōwhiri for Ngā Kapa Haka Kura Tuarua a Motu, hosted in Whakatū. NZKS were proud to sponsor the event in alignment with our sponsorship goals. Photo credit: Erica Sinclair.*

# Sponsorship Activities

Some examples of initiatives we support:

TĀKAKA

**Te Waikoropupū Springs Wildfire Risk Mitigation Project**
Supporting wildfire risk reduction near this sacred taonga

**Women of Aquaculture Aotearoa**
Supported the inaugural launch event of Women of Aquaculture Aotearoa (WOAA)

**Seafood Saturday**
Sponsored and participated in Nelson's seafood festival, celebrating our world-leading seafood sector

**Ngā Kapa Haka Kura Tuarua a Motu 2024**
Corporate sponsorship to foster positive community connectivity through kapa haka

NELSON

**Multicultural Nelson**
Supported the Laos Language School and Multicultural Nelson Festival

**NMIT**
Refreshed scholarship programme, including three scholarships valued at $10,000

**Special Olympics Nelson Basketball**
Corporate sponsorship

**Nelson Tasman Hospice**
Supported the Nelson Airport Trees of Remembrance initiative

**Big Brothers Big Sisters**
Cornerstone sponsors

HAVELOCK

**Havelock Mussel & Seafood Festival**
Platinum sponsors, with fundraising for the Te Hoiere Kura

**Marlborough Girls College**
End of year awards sponsorship

BLENHEIM

**Marlborough Chamber of Commerce**
Gold sponsors

ANAKIWA

PICTON

**Picton Maritime Festival**
Sponsorship, with fundraising for Kārearea falcon

**Kaipupū Wildlife Sanctuary**
Rimu sponsors

WAIKAWA

**Waikawa Boating Club**
NZKS Winter Race Series sponsorship

**Queen Charlotte College**
Sponsorship and support for the wetlab aquaculture facility, and end of year awards sponsorship


~600kg of salmon gifted under our community sponsorship programme.

## Kai

Sometimes, the best way we can show support is by sharing our delicious salmon. In FY25, we donated ~600kg of salmon to various community causes, along with over 1,700kg of Omega Plus products to pet charities across New Zealand.

Through this support, we aim to make a meaningful impact and strengthen the communities we are proud to be part of.

# Healthy Kai

# Healthy Kai

We are proud to grow a product that is recognised as a healthy, nutritious form of protein[1]. King salmon is a good source of omega-3[2] and is packed full of nutrients essential for overall health and wellbeing.

As producers of the rare and highly sought-after King salmon, we take pride in offering one of the most nutritious and versatile protein options available. Known for its superior taste, rich texture, and exceptional health benefits, our King salmon is a high-value, low-carbon protein recognised for its consistent quality and trusted reputation.

From Michelin-starred chefs to families at home, customers choose our salmon because they trust the care, expertise, and integrity behind every step of its production.

Starting at our freshwater hatchery in Tākaka and ending on plates worldwide, every step of our process reflects our commitment to producing an exceptional product that supports health and inspires confident cooking. With its unmatched flavour and artisanal quality, our King salmon elevates every dining experience.

## Our Brands

We continue to strengthen our three core consumer brands—Ōra King, Regal, and Omega Plus—through innovation, market expansion, and meaningful partnerships that engage both consumers and industry leaders.

In FY25, we aligned advertising and promotional spend with sales growth and margin targets, focusing on driving awareness, enhancing product offerings, and exploring new categories and markets to set the stage for sustained growth and global impact.

[1] LCA of NZ farmed King Salmon.
[2] Schedule 4 FSANZ - Food Standards Code.

ŌRA KING®

# The Chef's Choice

Ōra King remains the pinnacle of culinary excellence, celebrated by innovative chefs, restaurants, suppliers, and distributors for its superior flavour, exceptional texture, and status as a rare and unique breed of King salmon.

The Ōra King ambassador network continues to play a vital role in showcasing our unique product and brand story, while strengthening credibility and generating authentic content. This year, we welcomed several new partners, including a renowned three-Michelin-starred chef, further enhancing our global presence in key markets and among target audiences.

*Image: Ambassador Matt Lambert's Ōra King dish for Cuisine magazine.*


## Celebrating Our Ōra King Ambassador Chefs:

- Nick Honeyman earned his first Michelin star in France, solidifying his reputation as one of New Zealand's leading culinary exports.
- In Auckland, Paris Butter, led by Nick Honeyman and Zennon Wijlens, was crowned New Zealand's Best Restaurant 2024.*
- Long-standing ambassador Makoto Tokuyama was once again awarded 3 hats at this year's Cuisine Good Food Awards, making his restaurant Cocoro the longest-running 3-hatted restaurant in New Zealand.
- Norka Mella Munoz, Executive Chef of Wharekauhau Country Estate, earned the title of Luxury Lodge Chef of the Year at the 2024 Cuisine Good Food Awards and received her first Cuisine hat.
- Rogelio Garcia, Executive Chef of the one-Michelin-star restaurant Auro in California, launched his first cookbook, Convivir, celebrating his Mexican heritage and the natural abundance of Napa Valley.

*Ref: https://worldculinaryawards.com/award/new-zealand-best-restaurant/2024

*Image: Ōra King Ambassador, Makoto Tokuyama.*

> Guests experienced firsthand the care, responsible practices, and craftsmanship that define Ōra King salmon.

## Global Engagement - Connecting Customers to the Source

Throughout FY25, we hosted several familiarisation (famil) trips, inviting global distributors, chefs, and partners to the heart of our operations. These visits offered a unique opportunity to explore the environments where our salmon is raised, gain insight into our processes, and connect with the dedicated people behind our product. Set against the stunning natural landscapes of Marlborough and Tākaka, guests experienced firsthand the care, responsible practices, and craftsmanship that define Ōra King salmon. These immersive visits highlighted the deep connection between our unique natural environments, thoughtful practices, and the exceptional quality of our product, further reinforcing Ōra King's premium positioning as the salmon of choice for culinary excellence.

## Additional Highlights:

- **Enhanced Traceability:** We updated our traceability experience on the Ōra King website making it easier for chefs and customers to follow the journey of their Ōra King salmon, strengthening trust and transparency.
- **Record TYEE Achievement:** This year, we harvested our largest Ōra King TYEE yet, weighing an impressive 23.4kg. This achievement reflects our ongoing commitment to innovation and aquaculture leadership, as each year we continue to surpass previous records and push the boundaries of what is possible.
- **Ambassador Events:** We hosted several in-market Ambassador events this year with the aim of bringing together our global network of chefs to encourage collaboration. Our Ambassador programme continues to evolve with new and exciting initiatives to foster the unmatched creativity we see from our chefs worldwide.

Ōra King continues to reflect our unwavering commitment to quality, collaboration, and innovation. By fostering strong relationships with chefs and partners worldwide, we ensure our product remains the preferred choice for culinary leaders seeking the finest salmon in the world.


Spotlight on Healthy Kai

### Liwei Liao—Redefining Seafood with Ōra King

Liwei Liao, a prominent U.S. distributor and wholesaler, is an influential advocate for Ōra King salmon and a pioneer in the art of dry-aging fish.

Recently recognised as one of L.A.'s most influential people by The Los Angeles Times L.A Influential, Liwei owns a sushi bar celebrated for its premium hand rolls featuring Ōra King.

At the prestigious Las Vegas F1 Grand Prix, Liwei showcased his speciality dry-aged Ōra King hand rolls, combining exceptional quality with culinary innovation and a unique opportunity for premium brand placement with a discerning VIP audience.

In February 2024, Liwei returned to Marlborough to visit our seafarms once again. This trip offered him a renewed perspective into the provenance, care, and innovation that define Ōra King. With each visit, his connection to the brand deepens, empowering him to share our story with authenticity and impact in the competitive U.S. market.

"Ōra King is unmatched—since 2017, Ōra King has proven to be the best salmon I have ever worked with. Its performance in quality and reliability continues to surpass the test of time" says Liwei.

Known for pushing culinary boundaries, he highlights Ōra King's firm texture, rich taste, and consistent quality as ideal for both fresh and aged preparations.

# Inspiring Everyday Dining

Regal continues to lead the New Zealand smoked salmon category as the number one preferred brand for preference and consideration.*

In FY25, our focus has been on strengthening brand equity and motivating consumers to choose Regal salmon more often. We have achieved this by developing innovative recipes for both everyday meals and special occasions, partnering with chefs, home cooks, and influencers to share creative cooking ideas, launching seasonal campaigns, and leveraging consumer panel insights to refine our offerings and deepen engagement.

*Ref—Tracksuit Data, February 2024—January 2025

## Key Highlights from FY25:

- **Collaborations:** Chef Al Brown returned as Regal's ambassador, inspiring Kiwis with his approachable cooking style. Al's passion for kai moana and New Zealand's oceans align perfectly with the Regal brand.
- **Customer Engagement:** We launched a new style of digital campaign with Al Brown sharing creative recipe videos, stories, and interactive content to inspire and engage customers. These campaigns helped boost our overall social media reach by 342% and content interactions by 124% across Instagram and Facebook, compared to the same time period in FY24.*
- **New Innovations:** The newly launched Regal Epicurean frozen range provides tasty and convenient, high-quality options for everyday dining.
- **NZ Retail Resilience:** As more Kiwis embraced at-home dining, demand for premium protein grew in FY25, reflected in an increase in fresh salmon sales and a rise in Regal ready-to-eat products.

*'Meta Insights' data for periods September 23–January 24 and September 24–January 25.

## China — A Market of Opportunity

As an untapped market for NZKS, China presents immense potential. This year, we focused on positioning Regal as a premium offering by implementing targeted strategies across multiple channels.

Regal launched in China with a strong emphasis on storytelling and brand recognition, showcasing the provenance and premium quality of our Marlborough King salmon. Strategic partnerships, such as our collaboration with importer China Resources Food Supply Chain Co. Ltd (CRNFSC), played a key role in driving customer trial and awareness through specialised retail and online activities. In addition, Regal Chef Ambassador Caleb Zyon introduced our premium salmon to Chinese chefs and restaurants, through special events and menus. Having worked in high end restaurants in New Zealand (including Paris Butter, Auckland), Caleb's passion for showcasing New Zealand produce has been a perfect partnership for Regal King salmon.

By investing in tailored marketing, customer education, and in-market relationships, we are building a solid foundation for long-term success in this dynamic market.


*Image: Shanghai International Fisheries and Seafood Exhibition.*

OMEGA PLUS+

THE SALMON SUPERFOOD

# Premium Pet Nutrition

Omega Plus remains focused on its King salmon-based products, rich in omega-3 and essential nutrients for optimal pet health.

This year, we concentrated on building strong customer relationships and enhancing product credibility. Our transition to specialty retail has enabled direct engagement with end-users, including strategic placements in vet clinics, strengthening trust in the brand.

*Image: Top right, Omega Plus at Pet Fair Asia.*

## Key Highlights from FY25:

- **Market Growth:**
  Omega Plus products are now available in over 160 vet clinics across New Zealand, building trust and credibility among pet owners.
- **Strategic Partnerships:**
  Our collaboration with New Zealand Trade and Enterprise (NZTE) at Pet Fair Asia has been instrumental in creating visibility in international markets.
- **Customer Engagement:**
  Participation in our first vet conference allowed one-on-one interactions with this key segment.

# Global Reach and Market Diversification

We remain dedicated to ensuring our salmon is available in the local New Zealand market while expanding our presence across key international regions. Our strategy focuses on market resilience, diversification, and continuous price and product optimisation.

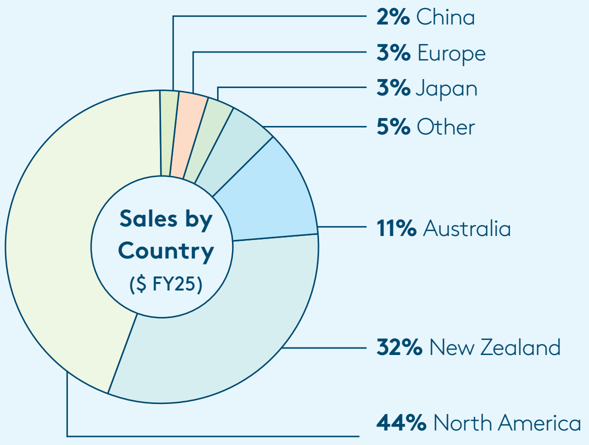
**New Zealand:** Retail growth driven by an increase in ready-to-eat products and an increase in fresh salmon sales, with the foodservice category consistent with previous years.

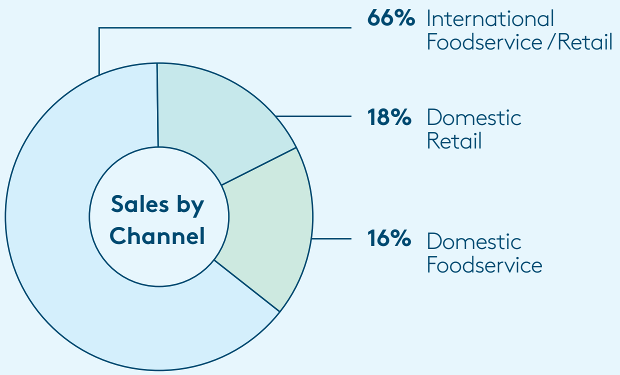
**North America:** Strong foodservice demand for Ōra King and Regal in retail.

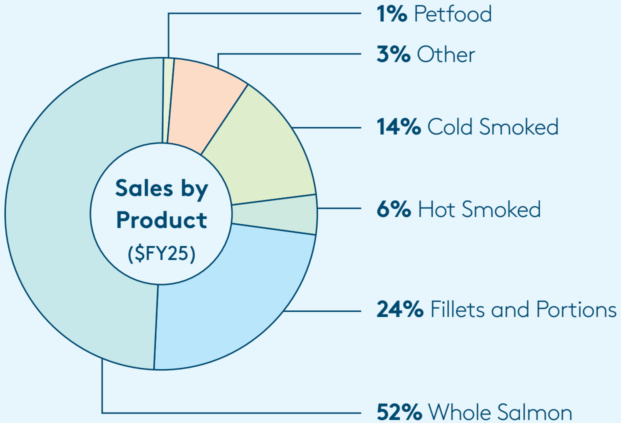
**Australia:** Steady growth in both retail and foodservice channel, driven by a strong preference for Ōra King and expansion of Regal.

**Europe & Japan:** Consistent performance despite global economic pressures.

**China:** Identified as a key market for growth, China plays a pivotal role in diversifying our export strategy. Early progress has been promising, laying a strong foundation for future development.




# Leadership & Corporate Governance

# Leadership & Corporate Governance

## Board of Directors

With overall responsibility for setting the Company's strategic direction and enhancing shareholder value, our Board is committed to ensuring the Company meets best practice governance principles and maintains the highest ethical standards.

*Mark Dewdney, Chiong Yong Tiong, Victoria Taylor, Jack Porus and Paul Munro have all been identified as ordinarily resident in New Zealand.*

**Mark Dewdney**
*Independent Non-Executive Chair*
*BMS*

**Chiong Yong Tiong**
*Non-Executive Director*
*MCom, BCom*

**Carol Chen**
*Non-Executive Director*
*BBA*

**Victoria Taylor**
*Independent Non-Executive Director*
*BCom*

**Jack Porus**
*Non-Executive Director*
*BCom, LLB*

**Catriona Macleod**
*Independent Non-Executive Director*
*BSc, GIBio, MSc, PhD, GAICD*

**Paul Munro**
*Independent Non-Executive Director*
*BCom, FCA, CFInstD*

## Executive

The Executive is focused on ensuring the Company is managed at the highest strategic level and they work to realise the Company's long-term corporate objectives. The Executive are considered 'senior managers' as defined by the Financial Markets Conduct Act 2013.

In addition to the Executive, the Senior Leadership team (SLT) includes: Nikki Rackley (General Manager, People & Culture), Denver McGregor (General Manager, Food Safety & Quality), Cindy Steele (General Manager, Omega Innovations), Monique Hatfull (Head of Relationships & Communication), and General Manager, ICT (vacant).

Following an organisational design review in February 2025, there were changes to the Executive and Senior Leadership team announced on 5 March 2025. The following changes are effective from 7 April 2025. In the Executive, the General Manager, Processing role has been disestablished and replaced with General Manager, Operations and Supply Chain. The roles of General Manager, ICT; General Manager, Food Safety & Quality; and General Manager, Omega Innovations, are no longer on the Senior Leadership team.

Read our Board and Executive Team Biographies

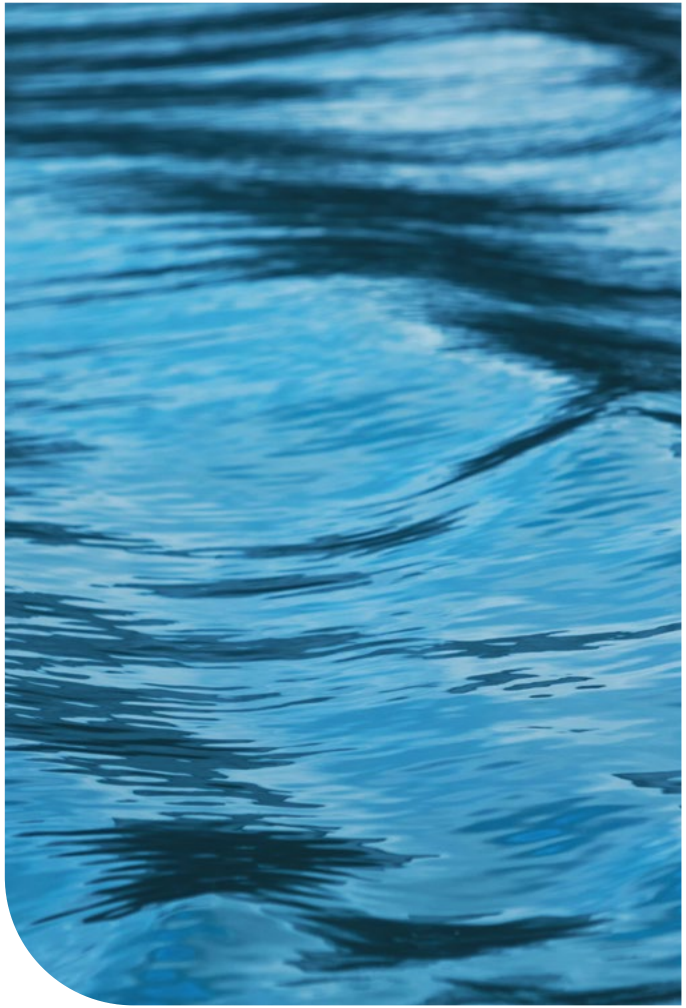
**Carl Carrington**
*Chief Executive Officer*

**Ben Rodgers**
*Chief Financial Officer*

**Graeme Tregidga**
*Chief Commercial Officer*

**Richard Smith**
*General Manager, Processing*

**Grant Lovell**
*General Manager, Aquaculture*



# Corporate Governance

## Corporate Governance Statement

The Board of New Zealand King Salmon Investments Limited (the Company) together with its subsidiaries (the Group) is committed to ensuring that the Company meets best practice governance principles and maintains the highest ethical standards. This Corporate Governance Statement provides an overview of the Company's governance framework that applied during the reporting period. It is structured to follow the revised NZX Corporate Governance Code (NZX Code) effective 31 January 2025 and disclose practices relating to the NZX Code's recommendations.

The Board's view is that during the reporting period, the Group has complied with the corporate governance principles and recommendations set out in the revised NZX Code apart from specific areas noted in this report. The Board believes our governance structures and in particular, our remuneration approach meets the Company's strategic objectives.

The Company's key corporate governance documents referred to in this statement, including charters and policies, can be found on the Company's website: **www.kingsalmon.co.nz/governance**

The Company's Corporate Governance Code was reviewed, updated and approved by the Board in February 2025. The extent to which the Company has followed the recommendations in the NZX Code for the financial period to 31 January 2025 is detailed in this Corporate Governance Statement, which is dated and was approved by the Board, on 27 March 2025.

## 1. Principle 1—Ethical Standards

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

### Recommendation 1.1

The Board should document minimum standards of ethical behaviour to which the issuer's Directors and employees are expected to adhere (a Code of Ethics).

The Code of Ethics and where to find it should be communicated to the issuer's employees. Training should be provided regularly. The standards may be contained in a single policy document or more than one policy.

The Code of Ethics should outline internal reporting procedures for any breach of ethics, and describe the issuer's expectations about behaviour, namely that every Director and employee:

a. Acts honestly and with personal integrity in all actions;

b. Declares conflicts of interest and proactively advises of any potential conflicts;

c. Undertakes proper receipt and use of corporate information, assets and property;

d. In the case of Directors, gives proper attention to the matters before them;

e. Acts honestly and in the best interests of the issuer, as required by law, and takes account of interests of shareholders and other stakeholders;

f. Adheres to any procedures around giving and receiving gifts (for example, where gifts are given that are of value in order to influence employees and Directors, such gifts should not be accepted);

g. Adheres to any procedures about whistle-blowing (for example, where actions of a whistle-blower have complied with the issuer's procedures, an issuer should protect and support them, whether or not action is taken); and

h. Manages breaches of the code.

### *Code of Ethics*

The Board sets a framework of ethical standards for the Group via its Code of Ethics, which is contained in the Company's Corporate Governance Code. These standards are expected of all Directors and employees of the Group.

Every new Director, employee and contractor is provided with a copy of the Code of Ethics and must confirm that they have read and understand the Code of Ethics. The Code of Ethics is available on the Company's website.

Training on the Code of Ethics to existing employees is required at least once every three years or in the year after the Code of Ethics is materially amended. In FY25 there were no material amendments, and the Company completed training on the Code of Ethics for all existing employees.

The Code of Ethics is subject to regular review by the Board and was last reviewed in February 2025.

The Company maintains an interests register, on which Directors and executives disclose any interests such as other Directorships, shareholdings, or ownership, which may potentially lead to conflicts or perceived conflicts of interest.

The Company has a formal whistle-blowing policy that is reviewed and circulated to all employees every two years. The policy was reviewed and circulated in FY25. The next review is scheduled for FY27. In FY25 there were no reported breaches of the Code of Ethics. These are investigated by the People & Culture team with any substantiated claims, reported through to the Board.

## Recommendation 1.2

An issuer should have a financial product dealing policy which applies to employees and Directors.

### *Share Trading by Company Directors and Employees*

The Board of the Company has implemented a formal procedure to handle trading in the Company's quoted financial products. All Directors, officers, employees, contractors and advisers of the Group must comply with the procedures set out in the Financial Products Trading Policy and Guidelines as detailed in the Company's Corporate Governance Code, available on the Company's website.

All trading by Directors and senior managers (as defined by the Financial Markets Conduct Act 2013) is required to be reported to NZX and recorded in the Company's securities trading register. A blackout period is imposed for all Directors and employees between the end of the half year and full year and until the end of the trading day on which the results are released to NZX for that period. The policy provides that shares may not be traded at any time by any individual holding material information. The full procedures are outlined in the Financial Products Trading Policy and Guidelines, which is contained in the Company's Corporate Governance Code, available on the Company's website.

## 2. Principle 2—Board Composition and Performance

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

### Recommendation 2.1

The Board of an issuer should operate under a written charter which sets out the roles and responsibilities of the Board. The Board charter should clearly distinguish and disclose the respective roles and responsibilities of the Board and Management.

*Responsibilities of the Board*

The Board is the ultimate decision-making body of the Company and appoints the Chief Executive Officer (CEO) to whom it delegates the responsibility of managing day-to-day operations.

The Board is responsible for setting the strategic direction of the Company, directing the Company and enhancing shareholder value in accordance with good corporate governance principles.

In addition to the duties and obligations of the Board under the Companies Act 1993 (the Act) and the NZX Listing Rules, the functions of the Board include:

- Appointing the Chair and the CEO.
- Providing counsel to, and reviewing the performance of, the CEO and Chief Financial Officer (CFO).
- Reviewing and approving the strategic, business and financial plans prepared by Management.
- Monitoring performance against the strategic, business and financial plans.
- Approving major investments and divestments.
- Ensuring ethical behaviour by the Company, Board, Management and employees.
- Assessing its own effectiveness in carrying out its functions.

The Board monitors these matters by receiving reports and plans from Management and appropriate experts, and by maintaining an active programme of Company site visits.

The Board uses committees to address certain issues that require detailed consideration by members of the Board who have specialist knowledge and experience. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

The Board has a statutory obligation to maintain responsibility for certain matters. It also deals directly with issues relating to the Company's mission, appointments to the Board, strategy, business and financial plans.

Details of the Board's role, composition, responsibilities, operation, policies and committees are provided in the Company's Corporate Governance Code, available on the company's website.

## Recommendation 2.2

Every issuer should have a procedure for the nomination and appointment of Directors to the Board.

### *Director Nomination and Appointment*

The Board is responsible for appointing Directors. The People and Performance Committee manages the appointment process for new Directors and the re-election of existing Directors in order to make a recommendation to the Board. The nomination and appointment procedure is set out in the Committee's charter, which is included in the Company's Corporate Governance Code.

When considering an appointment, the Committee will undertake a thorough check of the candidate and their background. Where the Board determines a person is an appropriate candidate, shareholders are notified of that and are provided with all material information that is relevant to the decision on whether to elect or re-elect a Director.

The People and Performance Committee also has responsibility for reviewing the composition of the Board to ensure that the Company has access to the most appropriate balance of skills, qualifications, experience, perspectives and background to effectively govern the Company. The Board completed a capability review in FY25 which is depicted in the skills matrix opposite.

The average tenure of the current Directors is 5.1 years.

| Capability | Key element | Capability |
|---|---|---|
| Industry | Depth of senior experience in the seafood, fishing and aquaculture industry | ● ○ ○ ○ ○ ○ |
| Governance | Scale listed company governance experience across multiple entities | ● ● ● ● ○ ○ ○ |
| Large scale infrastructure | Experience overseeing significant infrastructure CapEx investment, build and project management | ● ○ ○ ○ ○ ○ |
| Financial expertise | Deep financial expertise — prior CFO and or/CA, ability to Chair Audit, Finance and Risk Committee | ● ● ○ ○ ○ ○ |
| CEO experience | Recent scale CEO experience — preferably in aligned sector, demonstrated leadership across commercial, operational and organisational business priorities | ● ● ○ ○ ○ |
| Commercial leadership | Commercial experience — scale project management, delivery and implementation of business strategies, M&A and consolidation | ● ● ● ● ● ● |
| Consumer manufacturing | Production, supply chain, logistics and automation experience — preferably in food industry or wider primary sector | ● ○ ○ |
| Customer connection | Experience leading international branding, marketing, and go-to-market strategies | ● ● ● ○ |
| Stakeholder connection | Connections to/understanding of key stakeholder groups | ● ○ ○ ○ ○ ○ |
| Technology | Deep experience in driving digital innovation, tech infrastructure, automation and distribution | ○ ○ |
| People and culture | People and talent, understanding of 'next gen' workforce needs | ● ● ○ ○ ○ |

● High Capability ○ Moderate Capability

## Recommendation 2.3

An issuer should enter into written agreements with each newly appointed Director establishing the terms of their appointment.

### *Letter of Appointment*

All new Directors enter into a written agreement with the Company setting out the terms of their appointment.

## Recommendation 2.4 and 2.8

Every issuer should disclose information about each Director in its Annual Report or on its website, including:

a. a profile of experience, length of service, independence, and ownership interests.

b. the Director's attendance at Board meetings; and

c. the Board's assessment of the Director's independence, including a description as to why the Board has determined the Director to be independent if one of the factors listed in table 2.4* applies to the Director, along with a description of the interest, relationship or position that triggers the application of the relevant factor.

A majority of the Board should be independent Directors.

* NZX Corporate Governance Code, Table 2.4, January 2025.

### *Board of Directors*

The Directors are listed on page 53 of this report. A more detailed profile is available on the Company's website, **www.kingsalmon.co.nz/governance**, including information on the year of appointment, skills, experience and background of each Director.

The roles of the Board Chair; Audit, Finance and Risk Committee Chair; and CEO are not held by the same person.

Ownership of the Company's shares by Directors is encouraged rather than being a requirement. Directors' ownership interests are disclosed on page 91.

The Board does not have a tenure policy; however, it recognises that a regular refreshment programme leads to the introduction of new perspectives, skills, attributes and experience.

## Director Tenure

| Director period of appointment | 0-3 years | 3-9 years | 9 years + |
|---|---|---|---|
| Number of Directors | 3 | 3 | 1 |

### *Interests Register*

The Board maintains an Interests Register. Any Director with an interest in a transaction with the Company must immediately disclose to the Board the nature, monetary value and extent of the interest. A Director who is interested in a transaction may attend and participate at a Board meeting at which the transaction is discussed but may not be counted in the quorum for that meeting or vote in respect of the transaction, unless it is one of which Directors are expressly required by the Companies Act 1993 to sign a certificate or it relates to the granting an indemnity.

Particulars of entries made in the Interests Register for the year to 31 January 2025 are included in the Director Disclosures section on page 91.

*Director Independence*

On the advice of the People and Performance Committee, the Board determines annually on a case-by-case basis, who, in its view, are independent Directors. The factors listed in the NZX Code that may cause a Board to determine that a Director is not independent are considered in addition to other factors for this purpose including, that the Director:

- is currently, or was within the last three years, employed in an executive role by the issuer, or any of its subsidiaries;
- is currently deriving, or was within the last 12 months derived a substantial portion of his, her or their annual revenue from the issuer;
- is currently, or was within the last 12 months, in a senior role in a provider of material professional services (other than an external auditor) to the issuer or any of its subsidiaries;
- is currently, or was within the last three years, employed by the external auditor to the issuer, or any of its subsidiaries;
- currently has, or did have within the last three years, a material business relationship (e.g. as a supplier or customer) with the issuer or any of its subsidiaries;
- is a substantial product holder of the issuer, or a senior manager of, or person otherwise associated with, a substantial product holder of the issuer;
- currently has, or was within the last three years had a material contractual relationship with the issuer or any of its subsidiaries, other than as a Director;
- has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed above;
- has been a Director of the entity for a period of 12 years or more.

The Board will review any determination it makes on a Director's independence on becoming aware of any new information that may affect that Director's independence. For this purpose, Directors are required to ensure they immediately advise the Board of any new or changed relationship that may affect their independence or result in a conflict of interest.

As at 31 January 2025, the Board had seven Directors, four of whom were considered independent. The Board confirms that it determined Mark Dewdney, Paul Munro, Catriona Macleod and Victoria Taylor were independent Directors as at 31 January 2025. The Board did not consider that any code factor was applicable to the independent Directors in its assessment. Following the resignation of Paul Steere and appointment of Paul Munro, there are no other immediate succession plans for the Board.

## Recommendation 2.5

An issuer should have a written diversity policy which includes requirements for the Board or a relevant Committee of the Board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.

*Diversity Policy*

The Company recognises the value in diversity and seeks to ensure that the Board and workforce of the Group is as diverse as the community in which we operate. A formal diversity policy was adopted by the Board and can be found in the Company's Corporate Governance Code, available on the Company's website.

The Company does recruit, promote and compensate on the basis of merit–regardless of gender, ethnicity, religion, age, nationality or union membership. The Company does require that people in the workplace are treated with respect in accordance with the Company’s Code of Conduct and Values in Action framework. The diversity policy provides further examples of how the Group puts diversity and inclusion into practice.

The Board is committed to increasing the level of diversity at Board and Executive level wherever possible. In FY25, the objective was set to have no less than 40% of females in leadership positions, and no less than 40% males in leadership positions. The Company notes this is a long-term target representation at Board and Senior Leadership level; however, this target has not yet been achieved.

Responsibility for workplace diversity and the setting of measurable objectives is held by the People and Performance Committee.

The gender composition of the Company is as follows:

| | As at 31 January 2025 | | As at 31 January 2024 | |
|---|---|---|---|---|
| Position | Female | Male | Female | Male |
| Board | 3 (43%) | 4(57%) | 3 (43%) | 4(57%) |
| Senior Leadership Team | 3 (33%) | 6 (67%) | 3 (30%) | 7 (70%) |
| NZKS Organisation | 167 (37%) | 290 (63%) | 170 (37%) | 287 (63%) |

In FY24, the Company started to record ethnic diversity of employees to better understand its cultural makeup. As at 31 January 2025, the Company's employees were from 35 different ethnicities.

## Recommendation 2.6

Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an issuer.

### *Director Training*

The Board ensures that there is appropriate training available to all Directors to enable them to remain current on how best to discharge their responsibilities and keep up to date on changes and trends in areas relevant to their work.

In FY23 the Board engaged an external advisor to undertake a 360-degree feedback review of the CEO and a peer and Management review of the Board, against best practice benchmarks.

In FY25 the Board reengaged the same external advisor to assess what progress had been made against the FY23 review. As a result of this, in FY25 the following collective development areas were identified for the Board:

- Te Ao Māori
- Project Governance
- Demand & exposure to customers
- Technology

A further review will take place in FY27.

In addition, Directors are provided with industry information and receive copies of appropriate company documents to enable them to perform their role. The Board has allocated funding of $1,000 per annum for each Director to provide resources to help develop and maintain skills and knowledge. This funding is separate from the collective Board development initiatives.

Directors are expected to maintain their knowledge of the latest governance and business practices in order to perform their duties.

The Board also ensures that new Directors are appropriately introduced to Management and the business.

### Recommendation 2.7

The Board should have a procedure to regularly assess Director, Board and Committee performance.

*Board Performance Evaluation*

The Board annually assesses its effectiveness in carrying out its functions and responsibilities. The Chair of the Board leads the review and evaluation of the Board as a whole, and of the Board Committees, against their charters. The Chair of the Board also engages with individual Directors to evaluate and discuss performance and professional development.

In FY25 the Board engaged an external advisor to undertake a 360-degree feedback review of Board, against best practice benchmarks. This provided the opportunity for a formal review of the Board as a whole and individual feedback for each Director. The report was delivered in September 2024 (FY25).

### Recommendation 2.9 and 2.10

An issuer should have an independent Chair of the Board. The Chair and the CEO should be different people.

*Chair Assessment*

The Chair of the Board has been determined as independent and the role of Chair and CEO are held by separate individuals to ensure that a conflict of interest does not arise. The Chair of the Board is responsible for leading the Board, facilitating the effective contributions of all Directors and promoting constructive and respectful relations between Directors and between the Board and Management. The Chair is also responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.

## 3. Principle 3—Board Committees

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

*Board Committees*

The Board has established four committees:

- Audit, Finance and Risk Committee
- People and Performance Committee
- Health & Safety and Food Safety Committee
- Fish Farming Committee

Each Committee focuses on specific areas of governance and together they strengthen the Board's oversight of the Company. Committee membership is reviewed annually.

Each Committee has a written charter that is approved by the Board and sets out its mandate. The charters are reviewed regularly with any proposed changes recommended to the Board for approval. The charters can be found within the Company's Corporate Governance Code.

As part of the Board's review of the Company's Corporate Governance Code in FY25, changes were made to the Board committees effective from 1 February 2025 (FY26) to move from four committees to three committees as follows:

- The Audit, Finance and Risk Committee will change to the Audit, Finance, Risk and Project Development Committee, and Chiong Yong Tiong will replace Jack Porus as a member of the Committee.

  Members of the Audit, Finance, Risk and Project Development Committee from 1 February 2025:

— Paul Munro (Chair) — Independent, Non-Executive.

— Chiong Yong Tiong — nominated as a Director by Oregon Group Limited and thus not Independent.

— Mark Dewdney — Independent, Non-Executive.

- The People and Performance Committee will merge with the Health & Safety and Food Safety Committee to become the People, Performance and Safety Committee.

  Members of the People, Performance and Safety Committee from 1 February 2025:

— Victoria Taylor (Chair) — Independent, Non-Executive.

— Catriona Macleod — Independent, Non-Executive.

— Mark Dewdney — Independent, Non-Executive.

— Jack Porus — nominated as a Director by Oregon Group Limited and thus not Independent.

- Fish Farming Committee — No changes from FY25.

### *Attendance at Meetings*

The table below sets out Director attendance at Board and Committee meetings during the financial year to 31 January 2025.

| Director | Board | Audit, Finance and Risk Committee | People and Performance Committee | Health & Safety and Food Safety Committee | Fish Farming Committee |
|---|---|---|---|---|---|
| Mark Dewdney (Chair) | 11/11 | 7/7 | 7/7 | 4/4 | 10/11 |
| Paul Steere (Chair — Audit, Finance and Risk Committee)[1] | 3/3 | 2/2 | | | |
| Paul Munro (Chair — Audit, Finance and Risk Committee) | 10/10 | 6/6 | | | |
| Jack Porus (Chair — Fish Farming Committee) | 11/11 | 7/7 | 6/7 | | 11/11 |
| Catriona Macleod (Chair — Health & Safety and Food Safety Committee) | 10/11 | | | 4/4 | 8/11 |
| Chiong Yong Tiong | 10/11 | | | 4/4 | |
| Yuen Ping Carol Chen | 11/11 | | | | |
| Victoria Taylor (Chair — People and Performance Committee) | 10/11 | | 7/7 | | |

1 Paul Steere resigned as a Director of NZKS effective 31 March 2024.

## Recommendation 3.1

An issuer's Audit Committee should operate under a written charter. An Audit Committee should only comprise non-executive Directors of the issuer. One member of the committee should be both independent and have an adequate accounting or financial background. The Chair of the Audit Committee should be an independent Director and not the Chair of the Board.

### *Audit, Finance and Risk Committee*

The purposes of the Audit, Finance and Risk Committee include:

- Provide oversight for all elements of the Company's risk.
- Provide oversight of financial reporting, internal control systems and disclosure requirements.
- Review the performance, appointment and services provided by the external auditor, including assessment of auditor independence.
- Provide oversight of the climate-related risks and opportunities faced by the Company and assist with the preparation of climate related disclosures.
- Provide oversight of the Governance of complex, transformational projects that may be novel and carry relatively large financial expenditure and risk.

The members of the Committee are majority independent Directors and all non-executive Directors. Paul Munro is the committee member who the Board identified as being both independent and having an adequate accounting or financial background (refer to Relevant Qualifications and Experience section).

The members of the Committee as at 31 January 2025 were:

- Paul Munro (Chair) — Independent, Non-Executive.
- Mark Dewdney — Independent, Non-Executive.
- Jack Porus — nominated as a Director by Oregon Group Limited and thus not Independent.

The Chair of the Audit, Finance and Risk Committee and the Board Chair are different people.

### *Relevant Qualifications and Experience*

Paul Munro (Audit, Finance and Risk Committee Chair) — Paul is a Chartered Accountant Fellow (FCA) of Chartered Accountants Australia New Zealand (CAANZ) and a Chartered Fellow (CfInstD) of the New Zealand Institute of Directors (IoD). Paul has extensive financial and commercial experience across a broad cross section of companies and industries including a 24-year career as a Corporate Finance Partner at Deloitte.

Mark Dewdney — Mark holds a Bachelor of Management Studies with an extensive career across primary industries in both executive and governance capacities.

Jack Porus — Jack holds bachelor's degrees in Law and Commerce and has extensive commercial experience as both a consultant and in a governance capacity.

The Audit, Finance and Risk Committee held seven meetings during the period to 31 January 2025. The agenda items for each meeting generally relate to financial governance, external financial reporting, external audit, and risk management.

## Recommendation 3.2

Employees should only attend Audit Committee meetings at the invitation of the Audit Committee.

### *Meeting Attendance*

All Directors who are not members of the Audit, Finance and Risk Committee and employees are only entitled to attend meetings of the Audit, Finance and Risk Committee at the invitation of the Audit, Finance and Risk Committee.

The CEO, CFO, and Head of Finance and Sustainability are regularly invited to attend Audit, Finance and Risk Committee meetings. The Committee also regularly holds private sessions with the external auditors, from which Management are excluded.

## Recommendation 3.3

An issuer should have a Remuneration Committee which operates under a written charter (unless this is carried out by the whole Board). At least a majority of the Remuneration Committee should be independent Directors. Management should only attend Remuneration Committee meetings at the invitation of the Remuneration Committee.

## Recommendation 3.4

An issuer should establish a nomination committee to recommend Director appointments to the Board (unless this is carried out by the whole Board), which should operate under a written charter. At least a majority of the nomination committee should be independent Directors.

### *People and Performance Committee*

The People and Performance Committee's role is to assist the Board by:

- Overseeing the management of people and performance activities of the Company.
- Overseeing the Company's remuneration structure, policies, procedures and practices to ensure the Company's remuneration is fair and reasonable.
- Defining the roles and responsibilities of the Board and senior Management.
- Reviewing and making recommendations on Board composition and succession.

In particular, the People and Performance Committee's role is to ensure that the Board is balanced in terms of skills and knowledge and to ensure that the method of nomination and appointment of Directors is transparent.

The People and Performance Committee shall comprise of, wherever possible, a majority of independent Directors.

The members of the Committee as at 31 January 2025 were:

- Victoria Taylor (Chair) — Independent, Non-Executive.
- Mark Dewdney — Independent, Non-Executive.
- Jack Porus — nominated as a Director by Oregon Group Limited and thus not Independent.

No Executive Directors sit on this Committee.

The Committee held seven meetings during the financial year to 31 January 2025.

### Recommendation 3.5

An issuer should consider whether it is appropriate to have any other Board committees as standing Board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

#### *Health & Safety and Food Safety Committee*

The Company has, since 2014, operated a management Health & Safety Steering Group, generally meeting quarterly and with attendance by a Board Director.

The Board's commitment to ensuring a safe and healthy workplace for team members, contractors and visitors led to it establishing a Health & Safety and Food Safety Committee, which operates under a written charter.

The primary functions of the Health & Safety and Food Safety Committee are:

- To assist the Board to provide leadership and policy for health & safety and food safety.
- To assist the Board to fulfil its responsibilities and to ensure compliance with all legislative and regulatory requirements in relation to the management of health & safety, and food safety practices of the Company.
- To support the ongoing improvement of health & safety and food safety in the workplace.
- To identify health & safety risk, and food safety risk across the Company's operations; propose or endorse mitigation measures; and ensure such further measures to be enacted so the risk is managed to as satisfactory level as practical.

The members of the Committee as at 31 January 2025 were:

- Catriona Macleod (Chair) — Independent, Non-Executive.
- Mark Dewdney — Independent, Non-Executive.
- Chiong Yong Tiong — nominated as a Director by Oregon Group Limited and thus not Independent.

The Committee held four meetings during the financial year to 31 January 2025.

#### *Fish Farming Committee*

A Fish Farming Committee has been established to consider all aspects of NZKS' fish farming.

The primary functions of the Fish Farming Committee are:

- To assist the Board in considering key aspects of NZKS' fish farming.
- To support the ongoing improvement in fish health and farming strategies.
- Ensure the identification of both the opportunities and risks to the Company's fish farming operations.

The members of the Committee as at 31 January 2025 were:

- Jack Porus (Chair) — nominated as a Director by Oregon Group Limited and thus not Independent.
- Mark Dewdney — Independent, Non-Executive.
- Catriona Macleod — Independent, Non-Executive.

The Committee held eleven meetings during the financial year to 31 January 2025.

### Recommendation 3.6

The Board should establish appropriate protocols that set out the procedure to be followed if there is a 'control transaction' for the issuer including the procedure for any communication between the issuer's Board and Management and the bidder. The Board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent control transaction committee, and the likely composition and implementation of an independent control transaction committee.

#### *Control Transaction Protocols*

The Board has documented and adopted a series of protocols to be followed in the event of a control transaction being made, including communication between the issuer's Board and Management and the bidder.

It is proposed that the Board would form a committee to oversee the protocols and act as the Control Transaction Committee. The Committee would have responsibility for managing the control transaction in accordance with the Board and the New Zealand Takeovers Code and other applicable legislation.

## 4. Principle 4—Reporting and Disclosure

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

### Recommendation 4.1

An issuer's Board should have a written continuous disclosure policy.

#### *Shareholder Communications and Market Disclosure*

The Company's Board is committed to the principle that high standards of reporting and disclosure are essential for proper accountability between the Company and its investors, employees and stakeholders.

The Company achieves these commitments, and the promotion of investor confidence, by ensuring that trading in its shares takes place in an efficient, competitive and informed market. The Company has in place a written Shareholder Communications and Market Disclosure Policy designed to ensure this occurs. The policy includes procedures intended to ensure that disclosure is made in a timely and balanced manner and in compliance with the NZX Listing Rules, such that:

- All investors have equal and timely access to material information concerning the Company, including its financial situation, performance, ownership and governance.
- Company announcements are factual and presented in a clear and balanced way.

The CFO is responsible for the Company's compliance with NZX and ASX continuous disclosure requirements and the Board is advised of, and considers, continuous disclosure issues at each Board meeting or whenever else required.

Significant market announcements, including the preliminary announcement of the half year and full year results, the financial statements for those periods, and any advice of a change in earnings forecast, are approved by the Board.

Directors consider at each Board meeting whether there is any material information which should be disclosed to the market.

### Recommendation 4.2

An issuer should make its Code of Ethics, Board and Committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

The Company's key Corporate Governance documents, including charters and policies, can be found at **www.kingsalmon.co.nz/governance**

### Recommendation 4.3

Financial reporting should be balanced, clear and objective.

#### *Financial Reporting*

The Board is responsible for ensuring the integrity and timeliness of the Group's financial reporting. As noted above under 'Board Committees', the Audit, Finance and Risk Committee monitors financial reporting risks in relation to the preparation of the financial statements.

The Audit, Finance and Risk Committee, with the assistance of management, works to ensure that the financial statements are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Audit, Finance and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness, balance and timeliness of financial statements. It reviews half-year and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with financial reporting standards, stock exchange and legal requirements, and the results of the external audit.

All interim and full-year financial statements are prepared in accordance with relevant financial standards.

### Recommendation 4.4

An issuer should provide non-financial disclosure at least annually, including considering environmental, social and governance (ESG) factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward-looking assessments, and align with key strategies and metrics monitored by the Board.

#### *Non-Financial Reporting*

The Company is committed to providing non-financial disclosure that is balanced, clear and objective. Reporting of environmental, social and governance factors is contained in this Annual Report. The Company is continuing to develop its non-financial reporting metrics. Specifically, a recent focus was establishing the Company's Greenhouse Gas (GHG) emissions base year for our GHG emissions disclosure under the Aotearoa New Zealand Climate Standards. These GHG emissions are subject to external assurance in FY25. The GHG emissions will form another input to contribute to the continued development of the Company's non-financial reporting.

Non-financial reporting is provided throughout this Annual Report and is referenced throughout the following sections:

- Overview
- Healthy Environments
- Healthy Communities
- Healthy Kai
- Leadership & Corporate Governance

*Aotearoa New Zealand Climate Standards*

The Company falls into the category of a Climate Reporting Entity under the Financial Markets Conduct Act 2013. The Company's climate-related disclosures for the year ended 31 January 2025 will be prepared in accordance with the Aotearoa New Zealand Climate Standard requirements. The Company has relied upon the Exemption Notice provided by the Financial Markets Authority to not include its climate-related disclosures in this Annual Report. The Company has instead provided the link below to where the FY25 climate-related disclosures will be available when they are released (which will be no later than 31 May 2025).

Read our Climate-Related Disclosure Report ›

## 5. Principle 5—Remuneration

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

### Recommendation 5.1

An issuer should have a remuneration policy for the remuneration of Directors. An issuer should recommend Director remuneration to shareholders for approval in a transparent manner. Actual Director remuneration should be clearly disclosed in the issuer's Annual Report.

### Recommendation 5.2

An issuer should have a remuneration policy for remuneration of executives, which outlines the relative weightings of remuneration components and relevant performance criteria.

### Recommendation 5.3

An issuer should disclose the remuneration arrangements in place for the CEO in its Annual Report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance-based payments.

## Remuneration Report

This Remuneration Report outlines the Company's overall reward strategy for the period to 31 January 2025 and provides detailed information on the remuneration arrangements in this period for the Directors of the Company, including the CEO, and other nominated executives.

## Remuneration Governance

The Company's Remuneration Policy, which may be amended from time to time, is reviewed regularly. The Company has also established a number of additional policies to support a strong governance framework and uphold ethical behaviour and responsible decision making. The Company has had regard to the NZX Remuneration Reporting Template in preparing this report.

The People and Performance Committee is responsible for making recommendations to the Board on remuneration policies and packages for Directors, the CEO and nominated executives. The People and Performance Committee's role is set out in the People and Performance Committee's Charter, which is available on the Company's website at **www.kingsalmon.co.nz/governance**

All Directors are entitled to attend meetings of the People and Performance Committee by standing invitation provided that Executive Directors are not entitled to attend meetings where they are conflicted. Employees are only entitled to attend meetings of the People and Performance Committee at the invitation of the People and Performance Committee.

The primary objectives of the Remuneration Policy are to provide a competitive and flexible structure that reflects market practice but is tailored to the specific circumstances of the Company and which reflects each person's duties and responsibilities, in order to attract, motivate and retain people of the appropriate quality. This includes the Company's responsibility to monitor diversity and ensure pay equity.

The People and Performance Committee completed a review of the Remuneration Policy in FY25. As part of this review, the policy was updated to include the remuneration of Directors.

The People and Performance Committee reviews market data on remuneration structure and quantum. In FY25, an external review was conducted on the CEO remuneration package. The remuneration packages of the CEO and nominated executives are structured to include a Short-Term Incentive Scheme (STI Scheme) that is directly linked to the overall financial and operational performance of the Company. The CEO and nominated executives may also be invited to participate in the Company's Long-Term Incentive Performance Share Rights Scheme (LTI PSR Scheme). The long-term benefits of the LTI PSR Scheme are currently conditional upon the Company's total shareholder return meeting certain performance hurdles.

Further information on the People and Performance Committee, including the responsibilities of the People and Performance Committee and meeting attendance during FY25, can be found on page 63 and 65 of the Annual Report.

## Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive Director remuneration is separate and distinct from the remuneration of the CEO and other Executives.

*Components of Compensation — Non-Executive Directors*

## a. Remuneration

The Board seeks to set aggregate remuneration for non-executive Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

No remuneration is payable to non-executive Directors unless it is approved by the Company's shareholders. The NZX Listing Rules specify that shareholders can approve a per Director remuneration amount or an aggregate Directors' fee pool.

The aggregate remuneration paid to non-executive Directors and the manner in which it is apportioned amongst Directors is reviewed annually, with any proposed increase in the aggregate pool put to shareholders for approval at the Company's next Annual Shareholders' Meeting. The Board reviews its fees to ensure the Company's non-executive Directors are fairly remunerated for their services, recognising the level of skill and experience required to fulfil the role, and to enable the Company to attract and retain talented non-executive Directors. The process involves benchmarking against a group of peer companies. In addition, the Board reviews the Committee structure and appropriate level of resourcing required to make an on-going contribution to long term value creation.

Shareholders approved an aggregate fee pool of $660,000 at the June 2024 Annual Shareholders' Meeting. The Company had seven Directors at the time the fee pool was approved.

In connection with the increase in the Directors' fee pool, the Board commissioned an independent Directors' fees review from Strategic Pay, which resulted in a recommended increase in Director fees based on several factors. These factors included NZKS' organisation size, ownership, industry and relevant market data. This market data includes market data from the 2024 Strategic Pay NZ Directors' Fee Report, and relevant market comparator information based on NZKS market position.

Each non-executive Director receives a fee for services as a Director of the Company. An additional fee is also paid to the Committee Members (excluding Chair) of each Board committee. The payment of an additional fee recognises the additional time commitment required by the committee Chair/Members. Directors are also entitled to be reimbursed for costs associated with carrying out their duties. The table below sets out the current allocation of the approved Director fee pool to the Company's Board and Committee roles:

| Governance Body | Position | Fee for reporting period |
|---|---|---|
| Board | Chair | $140,000 |
| | Director | $70,000 |
| Audit, Finance and Risk Committee | Chair | $15,000 |
| | Member | $3,000 |
| People and Performance Committee | Chair | $12,000 |
| | Member | $3,000 |
| Health & Safety and Food Safety Committee | Chair | $12,000 |
| | Member | $3,000 |
| Fish Farming Committee | Chair | $12,000 |
| | Member | $3,000 |

Non-executive Directors have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes. This approach reflects the differences in the role of the non-executive Directors, which is to provide oversight and guide strategy, and the role of Management, which is to operate the business and execute the Company's strategy. Non-executive Directors are encouraged to be shareholders but are not required to hold shares in the Company.

A breakdown of the Board and Committee fees paid during FY25 are set out in the table below:

| | | | Fees paid for serving on Committees | | | | Total |
|---|---|---|---|---|---|---|---|
| Director | Base Fee | Additional Fee[3] | Audit, Finance and Risk Committee | People and Performance Committee | Health & Safety and Food Safety Committee | Fish Farming Committee | Fees paid / payable |
| Mark Dewdney (Chair) | $137,500 | $5,000 | - | - | - | - | $142,500 |
| Jack Porus (Chair—Fish Farming Committee) | $68,750 | $5,000 | $2,250 | $2,250 | - | $12,000 | $90,250 |
| Paul Steere (Chair—Audit, Finance and Risk Committee)[1] | $10,833 | - | $2,500 | - | - | - | $13,333 |
| Paul Munro (Chair— Audit, Finance and Risk Committee)[2] | $63,333 | $5,000 | $12,500 | - | - | - | $80,833 |
| Catriona Macleod (Chair—Health & Safety and Food Safety Committee) | $68,750 | $5,000 | - | - | $12,000 | $2,250 | $88,000 |
| Chiong Yong Tiong | $68,750 | $5,000 | - | - | $2,250 | - | $76,000 |
| Yuen Ping Carol Chen | $68,750 | $5,000 | - | - | - | - | $73,750 |
| Victoria Taylor (Chair—People and Performance Committee) | $68,750 | $5,000 | - | $12,000 | - | - | $85,750 |
| **Total** | **$555,416** | **$35,000** | **$17, 250** | **$14,250** | **$14,250** | **$14,250** | **$650,416** |

[1] Paul Steere resigned as a Director of NZKS effective 31 March 2024.

[2] Paul Munro joined the Board as a Director of NZKS 1 March 2024.

[3] Following a review of the workload carried out by the Board in FY25 which included delivery of the Company's first Climate-Related Disclosures, an organisational capability review and securing of significant funding partnership with the New Zealand Government under the Sustainable Food and Fibre Futures fund, the Board resolved in March 2025 to approve an additional payment of $5,000 to Directors to reflect this additional work.

*Remuneration of CEO and Employees*

The number of employees of the Group (including former employees), not being Directors, who received remuneration and other benefits in excess of $100,000 in the period to 31 January 2025 is set out in the following remuneration bands:

| Remuneration[1] | FY25 | FY24 |
|---|---|---|
| $100,000 to $109,999 | 20 | 9 |
| $110,000 to $119,999 | 12 | 10 |
| $120,000 to $129,999 | 5 | 3 |
| $130,000 to $139,999 | 7 | 6 |
| $140,000 to $149,999 | 5 | 6 |
| $150,000 to $159,999 | 4 | 5 |
| $160,000 to $169,999 | 6 | 3 |
| $170,000 to $179,999 | 3 | 3 |
| $180,000 to $189,999 | 2 | 4 |
| $190,000 to $199,999 | 1 | 3 |
| $200,000 to $209,999 | 3 | 0 |
| $210,000 to $219,999 | 3 | 0 |
| $220,000 to $229,999 | 1 | 1 |
| $230,000 to $239,999 | 1 | 0 |
| $240,000 to $249,999 | 1 | 1 |
| $250,000 to $259,999 | 1 | 0 |
| $260,000 to $269,999 | 1 | 1 |
| $270,000 to $279,999 | 0 | 1 |
| $300,000 to $309,999 | 0 | 1 |
| $310,000 to $319,999 | 1 | 0 |
| $330,000 to $339,999 | 1 | 0 |
| $370,000 to $379,999 | 0 | 1 |
| $400,000 to $409,999 | 1 | 0 |
| $420,000 to $429,999 | 1 | 0 |
| $460,000 to $469,999 | 0 | 1 |
| $490,000 to $499,999 | 1 | 0 |
| $600,000 to $609,999 | 0 | 1 |
| $660,000 to $669,999 | 1 | 0 |

[1] Includes redundancy and other prescribed fringe benefits.

*Components of Compensation — CEO and Other Nominated Senior Leaders*

## a. Structure

The Company aims to reward the CEO and nominated Senior Leaders with a level and mix of remuneration commensurate with their position and responsibilities within the Group, so as to:

- Reward them for Company performance against targets set by reference to appropriate benchmarks and key performance indicators.
- Align their interests with those of shareholders.
- Ensure total remuneration is competitive by market standards.

Remuneration consists of both fixed and variable remuneration components. The variable remuneration component comprises the Short-Term Incentive Scheme and the Long-Term Incentive Scheme.

The proportion of fixed remuneration and variable remuneration is established for the CEO and for each nominated Senior Leader by the Board, following recommendations from the People and Performance Committee and the CEO (in the case of the nominated Senior Leaders only).

The remuneration packages for the CEO and nominated Senior Leaders are all subject to Board approval. A new LTI scheme was approved by the Board in FY25, and grants were made under this scheme in FY25.

## The total value of other benefits paid to the CEO for FY24 and FY25 (including under the STI Scheme and LTI Scheme) is as follows:

| | | | | | Pay for performance | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-Term Incentive (STI) | | | | Long-Term Incentive (LTI) | | | |
| CEO | Year | Base salary[1] | Benefits[2] | Remuneration | Paid[4] | Amount paid as a % of maximum Award | Earned[5] | Amount paid as a % of maximum Award | Earned | Amount earned as a % of maximum Award | Total at risk | Total Remuneration |
| Graeme Tregidga[3] | FY24 | $213,580 | $30,554 | $244,134 | $121,341 | 100% | - | - | - | 0% | $121,341 | $365,475 |
| Carl Carrington[3] | FY24 | $259,026 | $13,330 | $272,356 | $74,250 | 90% | - | - | - | N/A | $74,250 | $346,606 |
| Carl Carrington | FY25 | $560,099 | $24,582 | $584,681 | - | - | $86,213 | 50% | - | N/A | $86,213 | $670,894 |

[1] Base salary is the salary that has been paid to an employee, excluding any additional compensation benefits.

[2] Benefits include superannuation payments, insurance premiums, any cashed in leave and vehicle allowances.

[3] Carl Carrington was appointed as CEO effective 7 August 2023, following Carl's appointment, Graeme Tregidga has moved into a Chief Commercial Officer role (The payments to Graeme are for his time as acting CEO only).

[4] Short-Term Incentive payments correspond to the achievement of performance targets in that reporting period (i.e. The Short-Term Incentive in FY24 relates to the achievement of performance related targets in FY24, even though it was paid in FY25).

[5] Short-Term Incentive amounts payable (The amount the employee is currently entitled to receive and is no longer at risk). (i.e. The Short-Term Incentive in FY25 relates to the achievement of performance related targets in FY25, even though these will be paid in FY26).

*1. Fixed Annual Remuneration*

Remuneration levels are reviewed annually to ensure that they are appropriate for the responsibility, experience and performance of the CEO and each nominated Senior Leader and are competitive with the market.

In addition, the overall mix of variable compensation and their terms are also considered when setting and/or reviewing fixed remuneration.

The CEO and nominated Senior Leaders receive their fixed annual remuneration in cash and a limited range of prescribed benefits such as superannuation, motor vehicle and health insurance. The total employment cost of any remuneration package, including fringe benefit tax, is considered in determining an employee's fixed annual remuneration.

*2. Variable Remuneration — STI Scheme*

The objective of the STI Scheme is to link the achievement of the annual financial and operational targets with the remuneration received by the Senior Leaders charged with meeting those targets. The total potential remuneration under the STI Scheme is set at a level to provide sufficient incentive to the Senior Leaders to achieve the targets such that the cost to the Company is flexible and in line with the trading outcome for the year.

For the STI, participants' performance against an agreed set of financial and non-financial metrics is monitored on an ongoing basis throughout the financial year by the People and Performance Committee.

The People and Performance Committee considers that the above targets align with the objectives of delivering sustainable earnings. The Company intends to develop more ESG targets that will be included within performance objectives. This is an area that will be reassessed annually as the Company matures in this reporting space.

The People and Performance Committee considers the performance against the targets and determines the amount, if any, to be allocated to the CEO and nominated Senior Leaders. STI Scheme payments are delivered as a taxable cash bonus and are payable on completion of the annual audited financial statements and employee engagement survey results.

STI Scheme payment values are set as a percentage of base cash remuneration, being 30% for the CEO and 25% for the other nominated Senior Leaders for the financial period to 31 January 2025. For the financial period to 31 January 2025, in addition to the CEO, there were 9 nominated Senior Leaders in the STI Scheme.

In addition to the CEO and nominated Senior Leaders (noted above) a number of individuals within the wider senior Management team are entitled to a STI of up to 10% of their base cash remuneration.

The STI awards in respect of FY25 are assessed as earned in FY25 but will be paid after release of the FY25 annual results (i.e. will be paid during FY26), other than the employee engagement score which is assessed post annual results. The employee engagement survey is scheduled for April 2025.

In addition to the STI Scheme, the Board reserves the ability to pay ad hoc bonus payments to any employee at the Board's discretion.

The CEO's key performance indicators for the FY25 STI award are outlined below:

| Performance Hurdles | Weighting | Description |
|---|---|---|
| Profitability | 30% | Board approved budgeted pro-forma operating EBITDA target |
| Profitability | 15% | Board approved Gross Margin targets. Gross Margin is defined as sales less direct costs (excludes corporate overheads) |
| Cost control | 15% | Board approved overhead targets. Overheads include corporate office expenditure including corporate personnel costs, advertising and promotional spend and professional services fees etc |
| Return on Capital | 15% | Board approved return on capital targets calculated as net profit after tax/average equity |
| Employee engagement score | 20% | Board approved employee engagement score |
| Health & Safety | 0% (target must be achieved for STI to be eligible) | Board approved Health & Safety conversations and site visit targets |
| Individual target | 5% | A specific deliverable set annually by the NZKS Board |

A breakdown of the amount earned by the CEO for achievement of the FY25 STI key performance indicators is as follows:

| Performance Hurdles | STI Weighting | Awarded | Earned | % Earned of Awarded |
|---|---|---|---|---|
| Pro-forma operating EBITDA results | 30% | $51,728 | $25,864 | 15% |
| Gross Margin result | 15% | $25,864 | $25,864 | 100% |
| Overhead cost within budget | 15% | $25,864 | $25,864 | 100% |
| Net profit/average equity | 15% | $25,864 | - | 0% |
| Employee engagement score[1] | 20% | $34,485 | - | 0% |
| Completion of Health & Safety conversations | - | - | - | - |
| Individual target | 5% | $8,621 | $8,621 | 100% |
| **Total** | **100%** | **$172,426** | **$86,213** | **50%** |

[1] The employee engagement score is scheduled to be assessed in April 2025.

### *Variable Remuneration—LTI Scheme*

The LTI Scheme has been designed to link reward with key performance indicators that drive sustainable growth in shareholder value over the long term. The objectives of the LTI Scheme are to:

- Align the CEO and nominated participants' interests with those of shareholders.
- Help provide a long-term focus.
- Retain high calibre senior employees by providing an attractive equity-based incentive that builds an ownership of the Company mindset, encouraging executives to think and act like owners.

There are three LTI schemes discussed in this section:

- Executive Share Ownership Scheme (pre-IPO).
- LTI Share Scheme (tranches issued between 2016–2022).
- LTI PSR scheme (Commenced July 2024).

### *Executive Share Ownership Scheme (pre-IPO)*

The CEO and certain other senior executives were participants in an Executive Share Ownership Scheme prior to the IPO, in which participants have been provided with an interest-free loan of up to 200% of the amount which the senior executive invests in the Company. As at 31 January 2025, 390,021 shares are held by current or former senior executives via the Ownership Scheme, partly funded by interest free loans of $193,750. As at 31 January 2025, there were 3 nominated participants remaining in the Executive Share Ownership Scheme, (31 January 2024: 4 nominated executives).

These shares, which have been subject to sale restrictions since the IPO, were released from escrow on announcement of the 2018 financial results.

Grant Rosewarne resigned as CEO effective 1 November 2022, and Graeme Tregidga was appointed as acting CEO. On 6 July 2023, Carl Carrington was announced as CEO, commencing 7 August 2023 (no LTI was issued to Carl in FY24). In connection with Grant Rosewarne's resignation, the Company granted Mr Rosewarne a Put Option in connection with certain long-term incentive plans for the purpose of repaying a loan owed by Mr Rosewarne to the Company in relation to the acquisition of certain shares held by a family trust associated with Mr Rosewarne. Pursuant to the Put Option, Mr Rosewarne could require the Company to acquire up to 2,340,883 shares (the Option Shares) held by Mr Rosewarne and Bianca Rosewarne as holders of the Rosewarne NZ Family Trust issued in connection with certain long-term incentive plans of NZKS for the purpose of repaying a loan owed by Mr Rosewarne to the Company in relation to the acquisition of the Option Shares.

On the 21 February 2024, Mr Rosewarne gave the Company notice to exercise the aforementioned Put Option. Pursuant to that Put Option, NZKS acquired 3,272,437 ordinary shares on 28 February 2024 (being 2,340,883 option shares plus an additional 931,554 shares to settle the shortfall on the loan) the proceeds of which have been applied to the repayment of Mr Rosewarne's loan balance. The shares acquired were subsequently cancelled on the day of acquisition. NZKS' CEO is not a participant in the Executive Share Ownership Scheme, having joined NZKS in August 2023.

### *LTI Share Scheme (tranches issued between 2016–2022)*

Under the LTI Share Scheme, the CEO and nominated participants are offered an interest-free loan which is to be applied to acquire shares in the Company. Shares acquired under the LTI Share Scheme are held by a custodian and will only vest subject to the achievement of performance hurdles and employment tenure. All dividends paid during this period are offset against the loan balance. Once the shares vest, the employee remains obligated to repay the outstanding balance of the loan.

If an employee leaves employment before the expiry of the three-year period, the custodian may exercise a call option to have the employee's beneficial interest in the shares transferred to it in consideration of the custodian taking the balance of the loan. Any shares so transferred can be used for future grants or alternatively, the custodian is authorised to sell that employee's shares with the proceeds applied to repay the balance of the loan, with any deficit covered by the Company and any surplus retained by the Company.

Each employee's loan amount (which determines how many shares will be acquired) is set as a percentage of their base salary and selected employees will be offered a loan for this amount if the criteria set by the Board are met.

The last tranche issued under this scheme was in FY22. NZKS' CEO is not a participant in the LTI Share Scheme, having joined NZKS in August 2023.

As of 31 January 2025, 279,639 vested shares are held by current or former senior executives via the LTI Share Scheme, funded by interest free loans of $284,045. As at 31 January 2025, there were 11 nominated participants remaining in the LTI Share Scheme.

### *LTI PSR scheme (Commenced July 2024)*

In July 2024, the Board adopted a performance share rights (PSR) scheme for the CEO and nominated participants (LTI PSR Scheme). Under the LTI PSR Scheme, participants are awarded PSRs which gives them the right to receive ordinary shares in the Company subject to achieving certain performance hurdles and remaining employed with the Group for a certain period. The objectives of the LTI PSR Scheme are to reward and retain key employees, to drive longer-term performance and to encourage longer-term decision making by employees. The LTI PSR Scheme also aims to align the incentives of participants with the interests of the Company's shareholders.

The performance hurdle used for all grants made to date under the LTI PSR Scheme is a relative total shareholder return (TSR) hurdle. The value of PSRs awarded to participants in the LTI PSR Scheme is set at a fixed amount which reflects between 10% and 35% of participants' base cash remuneration. The number of PSRs issued under each grant is then determined based on the market value of NZKS' shares using a volume weighted average price over the 20 trading days up to and including the commencement date of the grant.

### *CEO remuneration under LTI PSR Scheme*

The value of PSRs awarded to the CEO annually under the LTI PSR Scheme is set at a fixed amount which reflects 35% of the CEO's base cash remuneration.

Grants of PSRs under the LTI PSR Scheme with vesting dates on or after 31 January 2025 were made on 1 July 2024 and commenced on 29 May 2023 (FY24(i) Grant), 22 January 2024 (FY24(ii) Grant) and 29 April 2024 (FY25 Grant).

The key terms and conditions related to the PSRs issued under the LTI PSR Scheme are as follows:

- The PSRs are granted for nil consideration and have a nil exercise price.
- The participant must remain an employee of the Company as at the relevant vesting date.
- The PSRs issued under the FY24(i) Grant, FY24(ii) Grant and FY25 Grant each comprise a single tranche. Provided the performance hurdle has been achieved on the vesting date, (being the date that is 21 trading days following the release of the Company's financial results for the period ended 31 January 2026 to NZX and ASX for the FY24(i) Grants and FY24(ii) Grants and the date that is 21 trading days following the release of Company's financial results for the period ended 31 January 2027 to NZX and ASX for the FY25 Grant), the PSRs will become eligible for exercise

by the participants. The performance hurdle is a relative TSR hurdle. PSRs will become eligible for exercise where the Company's TSR from the commencement date to the vesting date is a positive amount and is greater than the 50th percentile TSR of the NZX50 (excluding the Company and banking groups) at the commencement date for each Grant (NZX Comparator Group).

- The percentage of PSRs that become eligible for exercise will increase on a straight line basis from 50% where the Company's TSR is a positive amount and is equal to the 50th percentile of the NZX Comparator Group to 100% where the Company's TSR is a positive amount and is equal to or greater than the 75th percentile of the NZX Comparator Group.
- The TSR will be calculated using the volume weighted average sale price of the relevant share or unit on its designated exchange over the 20 trading days prior to and excluding the commencement date or the vesting date (as applicable).
- On the vesting date, subject to achieving performance hurdles, each PSR entitles the CEO to one ordinary share. The CEO is liable for tax on the shares received at this point. The Company may, in consultation with the CEO, elect to pay this tax on his behalf through PAYE, subject to appropriate arrangements being entered into for the reimbursement by the CEO of the tax to the Company.

No PSRs were eligible for vesting during FY25. The PSRs under the FY24(i) Grant and FY24(ii) Grant will not become eligible for vesting until FY27. The PSRs under the FY25 Grant will not become eligible for vesting until FY28.

A summary of the PSRs granted to the CEO which lapsed or vested during FY25 or which remain subject to vesting conditions as at 31 January 2025 is shown below:

| | | | | Awarded During the Reporting Period | | PSRs Lapsed During the Reporting Period | Shares Vested During the Reporting Period | | | Shares Issued/Transferred During the Reporting Period | | | Balance of PSRs at 31 January 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Scheme | PSR Award Date | Vesting Date | Balance of PSRs at 31 January 2024 | PSRs Awarded | Market Price at Award | | Shares Vested | Market Price at Vesting Date | Vesting Date | Shares Issued /Transferred | Market Price at Issue/Transfer Date | Issue/ Transfer Date | |
| FY24(ii) | Jul 2024 | Apr 2026 | - | 368,774 | $96,250 | - | - | - | - | - | - | - | 368,774 |
| FY25 | Jul 2024 | Apr 2027 | - | 720,974 | $192,500 | - | - | - | - | - | - | - | 720,974 |
| **Total** | | | | **1,089,748** | **$288,750** | | | | | | | | **1,089, 748** |

## *Loans Outstanding on Vested Shares*

The table below shows the loans associated for shares which have vested under both the Executive Share Ownership scheme prior to the IPO and LTI Schemes:

| Scheme | Issue date | Vesting date | Hurdle Price | Shares Granted | Shares Forfeited | Shares Vested | Shares Settled/ sold back to NZKS | Shares remaining with Loan Balance | Loans in respect of these shares | Less dividend received after tax paid | Net loans |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Executive Share Ownership Scheme (pre-IPO)** | | | | | | | | | | | |
| Senior Executive Share Ownership Scheme | 2011–2016 | 29 Aug 2018 | $0.48 | 3,062,164 | - | 3,062,164 | (2,672,143) | 390,021 | $193,750 | - | $193,750 |
| **LTI scheme (tranches issued between 2016—2022)** | | | | | | | | | | | |
| LTI IPO | 31 Aug 2016 | 1 Sep 2019 | $1.12 | 993,671 | (220,500) | 773,171 | (563,086) | 210,085 | $235,295 | ($33,234) | $202,061 |
| LTI 2017a | 29 Sep 2017 | 1 Sep 2020 | $1.22 | 270,274 | (15,073) | 255,201 | (194,547) | 60,654 | $73,998 | ($6,773) | $67,225 |
| LTI 2017b | 29 Sep 2017 | 1 Sep 2020 | $1.77 | 47,241 | (17,611) | 29,630 | (20,730) | 8,900 | $15,753 | ($994) | $14,759 |
| **Total** | | | | **1,311,186** | **(253,184)** | **1,058,002** | **(778,363)** | **279,639** | **$325,046** | **($41,001)** | **$284,045** |
| **Total** | | | | **4,373,350** | **(253,184)** | **4,120,166** | **(3,450,506)** | **669,660** | **$518,796** | **($41,001)** | **$477,795** |

| CEO | Year | Shares Vested | Loan |
|---|---|---|---|
| Graeme Tregidga[1] | FY24 | 185,594 | $118,562 |

[1] Carl Carrington was appointed as CEO effective 7 August 2023, following Carl's appointment, Graeme Tregidga has moved into a Chief Commercial Officer role.

### *Employee Share Ownership Scheme*

At the time of the Company's IPO, it established an Employee Share Ownership Scheme to facilitate an increase in the level of participation by employees as shareholders, which improves the alignment of interests between employees and shareholders. Under the scheme, each eligible employee was offered an interest free loan up to $5,000 to fund 50% of the subscription price for the shares which the employee wished to acquire in the Company. Employees are obliged to repay their loan when the shares are sold or when they leave the Company.

A total of 187,076 shares were issued at the time, supported by loans of $104,762 from the Company. During the period to 31 January 2025, 2 employees holding shares left the Company (31 January 2024: 2), and no shares have been sold by current employees (31 January 2024: 0). As at 31 January 2025, the following shares were held by employees under the Employee Share Ownership Scheme.

| | Allocation Date | Vesting Date | Number of Shares | | |
|---|---|---|---|---|---|
| Scheme | | | Balance at start of year | Sold during the year | Balance at the end of the year |
| Employee Share Ownership Plan | 19 Oct 2016 | 19 Oct 2016 | 44,606 | (5,786) | 38,820 |

## 6. Principle 6 - Risk Management

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

### Recommendation 6.1

An issuer should have a risk management framework for its business and the issuer's Board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

### *Risk Management Framework*

The Board is responsible for ensuring that key business risks are identified, and that appropriate controls and procedures are in place to effectively manage those risks.

Risk registers are regularly reviewed by senior Management and any changes to material risks are reported to the Board.

The Audit, Finance and Risk Committee has overall responsibility for ensuring that the Company's risk management framework is appropriate and that it appropriately identifies, considers and manages risks. In addition, risks are also considered at the other committees and reported through to the Board by committee Chairs.

Risk management is an integral part of the Company's business. A risk management framework incorporating a risk register is used to identify those situations and circumstances in which the Company may be materially at risk and for which risk mitigation activities are appropriate. This approach is intended to provide a comprehensive, company-wide awareness of risk in senior Management, supported by a consistent method of identifying, assessing, controlling, monitoring and reporting existing and potential risks to the Company's business.

Key risks that NZKS has identified are provided below, risks are dynamic and as such this section does not (and does not purport to) set out all of the risks facing NZKS as some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material.

| Area | Description of Risk | Key Strategies to Mitigate |
|---|---|---|
| **Fish mortality** | Fish mortality has a significant impact on the profitability and financial stability of NZKS as only the fish that survive to the point of harvest are able to be sold. Every year, a number of fish will die prior to harvest due to a range of factors.<br><br>The cause of fish mortality is multi-factorial with the dominant correlation currently being with prolonged elevated water temperature which increases stress and reduces the salmon's resistance to bacterial and other pathogens. Other factors include opportunistic microorganism/diseases, feed-related issues, failed smoltification, predators, and other stressors, individually or in combination. Whilst the interconnectivity of these factors is difficult to predict with any certainty, rising water temperatures are increasingly becoming a major concern given the impact of climate change.<br><br>Failed smoltification which is not linked to warmer waters does not create a large mortality volume in terms of biomass or direct cost but it can have a significant opportunity cost due to lost potential harvest. | While the trajectory of climate change is impossible to control at a company level, NZKS currently manages the risk of fish mortality by: fallowing warmer, low flow sites (either seasonally over summer or completely), actively monitoring fish health and maintaining appropriate net cleaning regimes. Immunisation of young salmon against specific pathogens at the freshwater stage has also been in place for several years to build resilience prior to seawater entry. NZKS is also undertaking R&D activities including researching thermotolerance within its King salmon families to provide potential future mitigants against temperature risk.<br><br>Projects to reduce runting are also underway including works involving manipulating salinity, photoperiod and diet options. |
| **Access to waterspace and water** | Changes to local and central government policy surrounding aquaculture present a material concern for NZKS, with the possibility that policy changes, however well intentioned, may present an additional compliance burden, resulting in an increase to NZKS costs and/or reduce the biomass capacity at current consented and future farming locations. These impacts, individually or in combination, may make farming salmon uneconomic. In addition, the Company's processing operations require access to water to process our harvested fish. | Recent legislative reforms e.g. Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Bill has mitigated risks to securing tenure at existing seawater-consented sites (all farms extended 20 years, no further than 2050). The conditions on some of these sites will require updating.<br><br>NZKS is also undertaking monitoring observations at a second offshore site to provide future space options. NZKS is assessing the viability of a new greenfield processing site in addition to investigating ways to improve the efficiency of our existing processing site. |

| Area | Description of Risk | Key Strategies to Mitigate |
|---|---|---|
| **Loss of key facilities** | As an integrated King salmon farming operation NZKS has a number of critical facilities. The loss of any one of the facilities would have a significant impact on NZKS ability to grow, harvest and sell King salmon.<br><br>Loss of key facilities could mean an inability to operate, or delays in production if livestock cannot be transferred from one to the other. Delays in production, harvesting, and processing operations could all lead to delays in getting product to consumers.<br><br>This could, depending on the severity, significantly impact both the financial performance and position of NZKS.<br><br>Key facilities include:<br><br>Tentburn and Tākaka freshwater facilities, Nelson processing facility, seafarms across the Marlborough Sounds, and the new Blue Endeavour site. | Under the current operating model key facilities create a single point of risk within the NZKS supply chain.<br><br>Within the constraints of current operations for NZKS it is not possible to fully mitigate these risks, as such NZKS continues to investigate how risks might be reduced. Mitigations include:<br><br>• Backup Broodstock held at Tentburn.<br>• Holding frozen sperm.<br>• A multiple spawning strategy that spreads the risk and reduces the opportunity of total loss.<br>• Investments in hydrology mapping at hatcheries to inform opportunities to reduce flood and drought risk.<br>• Insurance policies including material damage and business interruption insurance.<br><br>Future investments will provide further opportunities to mitigate some of these risks (i.e. a new greenfield processing site). |
| **Market access** | NZKS products are sold to a number of export markets, and there is a risk that regulatory change in specific markets will impair NZKS access to these markets, significantly impacting sales levels and profitability. This may be a closure of the market, or the introduction of new rules that impact NZKS products and may affect the time spent at entry ports for clearance. NZKS international customers expect continuity of supply, which requires consistent access to key markets in a timely manner and without extensive compliance obligations. Additionally, as NZKS products are highly perishable, they also require swift clearance at the port, and extensive or changing compliance requirements may hinder clearance timeframes. | NZKS' food safety team works closely with relevant government departments to ensure compliance prior to its products leaving New Zealand, which is expected to limit the likelihood of access to relevant markets being restricted. The food safety team also works with industry bodies and government departments to forward plan for any longer-term compliance issues that may arise in advance of activity in-market. In the past, NZKS has moved products between markets in response to changes in pricing demand. Similarly, given the global demand for King salmon, NZKS expects that if one market is closed or subject to more onerous restrictions, NZKS will be able to find alternative channels to sell its products, however, the margins may be lower in the short term. |
| **Feed costs and quality** | Feed is one of NZKS' largest costs. Sourcing good quality feed is crucial for NZKS as it is one of the key contributors to fish performance and fish health. An increase in the cost of feed or a decrease in the quality of feed will have a significant impact on NZKS operations and profitability. Further, given the rarity of King salmon globally, research and development to design feed specifically for King salmon is not extensively undertaken by global feed companies and this can create risks when changing dietary components, including the risk of increased fish mortality. | NZKS has an ability to pass price increases onto customers, however, it is unclear whether NZKS will be able to fully pass on the increased cost of raw materials to customers. Risks around feed price and quality are partially mitigated by NZKS endeavoring to source feed from multiple suppliers (although currently both are based in Australia). To further understand supplier performance, NZKS benchmarks feed to measure fish performance on various diets and has invested in a trial facility that will enable feed-based trials to improve diet performance and benchmarking. |

| Area | Description of Risk | Key Strategies to Mitigate |
|---|---|---|
| **Food safety** | NZKS produces ready-to-eat products which are consumed in a raw state, such as cold smoked salmon, sushi and sashimi. There is a risk NZKS products could contain harmful bacteria or other organisms, such as *Listeria monocytogenes*, which is unique in that it is a foodborne pathogen which can grow below 4°C. Food safety incidents could result in reputational damage, regulatory consequences (including fines, penalties, loss of licenses or temporary shutdowns of facilities), and product recalls. The potential magnitude of any food safety incident could be severe.<br>In addition, new laws could also be passed which impose further food safety requirements on NZKS, which may require significant capital expenditure to comply with, reducing NZKS operational performance. | NZKS takes rigorous steps to minimise the risk of contamination from any biological, chemical and physical hazards. These are managed HACCP (Hazard Analysis Critical Control Point/s) along with support programmes and systems.<br><br>Biological hazards are managed through process controls including rigorous testing of input and output materials. Additionally, where required, the introduction of processing aids and safe shelf-life limits to reduce growth of pathogens such as *Listeria monocytogenes*.<br><br>Chemical hazards are managed through rigorous testing of inputs including fish feed and outputs including flesh and finished products.<br><br>Physical hazards are managed through the introduction of metal detection and/or supported by visual inspection of inputs including packaging and outputs including fish flesh and finished products. |
| **Social license** | NZKS has a number of external relationships and stakeholders that can influence our social license, as its business operates in 'public' water space and in areas with high cultural significance. It is crucial that NZKS maintains positive relationships with iwi and external stakeholders, to support positive outcomes for future consent applications to continue to operate its farms. Failure to renew some or all of these consents will have a material impact on NZKS operations, resulting in a decline in harvest and therefore cash flow. It will also influence our ability to expand into future locations. | NZKS undertakes a range of stakeholder engagement initiatives. These include, but are not limited to, environmental management and active relationship and stakeholder management (i.e. with iwi, Aquaculture New Zealand, the local council). Our communications are delivered strategically across all groups.<br><br>The Best Aquaculture Practices (BAP) certification is the main third-party accreditation selected to demonstrate independent assessment of the business's operational practices based on third party standards. NZKS ensures its compliance with BAP by engaging in regular external audits across operations, people & culture and key suppliers to achieve four stars, the highest rating. |
| **Loss of critical systems** | IT systems are needed to carry out important processes across NZKS, in all areas of the business. This includes processes such as paying employees and suppliers, invoicing, tracking inventory movements, taking orders and operating the call centre.<br><br>IT systems could be disrupted by several factors such as a cyber-attack, network issues, power outage, damage to hardware. Any one of these could create a disruption that could result in the stoppage of all of the processes that rely on IT systems. | NZKS has an in-house Information Technology team (which is also supported by specialist technology service suppliers), one of the teams key functions is to ensure the availability of critical business systems.<br><br>Information Technology controls include regular:<br>• Selecting of fit for software and technology infrastructure.<br>• Backups for core systems.<br>• Security patching.<br>• Technology security systems.<br>• Documented security policies.<br>• Team member training. |

The Board has delegated responsibility to the Audit, Finance and Risk Committee to establish and regularly review the Company's risk management framework.

Business risks are a standing agenda item of the Audit, Finance and Risk Committee. Committee specific risks are also considered by the Board committees with reports provided by senior Management. As part of this framework the Audit, Finance and Risk Committee is tasked with identifying situations and circumstances in which the Company may be materially at risk and initiating appropriate action through the Board or CEO. Risk is overseen by the CEO and supports a comprehensive approach to the management of those risks identified as material to the Company's operations.

The CEO and CFO have provided the Board, through the Audit, Finance and Risk Committee, with assurances that in their opinion, financial records have been properly maintained, that the financial statements comply with those accounting standards under which the Company must report and that the statements give a true and fair view of the Company's financial position and performance. These representations are given on the basis that a sound system of internal controls and risk management is operating effectively in all material respects in relation to financial reporting.

In managing the Company's business risks, the Board approves and monitors policy and procedures in areas such as treasury management, financial performance, taxation and delegated authorities.

*Insurance*

The Company has insurance policies in place covering most areas where risk to its assets and business can be insured at a reasonable cost.

### Recommendation 6.2

An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

*Health and Safety*

The Board and Management are committed to promoting a safe and healthy working environment for everyone working in, or interacting with, the Company. The Company strives for continuous improvement that takes us beyond compliance in health, safety and wellness. This includes the reviewing of our health and safety policy statement as well as the systems and processes that support our safety objectives.

The Company's Health & Safety and Food Safety Committee Charter creates a shared responsibility for all our team members and contractors to, so far as reasonably practicable take all steps in providing a working environment that promotes health and wellbeing. Effective controls based on industry knowledge and best practice guidelines inform and support our risk management across all areas of the business.

## 7. Principle 7—Auditors

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

### Recommendation 7.1

The Board should establish a framework for the issuer's relationship with its external auditors. This should include procedures:

a. for sustaining communication with the issuer's external auditors;

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

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

d. to provide for the monitoring and approval by the issuer's Audit Committee of an service provided by the external auditors to the issuer other than in their statutory audit role.

### Recommendation 7.2

The external auditor should attend the issuer's Annual Shareholders' Meeting to answer questions from shareholders in relation to the audit.

*External Auditor*

The Company's Audit, Finance and Risk Committee is responsible for oversight of the Company's external audit arrangements to safeguard the integrity of financial reporting. The Company maintains an External Auditor Independence Policy to ensure that audit independence is maintained, both in fact and appearance.

The policy covers the following areas:

- Appointment of the external auditor.
- Provision of other assurance services by the external auditor.
- Pre-approval process for the provision of other assurance services.
- External auditor lead and engagement partner rotation.
- Hiring of employees from the external auditor.
- Relationships between the external auditor and the Company.
- Reporting on fees and non-audit work.

The role of the external auditor is to audit the financial statements of the Company in accordance with applicable auditing standards in New Zealand and to report on its findings to the Board and shareholders of the Company.

The External Auditor Independence Policy is available in the Corporate Governance Code which is available on the Company's website.

PricewaterhouseCoopers (PwC) is the Company's current external auditor. Adri Smit is the current audit engagement partner, in her first year following a change in external audit firms at the completion of the 31 January 2024 audit. Fees paid to PwC are included in Note 30 of the notes to the financial statements.

Both the Company's Audit, Finance and Risk Committee Charter, and the External Auditor Independence Policy require the external auditor to be independent, recognising the importance of facilitating frank dialogue between the Audit, Finance and Risk Committee, the auditor and Management. The External Auditor Independence Policy requires that the audit partner be rotated after a maximum of five years.

The Audit, Finance and Risk Committee Charter requires the Committee to facilitate the continuing independence of the external auditor by assessing the external auditor's independence, qualifications, overseeing and monitoring their performance. This involves monitoring all aspects of the external audit, including the appointment of the auditor, the nature and scope of its audit and reviewing the auditor's service delivery plan.

The external auditor is invited to attend the Annual Shareholders' Meeting and is requested to be available to answer questions about the audit process and the independence of the auditor.

### Recommendation 7.3

Internal audit functions should be disclosed.

*Internal Audit*

The Company does not have an internal audit function. However, the Company does have a quality and compliance team dedicated to food hygiene (in relation to the processing of harvested fish through to finished goods that are dispatched to the end customer) and a Health and Safety Team (dedicated to providing a safe working environment for the Company's operations). The objective of the food quality and compliance team is to enhance and protect the organisational value of the Company by providing risk-based and objective assurance. The management of Health and Safety is overseen by regular internal safety audits throughout the Company's operations. Governance of these areas is provided by the Health & Safety and Food Safety Committee.

In the absence of a dedicated internal audit function, the Company looks to utilise external expertise for assessing the effectiveness of its risk management and internal processes. For the year ended 31 January 2025, the Company undertook a review of its risk appetite statements, critical risks and crisis management with a third-party expert.

*Independent Professional Advice*

With the approval of the Audit, Finance and Risk Committee, Directors are entitled to seek independent professional advice on any issue related to the fulfillment of his or her duties, at the Company's expense. During FY25 the Directors sought independent professional advice from:

- an external advisor to review progress against a Board review undertaken in FY23.
- an external advisor to assist with expert knowledge for the Fish Farming Committee.

## 8. Principle 8—Shareholder Rights and Relations

### Recommendation 8.1

An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

*Shareholder Relations*

The Company is committed to maintaining a full and open dialogue with its shareholders and other stakeholders. Annual reports, links to the NZX/ASX, governance policies and charters, and a variety of corporate information are posted on the Company's website.

The Company's preference is for electronic communications in the interests of sustainability and efficiency; however, a paper copy of each Annual Report can be provided to shareholders on request.

The Company's website includes a range of information relevant to shareholders and others concerning the operation of the Company, including information about the sites we operate, certifications, our brands, and the corporate governance policies of the Company.

### Recommendation 8.2

An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation, and by providing shareholders the option to receive communications from the issuer electronically.

*Electronic Communications and Shareholder Meetings*

Shareholders have the option of receiving their communications electronically. This is the Company's preferred method of communication.

Contact details for the Company's head office are available on the website.

Shareholder meetings will be held at a time and location to encourage participation in-person by shareholders. Annual meetings are currently held in the Nelson/Marlborough region, reflecting the head office and production locations for the Company.

## Recommendation 8.3

Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.

*Major Decisions*

Directors' commitment to timely and balanced disclosure is set out in its Shareholder Communications and Market Disclosure Policy and includes advising shareholders on any major decisions. Where voting on a matter is required, the Board encourages investors to attend the meeting or, where they are unable to do so, to cast a postal or online vote, or appoint a proxy to exercise their vote on their behalf. Shareholders may raise matters for discussion at the Annual Shareholders' Meeting either in person, or by emailing the Company with a question to be asked.

## Recommendation 8.4

If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

*Equity Raise*

The Board is responsible for considering the interests of all existing equity holders when assessing their capital raising options.

## Recommendation 8.5

The Board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible, and at least 20 working days prior to the meeting.

*Notice of Meeting*

The Company's Notice of Meeting will be available at least 20 working days prior to the meeting on the NZX/ASX with a link to stock exchange announcements provided in the Investors section of the Company's website.

## Director Disclosures

The following persons were Directors of New Zealand King Salmon Investments Limited and its subsidiaries during the period to 31 January 2025:

| Directors | Mark Dewdney | Jack Porus | Chiong Yong Tiong | Paul Munro | James V. Kilmer | Justin Reynolds | Catriona Macleod | Carol Chen | Victoria Taylor | Carl Carrington | Graeme Tregidga |
|---|---|---|---|---|---|---|---|---|---|---|---|
| New Zealand King Salmon Investments Limited | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | | |
| The New Zealand King Salmon Co. Limited | ✓ | ✓ | | ✓ | | | | | | | |
| New Zealand King Salmon Exports Limited | ✓ | | | ✓ | | | | | | | ✓ |
| New Zealand King Salmon USA Incorporated | | | | ✓ | ✓ | | | | | ✓ | |
| The New Zealand King Salmon Pty Limited | ✓ | | | | | ✓ | ✓ | | | ✓ | |
| NZKS Custodian Limited | ✓ | ✓ | | ✓ | | | | | | | |
| King Salmon Limited | ✓ | | | ✓ | | | | | | | ✓ |
| MacCure Seafoods Limited | ✓ | | | ✓ | | | | | | | ✓ |
| Omega Innovations Limited | ✓ | | | ✓ | | | | | | | ✓ |
| Ōra King Limited | ✓ | | | ✓ | | | | | | | ✓ |
| Regal Salmon Limited | ✓ | | | ✓ | | | | | | | ✓ |
| Southern Ocean Salmon Limited | ✓ | | | ✓ | | | | | | | ✓ |
| Southern Ocean Seafoods Limited | ✓ | | | ✓ | | | | | | | ✓ |

## Interests Register

The following entries were made in the interests register of the Company during the year ended 31 January 2025:

### *Share Dealings by Directors*

Dealings by Directors and key Senior Managers during the period ended 31 January 2025, as entered in the Interest Register of the Company are as follows:

| Name of Director / Senior Executive | No. of Shares | Nature of Interest | Acquisition / Disposal | Consideration | Date |
|---|---|---|---|---|---|
| Ben Rodgers | 255,441 | Beneficial Owner | Forfeiture of shares under Long Term Incentive Scheme | $1.46 per share | 14 Oct 2024 |
| Graeme Tregidga | 18,324 | Beneficial Owner | Forfeiture of shares under Long Term Incentive Scheme | $1.76 per share | 14 Oct 2024 |
| Grant Lovell | 16,619 | Beneficial Owner | Forfeiture of shares under Long Term Incentive Scheme | $1.76 per share | 14 Oct 2024 |
| Richard Smith | 17,045 | Beneficial Owner | Forfeiture of shares under Long Term Incentive Scheme | $1.76 per share | 14 Oct 2024 |
| Grant Rosewarne[1] | 3,272,437 | Beneficial Owner | Disposal — Exercise of Put Option | $0.2757 per share | 28 Feb 2024 |
| Jack Porus | 1,294,253 | Beneficial Owner | Acquisition | $0.2700 per share | 15 Apr 2024 |
| Victoria Taylor | 566 | Beneficial Owner | Acquisition | $0.2548 per share | 14 May 2024 |
| | 19,334 | Beneficial Owner | Acquisition | $0.2512 per share | 14 May 2024 |

[1] Grant Rosewarne resigned as CEO effective 1 November 2022, in connection with Grant Rosewarne's resignation, the Company granted Mr Rosewarne a Put Option in connection with certain long-term incentive plans for the purpose of repaying a loan owed by Mr Rosewarne to the Company in relation to the acquisition of certain shares held by a family trust associated with Mr Rosewarne. On the 21 February 2024, Mr Rosewarne gave the Company notice to exercise the aforementioned Put Option. Pursuant to that Put Option, NZK has acquired 3,272,437 ordinary shares on the 28 February 2024 (being 2,340,883 option shares plus an additional 931,554 shares to settle the shortfall on the loan) the proceeds of which have been applied to the repayment of Mr Rosewarne's loan balance. The shares acquired were subsequently cancelled on the day of acquisition.

## Entries made in the interests register for the year ended 31 January 2025

| Director | Name of Interest | Nature of Interest |
|---|---|---|
| Mark Dewdney (Chair) | Seeka Limited | Independent Director |
| Paul Munro | Electricity Ashburton Limited | Director / Audit Chair |
| | McKenzie Balfour & Associates Limited (Online Distribution) | Director / Chair |
| | Lynn River Limited | Director |
| | Lynn River Holdings Limited | Director |
| | MHV Water Limited | Director |
| | Mid Canterbury Water Storage Limited | Director |
| | Orion New Zealand Limited | Director / Chair |
| | Cambridge Partners Limited | Director / Chair |
| | Southern Eye Specialists Limited | Director |
| | Tait International Limited | Chair |
| | RFI Holdings Limited | Director |
| | R F Industries Pty Limited | Director |
| | Green Peak Investments Limited | Director and Shareholder |
| Catriona Macleod | World Aquaculture Society | Director |

## Relevant Interests

The table below records the ordinary shares in which Directors had a relevant interest as at 31 January 2025.

| Name of Director[1] | Number of Ordinary Shares - Beneficial | Number of Ordinary Shares - Non-Beneficial |
|---|---|---|
| Jack Porus[2] | 6,756,381 | - |
| Victoria Taylor | 83,190 | - |
| Catriona Macleod | 39,253 | - |

[1] Neither Mark Dewdney, Chiong Yong Tiong, Paul Munro, nor Carol Chen held any relevant interests (beneficial or non-beneficial) as at 31 January 2025.

[2] An off-market share transaction between Jack Lee Porus & Robert Narev as Porus Holdings Trust and Oregon Group Ltd (Jack Porus purchasing 1,294,253 shares for $349,448.32) completed in December 2024 was not reflected in the share register until February 2025.

## *Use of Company Information by Directors*

No notices were received from Directors pursuant to section 145 of the Companies Act 1993 to use Company information, received in their capacity as Directors, which would otherwise not have been available to them.

## *Directors Liability*

As permitted by the Company's Constitution and in accordance with Section 162 of the Companies Act 1993, the Company has indemnified all Directors and arranged Directors' and Officers' Liability Insurance which ensures that, to the extent permitted by law, Directors will incur no monetary loss as a result of actions undertaken as Directors. Certain actions are specifically excluded, for example, the incurring of penalties and fines, which may be imposed in respect of breaches of the law.

## *Shareholder Information*

As at 31 January 2025, there were 538,182,273 ordinary shares on issue in the Company, each conferring on the registered holder the right to vote on any resolution at a meeting of shareholders, held as follows:

| Size of Holding | Number of Shareholders | Number of Shares held | % |
|---|---|---|---|
| 1 - 499 | 197 | 42,103 | 0.01% |
| 500 - 999 | 115 | 78,288 | 0.01% |
| 1,000 - 1,999 | 230 | 304,936 | 0.06% |
| 2,000 - 4,999 | 489 | 1,555,383 | 0.29% |
| 5,000 - 9,999 | 401 | 2,778,854 | 0.52% |
| 10,000 - 49,999 | 842 | 19,439,596 | 3.61% |
| 50,000 - 99,999 | 222 | 14,959,967 | 2.78% |
| 100,000 - 499,999 | 192 | 40,058,844 | 7.44% |
| 500,000 - 999,999 | 21 | 13,438,346 | 2.50% |
| 1,000,000 Over | 37 | 445,525,956 | 82.78% |
| Total | 2,746 | 538,182,273 | 100% |

## 20 Largest Shareholders

Set out below are details of the 20 largest shareholders of the Company as at 11 March 2025:

| Shareholder | Shares | % of Shares |
|---|---|---|
| Oregon Group Limited | 212,851,825 | 39.55 |
| China Resources Enterprise Limited | 53,125,934 | 9.87 |
| HSBC Nominees A/C NZ Superannuation Fund Nominees Limited - NZCSO | 47,812,718 | 8.88 |
| Accident Compensation Corporation - NZCSD | 18,352,458 | 3.41 |
| Masfen Securities Limited | 15,121,468 | 2.81 |
| New Zealand Depository Nominee Limited | 11,781,140 | 2.19 |
| Takutai Limited | 9,907,827 | 1.84 |
| Jack Lee Porus & Robert Narev | 6,756,381 | 1.26 |
| NZX WT Nominees Limited | 6,148,262 | 1.14 |
| Hsu-Cheng Yang | 5,600,000 | 1.04 |
| FNZ Custodians Limited | 5,407,461 | 1.00 |
| John William Dudley Ryder | 5,322,978 | 0.99 |
| JBWere (NZ) Nominees Limited | 4,510,991 | 0.84 |
| Custodial Services Limited | 3,817,792 | 0.71 |
| Grantley Bruce Rosewarne & Bianca Jade Rosewarne | 3,593,436 | 0.67 |
| Trew Pty Limited | 3,144,715 | 0.58 |
| NZKS Custodian Limited | 2,855,246 | 0.53 |
| Peter Plowman | 2,333,808 | 0.43 |
| Citibank Nominees (New Zealand) Limited - NZCSD | 2,288,909 | 0.43 |
| Iconic Investments Limited | 2,282,186 | 0.42 |

## Substantial Product Holders

Set out below are details of the substantial product holders of the Company as advised by notice to the Company, as at 31 January 2025. The number of shares shown below is as advised in the most recent substantial product holder notices given to the Company and may not be their holding as at 31 January 2025.

| Shareholder | Number of Shares | Class of Share |
|---|---|---|
| Oregon Group Ltd[1] | 214,146,078 | Ordinary |
| China Resources Enterprise, Ltd | 53,125,934 | Ordinary |
| New Zealand Superannuation Fund Nominees Ltd | 47,812,718 | Ordinary |

[1] An off-market share transaction between Jack Lee Porus & Robert Narev as Porus Holdings Trust and Oregon Group Ltd (Jack Porus purchasing 1,294,253 shares for $349,448.32) completed in December 2024 was not reflected in the share register until February 2025.

## Annual Shareholders' Meeting

The Company's FY25 Annual Shareholders' Meeting will be a hybrid meeting held on 11 June 2025. Shareholders will be given an opportunity at the meeting to ask questions and comment on relevant matters. The Notice of Meeting will be sent to shareholders at least 20 working days in advance of the meeting.

## Exercise of NZX Disciplinary Powers

NZX Limited did not exercise any of its powers under Listing Rule 5.4.2 in relation to the Company during the period to 31 January 2025.

## Donations

Donations made by the Group during the period of 31 January 2025 totalled $13,313.92 (31 January 2024: $3,136). No donations were made to political parties.

# Corporate Directory

## Board of Directors

### Mark Dewdney
Independent Non-Executive Chair

### Jack Lee Porus
Non-Executive Director

### Paul Steere
Independent Non-Executive Director
(Resigned 31 March 2024)

### Chiong Yong Tiong
Non-Executive Director

### Catriona Macleod
Independent Non-Executive Director

### Yuen Ping Carol Chen
Non-Executive Director

### Victoria Taylor
Independent Non-Executive Director

### Paul Munro
Independent Non-Executive Director
(Appointed 1 March 2024)

## Committee Members

### Audit, Finance and Risk Committee
Paul Steere (Chair)
(Resigned 31 March 2024)

Paul Munro (Chair)
(Appointed 31 March 2024)

Jack Porus

Mark Dewdney

### People and Performance Committee
Victoria Taylor (Chair)

Jack Porus

Mark Dewdney

### Health & Safety and Food Safety Committee
Catriona Macleod (Chair)

Chiong Yong Tiong

Mark Dewdney

### Fish Farming Committee
Jack Porus (Chair)

Catriona Macleod

Mark Dewdney

## Lawyers

### Chapman Tripp
Level 34, 15 Customs Street
West Auckland, New Zealand

### Gascoigne Wicks
79 High Street
Blenheim, New Zealand

### Duncan Cotterill
197 Bridge Street
Nelson, New Zealand

### Tavendale and Partners
94 Nile Street
Nelson, New Zealand

## Bankers

### The Bank of New Zealand
Deloitte Centre
Level 6, 80 Queen Street
Auckland, New Zealand

### Kiwibank
Level 9, 20 Customhouse Quay
Wellington, New Zealand

## Auditor

### PricewaterhouseCoopers (PwC)
Level 4, 60 Cashel Street
Christchurch, New Zealand

## Share Registry

### Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622, New Zealand

+64 9 488 8700

**enquiry@computershare.co.nz**

### Computershare Investor Services Pty Limited
Yarra Fall
452 Johnston Street
Abbotsford VIC 3067, Australia

+61 3 9415 5000

**enquiry@computershare.co.nz**

## New Zealand King Salmon

Ticker: NZK

Listed on the NZX Main Board and as a Foreign Exempt Listing on the ASX

NZ Company number: 2161790

### Registered Office
17 Bullen Street, Tahunanui
Nelson 7011, New Zealand

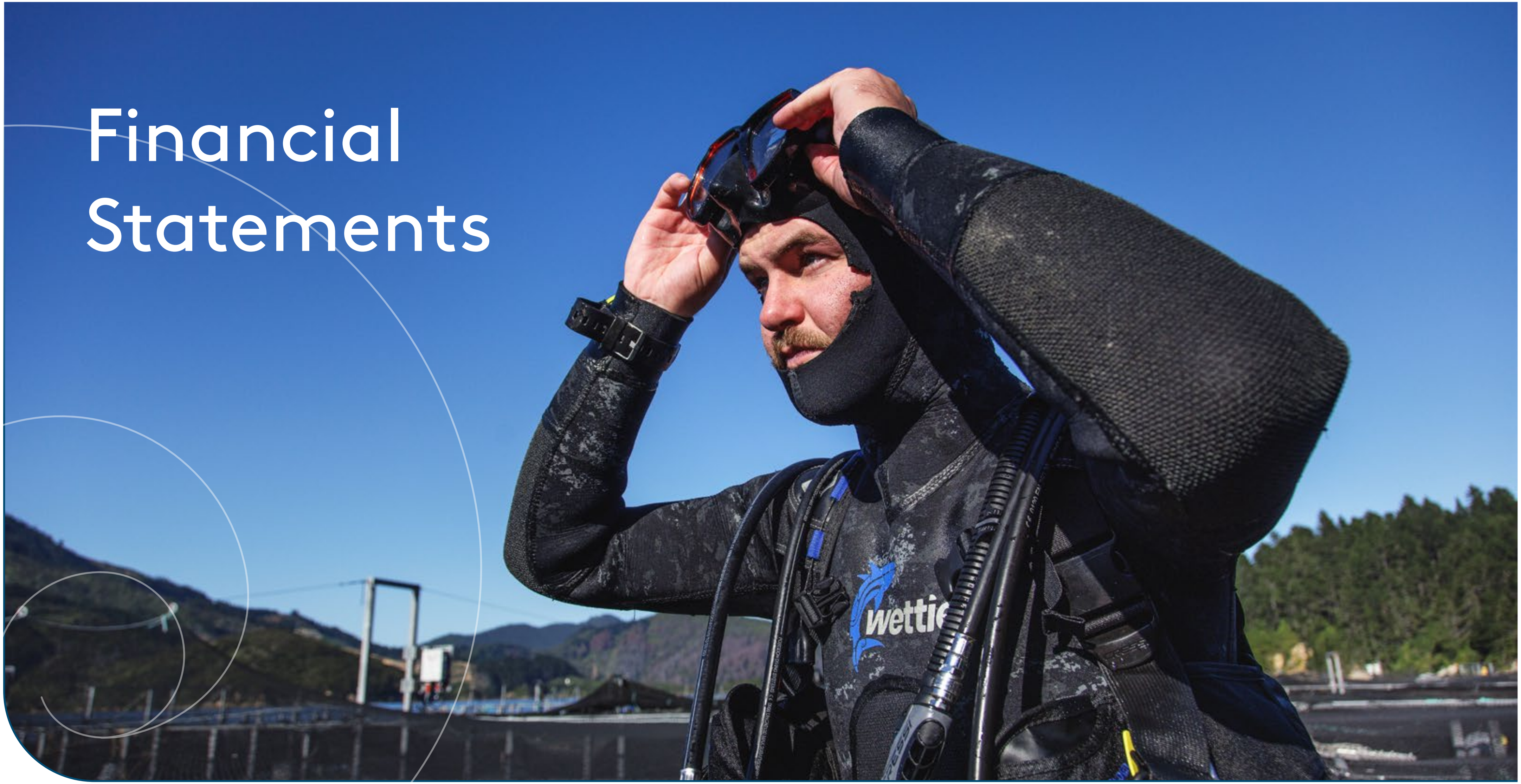
### Postal Address
PO Box 1180 Nelson 7040
New Zealand

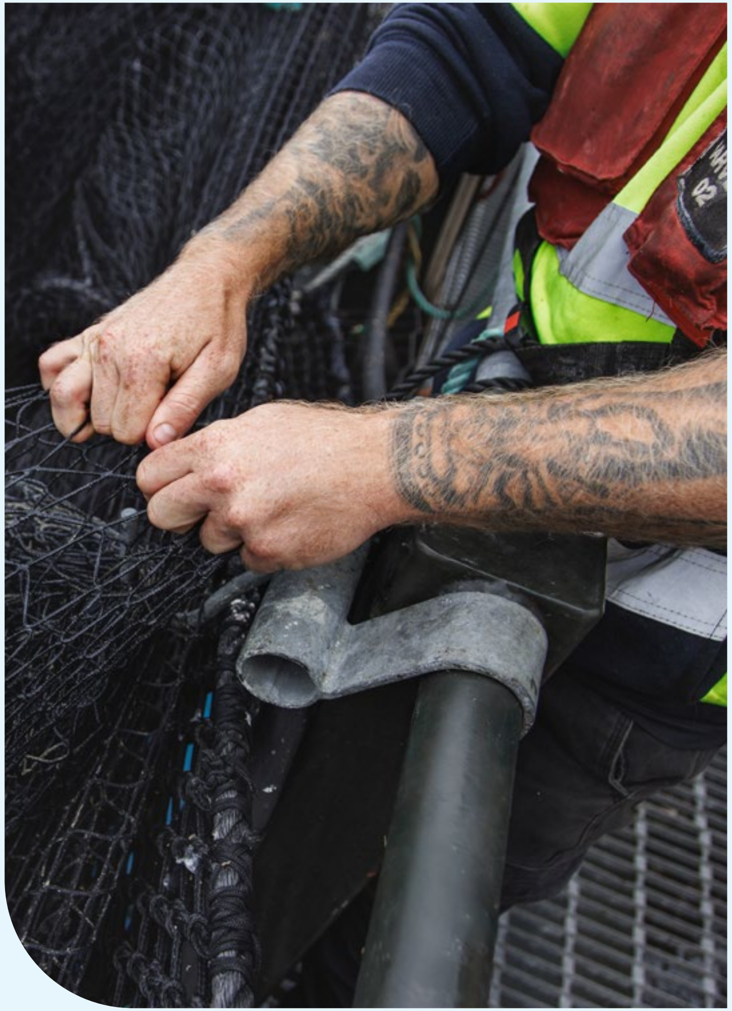
### Telephone
+64 3 548 5714

### Website
**www.kingsalmon.co.nz**

### Investor Relations
**investor@kingsalmon.co.nz**

# Financial Statements





# Contents

# Consolidated Statement of Comprehensive Income

For the year ended 31 January 2025

| | Note | 2025 $000 | 2024 $000 Restated (Note 4) |
|---|---|---|---|
| Revenue from contracts with customers | 32 | 210,993 | 187,106 |
| Cost of goods sold | 7, 14 | (193,039) | (173,172) |
| Fair value gain on biological transformation | 15 | 27,411 | 45,118 |
| **Gross profit** | | **45,365** | **59,052** |
| Other income | 6 | 5,475 | 8,065 |
| Selling and distribution expenses | 7 | (16,814) | (15,004) |
| Corporate expenses | 7 | (13,796) | (11,840) |
| Other expenses | 7 | (1,983) | (868) |
| **Profit before interest and tax** | | **18,247** | **39,405** |
| Finance income | 8 | 1,466 | 1,051 |
| Finance costs | 8 | (619) | (396) |
| **Profit before tax** | | **19,094** | **40,060** |
| Income tax expense | 9 | (5,735) | (11,608) |
| **Net profit after tax** | | **13,359** | **28,452** |

| | Note | 2025 $000 | 2024 $000 Restated (Note 4) |
|---|---|---|---|
| **Other comprehensive income** | | | |
| *Other comprehensive income that may be reclassified to profit or loss in subsequent periods:* | | | |
| Exchange differences on translation of foreign operations | 10 | 787 | (18) |
| Gain / (loss) on cash flow hedges | 10 | (9,739) | (6,055) |
| Income tax effect on gain / (loss) on cash flow hedges | 10 | 2,726 | 1,695 |
| Hedging gain / (loss) reclassified to profit & loss | 10 | 3,536 | 4,690 |
| Income tax effect on reclassifications to profit & loss | 10 | (957) | (1,320) |
| Release of early closed out foreign exchange contracts | 10 | (4,330) | (6,728) |
| Deferred tax on early closed out foreign exchange contracts | 10 | 1,214 | 1,884 |
| **Net other comprehensive income / (loss)** | | **(6,763)** | **(5,852)** |
| **Total comprehensive income / (loss)** | | **6,596** | **22,600** |
| **Earnings per share** | | | |
| Basic earnings per share | 11 | $0.02 | $0.05 |
| Diluted earnings per share | 11 | $0.02 | $0.05 |

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

# Consolidated Statement of Financial Position

As at 31 January 2025

| Assets | Note | 2025 $000 | 2024 $000 |
|---|---|---|---|
| **Current assets** | | | Restated (Note 4) |
| Cash and cash equivalents | 12 | 49,738 | 20,908 |
| Trade and other receivables | 13 | 17,262 | 18,427 |
| Other current financial assets | 25 | 3,000 | 6,000 |
| Inventories | 14 | 27,190 | 37,059 |
| Biological assets | 15 | 88,145 | 94,460 |
| Derivative financial assets | 25 | 1,016 | 976 |
| **Total current assets** | | **186,351** | **177,830** |
| **Non-current assets** | | | |
| Property, plant and equipment | 16 | 52,427 | 48,335 |
| Derivative financial assets | 25 | 540 | 2,829 |
| Intangible assets | 17 | 2,775 | 3,282 |
| Right-of-use assets | 18 | 10,103 | 6,669 |
| **Total non-current assets** | | **65,845** | **61,115** |
| **Total Assets** | | **252,196** | **238,945** |

*The consolidated statement of financial position should be read in conjunction with the accompanying notes.*

*For and on behalf of the Board, who authorised the issue of these financial statements on 27 March 2025.*

**Director - Mark Dewdney**
*27 March 2025*

**Director - Paul Munro**
*27 March 2025*

| Liabilities | Note | 2025 $000 | 2024 $000 |
|---|---|---|---|
| **Current Liabilities** | | | Restated (Note 4) |
| Trade and other payables | 21 | 13,456 | 16,071 |
| Employee liabilities | 22 | 4,838 | 4,439 |
| Borrowings | 20 | 4,505 | 3,417 |
| Lease liabilities | 19 | 1,834 | 1,028 |
| Other financial liabilities | 29 | 340 | 288 |
| Derivative financial liabilities | 25 | 7,153 | 3,639 |
| Taxation payable | | 4,426 | 732 |
| **Total current liabilities** | | **36,552** | **29,614** |
| **Non-current liabilities** | | | |
| Employee liabilities | 22 | 326 | 472 |
| Borrowings | 20 | - | 2,000 |
| Lease liabilities | 19 | 8,647 | 5,872 |
| Deferred tax liabilities | 9 | 6,134 | 7,741 |
| Derivative financial liabilities | 25 | 3,506 | 2,951 |
| **Total non-current liabilities** | | **18,613** | **19,036** |
| **Total liabilities** | | **55,165** | **48,650** |
| | | | |
| **Net assets** | | **197,031** | **190,295** |
| | | | |
| **Equity** | | | |
| Share capital | 27 | 180,143 | 180,143 |
| Reserves | 27 | (5,263) | 1,360 |
| Retained earnings | 27 | 22,151 | 8,792 |
| **Total equity** | | **197,031** | **190,295** |

# Consolidated Statement of Changes in Equity

For the year ended 31 January 2025

| | Note | Share Capital $000 | Foreign Currency Translation Reserve $000 | Hedge Reserve $000 | Share Based Payment Reserve $000 | Retained Earnings $000 | Total Equity $000 |
|---|---|---|---|---|---|---|---|
| **Balance as at 1 February 2023** | | 180,143 | (614) | 7,209 | 828 | (19,660) | **167,906** |
| Profit for the year | | - | - | - | - | 28,452 | **28,452** |
| Other comprehensive income/(loss) | 10 | - | (18) | (5,834) | - | - | **(5,852)** |
| **Total comprehensive income/(loss) for the year** | | **-** | **(18)** | **(5,834)** | **-** | **28,452** | **22,600** |
| Share based payment expense/(credit) | | - | - | - | (211) | - | **(211)** |
| **Balance as at 31 January 2024** | | **180,143** | **(632)** | **1,375** | **617** | **8,792** | **190,295** |
| **Balance as at 1 February 2024** | | 180,143 | (632) | 1,375 | 617 | 8,792 | **190,295** |
| Profit for the year | | - | - | - | - | 13,359 | **13,359** |
| Other comprehensive income/(loss) | 10 | - | 787 | (7,550) | - | - | **(6,763)** |
| **Total comprehensive income/(loss) for the year** | | **-** | **787** | **(7,550)** | **-** | **13,359** | **6,596** |
| Share based payment expense/(credit) | | - | - | - | 140 | - | **140** |
| **Balance as at 31 January 2025** | | **180,143** | **155** | **(6,175)** | **757** | **22,151** | **197,031** |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

# Consolidated Statement of Cash Flows

For the year ended 31 January 2025

| | Note | 2025 $000 | 2024 $000 |
|---|---|---|---|
| **Operating Activities** | | | |
| Receipts from customers | | 213,099 | 187,578 |
| Payments to suppliers | | (130,289) | (133,294) |
| Payments to employees | | (44,701) | (42,001) |
| Interest received | | 1,421 | 1,051 |
| Interest paid | | (578) | (308) |
| Insurance and settlement income | | - | 103 |
| Government grants received | | 86 | 99 |
| Income tax paid | | (580) | (15) |
| **Net cash flows from / (used in) operating activities** | 31 | 38,458 | 13,213 |
| **Investing activities** | | | |
| Placement / (Maturity) of short term deposits | | 3,000 | (6,000) |
| Proceeds from sale of property, plant and equipment | | 17 | 38 |
| Purchase of property, plant and equipment | | (10,743) | (6,049) |
| Purchase of intangible assets | | - | (257) |
| **Net cash flow (used in) / from investing activities** | | (7,726) | (12,268) |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

| | Note | 2025 $000 | 2024 $000 |
|---|---|---|---|
| **Financing activities** | | | |
| Repayment of borrowings | | (4,417) | (1,893) |
| Proceeds from borrowings | | 3,505 | 3,811 |
| Payment of lease liabilities | | (1,580) | (1,264) |
| **Net cash flows (used in) / from financing activities** | | (2,492) | 654 |
| **Net increase/(decrease) in cash and cash equivalents** | | 28,240 | 1,599 |
| Net foreign exchange difference | | 590 | 88 |
| Cash and cash equivalents at beginning of the year | 12 | 20,908 | 19,221 |
| **Cash and cash equivalents at year end** | 12 | 49,738 | 20,908 |

# Notes to the Consolidated Financial Statements

For the year ended 31 January 2025

## 1. Corporate Information

The consolidated financial statements of New Zealand King Salmon Investments Limited (the Company) and its subsidiaries (together the Group) for the year ended 31 January 2025 were authorised by the Directors on 27 March 2025.

New Zealand King Salmon Investments Limited is a profit-oriented company incorporated and domiciled in New Zealand, registered under the Companies Act 1993. The Company is dual listed with its primary listing of ordinary shares quoted in New Zealand on the NZX Main Board ("NZX"), and a secondary listing in Australia as a foreign Exempt Entity on the Australian securities exchange ("ASX"). The Company is an FMC reporting entity under the Financial Markets Conduct Act 2013.

The Group is principally engaged in the farming, processing, sale and distribution of premium salmon products.

## 2. Basis of Preparation

### a. Statement of compliance

The consolidated financial statements of the Group comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as applicable for profit oriented entities. The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRS Accounting Standards).

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the requirements of the Financial Markets Conduct Act 2013. For the purposes of complying with NZ GAAP the Group is a for-profit entity.

Certain comparative figures have been reclassified during the year for consistency with the current year presentation. These classifications had no effect on the reported results of operations.

### b. Basis of measurement

The financial statements have been prepared on a historical cost basis except for biological assets and certain financial instruments which have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in hedging instruments are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

### c. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported outcomes of revenues, expenses, assets, liabilities and the accompanying disclosures. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Specific areas requiring significant estimates and judgements include:

*Valuation of biological assets*

The Group measures biological assets at fair value less costs to sell, in accordance with NZ IAS 41. The fair value is measured using a discounted cash flow model and is categorised at Level 3 in the fair value hierarchy in NZ IFRS 13, as the input is mostly unobservable. In line with NZ IFRS 13, the highest and best use of the biological assets is applied for the valuation. The model relies on various assumptions and information available at balance date. The income or loss that is ultimately recognised at time of sale may be significantly different from that implied by the fair value adjustment at the end of a reporting period. The fair value uplift from accumulated costs to date has no cash impact in the reporting period. Further details of the key assumptions and inputs to the valuation and sensitivity to change in these are disclosed in Note 15.

*Inventory (finished goods and work in progress) obsolescence*

Inventories are stated at the lower of cost or net realisable value, and the Group uses judgment and estimates to determine the net realisable value of inventory at the end of each reporting period.

The Group estimates the net realisable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realisable value. The net realisable value of the inventory is determined based on assumptions of future demand and pricing and estimates over the remaining shelf life of the inventory.

*Valuation of financial derivatives*

The Group recognises financial derivatives at fair value according to the principles of NZ IFRS 13 Fair Value Measurement. The value is calculated by a third party expert using an industry standard model. Inputs to the model are obtained externally by the service provider and the derivative counterparty. Further details of the valuation are included in Note 25.

## d. Foreign currency translation

*Functional and presentation currency*

The Group's consolidated financial statements are presented in New Zealand dollars, which is also the parent company's functional currency. The Australian subsidiary's functional currency is Australian dollars which is translated into the presentation currency in these consolidated financial statements. The USA subsidiary's functional currency is United States dollars which is translated into the presentation currency in these consolidated financial statements.

*Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency and then translated by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at balance date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## 3. Summary of Material Accounting Policy Information

### a. Basis of consolidation

The financial statements comprise the financial statements of New Zealand King Salmon Investments Limited and its subsidiaries (per Note 29). Subsidiaries are all those entities over which the Company has control.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent company using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

### b. Financial instruments

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets depends on the business model within which the financial asset is held and its contractual cash flow characteristics. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Subsequently the Group applies the following accounting policies for financial instruments:

*Cash and cash equivalents*

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and call deposits. For the purpose of the cash flows, cash and cash equivalents consist of cash and short-term deposits net of outstanding bank overdrafts.

*Trade and other receivables*

Short term trade and other receivables are recognised when an amount of consideration that is unconditional, is due from the customer (i.e. only the passage of time is required before the payment of the consideration is due). Gains and losses are recognised in the profit or loss when the receivables are written off or impaired.

For trade receivables and contract assets, the Group applies a simplified approach in calculating an allowance for expected credit loss (ECL). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

*Trade and other payables*

Trade and other payables are carried at amortised cost and, due to their short term nature, are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid, and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-90 days of recognition.

### *Interest bearing borrowings*

After initial recognition interest bearing borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on establishment of loan facilities that are yield related are included as part of the carrying amount. Borrowings are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the balance date. Borrowing costs are generally recognised as an expense when incurred, with the exception of borrowing costs associated with a qualifying asset which are capitalised as part of the cost of that asset.

### *Derivative financial instruments and hedging*

The Group uses derivative financial instruments including forward currency contracts, options and interest rate swaps to hedge risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured to fair value at balance date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The fair values of forward currency contracts and options are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swaps are determined by reference to market values for similar instruments.

The Group designates its derivative financial instruments as hedges of a particular risk associated with a recognised asset or liability or a highly probable commitment that could affect profit or loss (cash flow hedges). The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognised immediately in profit or loss. Derivatives that are designated as hedges will be classified as non-current if they have maturities of greater than 12 months after balance date.

Some components of hedge accounted derivatives are excluded from the designated risk. Cash flow hedges include only the intrinsic value of forward currency contracts and options. Time value on options is excluded from the hedge designation and is marked to market through other comprehensive income and accumulated within a separate component of equity (‘the costs of hedging reserve’ within ‘hedge reserves’) until such time as the related hedge accounted cash flows affect profit or loss. At this stage the cumulative amount is reclassified to profit or loss.

### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group’s consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ”pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards

of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### c. Inventories

Inventories including raw materials, work in progress and finished goods are valued at the lower of cost or net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

*Raw materials*

The cost of fish is measured at fair value less cost to sell at harvest date. The cost of feed and packing materials is based on the purchase price including import duties and other taxes, transport, handling and other costs directly attributable to the acquisition of the goods and materials. Costs are determined on a standard cost basis.

*Manufactured finished goods and work in progress*

Cost of direct materials, labour and a proportion of manufacturing overheads appropriate to the stage of manufacture. Costs are assigned on the basis of standard cost. The cost of items transferred from biological assets is at their fair value less costs to sell at the point of harvest.

*Net realisable value*

The estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### d. Biological assets

Biological assets are recognised in the consolidated statement of financial position at their fair value less cost to sell. The net gain or loss resulting from the fair value measurement is recognised in the consolidated statement of comprehensive income.

The fair value of fish livestock is derived from the amount expected to be received from the sale of the asset in an active market. The costs associated with growing the fish (e.g. feed and labour costs) are directly capitalised to biological assets.

The fish are divided into two main groups, depending on the stage of the life cycle. At the earliest stage of the life cycle, the fish are kept on land in freshwater facilities. This encompasses roe, fry and smolt. When the fish are large enough to be transferred to the sea, they are classified as biomass in sea. Fish onshore (smolt) are recognised at accumulated cost, which is considered the best estimate of fair value because of very little biological transformation. This assessment must be seen in the light of the fact that smolt are currently transferred to the sea at a stage when their weight is still relatively low. For fish in sea, the fair value is calculated by applying a cash-flow based present value model. Fish stock is transferred to inventory at the time of harvest. The transfer is recorded at its fair value less cost to sell at the point of harvest which is deemed to be cost for the purposes of inventory valuation.

When estimating the fair value of the fish, a cash flow model is applied. The cash-flow based present value model for estimating the fair value less cost to sell includes all directly attributable cash inflows and outflows. In a hypothetical market with perfect competition, a hypothetical buyer of live fish would be willing to pay the present value of the estimated future profit from the sale of the fish when it is ready for harvest. No deductions are made for sales expenses, as these are not observable in the market. Such expenses are also deemed immaterial. The cash flow is discounted monthly by a discount rate.

## e. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Depreciation is provided on a straight line basis over the estimated useful lives of the assets as follows:

| | |
|---|---|
| Freehold land | not depreciated |
| Freehold buildings | twenty to fifty years |
| Building fit out | three to twenty five years |
| Leasehold improvements | five to eighteen years |
| Plant, furniture and fittings | three to twenty years |
| Motor vehicles | five to ten years |
| Sea vessels | ten to thirty years |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively if appropriate. An asset's carrying value is written down immediately to its recoverable amount if its carrying value is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

## f. Group as a lessee

At the inception of a contract, the Group is required to assess whether a contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

*Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### *The Group's lease portfolio*

*Property leases*

The Group's real estate includes office buildings and storage facilities. The Group has recognised some storage contracts that meet the identifiable criteria as a right-of-use asset and corresponding liability portfolio under NZ IFRS 16.

*Vehicle leases*

The Group leases vehicles, which are predominantly used by sales staff and the transportation of personnel between operating locations. These vehicles are generally held for a term of four years.

*Plant and equipment leases*

The Group leases equipment used for the production or processing of salmon. The current leases relate to equipment such as compressors, generators and forklifts operated throughout the group. The Group has elected to apply the recognition exemption for short-term leases for all other machinery employed for less than 12 months duration and for leases where the underlying asset is of low value.

*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

*Short-term leases and leases of low-value assets*

The Group applies short term lease recognition exemption to its short term leases of equipment. It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease.

## g. Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## h. Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to definite is made on a prospective basis.

*A summary of the policies applied to the Group's intangible assets is as follows:*

| Trade marks | |
|---|---|
| Useful lives: | Indefinite |
| Internally generated or acquired: | Acquired |

| Intellectual property, marine farm and hatchery licences and marina berth | |
|---|---|
| Useful lives: | Finite |
| Amortisation method used: | Straight line, five to thirty five years |
| Internally generated or acquired: | Acquired |

| Computer Software | |
|---|---|
| Useful lives: | Finite |
| Amortisation method used: | Straight line, four to seven years |
| Internally generated or acquired: | Acquired |

## i. Research and development costs

Research costs are expensed as incurred. Development expenditures are capitalised as intangible assets when the Group can demonstrate:

- Costs can be reliably measured.
- Completion of the project is technically feasible.
- Resources are available to complete the project.
- There is an intention to use the resulting asset and it will generate future economic benefits.

During the period of development the asset is tested for impairment annually.

## j. Employee benefits

### *Wages, salaries and annual leave*

Liabilities for wages and salaries including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for accumulating annual leave are recognised when the leave is taken and are measured at the rates paid or payable.

### *Long service leave*

The liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

*Defined contribution plans*

Contributions made to a defined contribution plan are expensed as incurred.

## k. Contributed equity

*Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax from the proceeds. Other capital raising costs are expensed as incurred.

## l. Revenue and income recognition

*Revenue from contracts with customers*

The Group is in the business of growing, processing, selling and distributing King salmon to customers in New Zealand and overseas. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

*Interest income*

Income is recognised as interest accrues using the effective interest method.

*Insurance proceeds*

Insurance proceeds are recognised in the financial statements when receipt is virtually certain and can be measured reliably.

## m. Taxes

*Income taxes*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

*Other taxes*

Revenues, expenses and assets are recognised net of the amount of GST, except when:

- The GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.
- The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.
- Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.
- The Group recognises uncertain tax positions as a liability where it is probable that an outflow of resources will be required.

### n. Share-based payments

Certain employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for the period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expense of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

## 4. Changes to Accounting Estimates and Prior Period Restatements

### a. Change in Accounting Estimate

During the year, the Group adopted a new valuation technique for the fair value less costs to sell of biological assets which has been determined as a change in accounting estimate in accordance with NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and accounted for prospectively.

The new valuation technique uses a discounted cash flow model to determine the fair value of the fish at sea and due to the nature of the biological assets was considered a more generally accepted valuation technique based on industry practice. Refer to Note 15 for further details around the key assumptions and judgements made in determining the fair value.

### b. Prior Period Restatements

*Restatement of current/non-current classification of biological assets*

Whilst considering the current and non-current split of biological assets under the discounted cash flow model, management determined that due to the nature of the biological asset, which is realised in the normal operating cycle of the business, it would be more appropriate to disclose the full biological asset as a current asset. The prior year consolidated statement of financial position was restated to correct the classification as current. This resulted in a decrease in non-current assets of $12.0m and increase in current assets of $12.0m in the prior period.

*Restatement of statement of comprehensive income classifications to report expenses by function*

The prior period consolidated statement of comprehensive income was presented as a mixture of nature and function of expenses. This has been restated in the current year to disclose expenses by function only. The key changes to the presentation in the consolidated statement of comprehensive income are:

- Combining 'Sales, marketing and advertising expenses' and 'Distribution expenses' into the line item 'Selling and distribution expenses'
- Combining 'Freight costs to market' to 'Cost of goods sold'
- Reclassification of depreciation and amortisation expenses to their appropriate function

Using the current period's basis for allocation, an estimate was made to determine the following changes to reclassify the prior period line items. The prior period was restated to increase the cost of goods sold by $27.2 million, decrease freight costs to market by $20.8 million, increase selling and distribution costs by $3.6 million, decrease distribution overheads by $3.5 million, increase corporate expenses by $1.1 million and decrease depreciation and amortisation by $7.6 million.

This restatement had no impact on profit before tax or the earnings per share calculation for the year ended 31 January 2024.

*Restatement of fair value movements on biological assets*

Although the previous valuation technique determined a fair value materially in line with the new valuation technique adopted (discounted cash flow) the calculations associated with splitting the fair value gains/losses arising from biological transformation, the harvested fair value and the overall movement in the fair value was incorrect. The error did not impact on net profit for the year however the split within the note and disclosure on the face of the consolidated statement of comprehensive income between cost of goods sold and the fair value movement on biological transformation was materially different. The prior period was restated to decrease the cost of goods sold by $25.2 million and decrease the fair value gain on biological asset transformation by $25.2 million.

| Note 15<br>Biological assets | 2024<br>$000 | 2024<br>$000 |
|---|---|---|
| | Restated | |
| As at 1 February 2023 | 72,692 | 72,692 |
| Increase due to biological transformation | 85,949 | 145,546 |
| Decrease due to harvest | (66,510) | (121,840) |
| Decrease due to mortality | (12,628) | (12,628) |
| Changes in fair value | 14,957 | 10,690 |
| As at 31 January 2024 | 94,460 | 94,460 |

## 5. New Standards Adopted and Standards Issued Not Yet Adopted

### a. New and Revised Standards Adopted

During the year, the Group has adopted several new and revised standards and interpretations issued by the External Reporting Board (XRB) and the New Zealand Accounting Standards Board (NZASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2024. The adoption of these standards and interpretations has not resulted in significant changes to the Group's accounting policies.

*FRS-44: New Zealand Additional Disclosures*

As part of the Group's financial reporting practices, FRS-44: New Zealand Additional Disclosures has been applied. FRS-44 sets out the New Zealand-specific disclosure requirements exceeding the IFRS requirements. These additional disclosures include but are not limited to, information about dividends, imputation credits, and audit fees. The application of FRS-44 has not had a material impact on the measurement of figures reported, but it does enhance the presentation and disclosure in the financial statements to ensure compliance with New Zealand-specific requirements.

*IFRIC Agenda Decision on Segment Reporting*

In October 2024, the IFRIC issued an agenda decision regarding the application of IFRS 8 "Operating Segments". The agenda decision provides clarifications on identifying the Chief Operating Decision Maker (CODM) and considerations for aggregated segment disclosures. While this agenda decision did not lead to a change in our segment reporting, it reinforced the importance of ensuring that disclosed segments align with the internal reporting reviewed by the CODM. The Group continues to reflect its internal management structure and the nature of financial information reported internally to the CODM within its segment disclosures. These policies are consistent with the principles outlined in IFRS 8.

No other new standards, amendments or interpretations that have been issued and are effective have had a significant impact on the Group in the current consolidated financial statements.

### b. New Standards Issued Not Yet Adopted

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 and introduces increased disclosure of management defined performance measures as well as new principles for aggregation and disaggregation of information included in the consolidated statement of comprehensive income. IFRS 18 is applicable to the Group beginning on 1 February 2027. The Group is currently evaluating the impact of the adoption of IFRS 18 on its consolidated financial statements.

## 6. Other Income

| Other income | 2025<br>$000 | 2024<br>$000 |
|---|---|---|
| Grants received | 86 | 99 |
| Profit on sale of property, plant and equipment | - | 25 |
| Release of early closed out foreign exchange contracts from OCI | 4,330 | 6,728 |
| Foreign exchange gains / (losses) | 226 | - |
| Other income | 833 | 1,213 |
| **Total other income** | **5,475** | **8,065** |

# 7. Expenses

| Other expenses include: | 2025 $000 | 2024 $000 |
|---|---|---|
| Reversal of impairment | - | (61) |
| Research costs | 611 | 323 |
| Net loss on sale of assets | 64 | - |
| Directors' fees | 681 | 599 |
| Other directors' expenses | 4 | 4 |
| Donations | 13 | 3 |

| Employee benefits expenses | 2025 $000 | 2024 $000 |
|---|---|---|
| **Included in cost of goods sold** | | |
| Wages and salaries | 26,785 | 24,474 |
| Defined contribution plan expenses | 725 | 649 |
| Other employee benefits expenses | 2,266 | 2,357 |
| Outsourced labour | 1,159 | 1,517 |
| **Included in selling and distribution expenses** | | |
| Wages and salaries | 7,393 | 6,853 |
| Defined contribution plan expenses | 171 | 153 |
| Other employee benefits expenses | 377 | 381 |
| Outsourced labour | 978 | 1,091 |
| **Included in corporate expenses** | | |
| Wages and salaries | 4,912 | 4,359 |
| Defined contribution plan expenses | 145 | 121 |
| Other employee benefits expenses | 494 | 472 |
| Outsourced labour | 121 | 15 |
| **Total employee benefits expense** | **45,526** | **42,442** |

| Depreciation and amortisation | Note | 2025 $000 | 2024 $000 |
|---|---|---|---|
| **Included in cost of goods sold** | | | |
| Depreciation | | 5,592 | 5,579 |
| Amortisation of intangibles | | 136 | 143 |
| Amortisation of leases | | 1,106 | 604 |
| **Included in selling and distribution expenses** | | | |
| Depreciation | | 133 | 128 |
| Amortisation of intangibles | | 19 | 23 |
| Amortisation of leases | | - | - |
| **Included in corporate expenses** | | | |
| Depreciation | | 279 | 148 |
| Amortisation of intangibles | | 258 | 262 |
| Amortisation of leases | | 614 | 698 |
| **Total depreciation and amortisation** | 16, 17, 18 | **8,137** | **7,585** |

| Compensation of key management personnel of the Group | 2025 $000 | 2024 $000 |
|---|---|---|
| Short-term employee benefits | 3,199 | 2,747 |
| Post-employment benefits and medical benefits | 139 | 107 |
| Share based payment expense | 128 | 26 |
| **Total compensation of key management personnel of the Group** | **3,466** | **2,880** |

## 8. Finance Income and Costs

| Finance income | 2025 $000 | 2024 $000 |
|---|---|---|
| Interest income | 1,466 | 1,051 |
| **Total finance income** | **1,466** | **1,051** |

| Finance costs | $000 | $000 |
|---|---|---|
| Bank facility fees | 39 | 87 |
| Interest on bank loans and overdrafts | 143 | 98 |
| Interest on leases | 437 | 211 |
| **Total finance costs** | **619** | **396** |

## 9. Income Tax

| Recognised in the consolidated statement of comprehensive income | 2025 $000 | 2024 $000 |
|---|---|---|
| Current income tax expense | 4,359 | 894 |
| Deferred tax relating to origination and reversal of temporary differences | 1,376 | 10,714 |
| **Total income tax expense / (credit) in the statement of comprehensive income** | **5,735** | **11,608** |

| | | |
|---|---|---|
| **Deferred tax (expense) / credit posted directly to other comprehensive income** | **(2,983)** | **(2,259)** |
| **Tax expense / (credit) posted directly to equity** | **-** | **205** |

| Reconciliation of tax expense to statutory income tax rate | 2025 $000 | 2024 $000 |
|---|---|---|
| Profit / (loss) before tax | 19,094 | 40,060 |
| Income tax using the company tax rate 28% | 5,346 | 11,217 |
| Non deductible / (non assessable) items | (2) | 41 |
| Prior period adjustment | (111) | 444 |
| Adjustment for varying tax rates | (138) | (124) |
| Impact of removal of deferred tax on buildings | 640 | - |
| Other differences | - | 30 |
| **Total tax expense / (credit)** | **5,735** | **11,608** |

| Consolidated statement of financial position deferred tax assets and liabilities<br>Deferred tax liabilities | 2025 $000 | 2024 $000 |
|---|---|---|
| Fair value adjustment to biological assets | (11,127) | (12,536) |
| Unrealised gains on foreign currency hedges | (436) | (1,065) |
| Accounting cost adjustment for finished goods | (333) | (880) |
| Right-of-use assets | (2,820) | (1,868) |
| **Total deferred tax liabilities** | **(14,716)** | **(16,349)** |
| **Deferred tax assets** | | |
| Accelerated depreciation for tax purposes | 1,280 | 2,041 |
| Lease liabilities | 2,925 | 1,932 |
| Provision for doubtful trade debtors | 89 | 1 |
| Provision for employee benefits | 1,014 | 752 |
| Tax losses | - | 1,607 |
| Unrealised losses on foreign currency hedges | 2,984 | 1,845 |
| Other provisions | 290 | 430 |
| **Total deferred tax assets** | **8,582** | **8,608** |
| **Net deferred tax assets / (liabilities)** | **(6,134)** | **(7,741)** |

| Movement of deferred tax assets and liabilities | 2025 | 2024 |
|---|---|---|
| **Deferred tax liabilities** | **$000** | **$000** |
| Fair value adjustment to biological assets | (1,409) | 3,904 |
| Unrealised gains on foreign currency hedges | (629) | (619) |
| Increase accounting cost for finished goods | (547) | 811 |
| Right-of-use assets | 952 | 660 |
| | **(1,633)** | **4,756** |
| **Deferred tax assets** | | |
| Accelerated depreciation for tax purposes | 761 | 286 |
| Lease liabilities | (993) | (667) |
| Provision for doubtful trade debtors | (88) | 17 |
| Provision for employee benefits | (262) | (60) |
| Tax losses | 1,607 | 3,743 |
| Unrealised gains/ (losses) on foreign currency hedges | (1,139) | 243 |
| Other provisions | 140 | 137 |
| | **26** | **3,699** |
| **Total deferred tax movement** | **(1,607)** | **8,455** |
| **Comprising** | | |
| Deferred Tax movement through the consolidated statement of comprehensive income | 1,376 | 10,714 |
| Deferred Tax movement through other comprehensive income | (2,983) | (2,259) |
| **Income tax expense reported in the statement of profit or loss** | **(1,607)** | **8,455** |

## Imputation credit account

The imputation credit account balance in the Group as at 31 January 2025 is $14,250k (31 January 2024: $10,545k).

## Impact of removal of deferred tax on buildings

In March 2024, the New Zealand Government enacted the Taxation (Annual Rates for 2023-24, Multinational Tax and Remedial Matters) Bill. As a result, from the 2024-25 income tax year onwards, the Group can no longer claim any tax depreciation on their buildings with estimated useful lives of 50 years or more in New Zealand. The Group assessed the accounting impact of this change, which resulted in a decreased deferred tax asset recognised on property, plant and equipment.

## 10. Components of Other Comprehensive Income

| Movement in reserves | 2025 $000 | 2024 $000 |
|---|---|---|
| **Forward currency and option contracts** | | |
| Gain / (loss) on cash flow hedges | (9,739) | (6,055) |
| Income tax effect on gain / (loss) on cash flow hedges | 2,726 | 1,695 |
| Hedging gain / (loss) reclassified to profit & loss | 3,536 | 4,690 |
| Income tax effect on reclassifications to profit & loss | (957) | (1,320) |
| Release of early closed out foreign exchange contracts | (4,330) | (6,728) |
| Deferred tax on early closed out foreign exchange contracts | 1,214 | 1,884 |
| **Currency translation differences** | | |
| Translation of foreign operations | 787 | (18) |
| **Net movement in other comprehensive income** | **(6,763)** | **(5,852)** |

In FY21 and FY22, in the money foreign exchange contracts were closed out early and recognised in the hedge reserve. As the foreign currency contracts come to their original term date they have been recognised in other comprehensive income along with the tax impact.

## 11. Earnings Per Share

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares on issue during the period. Diluted earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

| Earnings per share | 2025 $000 | 2024 $000 |
|---|---|---|
| Profit / (Loss) attributable to ordinary equity holders | 13,359 | 28,452 |
| | # of Shares 000 | # of Shares 000 |
| Weighted average number of ordinary shares for basic and diluted earnings per share | 538,433 | 541,455 |
| **Basic earnings per share** | $0.02 | $0.05 |
| **Diluted earnings per share** | $0.02 | $0.05 |

## 12. Cash and Cash Equivalents

| Cash and cash equivalents | 2025 $000 | 2024 $000 |
|---|---|---|
| Cash at bank and on hand | 13,830 | 9,421 |
| Short-term deposits | 35,908 | 11,487 |
| **Total cash and cash equivalents** | **49,738** | **20,908** |

Cash at bank earns interest at the bank's floating rates. Short-term deposits are made for varying periods between 1 and 3 months, depending on the cash requirements of the Group, and earn interest at the respective term deposit rates.

## 13. Trade and Other Receivables

| Trade and other receivables | 2025<br>$000 | 2024<br>$000 |
|---|---|---|
| Trade receivables | 13,716 | 13,968 |
| Provision for expected credit losses | (302) | - |
| Prepayments | 3,032 | 2,991 |
| GST receivable | 707 | 1,455 |
| Other receivables | 109 | 13 |
| **Total trade and other receivables** | **17,262** | **18,427** |

Trade receivables generally have 20-30 day terms and are recognised at their realisable value.

| Ageing analysis of trade receivables | 2025<br>$000 | 2024<br>$000 |
|---|---|---|
| > 90 days overdue | 179 | 311 |
| 61 - 90 days overdue | 9 | 36 |
| 31 - 60 days overdue | 38 | 246 |
| < 30 days overdue | 1,634 | 2,985 |
| Not yet due | 11,856 | 10,390 |
| **Total receivables** | **13,716** | **13,968** |
| **Provision for expected credit losses** | **$000** | **$000** |
| As at beginning of the year | - | 63 |
| Increase / (decrease) in provision for expected credit losses | 302 | - |
| Reversal of unused amounts | - | (63) |
| **As at year end** | **302** | **-** |

## 14. Inventories

| Inventories | 2025<br>$000 | 2024<br>$000 |
|---|---|---|
| Raw materials | 8,528 | 11,995 |
| Work in progress | 757 | 1,816 |
| Finished goods | 17,905 | 23,248 |
| **Total inventories** | **27,190** | **37,059** |

The carrying value of finished goods as at 31 January 2025 includes a fair value uplift at the point of harvest of $4,554k (2024: $8,326k) and net realisable value provision of $3,374k (2024: $5,066k).

| Amount of inventories recognised as an expense in the consolidated statement of comprehensive income | 2025<br>$000 | 2024<br>$000 |
|---|---|---|
| Cost of inventories recognised as an expense | 194,143 | 172,693 |
| Movement in net realisable value provision | (1,683) | (605) |
| **Total cost of goods sold including fair value uplift at point of harvest** | **192,460** | **172,088** |

The cost of inventories recognised as an expense for the year ended 31 January 2025 includes a fair value uplift at the point of harvest of $32,443k (2024: $30,161k). This cost is included in the cost of goods sold in the consolidated statement of comprehensive income.

The cost of inventory includes fish harvested at the fair value less cost to sell at harvest date (“deemed cost”). As at 31 January 2025 no volumes were forecasted to be sold at returns materially below deemed cost plus further manufacturing costs.

## 15. Biological Assets

The Group has two hatcheries in the South Island and six operational marine salmon farms in the Marlborough Sounds. The fish livestock typically grow for up to 31 months before harvest.

| Reconciliation of the carrying value of biological assets | 2025 $000 | 2024 $000 |
|---|---|---|
| | | Restated (Note 4) |
| As at 1 February | 94,460 | 72,692 |
| Increase due to production | 86,672 | 85,949 |
| Decrease due to harvest | (73,896) | (66,510) |
| Decrease due to mortality | (14,059) | (12,628) |
| Changes in fair value | (5,032) | 14,957 |
| As at 31 January | 88,145 | 94,460 |

| Fair Value recognised in the statement of comprehensive income | 2025 $000 | 2024 $000 |
|---|---|---|
| | | Restated (Note 4) |
| Fair value included in cost of goods sold | (32,443) | (30,161) |
| Fair value gain on biological transformation | 27,411 | 45,118 |
| Total Change in Fair Value | (5,032) | 14,957 |

| Live weight harvest & estimated closing biomass | 2025 tonnes | 2024 tonnes |
|---|---|---|
| Total live weight harvested for the year | 7,703 | 7,088 |
| | | |
| Closing fresh water stocks | 171 | 176 |
| Closing sea water stocks | 4,708 | 5,203 |
| Total estimated closing biomass live weight as at year end | 4,879 | 5,379 |

### Fair value measurement

Biological assets are, in accordance with NZ IAS 41, measured at fair value less costs to sell. All fish at sea are subject to a fair value calculation, while broodstock and smolt are measured at cost less impairment losses (as the best estimate of fair value given little biological transformation). Measurement of fair value is performed using a discounted cash flow model and is categorised at Level 3 in the fair value hierarchy, as the input is mostly unobservable.

The valuations are based on an income approach and takes into consideration unobservable inputs based on biomass in the sea, the estimated growth rate, mortality and cost to completion at site level. Quality and size of the fish going forward and forecast sales prices are considered at a Group level. A relevant contributory asset charge is included within the expected cash flow.

The fair value model calculates the net present value of expected cash flow. Valuation is based on a variety of premises, many of which are unobservable. For mature fish (ready for harvesting) on the reporting date, uncertainty mainly involves realised prices and volume. For immature fish (not ready for harvesting), the level of uncertainty is generally higher as the immaturity introduces uncertainty around biological transformation and mortality.

#### *Sales Price*

There is no independently observable market price for King salmon ex-harvest and therefore the sales price is based on the sales price the Group receives for finished product.

### *Estimated remaining production cost*

The planned point of harvesting is assessed based on the Group's production plan for the year ahead, however, there may be uncertainty regarding the estimated growth rate which in turn would affect cost. For immature fish, the fair value is adjusted by the estimated remaining cost necessary to grow the fish to optimal harvest weight. Forecast production costs include provisions for estimated feed prices, the cost of labour and other costs of biological transformation. Estimations are affected by uncertainty regarding the feed pricing, the sea temperature and other conditions affecting growth and costs.

### *Volume*

Estimate harvest volume is based off the size and weight of fish on balance date adjusted for the forecast future growth and mortality until point of harvest. The estimated number of fish is based on the number of smolt transferred to the sea, and mortality, which is a given percentage of the fish in the sea. These percentages are determined separately for each site based on the environmental factors prevalent at the site and expected for the forecast period.

### *Discount Rate*

The discount rate considers both the time value (tying up capital) and risk adjustment (risk related to volume, cost and price). The time value of money is estimated based off the NZ 10 year government bond. The risk adjustment reflects the price discount a hypothetical buyer would demand as compensation for the risk assumed by investing in live fish rather than another investment. This risk adjustment has been estimated using the company's Weighted Average Cost of Capital adjusted for a return on the processing and sales operations as well as other contributory assets on the fish farming side of the business. Removing these components leaves the risk adjusted discount rate specific to biological assets at 14.5% for FY25 (Prior year: 13.5%).

## Fair value risk and sensitivity

New Zealand King Salmon considers three components to be key parameters for valuation: price, estimated harvest biomass volume and feed cost. The following table is a sensitivity analysis, showing the change in the fair value of the biological assets, and hence the Company's profit before tax, in the event of changes in these parameters. The estimate of fair value of the biomass will always be based on uncertain assumptions, even though the Group has built up expertise in assessing these factors.

| Sensitivity Analysis of Biomass - Effect on Pre-Tax Profit | | 2025 $000 | 2024 $000 |
|---|---|---|---|
| Change in Sales Price[1] | +10% | 20,935 | 24,624 |
| Change in Sales Price[1] | -10% | (20,935) | (24,624) |
| Change in harvest volume[2] | +300MT | 7,642 | 7,238 |
| Change in harvest volume[2] | -300MT | (7,642) | (7,238) |
| Change in Feed Price[1] | +10% | (2,804) | (3,810) |
| Change in Feed Price[1] | -10% | 2,804 | 3,810 |

[1] In respect of sales and feed pricing one of the key variables is FX for which the group has hedging in place
[2] Harvest volume is measured at the Gilled and Gutted weight (G&G)

## Climate risk impact on biological assets

The Group recognises that climate-related risks, such as warmer water temperatures, can impact on the fair value of biological assets. Climate-related risks can impact on fish health factors, such as increased mortality and lower than anticipated growth rates. The Group notes that fish mortality is multi-factorial with the dominant correlation currently occurring with prolonged elevated water temperature which increases stress and reduces the fish's resistance to bacteria and other pathogens. The Group consider these risks when assessing the biomass measurement and fair value of biological assets as at 31 January 2025.

## 16. Property, Plant and Equipment

| Cost | Freehold land and buildings $000 | Plant, equipment and fittings $000 | Vehicles and sea vessels $000 | Capital work in progress $000 | Total $000 |
|---|---|---|---|---|---|
| As at 1 February 2023 | 16,045 | 96,707 | 3,545 | 5,828 | 122,125 |
| Additions | - | - | - | 6,048 | 6,048 |
| Disposals | - | (1,132) | (294) | - | (1,426) |
| Transfers from WIP | 1,068 | 5,405 | 1,865 | (8,338) | - |
| **As at 31 January 2024** | **17,113** | **100,980** | **5,116** | **3,538** | **126,747** |
| Additions | - | - | - | 10,177 | 10,177 |
| Disposals | (45) | (512) | (63) | - | (620) |
| Transfers from WIP | 1,982 | 3,495 | 299 | (5,776) | - |
| **As at 31 January 2025** | **19,050** | **103,963** | **5,352** | **7,939** | **136,304** |
| **Depreciation and impairment** | | | | | |
| As at 1 February 2023 | 4,013 | 67,330 | 2,606 | - | 73,949 |
| Depreciation | 629 | 5,056 | 170 | - | 5,855 |
| Disposals | - | (1,106) | (286) | - | (1,392) |
| **As at 31 January 2024** | **4,642** | **71,280** | **2,490** | **-** | **78,412** |
| Depreciation | 688 | 5,096 | 220 | - | 6,004 |
| Disposals | (18) | (470) | (51) | - | (539) |
| **As at 31 January 2025** | **5,312** | **75,906** | **2,659** | **-** | **83,877** |
| **Net Book Value** | | | | | |
| **As at 31 January 2024** | **12,471** | **29,700** | **2,626** | **3,538** | **48,335** |
| **As at 31 January 2025** | **13,738** | **28,057** | **2,693** | **7,939** | **52,427** |

Property, Plant and Equipment is stated at historical cost less depreciation and any impairment adjustments. Historical cost includes expenditure that is directly attributable to the acquisition of Property, Plant and Equipment. Asset residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

As at 31 January 2025 work in progress includes spend related to the assets required for the Blue Endeavour pilot farm. Capital expenditure will continue into the following financial year as necessary to complete this project.

### *Borrowing costs*

There were no borrowing costs capitalised in the year ending 31 January 2025 (2024: $nil).

## 17. Intangibles

| Cost | Development in progress $000 | Trademarks $000 | Farm and hatchery licenses $000 | Software $000 | Total $000 |
|---|---|---|---|---|---|
| As at 1 February 2023 | 6,094 | 242 | 4,209 | 5,761 | 16,306 |
| Additions | 224 | - | - | - | 224 |
| Transfers from WIP | (33) | - | - | 33 | - |
| As at 31 January 2024 | 6,285 | 242 | 4,209 | 5,794 | 16,530 |
| Additions | - | - | - | - | - |
| Reclassification to PPE to capital works in progress | (94) | - | - | - | (94) |
| As at 31 January 2025 | 6,191 | 242 | 4,209 | 5,794 | 16,436 |
| | | | | | |
| **Amortisation and impairment** | | | | | |
| As at 1 February 2023 | 6,094 | 213 | 2,170 | 4,343 | 12,820 |
| Amortisation | - | - | 107 | 321 | 428 |
| As at 31 January 2024 | 6,094 | 213 | 2,277 | 4,664 | 13,248 |
| Amortisation | - | - | 103 | 310 | 413 |
| As at 31 January 2025 | 6,094 | 213 | 2,380 | 4,974 | 13,661 |
| | | | | | |
| **Net Book Value** | | | | | |
| As at 31 January 2024 | 191 | 29 | 1,932 | 1,130 | 3,282 |
| As at 31 January 2025 | 97 | 29 | 1,829 | 820 | 2,775 |

### Trademarks

Trademarks are externally acquired and are carried at cost less impairment. They have indefinite useful lives and are assessed annually for impairment. No impairment has been recognised during the year (2024: $ nil).

## 18. Right-of-use Assets

| Cost | Land & Buildings $000 | Motor Vehicles $000 | Plant & Equipment $000 | Total $000 |
|---|---|---|---|---|
| As at 1 February 2023 | 5,908 | 928 | 1,134 | 7,970 |
| Additions | 2,785 | 489 | 162 | 3,436 |
| Disposals | - | - | - | - |
| Remeasurement | 219 | - | - | 219 |
| **As at 31 January 2024** | **8,912** | **1,417** | **1,296** | **11,625** |
| Additions | 3,262 | 428 | 1,226 | 4,916 |
| Disposals | (1,605) | (299) | (544) | (2,448) |
| Remeasurement | 265 | (10) | 18 | 273 |
| As at 31 January 2025 | 10,834 | 1,536 | 1,996 | 14,366 |
| **Amortisation** | | | | |
| As at 1 February 2023 | 2,828 | 380 | 446 | 3,654 |
| Amortisation | 724 | 283 | 295 | 1,302 |
| Disposals | - | - | - | - |
| **As at 31 January 2024** | **3,552** | **663** | **741** | **4,956** |
| Amortisation | 818 | 330 | 572 | 1,720 |
| Disposals | (1,605) | (299) | (509) | (2,413) |
| As at 31 January 2025 | 2,765 | 694 | 804 | 4,263 |
| **Net Book Value** | | | | |
| As at 31 January 2024 | 5,360 | 754 | 555 | 6,669 |
| As at 31 January 2025 | 8,069 | 842 | 1,192 | 10,103 |

## 19. Lease Liabilities

| | Land & Buildings $000 | Motor Vehicles $000 | Plant & Equipment $000 | Total $000 |
|---|---|---|---|---|
| Lease liabilities at 1 February 2023 | 3,265 | 558 | 696 | 4,519 |
| Additions | 2,784 | 489 | 162 | 3,435 |
| Disposals | - | - | - | - |
| Remeasurement | 210 | - | - | 210 |
| Interest for the period | 165 | 24 | 22 | 211 |
| Lease payments made | (857) | (303) | (315) | (1,475) |
| **Lease liabilities as at 31 January 2024** | **5,567** | **768** | **565** | **6,900** |
| Additions | 3,262 | 428 | 1,226 | 4,916 |
| Disposals | - | - | (37) | (37) |
| Remeasurement | 275 | (10) | 18 | 283 |
| Interest for the period | 358 | 27 | 52 | 437 |
| Lease payments made | (1,051) | (355) | (612) | (2,018) |
| Lease liabilities as at 31 January 2025 | 8,411 | 858 | 1,212 | 10,481 |

### Short term leases

The Group recognised $520k of payments for short-term lease equipment in the year (2024: $590k).

### Total lease payments

The Group had total cash outflows for leases of $2,539k in 2025 (2024: $2,065k).

| Lease liabilities | 2025 $000 | 2024 $000 |
|---|---|---|
| Current | 1,834 | 1,028 |
| Non-current | 8,647 | 5,872 |
| Total lease liabilities | 10,481 | 6,900 |

## 20. Interest Bearing Loans and Borrowings

| Current interest bearing loans and borrowings | 2025 $000 | 2024 $000 |
|---|---|---|
| Secured bank loans | 2,000 | 750 |
| Other borrowings | 2,505 | 2,667 |
| Total current interest bearing loans and borrowings | 4,505 | 3,417 |
| Non-current interest bearing loans and borrowings | | |
| Secured bank loans | - | 2,000 |
| Total non-current interest bearing loans and borrowings | - | 2,000 |

## 21. Trade and Other Payables

| | 2025 $000 | 2024 $000 |
|---|---|---|
| Trade payables | 9,799 | 15,480 |
| Other payables | 3,657 | 591 |
| Total trade and other payables | 13,456 | 16,071 |

## 22. Employee Liabilities

| Current employee liabilities | 2025 $000 | 2024 $000 |
|---|---|---|
| Accrued salaries and wages | 739 | 465 |
| Bonuses | 1,320 | 1,160 |
| Employee annual leave benefits | 2,522 | 2,540 |
| Long service leave | 257 | 274 |
| Total current employee liabilities | 4,838 | 4,439 |
| Non-current employee benefits | | |
| Long service leave | 326 | 472 |
| Total non-current employee benefits | 326 | 472 |

### Long service leave

Long service leave provisions are calculated based on the expected future payments to employees, discounted to their net present value.

## 23. Commitments and Contingencies

### Capital commitments

The Group has entered into agreements to purchase plant and equipment. As at 31 January 2025 the total commitment is $6,697k (2024: $921k).

### Guarantees

The Group has three guarantee facilities totalling $138k (2024: $128k).

## 24. Risk Management

The Group's activities expose it to a variety of risks: market risk, credit risk, liquidity risk and climate change risk. The Audit, Finance and Risk Committee has responsibility for the oversight of all risk domains, which includes managing climate risk, as delegated by the Board. The Group uses derivative financial instruments to hedge certain risk exposures. Financial risk management is the responsibility of the Chief Financial Officer in accordance with the Treasury Policy approved by the Board of Directors.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. This comprises of two key types of risks; currency and interest rate risk.

### Currency risk

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currency, arising primarily from normal trading activities, but also from the net investment in the foreign subsidiary. The Group's exposure to foreign currency risk at the reporting date was as follows:

| 2025<br>In NZD '000s | USD | AUD | JPY | EUR | Other |
|---|---|---|---|---|---|
| Trade and other receivables | 6,287 | 1,367 | 173 | 365 | 202 |
| Trade and other payables | (1,818) | (3,528) | (20) | (79) | (44) |
| **Gross consolidated statement of financial position exposure** | **4,469** | **(2,161)** | **153** | **286** | **158** |
| Forward exchange contracts and options - nominal amount | 212,998 | 28,842 | 14,918 | - | - |

| 2024<br>In NZD '000s | USD | AUD | JPY | EUR | Other |
|---|---|---|---|---|---|
| Trade and other receivables | 6,856 | 1,539 | 184 | 2,534 | 27 |
| Trade and other payables | (147) | (8,604) | (3) | (2) | (28) |
| **Gross statement of financial position exposure** | **6,709** | **(7,065)** | **181** | **2,532** | **(1)** |
| Forward exchange contracts and options - nominal amount | 258,830 | 37,551 | 20,733 | - | - |

The Group manages its foreign currency risk by hedging its future exposure in respect of its import purchases and its export sales, over a maximum of five years, when exposures are considered highly probable. The Group hedges this exposure with the use of forward foreign exchange contracts and options. The Group has a policy of hedging foreign exchange exposures within a range of hedging limits broadly summarised as follows: Up to two years – 15% to 100%, two to five years – 0% to 50%. The notional contract amounts of forward foreign exchange contracts and options outstanding at balance date were $28.8m on the import side (2024: $37.5m) and $227.9m on the export side (2024: $279.5m), for delivery over the next three financial years, in line with anticipated payment dates.

The Group imports nearly all of its feed from Australia, purchases of which are in Australian dollars. The Group exports salmon to many countries, the major ones being Australia, Japan and the United States. Sales are denominated in Australian dollars (AUD), Japanese yen (JPY) and United States dollars (USD) respectively. In order to protect against exchange rate movements, the Group has entered into forward exchange contracts and options to hedge the net exposure to AUD, JPY and USD respectively.

| Foreign Exchange Contracts and Options | 2025<br>NZD $000 | 2024<br>NZD $000 |
|---|---|---|
| Carrying amount (current and non-current) | (9,102) | (2,784) |
| Notional amount | 256,758 | 317,115 |
| Maturity date | Feb 2025 - Jul 2027 | Feb 2024 - Jul 2027 |
| Hedge ratio | 1:1 | 1:1 |
| Change in fair value of outstanding instruments since 1 February | (9,393) | (5,837) |
| Change in value of hedged item used to determine hedge effectiveness | 9,393 | 5,837 |
| | | |
| **Average hedged rate** | | |
| USD | 0.6127 | 0.6317 |
| AUD | 0.9188 | 0.9187 |
| JPY | 70.39 | 69.94 |

Realised gains/losses on exercise of foreign exchange contracts and options is recognised within revenue and cost of goods sold when the hedged transactions occur.

Foreign exchange forward contracts and options are designated as hedging instruments in cash flow hedges of highly probable forecast sales in USD, AUD and JPY and forecast purchases in USD and AUD. The Group has typically hedged 50-55% of the net exposure of these forecast transactions. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts and options match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts and options are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The NZ dollar equivalent of unhedged currency risk on assets at balance date is $1,149k (2024: $3,475k) whilst the NZ dollar equivalent of unhedged currency risk on liabilities at balance date is $62k (2024: nil).

## Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in AUD, USD and JPY exchange rates. The impact on the Group's pre-tax profit is the result of a change in fair value of monetary assets and liabilities. The impact on the Group's equity is due to changes in the fair value of forward exchange contracts and options designated as cash flow hedges.

| | Change in NZD/AUD rate | Equity $000 | Profit/(Loss) $000 |
|---|---|---|---|
| 2025 | +10% | (2,585) | 22 |
| | -10% | 3,160 | (27) |
| 2024 | +10% | (3,273) | 198 |
| | -10% | 4,000 | (242) |

| | Change in NZD/USD rate | Equity $000 | Profit/(Loss) $000 |
|---|---|---|---|
| 2025 | +10% | 16,022 | (1,669) |
| | -10% | (20,092) | 2,040 |
| 2024 | +10% | 16,356 | (1,263) |
| | -10% | (20,743) | 1,543 |

| | Change in NZD/JPY rate | Equity $000 | Profit/(Loss) $000 |
|---|---|---|---|
| 2025 | +10% | 625 | (58) |
| | -10% | (726) | 71 |
| 2024 | +10% | 811 | (40) |
| | -10% | (938) | 49 |

## Interest rate risk

The Group has fixed rate debt (which exposes the Group to risk associated with movements in interest rates) maturing in August 2025 and October 2025. No other debt is drawn as at 31 January 2025.

## Credit risk

Credit risk is the risk of financial loss that arises if a counterparty to a financial instrument does not meet its contractual obligations. Financial instruments which potentially subject the Group to credit risk principally consist of bank balances, trade receivables, derivative financial instruments and financial guarantees.

Customer credit risk is managed centrally subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive external credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by trade credit insurance.

An impairment analysis is performed at each reporting date using the accounts receivable aging report to measure expected credit losses. The impairment analysis is based on days past due for all customers with coverage by trade credit insurance. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Financial instruments are only entered into with banks that have in place an executed International Swaps and Derivatives Association (ISDA) Master Agreement with the Group.

*Maximum exposures to credit risk as at balance date are:*

| | 2025 | 2024 |
|---|---|---|
| | $000 | $000 |
| Cash and cash equivalents | 49,738 | 20,908 |
| Trade and other receivables | 17,262 | 18,427 |
| Other current financial assets | 3,000 | 6,000 |

The above maximum exposures are net of any recognised provision for losses. Term deposit of $3m is held under a Specific Security Agreement with a second NZ bank securing a derivatives agreement.

### *Concentrations of credit risk*

Bank balances are maintained with National Australia Bank in Australia, PNC Bank in USA, and with Bank of New Zealand and Kiwibank in New Zealand. NZKS has two major customers for the period 1 February 2024 to 31 January 2025 covering 24.3% of total net revenue. Beyond these larger customers there is a wide spread of debtors, in terms of size and geographical location within New Zealand and overseas. Concentration of credit risk in trade receivables is not considered significant as the Group's customers operate in different market channels and geographic areas.

## Liquidity risk

The Group performs cash flow forecasting activities on a daily basis to ensure it has sufficient cash to meet operational needs. Surplus cash is invested in term deposits.

Liquid assets are maintained at all times at an amount sufficient to cover the forecast cash payments to employees, suppliers, tax authorities and banking institutions as they fall due.

The following table analyses the undiscounted contractual cash flows for all financial liabilities:

| | Less than one year | Between one and two years | Between two and five years | Five + years |
|---|---|---|---|---|
| **As at 31 January 2025** | **$000** | **$000** | **$000** | **$000** |
| Bank loans | 2,000 | - | - | - |
| Lease liabilities | 2,319 | 2,015 | 3,805 | 4,894 |
| Trade and other payables | 13,456 | - | - | - |
| Other borrowings | 2,505 | - | - | - |
| Financial guarantee contracts | 138 | - | - | - |
| **Total non-derivative liabilities** | **20,418** | **2,015** | **3,805** | **4,894** |
| | | | | |
| Derivatives - inflow | 1,016 | 507 | 32 | - |
| Derivatives - outflow | (7,153) | (3,381) | (125) | - |
| **Total derivative liabilities** | **(6,137)** | **(2,874)** | **(93)** | **-** |

| As at 31 January 2024 | Less than one year $000 | Between one and two years $000 | Between two and five years $000 | Five + years $000 |
|---|---|---|---|---|
| Bank loans | 750 | 2,000 | - | - |
| Lease liabilities | 1,326 | 1,202 | 1,431 | 5,146 |
| Trade and other payables | 16,071 | - | - | - |
| Other borrowings | 2,700 | - | - | - |
| Financial guarantee contracts | 132 | - | - | - |
| **Total non-derivative liabilities** | **20,979** | **3,202** | **1,431** | **5,146** |
| | | | | |
| Derivatives - inflow | 976 | 1,399 | 1,431 | - |
| Derivatives - outflow | (3,639) | (2,165) | (786) | - |
| **Total derivative liabilities** | **(2,663)** | **(766)** | **645** | **-** |

## Climate Risk

The Group recognises climate change will have an impact on our operations. The key risks are both physical risks (climate and water temperature impacting fish health) and transition risks resulting from the process of consumers adjusting their taste and preferences towards a lower carbon economy. During the transition period, regulatory risk has also been identified, as the landscape continues to be dynamic, cost of compliance is increasing and not showing any signs of stabilising. The Audit, Finance and Risk Committee has responsibility for the oversight of all risk domains, which includes managing climate risk, as delegated by the Board. An internal sustainability working group has been established to develop the Group's strategic response to climate risk in line with the new Aotearoa New Zealand Climate Standards released by the External Reporting Boards (XRB) in December 2022. The Group falls into the category of a Climate Reporting Entity under the Financial Markets Conduct Act 2013. The Group prepares annual climate related disclosures in accordance with the Aotearoa New Zealand Climate Standards.

# 25. Fair Value of Financial Instruments

The carrying value of cash and short term deposits, term deposits, trade receivables, trade payables and other current liabilities is considered a reasonable approximation to their fair value due to the short term maturities of these instruments.

The carrying value of the Business Finance Scheme Loan via BNZ is $2m (FY24: $2.75m) and is considered a reasonable approximation of its fair value due to the short term maturity of the drawing.

The following financial instruments of the Group are carried at fair value:

| | 2025 $000 | 2024 $000 |
|---|---|---|
| **Current derivative financial assets** | | |
| Forward exchange contracts | 460 | 534 |
| Foreign exchange options | 556 | 442 |
| **Total current derivative financial assets** | **1,016** | **976** |
| | | |
| **Current other financial assets** | | |
| Term deposits (4 -12 month term) | 3,000 | 6,000 |
| **Total other current financial assets** | **3,000** | **6,000** |
| | | |
| **Non-current derivative financial assets** | | |
| Forward exchange contracts | 45 | 1,324 |
| Foreign exchange options | 495 | 1,505 |
| **Total non-current derivative financial assets** | **540** | **2,829** |
| | | |
| **Current derivative financial liabilities** | | |
| Forward exchange contracts | 4,438 | 1,888 |
| Foreign exchange options | 2,715 | 1,751 |
| **Total current derivative financial liabilities** | **7,153** | **3,639** |

| Non-current derivative financial liabilities | | |
|---|---|---|
| Forward exchange contracts | 2,417 | 632 |
| Foreign exchange options | 1,089 | 2,319 |
| Total non-current derivative financial liabilities | 3,506 | 2,951 |

### Valuation methods

Financial instruments have been categorised into the following hierarchy and valued according to the following definitions, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

All derivative financial instruments for which a fair value is recognised have been categorised within Level 2 of the fair value hierarchy. Industry experts have provided the fair values for all derivatives based on an industry standard model. There were no transfers between Level 1 and Level 2 during the period ended 31 January 2025 (31 January 2024 - nil).

## 26. Capital Management

### Group Capital

The capital of the Group consists of share capital, reserves and retained earnings.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure the Group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## 27. Capital and Reserves

### Share Capital

| Issued shares | 2025 $000 | 2024 $000 |
|---|---|---|
| Ordinary shares | 538,183 | 541,455 |
| Total issued shares | 538,183 | 541,455 |

Ordinary shares are fully paid with no par value. Each ordinary share has an equal right to vote, to participate in dividends and to share in any surplus on winding up of the Company. No dividend was declared nor paid during the year ended 31 January 2025 (2024: No dividend was declared nor paid).

| | # of Shares | | Share Capital | |
|---|---|---|---|---|
| Movement in ordinary share capital | 2025 000 | 2024 000 | 2025 $000 | 2024 $000 |
| The beginning of the period | 541,455 | 541,455 | 180,143 | 180,143 |
| Share issue | - | - | - | - |
| Cancellation of shares | (3,272) | - | - | - |
| Total share capital as at period end | 538,183 | 541,455 | 180,143 | 180,143 |

On 28 February 2024 the Group acquired and cancelled 3,272,437 ordinary shares, relating to a Put Option exercised by former CEO Grant Rosewarne. The Put Option required the Group to acquire certain shares held by a family trust associated with Mr Rosewarne that were originally acquired under long-term incentive plans to enable repayment of a loan owed by Mr Rosewarne to the Group as part of those long term incentive plans.

### Reserves

*Foreign currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the foreign subsidiaries.

*Hedge reserve*

The hedge reserve represents the unrealised gains and losses on foreign currency forward contracts that the Group has taken out in order to mitigate foreign currency risks, net of deferred tax. Also included are the realised gains on early closed foreign currency forward contracts where the hedged future cash flows are still expected to occur (net of tax).

| | 2025<br>$000 | 2024<br>$000 |
|---|---|---|
| Unrealised (gain) / loss | 6,467 | 2,035 |
| Realised (gain) / loss | (292) | (3,410) |
| **Total gain / (loss) on hedge reserves** | **6,175** | **(1,375)** |

*Retained earnings*

Retained earnings represent the profits retained in the business.

*Share based payment reserve*

The share-based payment reserve relates to two long term incentive (LTI) schemes (FY24: one scheme) and two employee share ownership schemes (FY24: two schemes). A new performance share rights (PSR) LTI scheme was approved in FY25. A total of 4,889,679 PSR were issued to eligible senior employees under the PSR LTI scheme in FY25 (FY24: 0 PSRs were issued).

## 28. Events After Balance Date

On 3 March 2025 the Group announced it has entered into a five year partnership with the New Zealand Government under the Sustainable Food and Fibre Futures (SFF Futures) fund. This programme will pilot technologies to accelerate the pace of development of salmon farming in New Zealand, with an investment by the Government of up to $11.7m. No funding has been recognised in the financial year ended 31 January 2025.

No final dividend was declared in respect of the year ended 31 January 2025 (2024: Nil).

## 29. Related Party Disclosures

### Subsidiaries

New Zealand King Salmon Investments Limited has the following trading subsidiaries.

| Subsidiary | Country of Incorporation | Equity Interest |
|---|---|---|
| The New Zealand King Salmon Co Limited | New Zealand | 100% |
| New Zealand King Salmon Exports Limited | New Zealand | 100% |
| The New Zealand King Salmon Pty Limited | Australia | 100% |
| New Zealand King Salmon USA Incorporated | United States of America | 100% |

The principal activity of The New Zealand King Salmon Co. Limited is the farming, processing, sale and distribution of salmon. The activity of New Zealand King Salmon Exports Limited, The New Zealand King Salmon Pty Limited, and New Zealand King Salmon USA Incorporated is the sale of salmon.

At balance date Oregon Group Limited owned 39.79% (2024: 39.55%), China Resources Ng Fung Limited owned 9.87% (2024: 9.81%) and NZ Superannuation Fund owned 8.88% (2024: 8.91%) of the shares in New Zealand King Salmon Investments Limited.

### Transactions with related parties

The following provides the total amount of transactions that were entered into with related parties for the relevant financial year:

| | 2025 | 2024 |
|---|---|---|
| **Related party payments** | **$000** | **$000** |
| Good and services purchased from other related parties | - | - |
| Directors fees | 650 | 544 |
| **Total related party payments** | **650** | **544** |
| | | |
| **Related party sales** | **$000** | **$000** |
| Goods sold to related parties[1] | 4,444 | 2,306 |
| **Total related party sales** | **4,444** | **2,306** |
| | | |
| **Amounts owing to related parties** | **2025** | **2024** |
| **Current amounts owing to related parties** | **$000** | **$000** |
| Other amounts owing to related parties | 237 | 233 |
| Fees payable to directors | 103 | 55 |
| **Total current amounts owing to related parties** | **340** | **288** |
| | | |
| **Amounts owing by related parties** | **$000** | **$000** |
| Amounts owing by related parties | 335 | 72 |
| **Total amounts owing by related parties** | **335** | **72** |

*[1] During the prior period NZKS recommenced sales of King Salmon to China through China Resources Food Supply Chain Co. Limited, 40% owned by China Resources Enterprise Limited, who is a shareholder of NZKS. Immaterial sales of salmon products were also made to Directors during this period.*

## 30. Auditor's Remuneration

| | 2025<br>$000 | 2024<br>$000 |
|---|---|---|
| Audit fees - PwC | 320 | - |
| Audit fees - EY | - | 349 |
| Other assurance services - PwC | 55 | - |
| Other services - PwC | 21 | - |
| Other services - EY | - | 40 |
| **Total auditor's remuneration** | **396** | **389** |

In the current year Other Assurance services relate to the limited assurance of greenhouse gas emissions and Other Services to treasury advisory. In FY24 other services provided by EY related to non assurance services in respect of climate change and sustainability services.

## 31. Cash Flow Information

| Cash generated from operating activities | 2025<br>$000 | 2024<br>$000 |
|---|---|---|
| Profit/ (loss) before tax | 19,094 | 40,060 |
| **Adjusted for** | | |
| Depreciation and amortisation | 8,137 | 7,585 |
| (Gain)/loss on sale of assets | 64 | (4) |
| Release of early closed out foreign exchange contract close outs from OCI | (4,330) | (6,728) |
| Share-based payments | 140 | (211) |
| Net foreign exchange differences | 213 | 139 |
| Net loss/(profit) on derivative instruments at fair value through profit or loss | 116 | (25) |
| (Increase)/decrease in trade and other receivables and prepayments | 1,165 | (1,854) |
| (Increase)/decrease in inventories and biological assets | 16,184 | (29,098) |
| Increase/(decrease) in trade and other payables | (1,745) | 3,364 |
| Income tax paid | (580) | (15) |
| **Net cash flow (to) / from operating activities** | **38,458** | **13,213** |

| Liabilities from financing activities | Borrowings<br>$000 | Leases<br>$000 | Total<br>$000 |
|---|---|---|---|
| **As at 1 February 2023** | (3,500) | (4,519) | (8,019) |
| Financing cash flows | (1,917) | 1,264 | (653) |
| New leases and remeasurements | - | (3,645) | (3,645) |
| Interest expense | (97) | (211) | (308) |
| Interest payments (presented as operating cash flows) | 97 | 211 | 308 |
| **As at 31 January 2024** | **(5,417)** | **(6,900)** | **(12,317)** |
| Financing cash flows | 912 | 1,580 | 2,492 |
| New leases and remeasurements | - | (5,161) | (5,161) |
| Interest expense | (141) | (437) | (578) |
| Interest payments (presented as operating cash flows) | 141 | 437 | 578 |
| **As at 31 January 2025** | **(4,505)** | **(10,481)** | **(14,986)** |

## 32. Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when the control of the goods has been transferred to customers, being at the point when the goods are delivered. Delivery of goods is completed (i.e. the performance obligation is fulfilled) when the goods have been delivered pursuant to the terms of the specific contract agreed with the customer and the risks associated with ownership have been transferred to the customer. Revenue is measured according to the contracted price agreed with customers, which represents expected consideration received or receivable, net of returns, discounts, and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The payment terms vary depending on the individual contracts. No deemed financing components are present as there are no significant timing differences between the payment terms and revenue recognition.

| Revenue by Product group | 2025 $000 | 2024 $000 |
|---|---|---|
| Whole fish | 109,542 | 92,996 |
| Fillets, Steaks & Portions | 51,278 | 45,801 |
| Hot Smoked | 13,568 | 11,608 |
| Cold Smoked | 28,727 | 28,416 |
| Petfood | 2,578 | 3,396 |
| Other | 5,300 | 4,889 |
| **Total revenue by product group** | **210,993** | **187,106** |

| Revenue by Brand | 2025 $000 | 2024 $000 |
|---|---|---|
| Ōra King | 70,385 | 56,107 |
| Regal | 49,748 | 36,942 |
| Southern Ocean | 5,466 | 5,541 |
| Omega Plus | 2,578 | 3,396 |
| New Zealand King Salmon | 82,816 | 85,120 |
| **Total revenue by brand** | **210,993** | **187,106** |

| Revenue by geographical location of customers | 2025 $000 | 2024 $000 |
|---|---|---|
| New Zealand | 67,795 | 66,755 |
| North America | 91,740 | 77,380 |
| Australia | 24,133 | 20,906 |
| Japan | 5,343 | 4,840 |
| Europe | 5,883 | 5,043 |
| China | 4,910 | 2,768 |
| Other | 11,189 | 9,414 |
| **Total revenue by geographical location of customers** | **210,993** | **187,106** |

Sales net of settlement discounts to two major customers for the period 1 February 2024 to 31 January 2025 totalled $51.2m, 24.3% of total net revenue (For the period 1 February 2023 to 31 January 2024 two major customers totalled $48.7m or 26% of total net revenue).

## 33. Segment Information

### Segment results

The Group is principally engaged in the farming, processing, sale and distribution of premium salmon products. The Group's strategy is to maximise the longer term sales and overall margins of these salmon products by focusing on branded, premium priced and differentiated products across its range of markets, channels and customers.

The Executive management of the Group is the Chief Operating Decision Maker (CODM). The Group is a vertically integrated salmon producer (egg to plate) and the operating results of the whole business are monitored for the purpose of assessing performance and allocating capital. Accordingly, the Group is considered to consist of one operating segment.

The Executive management of the Group monitors the operating results of the whole business. Operating performance is evaluated based on Pro-Forma Operating EBITDA.

Pro-Forma Operating EBITDA refers to earnings before interest, tax, depreciation and amortisation, which are then adjusted to remove the fair value impacts of the application of NZ IAS 41 Agriculture and NZ IAS 2 Inventories and the early foreign currency contract close outs.

Refer also to Note 32 for detail of disaggregation of revenue by product, brand and geographical area.

# Independent Auditor's Report

To the shareholders of New Zealand King Salmon Investments Limited

## Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of New Zealand King Salmon Investments Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 January 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

### What we have audited

The Group's financial statements comprise:

- the consolidated statement of financial position as at 31 January 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

## Basis for opinion

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

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

### Independence

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

In our capacity as auditor and assurance practitioner, our firm provides other assurance services. Our firm carries out other assignments in the areas of other services relating to treasury advisory. The firm has no other relationship with, or interests in, the Group.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Description of the key audit matter | How our audit addressed the key audit matter |
|---|---|

### Biological Assets - Existence, Measurement and Valuation

As disclosed in Note 15, the Group holds biological assets comprising live salmon, with a total biomass of 4,879 metric tonnes and a carrying value of $88.1 million as at 31 January 2025.

Measured at fair value less cost to sell, in line with NZ IAS 41 Agriculture and NZ IFRS 13 Fair Value Measurement, the biological assets represent approximately 35% of the Group's total assets.

The measurement of the biological asset involves significant judgement regarding both the biomass measurement at year-end and the fair value less cost to sell valuation. The biomass is estimated based on the Group's livestock growth model which relies on the Group's established control procedures for measurement of both number of fish and biomass, including monitoring estimated harvest volumes within their growth models against actual harvests.

As per Notes 4 and 15, the Group changed their valuation technique in estimating the fair value of biological assets, using a discounted cash flow model in the current year. The model is reliant upon a number of significant inputs and assumptions, including forecast cash flows associated with the live fish in seawater (forecast sales prices and estimated remaining production costs), forecast biomass to harvest, and fish mortality.

We determined this to be a key audit matter due to the significance of the judgements applied by Directors in measuring the biomass of live salmon and estimating the fair value of Biological Assets.

We performed the following:

- In relation to the salmon biomass and the valuation thereof, we gained an understanding of the Group's processes and controls and assessed the design effectiveness of certain controls associated with the existence, measurement and monitoring of the live salmon biomass, and the fair value measurement of the biological asset.
- Tested the operating effectiveness of the Group's controls for:
  - recording and counting the number of smolt at the point of transfer from freshwater hatcheries to the sea farms; and
  - monitoring biomass harvest deviations against their estimated biomass within the Group's livestock growth model.
- Assessed the inputs into the Group's livestock model used to estimate growth and biomass by considering the reasonableness of the feed conversion rate against historic feed conversion rates.
- Considered the historical accuracy of the Group's actual harvested biomass and estimated biomass from the Group's livestock growth model. In addition, we considered harvest deviations occurring after balance date.
- Engaged our valuation expert to independently assess the discounted cash flow methodology.
- Tested the mathematical accuracy of the calculation and agreed key inputs to supporting data such as board approved budgets and actual biomass measurements.
- Considered whether the key assumptions used by management in the model, including forecast cash flows associated with the live fish in seawater (derived from forecast sales price and estimated remaining production costs) and forecast growth and mortality, were reasonable by:
  - considering the appropriateness of cash flows included in the model which was limited to those associated with the live salmon in the sea;
  - challenging the reasonableness of these forecasts against historical performance;
  - considering the accuracy of historical forecasts;
  - assessing the impact of post year-end mortalities on the forecast harvest and mortality assumptions in the model.

We considered the appropriateness of disclosures in the financial statements.

| Description of the key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Inventory - Valuation** | |
| As per Note 14, inventories had a carrying value of $27.2 million, net of a net realisable provision as at 31 January 2025.<br>The cost of inventory includes the fair value uplift of salmon, recognised at the point of harvest of $4.6 million, and other processing costs.<br>The carrying value of inventory is assessed at balance date to determine if cost is greater than the net realisable value.<br>We determined this to be a key audit matter because of the significance of the judgements involved in estimating the fair value of salmon at the point of harvest, and in estimating the future sales price to determine net realisable value. | To address the risks associated with inventory valuation, we performed the following procedures:<br>• Gained an understanding of the inventory valuation processes and assessed the design and implementation of relevant controls, particularly those over net realisable value adjustments.<br>• Examined the calculation of the fair value of salmon at the point of harvest along with the direct and processing costs contributing to the cost of inventory.<br>• Assessed the Group's estimation of future sales prices by comparing them against the most recent historical sales data and subsequent sales that occurred after the balance sheet date.<br>• Validated the carrying value of a sample of inventory items against subsequent sales amounts to confirm the reasonableness of net realizable values.<br>We considered the appropriateness of disclosures in the financial statements. |

## Our audit approach


### Overview

Overall group materiality: $2.1 million, which represents approximately 1% of Revenue.

We chose revenue as the benchmark because, in our view, it is a more stable benchmark given that it is less impacted by any one-off items or fair value adjustments during the year. Revenue is also a commonly used performance measure, and is a generally accepted benchmark.

We performed a full scope audit over the consolidated financial information of the Group.

As reported above, we have two key audit matters, being:

- Biological Assets — Existence, Measurement and Valuation
- Inventory — Valuation

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to 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.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

### How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

## Other matter

The financial statements of the Group for the year ended 31 January 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 26 March 2024.

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. The other information we obtained prior to the date of this auditor’s report comprised the information included in the annual report, excluding the Climate Related Disclosures FY25, which forms part of the annual report, but will be published at a later date.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or 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 to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Climate Related Disclosures FY25, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

## Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

This description forms part of our auditor's report.

## Who we report to

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

The engagement partner on the audit resulting in this independent auditor's report is Elizabeth Adriana (Adri) Smit.

For and on behalf of:

PricewaterhouseCoopers.

PricewaterhouseCoopers
Christchurch
27 March 2025

# Glossary

**ASX**

Australian Securities Exchange

**BAP**

Best Aquaculture Practices

**CEO**

Chief Executive Officer

**EBIT**

Earnings Before Interest and Tax

**EBITDA**

Earnings Before Interest, Tax, Depreciation and Amortisation

**Executive**

The Executive as disclosed in the Leadership & Corporate Governance Section of the latest Annual Report

**FCR**

Feed Conversion Ratio – the amount of feed (in kilograms) required to grow 1 kilogram of fish weight

**FMCG**

Fast moving consumer goods

**FY**

Financial Year

**G&G**

Gilled and Gutted weight. Note that all volumetric information presented is on a gilled and gutted basis unless otherwise stated

**GAAP**

New Zealand Generally Accepted Accounting Practice

**Group**

New Zealand King Salmon Investments Limited and its subsidiaries

**IPO**

Initial Public Offering

**MT**

Metric Tonnes

**New Zealand King Salmon**

New Zealand King Salmon Investments Limited

**NPAT**

Net profit after tax, also reported as net profit for the period in our published financial results

**NZ IAS**

New Zealand equivalent to International Accounting Standards

**NZ IFRS**

New Zealand equivalents to International Financial Reporting Standards

**NZX**

New Zealand Stock Exchange

**Pro-Forma Operating EBITDA**

Pro-Forma Operating EBITDA refers to earnings before interest, tax, depreciation and amortisation, after allowing for pro-forma adjustments; being the exclusion of fair value adjustments relating to the fair value gains or losses arising from the application of NZ IAS 41 *Agriculture* and NZ IAS 2 *Inventories* and the early foreign currency contract close outs. Pro-Forma Operating EBITDA is a non-GAAP profit measure.