
SANFORD
Annual
Report
FY26

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Highlights FY26

Financial

Revenue
FY26:
$598.6m ↑
FY25: $584.1m

Gross margin %
FY26:
27.8% ↑
FY25: 26.5%

Adjusted EBIT
FY26:
$116.6m ↑
FY25: $105.2m

Net profit after tax (NPAT)
FY26:
$74.5m ↑
FY25: $63.7m

Operating cash flow
FY26:
$89.6m ↓
FY25: $135.3m

Net debt
FY26:
$53.6m ↓
FY25: $93.4m

Earnings per share
FY26:
79.7cps ↑
FY25: 68.1cps

Final dividend per share
FY26:
5.0cps
FY25: 5.0cps



Chair's Report

The Board is pleased that Sanford's performance continues to improve for shareholders.

In general, this performance also adds value for Sanford's other stakeholders, including customers, suppliers, regulators and our communities, reflecting the principle that 'a rising tide lifts all boats'.

Our Net Profit After Tax (NPAT) for the year ended 30 September 2026 (FY26) was $74.5m, which demonstrates ongoing improvement in operational performance and disciplined execution across the business.

This followed a record NPAT result in FY25 of $63.7m. David Mair will cover the company's financial performance in more detail in his report.

Governance

The Board was delighted to announce Tony Carter's appointment as an independent director, effective 17 February 2026. Having been appointed by the Board, Tony will stand for election by shareholders at this year's Annual Shareholders' Meeting (ASM). John Strowger will stand for re-election. The Board fully supports Tony's election and John's re-election.

The Board currently comprises seven directors: four independent and three non-independent. The Board remains comfortable with its existing composition and spread of directors in terms of their mix of skills.

In last year's annual report, I mentioned my plan to retire from the Board after reaching the 10-year mark as a director. I intend to retire from the Board at this year's ASM.

Sustainability

Sanford produced and published a stand-alone Sustainability Report for FY25. With the New Zealand climate-related disclosures regime in the course of being changed and relying on the no-action relief granted by the Financial Markets Authority for our FY26 reporting, Sanford has not prepared climate statements for FY26 and will not publish a stand-alone Sustainability Report this year. Instead, the Board has adopted a more streamlined approach, integrating the climate and sustainability information we consider most relevant to shareholders into this Annual Report. Sustainability is still considered important across the business and the Board's Sustainability Committee provides ongoing oversight of sustainability-related risks, opportunities and performance.

Sanford's Future

Looking ahead, the Board's focus is on ensuring that Sanford remains well positioned to grow long-term value for shareholders while meeting its responsibilities to the customers, suppliers, regulators and communities connected with the business.

My long association with Sanford convinces me that the company has both the ability and the opportunity to justify shareholders' investments. Few primary sector companies are listed, but listing gives shareholders an observable share price, liquidity, and published financial results – providing more transparency into Sanford's performance.

The Board is grateful to David Mair and his management team for the performance of Sanford. Thanks also to my Board colleagues for their support of the company.



Sir Robert McLeod
Chair





Managing Director's Report

I am pleased to report to shareholders another excellent result for the 2026 financial year (FY26).

A Business Transformed

Over the past two and a half years, Sanford has moved from a business weighed down by debt, excessive or unnecessary spending and underperforming assets to one of generating record earnings, strong cash conversion, and a balance sheet approaching investment-grade levels.

Four-Year Financial Summary

NZD $m	FY23	FY24	FY25	FY26
Revenue	553.4	582.9	584.1	598.6
Adjusted EBIT	49.4	74.2	105.2	116.6
NPAT	10.0	19.7	63.7	74.5
Operating cash flow	41.1	73.0	135.3	89.6
Net debt	196.2	185.5	93.4	53.6
EPS (cps)	10.7	21.1	68.1	79.7
DPS (cps)	12.0	10.0	10.0	10.0
Share price (approximate)	3.89	3.77	5.53	6.70

Share prices are approximate closing market prices on 30 September.

FY23 – The Starting Point

FY23 saw the implementation of a new divisional organisational structure, new technology platforms and new leadership. The Chair described Sanford as "clearly on the path to recovery" yet the numbers told a story of a business still carrying significant structural weight.

The business had good quota assets and productive water space but poor cost discipline, an over-leveraged balance sheet, and underperforming divisional returns – particularly mussels and wildcatch.

FY23 Key Developments

- Revenue of $553.4m – highest in five years, but built on thin margins
- Adjusted Earnings Before Interest and Tax (EBIT) of $49.4m (up 23% on FY22), with reported NPAT only $10.0m after $18.4m of non-trading adjustments including $5.5m in restructuring costs
- Operating cashflow of $41.1m – adequate but constrained by the debt load
- Net debt had risen to $196.2m following heavy investment in a new scampi vessel, the SanCore programme (Sanford's business transformation initiative), and the Sanford bioactives facility in Blenheim
- The North Island inshore business was wound down, generating one-off charges (leased to Moana NZ) and a four-vessel major maintenance programme approved for FY24
- A full-year dividend of 12.0 cents per share (cps) (6.0 cps interim + 6.0 cps final)

FY24 – The Turning Point

From May 2024, Sanford began reorienting the business around commodity disciplines – lower overheads, improved asset utilisation, and a granular approach to profitability in each business unit. The divisional structure was removed, and the organisational structure was flattened holding Business Unit Leaders accountable for business performance.

A 'front end – back end' approach was implemented. In essence, this meant a single-seller desk structure to manage the basket of products sold externally (front end), and a productivity/cost-reduction internal approach to all operations (back end).

Business processes were reviewed and a process of standardising those processes began. This included a review of all finished goods Stock-Keeping Units (SKUs) and grouping those individual items into product families with a single standard cost for every item within a product family.

FY24 Key Developments

- Revenue of $582.9m – modest growth
- Adjusted EBIT of $74.2m (up 50% on FY23), the earnings inflection point
- NPAT of $19.7m (up 96%), although this was impacted by impairments (the North Island Mussels Ltd (NIML) Auckland site) and a one-off $1.7m tax adjustment on building depreciation changes
- Operating cashflow of $73m (up 78%) – reflecting improved profitability and inventory discipline
- A focus on debt reduction to strengthen balance sheet – net debt began declining: $185.5m (from $196.2m), though still at elevated levels
- A full-year dividend of 10.0 cps (5.0 cps interim + 5.0 cps final)

FY25 – Necessary but not Sufficient

FY25 was a landmark year. A disciplined approach to capital allocation was implemented that in many cases stopped ongoing historical spend (particularly IT costs). Sanford also began a detailed review of parts of the business to understand the continuing capital needs given that many assets were run down or simply not providing the expected return.

The company maintained its focus on process standardisation and driving external customer 'pull' and an 'internal' customer focus. Each part of the business was seen as both a supplier to the subsequent process and a demanding customer to its suppliers. Independent of true demand, it became evident that many processes simply pushed problems onto the next process.

This process-focused approach is helping all staff to become aware of their customer needs and how well they are meeting them.

Clarity of Company Purpose (Five Elements)

Achieving balance between Sanford and the other side, especially for the first three elements:

1. True Customer Focus – good for the customer and good for Sanford
2. Good for Sanford and good for employees
3. Good for Sanford and good for suppliers – Sanford is demanding but fair with suppliers

'Becoming the best supplier to our customers and the best customer for our suppliers'

4. Positive interaction with the community of people we can influence
5. Build confidence with shareholders

FY25 Key Developments

- Revenue of $584.1m – flat, demonstrating earnings growth was margin driven
- Adjusted EBIT of $105.2m (up 42% on FY24), the first time above $100m in the company's history
- NPAT of $63.7m (up 224%), a transformational improvement
- Operating cashflow of $135.3m (up 85%) – exceptional cash conversion
- Net debt of $93.4m (down from $185.5m) – a $92.1m reduction in a single year!
- A full-year dividend of 10.0 cps (5.0 cps interim + 5.0 cps final)

FY26 – A Platform for Growth

It's not luck! FY26 was a year of increased focus on leadership and accountability. Sanford maintained a disciplined approach to capital expenditure, adopting a practice of essential capital spend only. A review of parts of the business began to show opportunities for investment. Thanks to the Honourable Shane Jones (Minister for Oceans and Fisheries, among other portfolios) providing extended water space consent periods out to 2044 – the company now has greater certainty for investment. As existing infrastructure is reviewed, capital-light opportunities can be identified to increase the water space being farmed economically. By taking this no-cost/low-cost, capital-light approach, Sanford is able to increase volumes in a structured way. Increasing volumes provide the scope to drive unit costs down.

Our mussel business has;

- Fully consented water space with infrastructure, and this is being profitably farmed
- Consented water space with infrastructure and this is being farmed but not profitably
- Consented water space with infrastructure but this is not being farmed
- Consented water space – no infrastructure.

In the North Island, Sanford has a contract manufacturing arrangement with Whakatōhea Mussels Ōpōtiki Limited (WMOL) providing access to a modular plant layout that could be increased in scale easily.

So, there are ample opportunities for further improvements!

FY26 Key Developments

- Revenue of $598.6m – relatively flat
- Adjusted EBIT of $116.6m (up 11% on FY25)
- NPAT $74.5m (up 17%)
- Operating cashflow of $89.6m (down 34%) – reflecting timing of working capital, increased tax payments and non-cash biological movement
- Net debt of $53.6m (down from $93.4m)
- A full-year dividend of 10.0 cps (5.0 cps interim + 5.0 cps final)

Several of the key contributors to this year's result were factors outside Sanford's direct control and so it should not be assumed that FY26's result will be repeated in FY27.

Strategic Update

In the short term, an internal focus can improve profitability. In the long term, the economics of the industry (market pricing, competitor action, and cost structure) become the more important factors. It is now time to focus on revenue growth without losing the cost disciplines driving improved margins.

Sanford is currently focused on operating as a commodity player, where reducing costs and operating more efficiently are critical to the company's ongoing success. Driving product costs down and lowering overheads will make Sanford more competitive in any market.

Market turbulence with tariffs, fuel uncertainty and ability to supply makes people unsure about the future. Over the last 10 years, Sanford's operational costs have continued to rise – with feed (for salmon), electricity and labour costs highlighted.

The company must remain focused on what it can control and work conscientiously to deliver clear productivity improvement plans that offer the best opportunities to mitigate these cost increases and provide for the future.

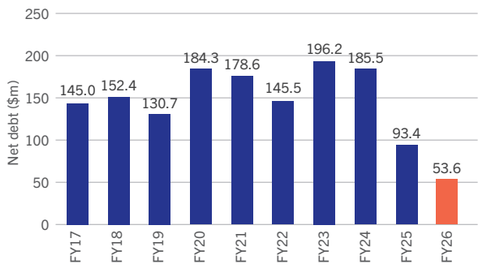
We are making a series of small, targeted improvements across the business. Individually, they may appear incremental, but collectively they compound over time and can deliver significant long-term benefits.

Capital Allocation/Balance Sheet Management

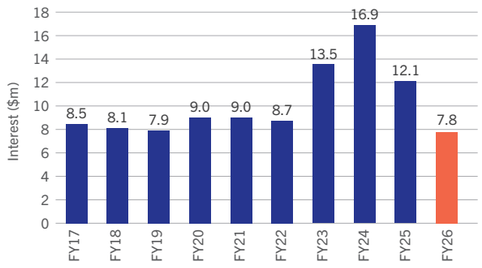
The market turbulence mentioned above as well as further uncertainty in pricing – from the impacts of fuel uncertainty for example – means it is prudent to adopt a more conservative balance sheet approach. Sanford remains focused on operating cashflow, disciplined capital investment and debt reduction. This strong balance sheet approach creates a platform for growth and ensures the company will be in a good position to take advantage of any investment opportunities that may arise from this unpredictability. As always, competing priorities require careful balancing.

The two graphs that follow highlight further achievements in terms of management's focus on cashflow, driving down debt and reducing interest costs over the past 12 months.

Sanford Net Debt ($m)



Sanford Interest ($m)



Our People

There has been further significant change in the business since I last reported to shareholders, and this change inevitably impacts people. Combined with New Zealand's uncertain future, many staff are worried about the company's future; I hope this year's results – thanks to everyone's efforts – help to allay those fears.

I would like to thank all of Sanford's people for their contributions throughout the year. I would also like to thank the company's directors and shareholders for their continued support.

David W Mair

David Mair
Managing Director



Performance Summary

Sales

Global markets in FY26 were increasingly disrupted by the effects of US trade policy measures, tariffs, sanctions and direct geopolitical conflicts. These destabilising influences on international trade have created widespread market uncertainty. Often this leads to imbalances in established patterns of key product flows which can present both trading challenges and opportunities. The most obvious impact of these geopolitical-induced changes in FY26 has been the softening pricing and demand for half-shell mussels in all markets. In contrast, hoki prices rose steadily during FY26 to record levels, buoyed by northern hemisphere white fish supply shortages that were further exacerbated by trade sanctions. For most other key export species, FY26 pricing remained firm and stable, despite the international market turmoil. The risk remains that ongoing and unpredictable geopolitical disruptions will affect demand and prices in the medium term.

Sales Value by Key Species



	FY26	FY25
Mussels	27%	28%
Salmon	27%	31%
Scampi	10%	9%
Hoki	13%	13%
Other	23%	19%

The comparative sales revenue by key species split for FY26 continues to emphasise the importance of aquaculture's contribution with 54% of total sales revenue being derived from salmon and mussels. The 4% increase in the revenue contribution from the other species category is largely attributable to a strong FY26 squid season catch. Again, the modest proportionate percentage changes in revenue generated from the four main species between years reflect variations in the relative sales volume contribution of each species to total revenue as well as changes in the individual pricing dynamics affecting the market niche of each species.

Sales Value by Geographic Region



	FY26	FY25
North America	23%	27%
Europe	21%	21%
China	25%	15%
Australia	7%	7%
New Zealand	10%	18%
Other	14%	12%

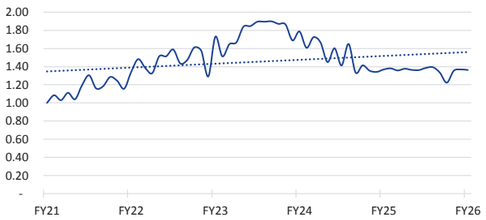
The comparative sales revenue split by geographic customer location is indicative of some shift in trade balances, dependent on the pricing and trade flow adjustments of key species. The continuing proportionate decline in the contribution of the North American market relates mostly, but not solely, to the impact of US trade policy on softening pricing and demand for half-shell mussels. In addition, a substantially reduced volume of orange roughy fillets is now being sold in the US market because of the sizeable reduction in the main Chatham Rise orange roughy fishery quota. The significantly increased proportionate contribution of the Chinese market to total sales reflects steady movement of scampi inventory at stabilised prices, together with ongoing continuing growth in salmon sales. The proportion of European sales remains unchanged, largely because of strong white fish pricing (hoki, ling and hake) and the sizeable volumes of squid sold into Europe at firm prices in FY26. The 8% proportionate drop in the New Zealand domestic foodservice business relates primarily to the closer alignment of domestic salmon pricing to that of export markets. The fishing partner sales are excluded from the geographic market sector comparison.

Wildcatch

Scampi

Over the past year, scampi prices have remained stable in the Chinese market and demand remains steady. The Chinese domestic economy remains subdued and there is little likelihood that it will significantly improve in the near term. High-value products like scampi are more exposed to uncertainty if there are sudden disruptions to market sentiment as importers become cautious in exposure to elevated inventory holdings. Despite this caveat of importer inventory exposure, Sanford still expects prices and demand to remain steady in the coming year.

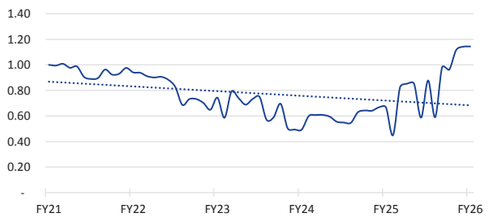
Sales Price



Orange Roughy Fillets

As indicated last year, orange roughy fillet prices improved substantially during FY26. Market demand exceeded supply, which is now constrained by the sizeable quota reduction in the main Chatham Rise fishery. It is expected that orange roughy fillet prices will remain firm throughout FY27. Another sustainability assessment of the main Chatham Rise fishery will occur in the next two years and if the Total Allowable Commercial Catch (TACC) were to be increased at that time then the current record pricing is likely to moderate.

Sales Price

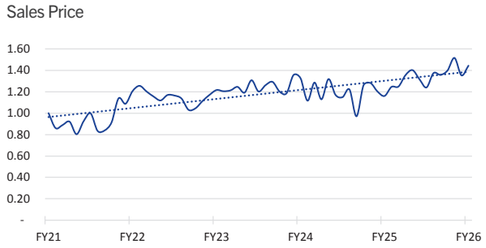


Hoki

Hoki fillet prices firmed steadily throughout FY26 and remain strong. Again, short-term fluctuations in the hoki price trend are simply indicative of the weighted value mix of hoki fillet product (skin-on, skinless and block) on offer to the market at that time. Premium hoki fillet block prices strengthened throughout the year as well.

All northern hemisphere white fish fisheries showed increases in prevailing market prices during the year, often reaching record levels in both European and North American markets. Strong quota reductions in major northern hemisphere fisheries, such as Arctic cod, over recent years have been buoying white fish prices to record heights. The impact of trade sanctions impacting Russian-sourced cod and pollack supplies has further intensified market pricing tensions. As a result, hoki pricing has benefitted from the severe shortages in the availability of northern hemisphere white fish species. This sustained market strength in hoki fillet and block pricing is expected to continue in FY27.

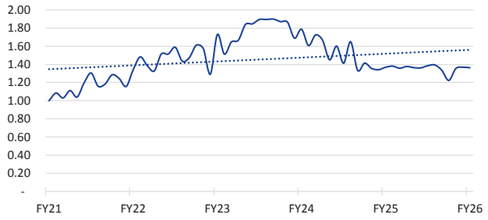
Sales Price



Squid

This season's New Zealand arrow squid catch was strong, well up on last year which itself was also improved compared to the recent prior years. Early-season catches were predominantly small squid. As a result of the significantly improved market supply, early-season prices eased from the record pricing enjoyed for much of the FY25 season, particularly for small squid, although they still remained firm by historical standards as the season progressed and sizing improved and prices began to rebound. At the conclusion of the FY26 catching season prices were comparable to those of the later period of the FY25 prior season. Forward projections of New Zealand arrow squid catch and pricing are speculative given the very nature of the fishery. However, again based on current international squid raw material availability levels, the average seasonal price of New Zealand arrow squid is expected to remain firm.

Sales Price

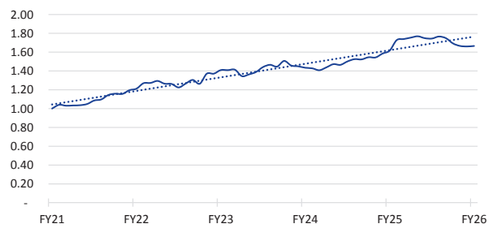


Salmon

Gilled and Gutted

Fresh salmon export prices remained steady throughout most of the year, easing marginally within the last quarter. Demand remains consistent, although there are signs of supply tension in some markets. Domestic prices were increased at the start of FY26 to better align with export pricing, yet then required some downward adjustment during the year in response to the affordability challenges of the domestic food market.

Sales Price



Mussels

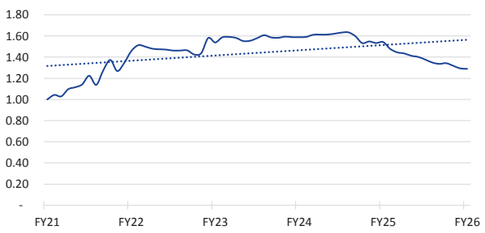
Frozen half-shell

Frozen half-shell mussel prices eased throughout the year in all markets in contrast to the historic highs of recent years. The steady reduction in market pricing accompanied a modest softening in overall demand, particularly in Europe and the Middle East. Half-shell mussels are sold throughout the global market, though the single most important market remains the US, which accounts for about 50% of the New Zealand production. US trade policy, particularly the shifting tariff landscape during FY26, as well as increasing cost-of-living tensions in the domestic US economy associated with geopolitical conflict are directly impacting importers' market confidence. This market uncertainty then affected demand and pricing as has been evident throughout most of the year.

Trade imbalances are also evident in the other half-shell mussel markets, which have been similarly affected by US trade policy tensions or more directly by active geopolitical conflict. For example, Europe is an important regional half-shell market which ordinarily accounts for about 20% to 25% of New Zealand's production. European market trade volumes have fallen by about 40 per cent over the past year and remain sensitive to price. There is a sense from European buyers that historic high half-shell mussel pricing was already impacting demand, which has now been exacerbated by these other geopolitical events. It is possible that prices may need to be eased further in Europe before demand improves. The Middle East has been an important growing niche half-shell market in recent years. The emergence of regional conflict curtailed the ability to ship to this market, but it also strongly suppressed demand which is largely dependent on foodservice functions associated with the Middle Eastern air transport hubs.

Further pricing corrections and restrained demand are likely to persist into FY27.

Sales Price





Wildcatch

The Cash Engine

Sanford's allowable catch volumes are governed by New Zealand's Quota Management System (QMS), which places natural limits on growth within the wildcatch business. As a result, future earnings growth is more likely to be driven by improvements in operational performance, value optimisation, pricing, and product mix rather than increases in catch volumes.

The company's wildcatch deepwater operation is based in Timaru and operates a fleet of vessels targeting a diverse range of species. Catch is either processed on board the vessels or landed and processed through the Timaru facility, enabling the business to supply a broad portfolio of seafood products to domestic and international markets.

In addition to Sanford's vessels, the company's deepwater fishing partners have five trawlers providing a variety of products, including squid, hoki, mackerel, barracouta, southern blue whiting and warehou. The wildcatch business also includes revenue generated from the sale of Annual Catch Entitlement (ACE) from Sanford's inshore fishing operations to Moana NZ, as well as the fish market and retail operations based at the Auckland head-office site.

Year in Review

Strengthening Market Conditions

- An exceptional squid catch contributed to the improved FY26 result. Squid catches are inherently variable, and volumes for the year were well above expectations, providing a meaningful benefit to profitability.
- Scampi prices softened from the record levels achieved in previous years, reflecting weaker demand in the Chinese market, which remains the primary destination for Sanford's scampi products. More cautious purchasing behaviour from importers, softer premium seafood consumption, and increased competition for consumer spending placed downward pressure on pricing during the year. While demand remains strong relative to many seafood categories, market conditions have not supported the exceptional prices generated in recent years.
- The new scampi vessel commissioned in FY25 was operational for most of FY26. Following some minor commissioning issues, not unusual for a new-in-class vessel, it has performed well and proven to be a valuable addition to the fleet, particularly in more challenging fishing areas.
- Excluding scampi, prices generally firmed across the portfolio compared with FY25, providing a positive contribution to the improvement in profitability.
- Sanford's fishing partners delivered a stronger performance during FY26, supported by the addition of a new vessel and a much higher squid catch. While hoki catch volumes were lower than the prior year, stronger market prices largely offset the reduction in volume, resulting in an overall improvement in returns.
- The inshore business continues to provide a stable and consistent revenue stream through the sale of ACE. Profitability remains in line with expectations.
- Four dry dockings were completed during the year, to ensure the fleet remained in good operating condition. While dry dockings and regulatory surveys are essential requirements for maintaining fishing operations, they represent a significant cost to the business.



Revenue

$364.1m

FY25: $318.9m

Profit contribution

$72.3m

FY25: $52.4m

Harvest volume (GWT)

68,587 tonnes

FY25: 75,010 tonnes

GWT = Greenweight Tonnes



Volume constrained and a focus on efficiency

Sanford's salmon business is in the South Island of New Zealand, with farming and harvesting operations based in Big Glory Bay (BGB), Stewart Island, where there is limited capacity for expansion. Harvested fish are transported daily across Foveaux Strait to the company's processing facility at Bluff. Products are processed into gilled and gutted (G&G) format mainly for export and fillet formats for both export and domestic markets. The focus of Bluff is process effectiveness – Despatch In Full On Time [DIFOT] – and process efficiency – at least cost [yield].

The appropriate organisational structure is a very fast pull system that turns customer orders into production orders at Bluff and harvest orders at BGB. This requires a highly skilled, flexible and adaptable workforce.

This integrated supply chain enables the business to deliver fresh, premium-quality salmon to all customers – both in key export markets and within New Zealand – effectively and reliably.

Sanford's salmon business is a fresh business; this means the cadence of supply is very demanding.

Export orders are received daily with several constraints:

- Despatch within 24 hours of receiving the order
- A minimum of 4kg product weight for G&G format
- Meeting sudden increases in demand before market events e.g. New Year and 'Golden Week' (China) and Thanksgiving (USA) followed by decreases in demand
- New Zealand public holidays interrupt production schedules.

Year in Review

Increased prices, size constraints and reduced volumes

The salmon business delivered a steady performance, supported by improved pricing across both domestic and export markets. Sales volumes were lower than expected due to fish size being below the minimum specification for export markets. This lower processed volume contributed to increased biomass levels in the water at BGB.

Revenue decreased by 17% compared with FY25, reflecting lower harvest and sales volumes.

- The key challenge during the year has been achieving the minimum fish size profile for export markets. Lower-than-planned sales volumes have resulted in an increase in biomass held in the water at year-end.
- Higher prices in both domestic and export markets have been partially offset by reduced sales volumes, particularly in the domestic market, as international markets continue to be a focus providing more favourable returns.
- Salmon feed costs increased significantly during FY26, primarily due to higher fishmeal and fish oil prices. Fishmeal prices were driven by supply uncertainty surrounding Peruvian anchovy stocks, fishing quota restrictions, and the potential impacts of El Niño on marine ingredient production. These factors contributed to tighter global supply conditions and increased competition among buyers seeking to secure future salmon feed supply.
- The salmon processing facility in Bluff has maintained a strong emphasis on operational efficiency throughout the year. Key initiatives have focused on productivity, including a review of workforce utilisation, refined shift structures, and improved production processes.
- The new multi-purpose workboat (San Kiwa) has been built and was commissioned in September 2026. The vessel is critical infrastructure, providing daily crossings of Foveaux Strait and delivering increased speed, capacity, and operational efficiency. The workboat supports both the salmon and mussel operations in BGB and is expected to enhance reliability and productivity across both business units.
- The new net design has proven to offset sea lion-related salmon mortalities. Further nets have been ordered, which are due to be delivered in early FY27.



Revenue

$105.6m

FY25: $127.5m

Profit contribution

$62.8m

FY25: $50.4m

Harvest volume (GWT)

3,868 tonnes

FY25: 5,623 tonnes

GWT = Greenweight Tonnes



Mussels

Sanford's key growth engine

Sanford's mussels business offers growth opportunities with relatively low capital requirements and fast payback. Many of the company's marine farming consents have been extended to 2044, providing greater certainty for investment. Unused consented water space and new farms in the Western Firth (the western side of South Auckland's Firth of Thames) provide potential to expand production, with relatively modest investment in farming infrastructure and installation as well as a short period from seeding to harvest.

The new 30-metre vessel San Hauraki is expected to improve efficiency across farming and harvesting operations. However, the business is highly seasonal, with harvesting and processing restricted to only certain periods of the year. Capital investment therefore needs to be carefully considered in light of these seasonal operating windows.

A nationwide, integrated business

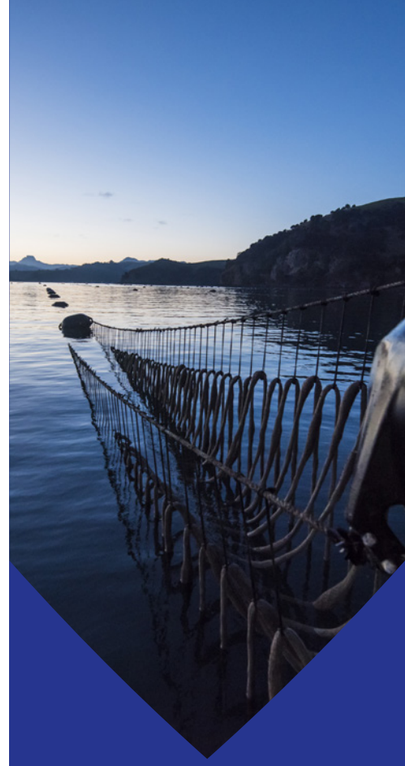
The operations of the mussels business span New Zealand, with owned water space and mussel farming in the Coromandel, Golden Bay, Marlborough Sounds, Banks Peninsula and Stewart Island/Rakiura. Sanford's specialised hatchery in Nelson produces spat for farming operations. Half-shell mussels are processed at our Havelock facility and by a third-party processor in Ōpōtiki, while the company's Blenheim-based bioactives facility produces mussel powder and oil.

This footprint connects spat production, farming and processing through to products for domestic and international markets. It provides access to key growing regions and processing capability close to source.

Year in Review

A reduction in revenue and profit contribution for FY26

- Prices for half-shell mussels, which comprise the majority of export sales, softened considerably compared with FY25. Pricing came under pressure due to weaker demand, particularly in the United States, driven by uneven foodservice demand, increased inventory levels following improved harvests in FY25, and slower economic growth that reduced discretionary consumer spending throughout key export markets.
- On 03 September 2024, amendments to the Resource Management Act 1991 were enacted through the Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Act 2024. This legislation provided a 20-year extension to existing coastal permits for marine farms, and Sanford subsequently secured extensions to its marine farming permits through to 2044. In addition to reducing compliance costs and administrative burden, the extended permit terms provide greater certainty for the mussel business and support confidence in future investment across farming operations and infrastructure.
- Sanford's mussel hatchery, SPATnz, continues to supply large volumes of high-performing spat that enhance farm productivity and improve crop consistency in the company's farming operations. While production volumes declined during FY26, this prompted a range of commercial and operational innovations that delivered some improved production outcomes, supported a return to full production capacity, and strengthened the hatchery's ability to adapt to future challenges and opportunities.
- Harvesting and processing in the North Island proved challenging once again during FY26. The season commenced later than usual, with consistent supply not established until May 2026. Poor crop size and condition resulted in elevated waste levels and lower-than-expected processing yields, placing pressure on operational efficiency and production volumes throughout the year.
- Sanford has agreed to purchase the remaining 50 per cent shareholding in North Island Mussels Limited (NIML) from its joint venture partner, Cedenco Aquaculture Limited. On completion of the transaction, Sanford will assume full ownership of NIML, providing greater control over the business and its strategic direction. Full ownership is expected to support investment in expansion potential and the delivery of much-needed infrastructure improvements, with a focus on enhancing operational efficiency, increasing production capacity, and strengthening long-term returns.
- To support its investment in NIML, Sanford commenced the construction of a new mussel-harvesting vessel in Q1 FY26. The vessel will be based in the Coromandel and reflects Sanford's commitment to the region, while providing additional harvesting capacity and future growth opportunities.
- In Q4, Sanford commenced investment in the Western Firth, located in the South Auckland region, following the recent approval of resource consents by Auckland Council. The investment includes farming infrastructure such as backbones, ropes and floats, with several lines already seeded and expected to be ready for harvest within 12 to 18 months. Farming operations will be supported by the company's Coromandel team and demonstrates Sanford's ongoing commitment to the region.



Revenue

$113.7m

FY25: $125.5m

Profit contribution

$10.3m

FY25: $34.8m

Harvest volume (GWT)

26,008 tonnes

FY25: 25,054 tonnes

GWT = Greenweight Tonnes

Sustainability

This section outlines Sanford's approach to climate and sustainability. Due to incoming legislative changes, Sanford is no longer required to prepare annual climate-related disclosures,[1] and has not produced a climate statement for the 2026 reporting period. Instead, the company has adopted a streamlined reporting model that integrates key climate-related and sustainability information into this Annual Report.

This disclosure has not been prepared in accordance with the Aotearoa New Zealand Climate Standards and is not intended to constitute a climate statement under Part 7A of the Financial Markets Conduct Act 2013.

Strategy, risks and impacts

Sanford remains focused on the business of food production in a changing future. Its transition plan centres on positioning the company to respond to increased demand for quality protein, with diversification by geography, species and harvest method central to managing its previously identified climate-related risks.

Sanford did not experience any material physical climate-related impacts in FY26. The most material transition impact is its indirect exposure to New Zealand's Emissions Trading Scheme (ETS), with an estimated cost in FY26 of approximately NZ$2.6 million, incurred through the purchase of fuel.

A brief update on Sanford's strategic response to its most material climate-related risks is outlined below:

1. Changes to carbon price: Sanford continues to investigate natural and financial hedging options for ETS price fluctuation risk.
2. Fuel security: Sanford has not taken any specific action in relation to driving policy change for the liquid fuels sector in FY26, though this may be explored through partnership with other aligned organisations in future.

Metrics and targets

Fuel consumption associated with marine operations remains Sanford's largest source of greenhouse gas (GHG) emissions, representing the substantial majority of Scope 1 emissions.

Table 1: Sanford GHG emissions data

Scope	Category	FY26	FY25	Base year FY20
1	Direct emissions (fuel, refrigerants) [tonnes of carbon dioxide equivalent – tCO_2e]	54,806	56,850	59,999
2	Indirect emissions from electricity, location based (tCO_2e)	1,339	1,992	2,423
3	Indirect emissions from value chain, upstream and downstream (tCO_2e)[2]	138,682	154,425	132,911
Sanford's Group intensity metrics				
	Scope 1, 2 and 3 emissions per GWT harvest (tCO_2e/GWT)	2.07	2.05	1.78
	Scope 1 and 2 emissions per GWT harvest (tCO_2e/GWT)[3]	0.91	0.83	0.87
Wildcatch intensity metrics				
	Scope 1 and 2 emissions per GWT harvest (tCO_2e/GWT)[4]	1.30	1.21	1.49
Mussels intensity metrics				
	Scope 1 and 2 emissions per GWT harvest (tCO_2e/GWT)[5]	0.24	0.20	0.19
Salmon intensity metrics				
	Scope 1 and 2 emissions per GWT harvest (tCO_2e/GWT)	0.69	0.57	0.46

1. Under the Financial Markets Conduct Amendment Bill, Sanford will no longer be a climate reporting entity. Pending passage of the Bill, the Financial Markets Authority has issued 'no action' relief from all Part 7A requirements under the Financial Markets Conduct Act 2013. That relief was extended in September 2026 to cover reporting periods with balance dates of 31 March 2027 up to and including 31 January 2028.
2. Includes relevant Scope 3 categories 1 to 5 and 9 under the Greenhouse Gas (GHG) Protocol.
3. Sanford harvest and vessels only. Excludes North Island Mussels Limited (NIML).
4. Sanford harvest and vessels only.
5. Excludes NIML.

In FY24, Sanford published an FY30 emissions reduction target to reduce emissions intensity for Scope 1 and 2 emissions by 5.0% from its FY20 base year, based on tCO_2e per greenweight tonne (GWT) of seafood harvested. In FY26, its Scope 1 and 2 absolute emissions decreased by 4.6% year-on-year, driven by lower fuel consumption, reduced refrigerant losses and a lower electricity emissions factor, while the company's emissions intensity across Scopes 1 and 2 increased by 9.6%, reflecting a reduction in harvest and catch volumes. While Scope 1 and 2 absolute emissions have decreased by 10.1% since its FY20 base year, Sanford's emissions intensity has increased by 4.6%. Scope 3 emissions decreased by 10.2% year-on-year, reflecting movements across a range of upstream and downstream value chain categories, and remain 4.3% above the FY20 base year.

While recognising that working towards the above target is challenging, Sanford continues to assess opportunities to improve operational efficiency and reduce emissions where commercially practical. Highlights for FY26 include:

- Last year the company disclosed that each Ship Energy Efficiency Management Plan would introduce an interim 1 per cent energy-intensity saving target measured in litres of fuel used per GWT caught. During FY26, Sanford commenced tracking vessel fuel intensity performance and established baseline reporting across fishing vessels greater than 400 metric tonnes. This data is being used to improve the company's understanding of vessel-level performance and to support the ongoing review of the interim 1 per cent energy-intensity saving target.
- An energy efficiency audit of Sanford's BGB operation was identified as a potential FY26 initiative. This work was not undertaken during the year, and the opportunity remains under review.
- During FY26, refrigeration equipment was updated at the Bluff processing facility, replacing older plant and reducing the risk of refrigerant leaks.

In FY26, approximately 80% of mussel biological waste was repurposed, and potential to further increase utilisation continue to be explored.

Progress against the FY30 emissions-reduction target will continue to be influenced by harvest and catch volumes, which are a key component of the intensity metric. Based on current performance and the initiatives identified to date, Sanford does not currently expect to reach its 5% intensity-reduction target in the short term.

Governance and risk management

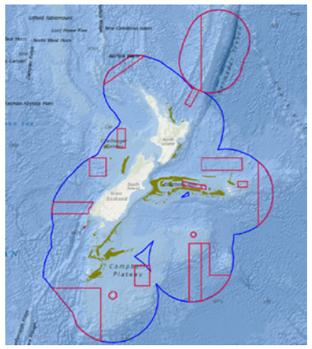
Sanford's Board has oversight of climate and sustainability strategy, risk management, and related metrics and targets, supported by a Sustainability Committee of the Board. Climate and sustainability are not currently formally incorporated into Sanford's investment decision-making process.

Fishing methods

The company mainly uses bottom and midline trawling to catch deepwater fish. Most deepwater species currently can only be fished using these methods. In addition to coastal marine reserves, 32% of the Exclusive Economic Zone (EEZ) is designated as Benthic Protection Areas (BPAs) – outlined in blue in the map below – and has been closed to bottom-trawling and dredging since 2007. Sanford's vessels are GPS tracked, and each fishing trip is logged with Fishserve.

Bottom trawling continues to attract negative public sentiment, and some groups – and some political parties – advocate for a bottom trawling 'ban'. The full scope of the proposals, and therefore their potential impact on the company and on New Zealand's wider seafood sector is presently unclear. Sanford takes the underlying concerns seriously and engages constructively on them; however, it considers that the negative sentiment towards bottom trawling in New Zealand's EEZ is not reflective of either the way the fishery is regulated or the way in which the company operates. Any bottom-trawling activity is limited to a relatively small area of the seabed (see green area in the map below for Sanford's FY26 bottom-trawling footprint). The FY26 footprint has remained relatively consistent with the company's FY25 one, as year-on-year Sanford returns to the same fishing grounds.

Long-lining is employed also, mainly for toothfish in Antarctic waters.[6] The only dredging Sanford undertakes is for oysters in the Foveaux Strait.



6. This fishery is managed by the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR).

Corporate Governance

This section provides an overview of Sanford's Corporate Governance Framework, introduces its Board members, and details pertinent information on shareholdings, remuneration, indemnity and insurance.

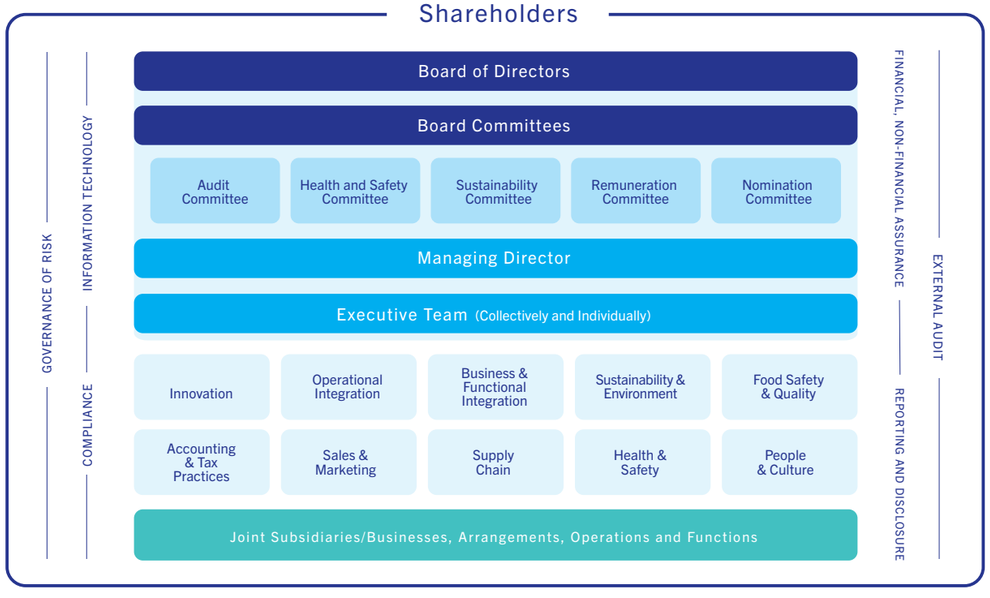
For further details on the company's governance structure, policies and practices, and the extent to which Sanford has followed the recommendations in the NZX Corporate Governance Code dated 31 March 2026 (NZX Code) during FY26, please refer to the Sanford Corporate Governance Statement dated 17 November 2026, available at: **sanford.co.nz/investors/governance/corporate-governance-statement**

Governance Framework

Sanford's Board and management are committed to achieving high standards of corporate governance. The company considers that the governance practices it has adopted follow these principles and policies for the year ended 30 September 2026.

The Board provides effective leadership to ensure the long-term success of the company and therefore builds shareholder value and is responsible for the strategic direction and control of the company. The Board exercises this control through a governance framework, which includes detailed reporting to the Board and its committees, effective delegation, risk management and a system of assurances regarding financial reporting and internal controls.

Creating Value Through Sound Corporate Governance



* This was the committees structure as at 30 September 2026. See below for changes made during the year.

Board of Directors

Sanford's directors bring a diverse wealth of experience, acting on behalf of the company's shareholders.

Directors are chosen for their corporate leadership skills, professional backgrounds, experience and expertise. The right blend of skills and experience, combined with the diversity of director perspectives, is crucial to ensuring the attainment of long-term value for Sanford's shareholders.

The Board currently comprises seven directors: Sir Robert (Rob) McLeod, Managing Director David Mair (who was re-elected as a director of the company at the Annual Shareholders' Meeting (ASM) held on 17 December 2025), Antony (Tony) Carter (who was appointed to the Board on 17 February 2026 as an independent director), Thomas (Tom) McClurg, Joanne (Jo) Curin, Craig Ellison and William (John) Strowger.

As at 30 September 2026, the Board determined that four of the seven directors were independent, including the Chair and the Chair of the Audit Committee.

With Tony Carter's appointment to the Board on 17 February 2026 as an independent director, the Board went from three independent and three non-independent directors, to four independent and three non-independent directors, and as at 30 September 2026 remained so. Accordingly, Recommendation 2.8 of the NZX Code (that a majority of the Board should be independent directors) was not followed for part of FY26, but was as at 30 September 2026.

While the Board brought its composition in line with Recommendation 2.8 during FY26, with the appointment of Tony Carter as an independent director, it recognises that the composition of Sanford's Board is ultimately determined by its shareholders, with the appointment of each of the company's directors being approved by a shareholder vote at Sanford's ASMs.

The Board is mindful of the importance of reflecting the best interests of its shareholders generally in decision-making. Therefore, the Board has adopted a robust Conflicts of Interest Policy to regulate and manage the risks of conflicts. The Board has also approved the composition of its committees, as detailed below.

Committee composition and changes

With effect from 03 October 2025, to ensure a focus on the company's key risks, the Board separated the People, Health and Safety Committee into the Health and Safety Committee and the Remuneration Committee, and with effect from 17 November 2025, the Board elevated 'Risk' to Board level and renamed the Audit, Finance and Risk Committee as the Audit Committee. Following these changes, and as at 30 September 2026, the composition of the Board committees is as follows:

Audit Committee
Jo Curin (Chair), Sir Rob McLeod and Craig Ellison

Health and Safety Committee
John Strowger (Chair), Sir Rob McLeod and Jo Curin

Remuneration Committee
John Strowger (Chair), Sir Rob McLeod and Jo Curin

Sustainability Committee
Tom McClurg (Chair), John Strowger and Craig Ellison

Nomination Committee
Sir Rob McLeod (Chair) with full Board membership

With Tony Carter's appointment to the Board on 17 February 2026 as an independent director, the Nomination Committee went from three independent and three non-independent directors, to four independent and three non-independent directors, and as at 30 September 2026 remained so. Accordingly, Recommendation 3.4 of the NZX Code (that a majority of the Nomination Committee should be independent directors) was not followed for part of FY26, but was as at 30 September 2026.

The Board was satisfied that with an equal split of independent and non-independent directors, the Nomination Committee continued to operate with sufficient objectivity, transparency and alignment with shareholder interests.

Under the NZX Listing Rules, a director must not hold office (without re-election) past the third annual meeting following that director's appointment or three years, whichever is longer. Consequently, John Strowger will retire from office at the 2026 ASM (having held office as director of the company since 18 December 2023). Being eligible, John Strowger has offered himself for re-election at the 2026 ASM.

In addition, under the NZX Listing Rules, any director appointed by the Board during the year must retire from office at the next annual meeting but is eligible for election at that meeting. Accordingly, Tony Carter, being a director who was appointed by the Board in FY26, will retire from office at the 2026 ASM. Being eligible, Tony Carter has offered himself for election at the 2026 ASM.

For more information about each director, see below or please visit:
sanford.co.nz/investors/governance/board-of-directors

Independence

Director independence is assessed in accordance with the NZX Listing Rules and with regard to the factors described in Table 2.4 of the NZX Code.

As at 30 September 2026, the Board considered that Sir Rob McLeod (Chair of the Board), Jo Curin (Chair of the Audit Committee), Tom McClurg (Chair of the Sustainability Committee) and Tony Carter are independent directors. They are non-executive directors who do not have any interests, positions, associations or relationships which might interfere, or might be seen to interfere, with their ability to bring independent judgement to the issues before the Board.

David Mair is not independent, as he is an executive director. John Strowger and Craig Ellison are non-executive directors who the Board has determined are not independent directors.

Directors are required to notify the company of any interests they have that could impact an assessment of their independence or their ability to act in the best interests of the company. Sanford has processes in place to manage any conflicts of interest with directors.

Executive Team

For information about our executive team, please visit: **sanford.co.nz/investors/governance/executive-team/**

Our Board

As at 30 September 2026



Sir Robert McLeod

Chair, Independent Non-Executive Director
Appointed 2016, appointed Chair in 2019

Sir Rob has had an extensive professional and governance career, both within the accounting profession and various public and private companies. He is a past Chair of Aotearoa Fisheries Limited (Moana NZ) and Sealord Group Limited and was a Commissioner of the Waitangi Fisheries Commission. Sir Rob has chaired and been a member of a number of government task forces and is also a past Chair of the New Zealand Business Roundtable.



Tony Carter

Independent Non-Executive Director - Appointed 2026

Tony has extensive governance experience across a broad range of sectors, including consumer, technology, agriculture, industrial services, infrastructure and energy. He transitioned into governance after a successful executive career, including a decade as Chief Executive and Managing Director at Foodstuffs. He was previously Chair of Air New Zealand Limited and Fisher & Paykel Healthcare Limited, and a director of Fletcher Building, ANZ Bank New Zealand Limited and Vector Limited. Tony is currently Chair of Datacom Group, TR Group Ltd and The Interiors Group, and a director of The Warehouse Group Limited and Ravensdown Cooperative.



David Mair

Managing Director - Appointed 2022
Appointed Managing Director 01 May 2024

David has significant corporate experience. He has been a Director of NZX-listed Skellerup Holdings Limited since 2006 and was Managing Director between 2011 and 2024. David was also a director of a2 Milk from 2008 until the company listed on the ASX in 2015. He was judged Deloitte Top 200 CEO of the Year for 2021 and given the prestigious Johnson Partners Leadership Award from the Institute of Finance Professionals (INFINZ). David is also currently a non-executive Director of Forté Funds Management Limited.



John Strowger

Non-Executive Director - Appointed 2023

John is a leading commercial lawyer with an extensive career. He was a partner at Chapman Tripp from 1993 to 2022 and remains a consultant there. John specialises in corporate, contract and securities law, with expertise in mergers and acquisitions. He was named NZ Deal Maker of the Year at the Australasian Law Awards in 2019, 2017 and 2015. He is also recognised by IFLR1000 as a "Market Leader" in mergers and acquisitions as well as equity capital markets. John chairs Skellerup Holdings Limited and serves on the boards and advisory committees of NZX- and ASX-listed KMD Brands Limited and various private sector businesses, including Qestral Corporation Limited and Caspex Corporation Limited.



Tom McClurg

Independent Non-Executive Director - Appointed 2024

Tom is Ngāti Mutunga o Wharekauri and has over 30 years of experience in natural resource management and policy roles within New Zealand's primary sector. He has held senior executive roles with government, Te Ohu Kai Moana, Aotearoa Fisheries Limited (Moana NZ), Ernst & Young, and Landcorp Farming Limited. Tom serves as a director for several entities, including Toroa Strategy Limited and Port Nicholson Fisheries. He is also Chair of Fishserve. In addition, Tom has been engaged by the World Bank, NZAid, and PNA, among other organisations, to provide fisheries management advice.



Jo Curin

Independent Non-Executive Director - Appointed 2024

Jo has over 25 years of governance experience in public and private structures including large-scale global companies. She has also held various senior executive positions, including as CFO of FTSE 100, ASX 50 and FTSE 250 businesses. Jo's sector experience includes shipping, logistics, manufacturing, engineering, construction, critical infrastructure, property development, retail, technology and healthcare. She is currently Deputy Chair and Audit Committee Chair for Geoquip Marine, a global offshore geotechnical engineering company.



Craig Ellison

Non-Executive Director - Appointed 2021

Craig has had a long involvement in the fisheries and seafood sector. He was the past Chief Executive of Ngāi Tahu Holdings, Chair of Ngāi Tahu Seafood, Poutama Trust, Moana Pacific, Prepared Foods, the NZ Seafood Standards Council, as well as serving on the executive of the Fishing Industry Association Board, and numerous stakeholder organisations. Craig has served on a number of other trade organisations and task forces in the sector, and was a Commissioner with the Treaty of Waitangi Fisheries Commission (Te Ohu Kaimoana) as it worked through the Allocation model and giving effect to the Fisheries Settlement. After the agreement on allocation methodology Craig served on the boards of Aotearoa Fisheries Limited (Moana NZ) and Sealord Group Limited.

Remuneration

Director Remuneration

Name of Director	Board Fees	Audit Committee	Health and Safety Committee	Sustainability Committee	Total Remuneration
Sir Rob McLeod (Chair)	$190,000	–	–	–	$190,000
Tony Carter	$61,781	–	–	–	$61,781
David Mair	–	–	–	–	–
Tom McClurg	$100,000	–	–	(Chair) $20,000	$120,000
Jo Curin	$100,000	(Chair) $20,000	–	–	$120,000
Craig Ellison	$100,000	–	–	–	$100,000
John Strowger	$100,000	–	(Chair) $20,000	–	$120,000
Total	**$651,781**	**$20,000**	**$20,000**	**$20,000**	**$711,781**

Managing Director Remuneration

The Managing Director's remuneration consists of fixed remuneration and variable remuneration in the form of a short-term incentive (STI) plan and a long-term incentive (LTI) plan. This is reviewed annually by the Remuneration Committee and the Board after reviewing the company's performance, the Managing Director's individual performance and advice from external remuneration specialists.

Fixed Remuneration

David Mair was appointed Managing Director on 01 May 2024 and was paid his base salary of $900,000 in FY26. He has no other fixed remuneration entitlements. David is a member of the Board but does not receive director's fees due to his Managing Director role.

Variable Remuneration

Short-Term Incentive Plan

The aim of the STI plan is to reward the Managing Director for achieving strategic objectives, which will result in strong financial returns for Sanford's shareholders. Participation in the plan is by annual invitation at the discretion of the company at which time financial targets and key performance indicators are established.

The Managing Director is eligible for an STI award in relation to the year ended 30 September 2026 which is determined as the lesser of (i) 5 per cent of full-year normalised earnings before interest and taxation (NEBIT) improvement over the FY25 NEBIT and (ii) 30 per cent of cash salary paid in respect of the financial year to which the STI calculation is applied. An amount of $270,000 is payable in respect of the plan for FY26, which is accrued in the FY26 financial statements (FY25: $270,000 was paid on 30 November 2025).

Long-Term Incentive Plan

The Board has approved the establishment of a long-term incentive option plan (LTI Option Plan). In accordance with the LTI Option Plan, the Board may grant options to employees of the company to acquire fully-paid shares in the company (the Options).

The objectives of the LTI Option Plan are to reward and retain key employees, drive longer-term performance and align incentives of participants with the interests of the company's shareholders and encourage longer-term decision-making by participants.

At the ASM on 18 December 2024 the shareholders approved the issue of 1,800,000 Options to David Mair as a single grant under the LTI Option Plan. David is the only participant in the LTI Option Plan.

Each Option is granted for nil cash consideration and may not be sold, transferred or otherwise disposed of without the prior written consent of the Board. Each Option granted confers an entitlement to be issued or transferred one fully-paid ordinary share in the company on exercise of the Option for a predetermined exercise price. Subject to remaining employed with the company, the Options will be eligible to be exercised from the vesting date up until the termination date, at which time any unexercised Options will lapse.

The Options have an exercise price per Option of $4.0063 which was the weighted average share price over the 20-day trading period prior to 01 May 2024 (being the commencement of David's employment as Managing Director), multiplied by 1.259, which represents a cost of capital charge of 8 per cent per annum compounding annually from the date the Options are issued to the vesting date, less the cumulative amount of cash dividends per share paid by the company during this vesting period.
The Options are exercisable at the end of a three-year vesting period ending on 15 November 2027. Subject to all of the Options issued to David being exercised without adjustment, this will result in the issue of 1,800,000 ordinary shares to David, representing 1.92 per cent of the quoted voting products of Sanford Limited on issue as at 30 September 2026, which will have a corresponding dilutionary impact on all shareholders. Dilution occurs when a company issues new shares, which results in a decrease of an existing shareholder's ownership percentage of the company, although the number of shares they hold will not be affected.

	Base Salary $	Other Short-term Benefits $	Employer Super $	STI $	LTI $	Total Remuneration $
David Mair	900,000	–	–	270,000	–	1,170,000

The STI of $270,000 above is in relation to FY25. The STI for FY26 has not been paid at balance date and is not shown above.

A non-cash LTI of $249,490 is calculated based on the fair value of the Options at grant date applicable to FY26. This has not been paid to the Managing Director and is not shown in the total remuneration above but is disclosed in the statement of changes in equity as the treasury share cost.

Annual Total Compensation Ratio

The annual total compensation ratio represents the number of times greater the highest-paid individual's remuneration is than the remuneration of an employee paid at the median of all Sanford employees (excluding the highest-paid individual). For the purpose of determining the median paid to all Sanford employees, all permanent full-time and fixed-term employees are included, with part-time employees excluded. Employee median remuneration includes basic wage and salary payments, employer superannuation and KiwiSaver payments, short-term incentives, overtime and leave buyouts.

Highest-paid remuneration includes basic salary payments, employer superannuation and short-term incentive payments.

At 30 September 2026, the Managing Director's remuneration for FY26, as shown above, was 13.59 times (FY25: 11.98 times) that of the median employee at $86,095 per annum (FY25: $88,055).

Employee Remuneration

The table below shows the number of employees and former employees, who are not also directors, who received remuneration and other benefits in excess of $100,000 during the year ended 30 September 2026.

Remuneration Range $000	Number of Employees	Remuneration Range $000	Number of Employees
100–110	42	230–240	3
110–120	37	240–250	2
120–130	31	260–270	1
130–140	24	310–320	1
140–150	28	320–330	1
150–160	16	330–340	1
160–170	5	350–360	1
170–180	10	380–390	1
180–190	4	390–400	1
190–200	6	650–660	1
200–210	2	780–790	1
210–220	2	830–840	1
220–230	1		

Gender Diversity

The gender composition of Sanford's directors and 'officers' (as defined by the NZX Listing Rules) as at 30 September 2026 and as at 30 September 2025 is set out in the table below.

	FY25 Female	FY25 Male	FY26 Female	FY26 Male
Directors	1	5	1	6
Officers	1	3	1	3

There were no directors or officers who self-identified as gender diverse in FY26 or FY25.

Sanford's approach to diversity is outlined in its Diversity, Equity and Inclusion Policy, which is available on the company website. The policy sets out behavioural and process expectations and standards to deliver practices which increase diversity and reduce bias.

Measurable objectives are set by the Board to track how Sanford is progressing towards its goals under the policy. The Board believes that initiatives undertaken by management during the year upheld the company's commitment to diversity and inclusion. Sanford has applied all terms of employment fairly and equitably and in accordance with its existing frameworks. The Board acknowledges that membership of the Board and executive team did not achieve the objective of having at least 30 per cent of members self-identifying as female.

Director Information

Interests Register

Sanford maintains an interests register in which relevant interests and matters involving the directors are recorded. The following are particulars of general interests in the company's interests register as at 30 September 2026 and of those added during the year. There were no specific disclosures of interests in transactions entered into by the company in FY26.

Director	Interest
Sir R McLeod	Chair, Nāti Growth Limited. Director, Nāti Properties Limited, Porou Miere Limited, Ngāti Porou Seafoods Limited, Pakihiroa Farms Limited, Ngāti Porou Fisheries Limited, Ngāti Porou Manuka Limited, Ngāti Porou Berries Limited, Point 76 Limited, Point Seventy Limited, Point Guard Limited, VCFA Limited, Clime Asset Management Limited, China Construction Bank (New Zealand) Limited, Singita Holdings Limited, Singita Investments Limited, Singita Properties Limited, Port of Tauranga Limited
T Carter	Chair, Datacom Group, My Food Bag, The Skin Institute, The Interiors Group and TR Group. Director, The Warehouse Group Limited, Ravensdown Cooperative, Avonhead Mall Limited, TALSC 6 Limited. Trustee, Maurice Carter Charitable Trust. Director and Shareholder, Loughborough Investments Limited
J Curin	Director, Geoquip Marine Holding AG.
C Ellison	Chair, Fenris Limited, Iron Duke Partners. Director, Lesvos Abalone Limited, Raniera Fishing Pty Ltd, Antarctica New Zealand. Advisor, Te Runanga o Ngāi Tahu
D Mair	Managing Director, Sanford Limited. Director, Skellerup Holdings Limited, Forté Funds Management Limited. Chair/Director, various Sanford Limited subsidiaries and JV entities, including Chair San Won Limited; Director, Salmon Smolt New Zealand Limited; Director, Sanford Investments Limited; Chair, ADNZ Management Limited
T McClurg	Chair, Commercial Fisheries Services Limited. Director and shareholder, Toroa Strategy Limited. Director, Port Nicholson Facilities General Partner Limited (general partner of Port Nicholson Facilities LP), Koura Inc General Partner Limited (general partner of Port Nicholson Fisheries LP), Puainuku Pastures General Partner Limited (general partner of Puainuku Pastures LP), Puainuku Vines General Partner Limited (general partner of Puainuku Vines LP), Te Tamoremorenui Limited, Ngā Kai Tautoko Limited (general partner of Te Pou Herenga Pakihi LP), Maruehi Fisheries Limited, Chatham Islands Seafood General Partner Limited (general partner of Chatham Islands Kaimoana LP)
J Strowger	Chair, Skellerup Holdings Limited. Director, KMD Brands Limited. Associated with substantial product holder group Tasman Equity Holdings Limited, Arden Capital Limited and Past Limited Partnership. Consultant, Chapman Tripp

Subsidiary Company Directors

As at 30 September 2026, Sanford had 13 New Zealand and one Australian directly held wholly-owned subsidiary companies. Sanford's Chief Financial Officer, Paul Alston, is the sole director of 11 of the New Zealand subsidiaries; Sanford's Chair, Sir Rob McLeod, is the director of one; and Paul Alston, together with Sanford's Managing Director, David Mair, are the directors of the other.

Sanford Australia's GM, Nicholas Geralis, is the sole director of the Australian subsidiary. Sanford's principal entities are set out in the notes to its FY26 Financial Statements.

Directors of the company's subsidiaries do not receive any remuneration or other benefits in their capacity as directors of those subsidiaries.

Indemnification and Insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of the company, Sanford has given indemnities to and has effected insurance for directors and executives of the company and its related companies. Except for some specific matters that are expressly excluded (such as incurring penalties and fines, which may be imposed for breaches of law), the indemnities and insurance indemnify and insure directors and executives against monetary losses as a result of actions undertaken by them in the course of their duties.

Director Interests in Shares

As at 30 September 2026, directors had disclosed the following relevant interests in Sanford shares:

Director	Number of Shares	Nature of Relevant Interest
Sir R McLeod	41,725	Beneficial interest
T Carter	6,500	Beneficial interest
J Curin	996	Beneficial interest
C Ellison	1,000	Beneficial interest and registered holder
T McClurg	500	Beneficial interest
D Mair	31,000	Registered holder as trustee of the DM2 Investment Trust, in which D Mair has a beneficial interest
J Strowger	22,500	Beneficial interest and registered holder (500 shares), beneficial interest (22,000 shares)

Director Share Dealing

Directors and executives are required to seek approval in advance of share trading and certify to the Board that they are not in possession of inside information, in accordance with the company's Share Trading Policy and Guidelines. One director acquired shares twice during the year ended 30 September 2026, as follows:

Director	Nature of Relevant Interest	Number of Shares Acquired	Consideration Paid	Date
T Carter	Beneficial interest	500	$4,085.00	15 May 2026
T Carter	Beneficial interest	3,000	$21,793.50	22 June 2026

Statutory Information

Shareholding Analysis

As at 01 October 2026

Size of Holding	Number of Shareholders	%	Number of Shares	%
1 to 999	532	26.43	223,763	0.24
1,000 to 4,999	922	45.80	1,956,071	2.09
5,000 to 9,999	258	12.82	1,650,346	1.76
10,000 to 49,999	223	11.08	4,290,440	4.58
50,000 to 99,999	28	1.39	2,033,779	2.17
100,000 and above	50	2.48	83,472,336	89.15
Total	**2,013**	**100.00**	**93,626,735**	**100.00**

Twenty Largest Shareholders

As at 01 October 2026

Registered Name	Number of Shares	%
BNP Paribas Nominees (NZ) Limited	11,397,570	12.17
Ngāi Tahu Investments Limited	9,638,100	10.29
ASB Nominees Limited	9,000,000	9.61
Masfen Securities Limited	7,093,500	7.58
Tasman Equity Holdings Limited	6,665,142	7.12
Forsyth Barr Custodians Limited – Custody	5,164,746	5.52
UMIOS Corporation	4,534,231	4.84
Rural Equities Limited	4,525,000	4.83
Accident Compensation Corporation – New Zealand Central Securities Depository Limited (NZCSD)	3,324,733	3.55
Citibank Nominees (New Zealand) Limited – NZCSD	2,250,742	2.40
Arden Capital Limited	2,221,715	2.37
Sterling Nominees Limited	2,184,037	2.33
HSBC Nominees (New Zealand) Limited – NZCSD	1,570,791	1.68
New Zealand Depository Nominee Limited	1,357,004	1.45
Custodial Services Limited	1,051,533	1.12
MMZ Trustee Company Limited	985,449	1.05
Apex Custodian Nominees (NZ) Limited CPTA for Harbour Asset Management	866,602	0.93
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited – NZCSD	774,438	0.83
Forsyth Barr Custodians Limited	671,380	0.72
Seaford Holdings Limited	534,750	0.57

Substantial Product Holders

According to company records and substantial product holder notices given to the company under the Financial Markets Conduct Act 2013, as at 30 September 2026 the following were substantial product holders in the company through having a relevant interest in the company's ordinary shares:

Substantial Product Holder	Number of Voting Securities	% of Ordinary Held Shares	Date of Last Substantial Product Holder Notice
Tasman Equity Holdings Limited, Arden Capital Limited and Past Limited Partnership	17,886,857	19.10	09 June 2026
Ngāi Tahu Holdings Corporation Limited and Ngāi Tahu Investments Limited*	9,638,100	10.29	09 June 2026
ANZ New Zealand Investments Limited, ANZ Bank New Zealand Limited and ANZ Custodial Services New Zealand Limited (aggregated as related bodies corporate)	7,373,056	7.87	08 June 2026
Masfen Securities Limited	7,093,500	7.58	14 March 2022
Umios Corporation and Maruha (N.Z.) Corporation Limited (aggregated as related bodies corporate)	4,885,231	5.22	24 March 2017

* Ngāi Tahu Holdings Corporation Limited has disclosed that it has a relevant interest in the shares held by Ngāi Tahu Investments Limited.

The total number of quoted voting products of Sanford Limited on issue as at 30 September 2026 was 93,626,735 (which includes treasury stock of 120,598 shares).

Waivers and Exemptions from NZX and the Overseas Investment Office (OIO)

NZX Waiver – Rule 7.8.5(b) – Appraisal Report

On 15 November 2024, NZX Regulation Limited granted Sanford a waiver from NZX Listing Rule 7.8.5(b) to allow Sanford to seek shareholder approval for the proposed grant of 1,800,000 Options to the Managing Director, David Mair, without an accompanying independent Appraisal Report. The relevant resolution was subsequently approved at the 2024 ASM. The full waiver decision can be found on the company's announcement page on the NZX website **(nzx.com/companies/SAN/announcements).**

NZX Waiver – Overseas Ownership Provisions in the Company's Constitution

To enable the Board to better manage the risk of the company being an 'overseas person' in the future (which would, among other things, impact the company's ability to acquire an interest in fishing quota (including ACE) in the ordinary course of its business), the company's constitution was amended in 2016 to include provisions which enable the Board to:

- Require certain documentation and/or information in relation to a proposed transferor or transferee of the company's shares and to restrict the transfer of the company's shares to 'overseas persons' (Transfer Powers)
- Suspend the voting rights of any of the company's shares the Board determines are 'affected shares' (being, in summary, shares which the Board determines are held by 'overseas persons' and which have caused the company to be in breach of the 'overseas ownership threshold' – a threshold which is currently set at 90 per cent of the maximum aggregate percentage of the company's shares that can be owned or controlled by 'overseas persons' without the company itself being an 'overseas person') (Suspension Powers)
- Require (or effect) a sale of any 'affected shares' to a 'non-overseas person'.

A more detailed outline and explanation of the effects of the above powers can be found on the company's website at **sanford.co.nz/investors/governance/company-constitution** and the provisions which enable the Board to exercise those powers are set out in the company's constitution. NZX Regulation (a body now referred to as NZ RegCo) granted the company a waiver from NZX Listing Rule 8.1.5 to enable the company to have the Suspension Powers in its constitution (Waiver). As a condition of the Waiver, Sanford is listed on the NZX Main Board with a Non-Standard designation. The full text of the Waiver can be found at **nzx.com/companies/SAN/documents**. In addition, NZX Regulation granted the company approval in 2016 for the company to include the Transfer Powers in its constitution. The full text of that approval can be found at **nzx.com/announcements/293474**.

OIO Exemption – Overseas Ownership

In 2018, the company obtained an exemption from the requirement under the Overseas Investment Act 2005 (OIA) to obtain consent prior to acquiring 'fishing quota' in certain limited circumstances, which expired in August 2023 (Original Exemption).

At the time the Original Exemption was obtained, the OIA provided that a body corporate such as the company would be an 'overseas person' where (in summary) it has a level of overseas ownership or control of 25 per cent or more. However, the test in the OIA for when the company (being a New Zealand company that is listed on the NZX Main Board) will be an 'overseas person' has subsequently been amended. The changes to that test effectively increase the extent of overseas ownership required for the company to be considered an 'overseas person', making it less likely that the company could become an 'overseas person' within a short period of time without its prior knowledge.

Given the company's current level of overseas ownership, the company is considering whether a new exemption should be pursued. However, the company continues to monitor its level of overseas ownership to minimise the prospect of it becoming an 'overseas person' within a short period of time without its prior knowledge. Such monitoring complements the provisions in its constitution which enable the Board to require (or effect) a sale of the 'affected shares' to a 'non-overseas person' (as discussed above).

For the avoidance of doubt, any exemption from the OIA would not exempt any 'overseas person' from any requirement to obtain consent under the OIA before giving effect to the acquisition of rights or interests in the company's securities.

GAAP to Non-GAAP Reconciliation

for the year ended 30 September 2026

	2026	2025
	$000	$000
Reported net profit for the period (GAAP)	**74,543**	**63,692**
Add back:		
Income tax expense	29,864	26,269
Net interest expense	7,794	12,148
EBIT	**112,201**	**102,109**
Adjustments		
Impairment of assets	-	3,445
Loss on remeasurement of assets ceasing to be held for sale	3,049	-
Costs incurred relating to assets ceasing to be held for sale	280	-
Restructuring costs	1,048	580
Net (gain)/loss on sale of property, plant and equipment and intangibles	(27)	103
Gain on sale of North Island Mussels Limited assets	-	(1,040)
Adjusted EBIT	**116,551**	**105,197**
Add back:		
Depreciation and amortisation	34,070	35,795
Adjusted EBITDA	**150,621**	**140,992**

GAAP to Non-GAAP Reconciliation

Sanford's standard profit measure prepared under New Zealand generally accepted accounting practices (GAAP) is net profit. Sanford has used non-GAAP measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate divisional and total group performance and to establish operating and capital budgets. Non-GAAP profit measures are not prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and are not uniformly defined; therefore, the non-GAAP profit measures included in this report are not comparable with those used by other companies. They should not be viewed in isolation or as a substitute for GAAP profit measures as reported by Sanford in accordance with NZ IFRS.

Definitions

Adjusted EBIT: Earnings before interest, taxation, impairment of assets and investments, costs relating to assets ceasing to be held for sale, restructuring costs, net (gain)/loss on sale of property, plant and equipment, and intangible assets, and gain on sale from one-off transactions.

Adjusted EBITDA: Adjusted EBIT before depreciation and amortisation.

Five-Year Financial Review

	2026	2025	2024	2023	2022
	$000	$000	$000	$000	$000
Revenue	**598,562**	**584,109**	**582,913**	**553,397**	**531,887**
Adjusted EBITDA*	**150,621**	**140,992**	**108,650**	**81,534**	**68,262**
Depreciation and amortisation	(34,070)	(35,795)	(34,442)	(32,142)	(28,086)
Adjusted EBIT **	**116,551**	**105,197**	**74,208**	**49,392**	**40,176**
Impairment of assets	-	(3,445)	(16,856)	(1,418)	(1,301)
Loss on remeasurement of assets ceasing to be held for sale	(3,049)	-	-	-	-
Costs incurred relating to assets ceasing to be held for sale	(280)	-	-	-	-
Other one-off items	-	-	866	(947)	(639)
Impairment of investment and advances in Two Islands Limited group	-	-	(3,132)	-	-
Restructuring costs	(1,048)	(580)	(1,495)	(5,544)	(345)
Net (loss)/gain on sale of property, plant and equipment and intangible assets	27	(103)	(293)	35	43,616
Gain on sale of North Island Mussels Limited assets	-	1,040	-	-	-
Net gain on sale of North Island inshore fishery assets	-	-	964	-	-
Software-as-a-Service (SaaS) expenditure	-	-	-	(12,714)	(10,312)
Receipt from termination of lease	-	-	-	2,200	-
EBIT	**112,201**	**102,109**	**54,262**	**31,004**	**71,195**
Net interest expense	(7,794)	(12,148)	(16,867)	(13,522)	(8,731)
Profit before income tax	**104,407**	**89,961**	**37,395**	**17,482**	**62,464**
Income tax expense	(29,864)	(26,269)	(17,725)	(7,471)	(6,692)
Profit for the year	**74,543**	**63,692**	**19,670**	**10,011**	**55,772**
Non-controlling interest	(13)	(2)	15	5	122
Profit attributable to equity holders of the Company	**74,530**	**63,690**	**19,685**	**10,016**	**55,894**
Equity					
Paid in capital	94,690	94,690	94,690	94,690	94,690
Reserves	710,721	645,715	609,303	589,881	569,795
Non-controlling interest	380	367	365	380	388
Total equity	**805,791**	**740,772**	**704,358**	**684,951**	**664,873**
Represented by:					
Current assets	292,843	233,941	264,909	276,405	224,096
Less current liabilities	66,845	124,708	74,048	180,386	139,888
Working capital	**225,998**	**109,233**	**190,861**	**96,019**	**84,208**
Property, plant and equipment	215,018	210,559	217,819	227,254	193,032
Right-of-use assets	36,401	39,450	32,751	40,334	37,574
Investments	670	950	1,261	4,383	3,938
Derivative financial instruments	1,128	1,797	16,364	12,515	6,925
Biological assets (non-current)	27,319	33,869	23,239	18,226	19,019
Intangible assets	485,352	486,170	490,087	493,196	493,096
	991,886	**882,028**	**972,382**	**891,927**	**837,792**
Less non-current liabilities	186,095	141,256	268,024	206,976	172,919
Total net assets	**805,791**	**740,772**	**704,358**	**684,951**	**664,873**
Dividend per share (cents)	10.0†	10.0†	10.0†	12.0†	10.0†
Dividend cover (times)	8.0	6.8	2.1	0.9	6.0†
Return on average total equity	9.6%	8.8%	2.8%	1.5%	8.6%
Earnings per share (cents)	79.7	68.1	21.1	10.7	59.8
Net asset backing per share	$8.62	$7.92	$7.53	$7.32	$7.10

* Adjusted EBITDA: Adjusted EBIT before depreciation and amortisation

** Adjusted EBIT: Earnings before interest, taxation, impairment of assets and investments, costs relating to assets ceasing to be held for sale, restructuring costs, net (gain)/loss on sale of property, plant and equipment, and intangible assets, and gain on sale from one-off transactions.

† Includes the dividends proposed after balance date.

Financial Statements 2026

The directors are pleased to present the Financial Statements of the Group for the year ended 30 September 2026.

For and on behalf of the Board of Directors:

Sir Robert A McLeod
Chair
16 November 2026

David W Mair
Managing Director
16 November 2026

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Income Statement

for the year ended 30 September 2026

	Note	2026 $000	2025 $000
Revenue	4	598,562	584,109
Cost of sales		(432,246)	(429,343)
Gross profit		**166,316**	**154,766**
Other income		4,774	7,315
Distribution expenses	5	(13,030)	(13,680)
Administrative expenses	5	(28,932)	(29,198)
Other expenses	5	(16,851)	(17,195)
Operating profit		**112,277**	**102,008**
Finance income	6	1,343	1,511
Finance expense	6	(9,137)	(13,659)
Net finance expense		**(7,794)**	**(12,148)**
Share of (loss)/profit of equity accounted investees	13	(76)	101
Profit before income tax		**104,407**	**89,961**
Income tax expense	7	(29,864)	(26,269)
Profit for the year		**74,543**	**63,692**
Profit attributable to:			
Equity holders of the Company		74,530	63,690
Non-controlling interest		13	2
		74,543	**63,692**
Earnings per share (EPS), expressed in cents per share			
From profit attributable to equity holders of the Company			
Basic EPS	16	**79.7**	**68.1**
Diluted EPS	16	**79.4**	**68.1**

Statement of Comprehensive Income

for the year ended 30 September 2026

	2026 $000	2025 $000
Profit for the year (after tax)	**74,543**	**63,692**
Other comprehensive income		
Items that may be reclassified to the income statement		
Foreign currency translation differences	138	112
Change in fair value of cash flow hedges recognised in other comprehensive income	(1,382)	(25,433)
Deferred tax on cash flow hedges	387	7,121
Items that may not be reclassified to the income statement		
Amount of treasury share cost expensed in relation to share-based payment	249	219
Deferred tax on treasury share cost expensed	436	55
Other comprehensive income for the year	**(172)**	**(17,926)**
Total comprehensive income for the year	**74,371**	**45,766**
Total comprehensive income for the year is attributable to:		
Equity holders of the Company	74,358	45,764
Non-controlling interest	13	2
Total comprehensive income for the year	**74,371**	**45,766**

Statement of Financial Position

as at 30 September 2026

	Note	2026 $000	2025 $000
Current assets			
Cash on hand and at bank	8	46,375	11,589
Trade receivables	9(a)	80,769	62,669
Derivative financial instruments	18	5,984	2,724
Other receivables and prepayments	9(b)	4,052	5,498
Biological assets	10	68,235	39,509
Inventories	11	87,428	92,336
Assets held for sale	20	-	19,616
Total current assets		**292,843**	**233,941**
Non-current assets			
Property, plant and equipment	12	215,018	210,559
Right-of-use assets	19	36,401	39,450
Investments	13	670	950
Derivative financial instruments	18	1,128	1,797
Biological assets	10	27,319	33,869
Intangible assets	14	485,352	486,170
Total non-current assets		**765,888**	**772,795**
Total assets		**1,058,731**	**1,006,736**
Current liabilities			
Bank loans (secured)	18	-	40,000
Derivative financial instruments	18	6,460	3,643
Trade and other payables	15	40,636	37,406
Taxation payable		11,835	15,515
Lease obligations	19	7,914	14,606
Liabilities held for sale	20	-	13,538
Total current liabilities		**66,845**	**124,708**
Non-current liabilities			
Bank loans (secured)	18	100,000	65,000
Contributions received in advance		1,072	1,274
Employee entitlements	15	258	674
Derivative financial instruments	18	3,960	2,724
Deferred taxation	7	47,950	44,785
Lease obligation	19	32,855	26,799
Total non-current liabilities		**186,095**	**141,256**
Total liabilities		**252,940**	**265,964**
Equity			
Paid in capital		94,690	94,690
Retained earnings		709,931	644,753
Other reserves		790	962
Shareholder funds		**805,411**	**740,405**
Non-controlling interest		380	367
Total equity	16	**805,791**	**740,772**
Total equity and liabilities		**1,058,731**	**1,006,736**

Statement of Cash Flows

for the year ended 30 September 2026

	Note	2026 $000	2025 $000
Cash flows from operating activities			
Receipts from customers		610,423	639,151
Interest received		1,343	1,518
Payments to suppliers and employees		(483,105)	(488,462)
Income tax paid		(29,455)	(3,322)
Interest paid		(9,583)	(13,543)
Net cash flows from operating activities		**89,623**	**135,342**
Cash flows from investing activities			
Sale of North Island Mussels Limited assets	12	-	2,695
Sale of property, plant and equipment		96	363
Dividends received from associates	13,22	375	690
Purchase of property, plant and equipment	12	(26,297)	(22,488)
Purchase of intangible assets	14	(12)	(558)
Purchase of investments	13,22	(171)	(278)
Net cash flows used in investing activities		**(26,009)**	**(19,576)**
Cash flows from financing activities			
Repayment of term loans		(110,000)	(95,000)
Proceeds from borrowings		105,000	-
Lease payments	19	(14,431)	(14,324)
Dividends paid to company shareholders	17	(9,352)	(9,352)
Net cash flows used in financing activities		**(28,783)**	**(118,676)**
Net increase/(decrease) in cash and cash equivalents		**34,831**	**(2,910)**
Effect of exchange rate fluctuations on cash held		(45)	24
Cash and cash equivalents at beginning of year		11,589	14,475
Cash and cash equivalents at 30 September		**46,375**	**11,589**
Represented by:			
Cash on hand and at bank	8	**46,375**	**11,589**

Statement of Cash Flows (continued)
for the year ended 30 September 2026

Reconciliation of profit for the period with net cash flows from operating activities

	Note	2026 $000	2025 $000
Profit for the year (after tax)		**74,543**	**63,692**
Adjustments for non-cash items:			
Depreciation and amortisation		34,070	35,795
Depreciation - Annual Catch Entitlements (ACE)	19	8,789	8,515
Impairment of property, plant and equipment	12	-	515
Impairment of intangibles	14	-	2,595
Impairment of right-of-use assets	19	-	69
Loss on remeasurement of assets ceasing to be held for sale	20	3,049	-
Impairment of assets classified as held-for-sale		-	266
Share-based payment expensed		249	219
Change in fair value of biological assets	10	(22,176)	5,418
Change in fair value of forward exchange contracts		79	3,483
Decrease in contributions received in advance		(202)	(257)
Share of profit of equity-accounted investees	13	76	(101)
Increase in deferred tax liability	7	3,988	8,315
Unrealised foreign exchange losses/(gains)		284	(3,756)
		28,206	**61,076**
Movement in working capital			
(Increase)/Decrease in trade and other receivables		(15,808)	24,624
Decrease/(Increase) in inventories		4,908	(18,973)
Increase/(Decrease) in trade and other payables and other liabilities		1,481	(9,405)
(Decrease)/Increase in taxation payable		(3,680)	14,616
		(13,099)	**10,862**
Items classified as investing activities			
Net (gain)/loss on sale and disposal of property, plant and equipment		(27)	752
Gain on sale of North Island Mussels Limited assets	12	-	(1,040)
		(27)	**(288)**
Net cash flows from operating activities		**89,623**	**135,342**

Statement of Cash Flows (continued)
for the year ended 30 September 2026

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Note	Lease Obligation $000	Bank Loans (secured) $000	Derivative Financial Liabilities (asset) $000	Total $000
As at 01 October 2025		**41,405**	**105,000**	**1,846**	**148,251**
Lease payments	19	(14,431)	-	-	(14,431)
Repayment of bank loans		-	(110,000)	-	(110,000)
Proceeds from borrowings		-	105,000	-	105,000
Financing cash flows		**(14,431)**	**(5,000)**	**-**	**(19,431)**
New leases, net of settlements	19	12,897	-	-	12,897
Effect of movement in exchange rates	19	898	-	-	898
Change in fair value of derivative financial instruments		-	-	1,462	1,462
As at 30 September 2026		**40,769**	**100,000**	**3,308**	**144,077**
As at 01 October 2024		**34,331**	**200,000**	**(27,070)**	**207,261**
Lease payments	19	(14,324)	-	-	(14,324)
Repayment of bank loans		-	(95,000)	-	(95,000)
Financing cash flows		(14,324)	(95,000)	-	(109,324)
New leases, net of settlements	19	21,312	-	-	21,312
Terminations of leases	19	(429)	-	-	(429)
Effect of movement in exchange rates	19	515	-	-	515
Change in fair value of derivative financial instruments		-	-	28,916	28,916
As at 30 September 2025		**41,405**	**105,000**	**1,846**	**148,251**

Statement of Changes in Equity

for the year ended 30 September 2026

	Note	Share Capital $000	Share-based Payment Reserve $000	Translation Reserve $000	Cash Flow Hedge Reserve $000	Retained Earnings $000	Total $000	Non-controlling Interest $000	Total Equity $000
Balance at 01 October 2025		**94,690**	**274**	**1,265**	**(577)**	**644,753**	**740,405**	**367**	**740,772**
Profit for the year (after tax)		-	-	-	-	74,530	74,530	13	74,543
Other comprehensive income									
Foreign currency translation differences		-	-	138	-	-	138	-	138
Hedging loss recognised in other comprehensive income		-	-	-	(1,382)	-	(1,382)	-	(1,382)
Amount of treasury share cost expensed in relation to share-based payment		-	249	-	-	-	249	-	249
Deferred tax on change in reserves		-	436	-	387	-	823	-	823
Total comprehensive income		**-**	**685**	**138**	**(995)**	**74,530**	**74,358**	**13**	**74,371**
Distributions to shareholders	17	-	-	-	-	(9,352)	(9,352)	-	(9,352)
Balance at 30 September 2026		**94,690**	**959**	**1,403**	**(1,572)**	**709,931**	**805,411**	**380**	**805,791**
Balance at 01 October 2024		**94,690**	**-**	**1,153**	**17,735**	**590,415**	**703,993**	**365**	**704,358**
Profit for the year (after tax)		-	-	-	-	63,690	63,690	2	63,692
Other comprehensive income									-
Foreign currency translation differences		-	-	112	-	-	112	-	112
Hedging loss recognised in other comprehensive income		-	-	-	(25,433)	-	(25,433)	-	(25,433)
Amount of treasury share cost expensed in relation to share-based payment		-	219	-	-	-	219	-	219
Deferred tax on change in reserves		-	55	-	7,121	-	7,176	-	7,176
Total comprehensive income		**-**	**274**	**112**	**(18,312)**	**63,690**	**45,764**	**2**	**45,766**
Distributions to shareholders	17	-	-	-	-	(9,352)	(9,352)	-	(9,352)
Balance at 30 September 2025		**94,690**	**274**	**1,265**	**(577)**	**644,753**	**740,405**	**367**	**740,772**

Notes to the Financial Statements

for the year ended 30 September 2026

Note 1 – General Information

(a) Reporting entity

Sanford Limited ('the parent' or 'the Company') is a profit-orientated company that is domiciled and incorporated in New Zealand. The Company is registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX). The Company is an FMC entity for the purposes of Part 7 of the Financial Markets Conduct Act 2013.

The financial statements presented are for Sanford Limited ('Sanford' or 'the Group') as at and for the year ended 30 September 2026. The Group comprises the Company, its subsidiaries, and its investments in joint arrangements and associates.

In accordance with the Financial Markets Conduct Act 2013, where a reporting entity prepares consolidated financial statements, parent disclosures are not required.

The Group is a large and long-established fishing and aquaculture farming business devoted entirely to the farming, harvesting, processing, storage and marketing of quality seafood products and investments in related activities.

Note 2 – Basis of Preparation

(a) Statement of compliance

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards as appropriate for Tier 1 for-profit entities. They also comply with International Financial Reporting Standards.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following which are measured on the bases set out below:

- Derivative financial instruments: interest rate swaps, fuel swaps, and forward exchange contracts are measured at fair value.
- Biological assets: in-water salmon and mussel assets are measured at fair value less costs to sell
- Inventories are measured at lower of cost and net realisable value.
- Assets held for sale are measured at the lower of fair value less cost to sell and carrying value

(c) Foreign currency

Functional and presentation currency

These financial statements are presented in New Zealand dollars (NZD), the Company's functional currency. All financial information presented in NZD has been rounded to the nearest thousand dollars (unless described as millions within the notes to these financial statements).

Foreign currency transactions

Foreign currency transactions are translated to NZD at the exchange rates ruling at the dates of the transactions. At balance date foreign currency monetary assets and liabilities are translated at the closing rate. The exchange variations arising from these translations are recognised in the income statement.

Foreign operations

Foreign operations are entities within the Group, the activities of which are based in a country other than New Zealand, or are conducted in a currency other than NZD. The assets and liabilities of foreign operations are translated into NZD at the closing rate, while revenues and expenses are translated at rates approximating the exchange rate ruling at the date of the transaction. Exchange variations are taken directly to the foreign currency translation reserve.

(d) Use of estimates and judgements

The preparation of financial statements requires the Board of Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts in the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Accounting policies, and information about judgements, estimates and assumptions that have had a significant impact on the amounts recognised in the financial statements are disclosed in the relevant notes as follows:

- Valuation of biological assets (refer note 10)
- Valuation of inventories (refer note 11)
- Impairment testing of property, plant and equipment (refer note 12)
- Impairment testing of intangible assets (refer note 14)

Note 2 – Basis of Preparation (continued)

(d) Use of estimates and judgements (continued)

- Valuation of financial instruments (refer note 18)

Estimates are identified by a grey tint in the notes to the financial statements.

(e) Significant accounting policies

Accounting policies are disclosed within each of the applicable notes to the financial statements and are identified by a teal tint.

The Group's accounting policies have been applied consistently to all periods presented in these financial statements.

(f) New and amended accounting standards and interpretations adopted

No new or amended accounting standards and interpretations that became effective for the year ended 30 September 2026 have a material impact on the Group.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 01 October 2026. In April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in Financial Statements, which is effective for accounting periods beginning on or after 01 January 2027. The impact of this standard is being assessed by the Group, however it is expected that the standard will affect the presentation of the financial statements. This standard has not been early adopted in preparing these financial statements.

The Group is currently assessing the impact of other new standards to the Group to determine if they will have a significant impact on future financial statements. On this basis, the Group has not adopted and currently does not anticipate adopting, any standards prior to their effective dates.

Note 3 – Segment Reporting

Executive management of the Group monitors the operating results of the wildcatch and aquaculture (mussels and salmon) divisions. Operating divisions' performances are evaluated based on operating profit or loss. Capital expenditure consists of additions of property, plant and equipment and intangible assets.

The Group's key operating divisions are:

- Wildcatch - responsible for catching and processing deepwater fish species, and the leasing of Annual Catch Entitlements (ACE) for North Island inshore species; and
- Aquaculture - responsible for farming, harvesting and processing mussels and salmon.

The Group has determined that the divisions above should be aggregated to form one reportable segment to reflect the farming, harvesting, processing and selling of seafood products, due to the aggregated manner in which performance is monitored.

The criteria as set out in paragraph 12 of NZ IFRS 8 Operating Segments were considered in determining the aggregation of the operating divisions. In aggregating these operating divisions into one reportable segment, the Group identified similarities in the following:

Similar economic characteristics

The Group considered and identified similarities in economic characteristics in the wildcatch and aquaculture divisions. The Group concluded, having considered several factors, that the operating segments exhibited similar long-term economic characteristics because the impact of these factors is expected to be similar across all operating divisions. This is supported by the following observations:

Foreign exchange

A large proportion of the Group's sales are derived from exporting seafood products. Movements in foreign exchange rates have a significant influence on the degree of profitability of the Group.

Competitive and operating risks

The operating risks are similar for all of the seafood products in which the Group trades, due to the vagaries of nature and its impact in respect of weather patterns, nutrients in the oceans, parasites and disease.

The global growth in seafood product demand and rising commodity prices have led to a heightened competitive environment in which the Group trades; this applies in a similar manner across all of the operating divisions.

Economic and political risk

Economic prosperity and political stability for countries in which Sanford's customers are based have a direct impact across the Group in its ability to derive increasing positive returns to shareholders.

Other variables impacting profit

There are many other variables that directly or indirectly impact the profitability of the operating divisions such as international trade rules and tariffs and climate change. The Group has assessed that the operating divisions are similarly impacted by these variables.

Nature of the products

All of the seafood products have similar nutritional factors; principally they are a good source of protein and relatively low in fat.

Note 3 – Segment Reporting (continued)

Similar nature of production processes

The Group has determined that all of the seafood products produced for its customers are harvested from the sea. In addition, certain fish species and mussels have hand-opening or machine-opening processes involved in the final completion of the production chain.

The type or class of customer for the product

The Group sells products derived from all of its operating divisions to four (2025: five) of its top ten customers. The Group's customers are largely of a wholesale nature.

The methods used to distribute the product

The Group's sales team is structured geographically and not by product type or by operating division.

The nature of the regulatory environment

Both aquaculture and fish products are governed by the quality control regulations set by the Ministry for Primary Industries in New Zealand and those countries to which the Group exports. In respect of vessels, these must meet Maritime New Zealand regulations; this requirement is similar for all operating divisions.

Revenue by geographical location of customers

	2026	2025
	$000	$000
New Zealand	206,614	228,437
China	101,310	61,013
North America	93,598	113,034
Europe	86,659	88,996
Australia	42,358	39,798
Other Asia	18,611	16,698
Africa	12,037	3,546
South Korea	10,149	8,853
Japan	9,186	7,836
Middle East	7,071	10,225
Hong Kong	6,306	3,224
Pacific	3,261	1,437
Central and South America	1,402	1,012
Revenue	**598,562**	**584,109**

The revenue information above is based on the delivery destination of sales.

The Group has no customers who account for more than 10% of total sales for the year (2025: one customer).

Note 4 – Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, the performance obligations are satisfied and the revenue can be reliably measured, regardless of when payment is made. Revenue is measured at the fair value of the consideration received or receivable.

Domestic sales

The performance obligation for domestic sales is satisfied upon delivery of the products to the customer or collection of the goods by the customer. Payment terms generally range between seven days and 20th of the month following invoice date.

Export sales

The performance obligation is satisfied upon transfer of legal title in line with the relevant incoterms. The Group typically acts as agent in arranging transport and insurance under such arrangements. Revenue is recognised net of the associated costs of these arrangements. Payment terms vary between customers and export destinations.

Revenue from leasing of Annual Catch Entitlements (ACE)

ACE is the annual right to catch a specific amount of a relevant fish stock within the quota management system for the duration of a fishing year and is allocated annually to quota owners of that fish stock. Lease income is derived from transferring to industry lessees the right to catch the allocated fish stock as stipulated under the ACE.

Lease arrangements involving ACE are treated as operating leases as the risks and rewards of ownership to the underlying fish species quota - from which an ACE is derived - are not substantially transferred to the lessee. Lease income is recognised over the period when the lessee has the right to fish under the ACE.

	2026	2025
	$000	$000
Revenue from contracts with customers	577,376	562,702
Revenue from ACE lease income	21,186	21,407
	598,562	**584,109**

Revenue in relation to contract assets

The Group recognises this revenue from the satisfaction of performance obligations prior to consideration received from these customers, in line with the above. In addition, the payment terms for these assets are also in line with the above.

Note 5 – Expenses and Other Income

	Note	2026 $000	2025 $000
(a) Administrative and other expenses include			
KPMG statutory audit fees		408	400
KPMG limited assurance - greenhouse gas (GHG) emissions disclosures		-	29
Impairment of property, plant and equipment	12	-	515
Impairment of intangibles	14	-	2,595
Impairment of right-of-use assets	19	-	69
Impairment of assets classified as held-for-sale		-	266
Loss on remeasurement of assets ceasing to be held for sale	20	3,049	-
Share-based payment expensed	16	249	219
Restructuring costs		1,048	580
Donations		29	116
Research and development		155	185
(b) Personnel expenses included in cost of sales, administrative and distribution expenses			
Wages and salaries (including short-term employee benefits)		111,506	121,205

(c) Other income

30 September 2025 - Gain on sale of North Island Mussels Limited assets

Refer to note 12(b) for details.

Note 6 – Finance Income and Expense

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Finance expenses comprise interest expense on borrowings and impairment losses recognised on financial assets (except for trade receivables), as well as non-trading currency exchange losses.

	Note	2026 $000	2025 $000
Finance income			
Interest income		1,343	1,511
		1,343	**1,511**
Finance expense			
Interest expense on bank loans		6,765	11,005
Interest expense on leases	19	1,932	2,088
Interest expense on lease liabilities classified as held for sale		440	566
		9,137	**13,659**
Net finance expense		**7,794**	**12,148**

Note 7 – Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income (OCI), in which case it is recognised in OCI.

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

Deferred tax is:

- Recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes
- Not recognised for the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future
- Measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at balance date.

7.1 Income tax expense

	2026 $000	2025 $000
Current tax expense		
Current period	25,626	19,109
Adjustments for prior periods	250	(1,155)
	25,876	**17,954**
Deferred tax expense		
Origination and reversal of temporary differences	4,434	7,150
Adjustments for prior periods	(446)	1,165
	3,988	**8,315**
Income tax expense	**29,864**	**26,269**
Reconciliation of effective tax rate		
Profit for the year	74,543	63,692
Income tax expense	29,864	26,269
Profit before income tax	**104,407**	**89,961**
Tax at current rate of 28%	**29,234**	**25,189**
Non-taxable capital gain	-	(306)
Unrecognised tax losses	580	469
Tax legislation changes	-	-
Impairment of investment	-	-
Non-deductible expenses	199	320
Impairment of goodwill	-	596
Capitalised asset timing differences	40	56
Adjustments for prior periods	(196)	(10)
Different foreign tax rate	3	(28)
Other	4	(17)
	630	**1,080**
Income tax expense	**29,864**	**26,269**
Imputation credit account		
Imputation credits available for use in subsequent reporting periods	74,101	58,097

The Group's imputation credits are available to be attached to dividends paid by Sanford Limited.

Note 7 – Taxation (continued)

7.2 Deferred tax

	2026			
	Balance 30 September 2025	Recognised in Income Statement	Recognised in Other Comprehensive Income	Balance 30 September 2026
	$000	$000	$000	$000
Movement in temporary differences during the year				
Property, plant and equipment	14,572	760	-	15,332
Intangible assets	24,212	1,076	-	25,288
Trade receivables	(47)	(2)	-	(49)
Derivative financial instruments	(225)	-	(387)	(612)
Biological assets	10,069	4,602	-	14,671
Leases (net)	(638)	(890)	-	(1,528)
Share-based payment scheme	(116)	(70)	(436)	(622)
Other assets	(3,042)	(1,488)	-	(4,530)
Net deferred tax liability	**44,785**	**3,988**	**(823)**	**47,950**

	2025			
	Balance 30 September 2024	Recognised in Income Statement	Recognised in Other Comprehensive Income	Balance 30 September 2025
	$000	$000	$000	$000
Movement in temporary differences during the year				
Property, plant and equipment	9,266	5,306	-	14,572
Intangible assets	19,357	4,855	-	24,212
Trade receivables	(92)	45	-	(47)
Derivative financial instruments	6,896	-	(7,121)	(225)
Biological assets	12,078	(2,009)	-	10,069
Leases (net)	(300)	(338)	-	(638)
Share-based payment scheme	-	(61)	(55)	(116)
Other assets	(3,559)	517	-	(3,042)
Net deferred tax liability	**43,646**	**8,315**	**(7,176)**	**44,785**

7.2 Deferred tax (continued)

Deferred tax recognised in OCI relates to tax on the effective portion of the change in fair value of cash flow hedges, and on the cost of hedging gains or losses.

Deferred tax asset and liability associated with leases in the Group are as follows:

	2026	2025
	$000	$000
Deferred tax associated with leases		
Asset	19,132	19,536
Liability	(17,604)	(18,898)
	1,528	638

A deferred tax asset has not been recognised in respect of the following item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits. There is no expiry time for the use of these tax losses.

	2026	2025
	$000	$000
Unrecognised deferred tax asset		
Net tax losses attributable to the joint operation	30,967	28,056

Note 8 – Cash and Cash Equivalents

Cash and cash equivalents includes deposits that are subject to insignificant risk of changes in their fair value. Cash and cash equivalents are classified and measured at amortised cost in the statement of financial position. These financial instruments are short term in nature and the carrying amount is considered to be a reasonable approximation of fair value.

	2026	2025
	$000	$000
Cash on hand and at bank	46,375	11,589

Note 9 – Trade and Other Receivables

Trade and other receivables are financial assets classified and measured at amortised cost less allowance for doubtful debts. Short-term trade receivables are not discounted. These financial instruments are short term in nature and the carrying amounts are considered to be a reasonable approximation of fair values.

(a) Trade receivables

	2026	2025
	$000	$000
Gross trade receivables	80,950	62,866
Less: Allowance for doubtful debts (refer to Note 18(a))	(181)	(197)
	80,769	**62,669**

(b) Other receivables and prepayments

	Note	2026	2025
		$000	$000
Other receivables		1,891	2,673
Prepayments		2,007	2,655
Advances to related parties	22(b)	154	170
		4,052	**5,498**

Note 10 – Biological Assets

Biological assets include pre-harvest salmon and mussel stocks, and are measured at fair value less costs to sell, with any change therein recognised as cost of sales in the income statement. This method of valuation falls into Level 3 on the fair value hierarchy (refer to Note 18). Biological assets are transferred to inventories at the date of harvest.

	2026		
	Mussels	**Salmon**	**Total**
	$000	**$000**	**$000**
Balance at beginning of year	28,460	44,918	73,378
Purchases and changes due to biological transformation, mortalities and movement in fair value less costs to sell	30,458	99,866	130,324
Biological assets harvested and transferred to inventory	(33,259)	(74,889)	(108,148)
Balance at 30 September 2026	**25,659**	**69,895**	**95,554**
Current	11,960	56,275	68,235
Non-current	13,699	13,620	27,319
	25,659	**69,895**	**95,554**

	2025		
	Mussels	Salmon	Total
	$000	$000	$000
Balance at beginning of year	27,613	51,183	78,796
Purchases and changes due to biological transformation, mortalities and movement in fair value less costs to sell	37,316	97,948	135,264
Biological assets harvested and transferred to inventory	(36,469)	(104,213)	(140,682)
Balance at 30 September 2025	**28,460**	**44,918**	**73,378**
Current	13,602	25,907	39,509
Non-current	14,858	19,011	33,869
	28,460	**44,918**	**73,378**

Certain comparative information has been re-presented to conform with the current year presentation. This change has no impact on previously reported profit, total comprehensive income, net assets or cash flows.

Note 10 – Biological Assets (continued)

Risk factors

The Group is exposed to a number of risks relating to its growing of salmon and mussel stocks. These include weather events, marine predators, biosecurity incursions and other contamination of the water space. The Group has extensive processes in place to monitor and mitigate these risks including insurance of salmon and mussels, regular inspection of the growing areas and contingency plans in the event of an adverse climatic event.

Fair value risk and sensitivity

The Group is exposed to financial risks relating to the production of biological assets (salmon and mussels) arising from climate change volatility, climatic events, disease and contamination of water space.

The estimation of the fair value of in-water salmon and mussels is based on several assumptions. Changes in these assumptions will impact the fair value calculation. The profit which is achieved on the sale of inventory will differ from the calculations of fair value of biological assets because of changes in key factors such as the final sales destinations of inventory sold, changes in selling prices, foreign exchange rates, harvest weight, growth rates, mortality, input costs and costs to sell, and differences in quality of harvested salmon and mussels.

With all other variables remaining constant:

- A 10% increase/decrease in average future sales prices would increase/decrease the fair value of biological assets and profit before tax by $10m (2025: $7.2m)
- A 10% increase/decrease in biomass (future harvest volumes) would increase/decrease the fair value of biological assets on hand and profit before tax by $9.3m (2025: $6.9m).

Determining fair value

Salmon

The pre-harvest salmon stock has been valued with reference to their stage of development, the length of the growth cycle, number in the water, assumptions in respect of biomass and feed conversion rates, and the fair value less costs to sell per kg at the point of harvest. The fair value less costs to sell per kg at the point of harvest is determined with reference to expected market prices, net of estimated cost up to the date of harvest. The fair value measurement commences at the date of transfer to sea water as this is considered the point at which the fish commence their grow out cycle.

Mussels

The pre-harvest mussel stock has been valued with reference to their stage of development, the length of the growth cycle for the mussels in the regions being farmed, the fair value less costs to sell per kg at point of harvest, and the physical quantity in the water at balance date. The fair value less costs to sell per kg at the point of harvest is determined with reference to expected market prices, net of estimated cost up to the date of harvest. The fair value measurement commences at the date of seeding as this is considered the point at which the mussels commence their growth cycle.

Note 11 – Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable marketing, selling and distribution costs. The selling price is estimated with reference to prices obtainable in the current market.

Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventory and bringing it to its existing condition and location. In the case of processed inventories and work in progress, cost includes an appropriate share of overheads. Fixed overheads are allocated on the basis of normal operating capacity. The cost of items transferred from biological assets is their fair value less costs to sell at the date of transfer.

	2026	2025
	$000	$000
Seafood – at cost	79,027	86,705
Net realisable value provision	(7,883)	(9,963)
	71,144	**76,742**
Packaging, fishing gear, fuel and stores – at cost	16,284	15,594
	87,428	**92,336**

The cost of inventories recognised as an expense for the year ended 30 September 2026 is $435m (2025: $434m). This is included in cost of sales in the income statement.

Note 12 – Property, Plant and Equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Property, plant and equipment is allocated to the respective cash-generating units and assessed for indicators of impairment annually. Where indicators of impairment are noted an impairment test is performed at the cash-generating unit's level.

Costs may include:

- The consideration paid on acquisition of the asset
- The cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use
- The costs of dismantling and removing the items and restoring the site on which they are located
- Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

The capitalisation of expenditure ceases when the asset is ready for use, at which point depreciation commences. Capital work in progress of $15.6m is included within the relevant category of property, plant and equipment below (2025: $6.3m).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure that increases the economic benefits derived from an asset is capitalised.

Depreciation of property, plant and equipment, other than land, is calculated using a straight-line basis and is expensed over the useful life of the asset.

Depreciation methods, useful lives and residual values are reassessed at least annually. Leased assets are depreciated over the shorter of the lease term and their estimated useful lives. Estimated useful lives (years) are as follows:

	2026	2025
Buildings (freehold and leasehold)	7-25	20-25
Fishing vessels:		
Hulls	5-30	10-30
Engines	3-16	5-15
Electronic equipment	3-12	3-4
Machinery and plant	1-25	1-10
Motor vehicles	5	5
Office fixtures and fittings	1-16	2-10
Marine farm assets	1-15	3-15

	Note	2026 Land $000	Freehold Buildings $000	Leasehold Buildings $000	Fishing Vessels $000	Plant and Equipment $000	Total $000
Cost							
Balance at beginning of year		1,429	22,757	34,765	332,421	154,821	546,193
Additions		-	-	(83)	23,779	2,609	26,305
Disposals		-	(35)	(155)	(3,639)	(12,783)	(16,612)
Assets no longer classified as held for sale	20	-	166	27,932	-	-	28,098
Effect of movements in exchange rates		-	-	147	-	15	162
Balance at end of year		**1,429**	**22,888**	**62,606**	**352,561**	**144,662**	**584,146**
Accumulated depreciation and impairment							
Balance at beginning of year		-	(9,824)	(15,586)	(187,014)	(123,210)	(335,634)
Depreciation		-	(930)	(974)	(18,568)	(6,657)	(27,129)
Assets no longer classified as held for sale	20	-	(83)	(22,614)	-	-	(22,697)
Effect of movements in exchange rates		-	-	(89)	-	(11)	(100)
Disposals		-	13	153	3,523	12,743	16,432
Balance at end of year		-	(10,824)	(39,110)	(202,059)	(117,135)	(369,128)
Net book value at 30 September 2026		**1,429**	**12,064**	**23,496**	**150,502**	**27,527**	**215,018**

(a) Auckland site sale of perpetual right to lease land and building assets

Refer to Note 20 for details on assets classified as held for sale.

(b) Closure of North Island Mussels Limited mussels processing facility

In 2025, land, buildings, and plant and equipment relating to the North Island Mussels Limited (NIML) processing plant were sold. Our share of the consideration of $2.7m resulted in a gain on sale of $1.0m, which is included in other income in the 2025 income statement. As NIML is a joint operation, the Group recognises its share of NIML's assets, liabilities, revenues and expenses, and the numbers presented are therefore representative of the Group's 50% share only.

Note 12 – Property, Plant and Equipment (continued)

	2025					
	Land	Freehold Buildings	Leasehold Buildings	Fishing Vessels	Plant and Equipment	Total
	$000	$000	$000	$000	$000	$000
Cost						
Balance at beginning of year	1,429	22,757	34,664	317,111	154,112	530,073
Additions	-	-	78	19,539	1,995	21,612
Disposals	-	-	(53)	(4,229)	(1,293)	(5,575)
Effect of movements in exchange rates	-	-	76	-	7	83
Balance at end of year	**1,429**	**22,757**	**34,765**	**332,421**	**154,821**	**546,193**
Accumulated depreciation and impairment						
Balance at beginning of year	-	(8,894)	(15,165)	(172,678)	(115,517)	(312,254)
Depreciation	-	(930)	(398)	(17,852)	(8,292)	(27,472)
Impairment	-	-	(27)	-	(488)	(515)
Effect of movements in exchange rates	-	-	(41)	-	(7)	(48)
Disposals	-	-	45	3,516	1,094	4,655
Balance at end of year	-	(9,824)	(15,586)	(187,014)	(123,210)	(335,634)
Net book value at 30 September 2025	**1,429**	**12,933**	**19,179**	**145,407**	**31,611**	**210,559**

Commitments
The estimated capital expenditure for property, plant and equipment contracted for at reporting date but not provided is $10.1m for the Group (2025: $4.9m).

Note 13 – Investments

The Group's interest in equity-accounted investees comprises interests in those associates and joint ventures disclosed in Note 21.

Associates are those entities in which the Group has significant influence, but not control or joint control over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement rather than the rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

The Group's other investments comprise shareholdings in other companies which do not constitute controlling interests, nor does the Group have significant influence over the investees. As these are not held for trading, the Group has elected these equity instruments to be classified and measured at fair value through OCI.

Note 13 – Investments (continued)

	Note	2026 $000	2025 $000
Equity-accounted investees			
(a) Summary financial information for equity-accounted investees, not adjusted for the percentage ownership held by the Group:			
Current assets		5,636	3,702
Non-current assets		6,207	6,108
Total assets		**11,843**	**9,810**
Current liabilities		1,721	648
Non-current liabilities		1,730	1,839
Total liabilities		**3,451**	**2,487**
Revenue		6,127	5,114
Expenses		(7,115)	(5,478)
Loss		**(988)**	**(364)**
(b) Movements in carrying value of equity-accounted investees:			
Balance at the beginning of the year		846	1,157
Share of profit		(76)	101
Dividends received from associates	22	(375)	(690)
Acquisition of shares in associate	22	171	278
Balance at 30 September		**566**	**846**
Other investments			
Shares in other companies		104	104
		670	**950**

Note 14 – Intangible Assets

Purchased fishing quota is carried at cost less impairment losses. Quota and licences which are initially recognised on the basis of previous permits, catch history or when purchased through business combinations are initially valued at fair value on allocation. Fair value is determined by reference to Crown tender prices and market prices available close to the time of the acquisition. This became the deemed cost upon the adoption of NZ IFRS.

Marine farm licences are recorded at cost or, when purchased through business combinations, are initially measured at fair value.

Marine farm licences and fishing quota have indefinite useful lives and are not amortised but are tested annually for impairment at reporting date.

Fishing quota has no expiry date and is therefore deemed to have an indefinite useful life. Marine farm licences are deemed by the Directors to have indefinite useful lives as it is highly probable that they are renewed, and the costs of renewal are expected to be minimal.

Expenditure on research and development activities, undertaken with the prospect of gaining new scientific or technical knowledge, is expensed as incurred. Expenditure on development activities, whereby research findings are applied to a plan or a design for the production of new or substantially improved products or processes, is capitalised if the product or process is commercially and technically feasible, and the Group has sufficient resources to complete development. Other development expenditure is expensed as incurred.

Note 14 – Intangible Assets (continued)

	2026					
	Fishing Quota	Marine Farm Licences	Goodwill	Intellectual Property	Computer Software	Total
	$000	$000	$000	$000	$000	$000
Cost						
Balance at beginning of year	387,101	103,924	4,417	3,660	10,821	509,923
Additions	-	25	-	-	-	25
Disposals	-	(12)	-	-	-	(12)
Effect of movements in exchange rates	17	-	-	-	-	17
Balance at end of year	387,118	103,937	4,417	3,660	10,821	509,953
Accumulated amortisation and impairment						
Balance at beginning of year	(9,896)	(1,244)	(4,417)	(3,660)	(4,536)	(23,753)
Amortisation	-	-	-	-	(848)	(848)
Balance at end of year	(9,896)	(1,244)	(4,417)	(3,660)	(5,384)	(24,601)
Carrying amount at 30 September 2026	**377,222**	**102,693**	**-**	**-**	**5,437**	**485,352**

Impairment of goodwill

In 2025 the Group impaired the goodwill balance of $2.0m associated with Saltwater Seafoods, an Australian seafood trading business acquired in 2020.

	2025					
	Fishing Quota	Marine Farm Licences	Goodwill	Intellectual Property	Computer Software	Total
	$000	$000	$000	$000	$000	$000
Cost						
Balance at beginning of year	387,092	103,524	4,398	3,660	10,821	509,495
Additions	-	558	-	-	-	558
Disposals	-	(158)	-	-	-	(158)
Effect of movements in exchange rates	9	-	19	-	-	28
Balance at end of year	387,101	103,924	4,417	3,660	10,821	509,923
Accumulated amortisation and impairment						
Balance at beginning of year	(9,896)	(1,244)	(2,432)	(3,599)	(2,237)	(19,408)
Amortisation	-	-	-	(61)	(1,689)	(1,750)
Impairment	-	-	(1,985)	-	(610)	(2,595)
Balance at end of year	(9,896)	(1,244)	(4,417)	(3,660)	(4,536)	(23,753)
Carrying amount at 30 September 2025	**377,205**	**102,680**	**-**	**-**	**6,285**	**486,170**

Note 14 – Intangible Assets (continued)

14.1 Market capitalisation

At 30 September 2026, the Group's market capitalisation was $626m, compared with net assets of $805m. Market capitalisation below the carrying amount of net assets is an indicator of potential impairment under NZ IAS 36.

The Group has assessed the recoverability of its assets, taking into account the current-year impairment testing of its cash-generating units, operating performance, forecast cash flows and the reduction in net debt. The impairment assessments for the Wildcatch and Aquaculture cash-generating units indicated that their recoverable amounts exceeded their carrying amounts.

Based on this assessment, the Group concluded that no additional impairment was required in relation to the market capitalisation shortfall at 30 September 2026. This testing results in positive headroom between the value of these cash-generating units and the carrying amount of their net assets, indicating that there is no impairment at the cash-generating unit level.

14.2 Cash-generating units

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount, which is the greater of its value in use and its fair value less costs to sell. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement. For goodwill and intangible assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

The table below outlines the allocations of intangible assets and goodwill with indefinite useful lives to CGUs:

	2026		
	Fishing Quota	Marine Farm Licences	Total
	$000	$000	$000
New Zealand Wildcatch	376,155	-	376,155
New Zealand Aquaculture	846	102,693	103,539
Australia Seafood	221	-	221
	377,222	**102,693**	**479,915**

	2025		
	Fishing Quota	Marine Farm Licences	Total
	$000	$000	$000
New Zealand Wildcatch	376,155	-	376,155
New Zealand Aquaculture	846	102,680	103,526
Australia Seafood	204	-	204
	377,205	**102,680**	**479,885**

Note 14 – Intangible Assets (continued)

14.2 Cash-generating units (continued)

Wildcatch and Aquaculture – impairment testing and assumptions

Impairment testing and assumptions

Based on impairment testing undertaken in the current year, no impairment is required for New Zealand fishing quota or marine farm licences given the recoverable amount of both the New Zealand Wildcatch and Aquaculture CGUs exceeds the carrying value of their net assets.

Impairment testing was performed on the applicable CGUs to determine whether fishing quota and marine farm licences were impaired using a discounted cash flow model based on value in use. Key assumptions for earnings and capital expenditure are based on actual historical results and estimates of future earnings. The future earnings assumptions are largely based on the Group maintaining its profitability as well as other strategic initiatives.

Growth from expansionary capital items is excluded from the assessment as required by NZ IAS 36.

The table below sets out key assumptions used in the discounted cashflow models for the two CGUs:

	Wildcatch		Aquaculture	
	2026	2025	**2026**	2025
Future cashflows modelled period	5 years	5 years	5 years	5 years
Reporting periods of future cashflows	FY27-FY31	FY26-FY30	FY27-FY31	FY26-FY30
Post-tax discount rates (range)	7.8%-8.9%	7.9%-8.9%	7.8%-8.9%	7.9%-8.9%
Post-tax discount rates used	8.2%	8.4%	8.2%	8.4%
Terminal growth rate	2.25%	2.20%	2.25%	2.20%
Compound annual growth rate (CAGR) of EBIT per annum	2.7%	12.1%	0.4%	2.2%
Compounding period	5 years from FY27	5 years from FY26	5 years from FY27	5 years from FY26
Headroom - recoverable amount over carrying amount	$159m	$83.9m	$295m	$336.6m

Sensitivity analysis – impairment testing

The Group has conducted an analysis of the sensitivity of the impairment test to changes in key assumptions used to determine the recoverable amounts for the applicable CGUs. The recoverable amounts in the New Zealand Wildcatch and Aquaculture CGUs are not sensitive to reasonably possible changes in assumptions of the Group's terminal growth and discount rates. However, the recoverable amounts are sensitive to reasonably possible changes in assumptions of the Group's earnings growth expectations.

- For the Aquaculture CGU, if the future earnings assumption was assumed to have a CAGR of -15.6% (2025: -27.1%) over the compounding period, then the carrying amount would approximately equal the recoverable amount.
- For the New Zealand Wildcatch CGU, earnings would have to fall to a CAGR of -4.1% (2025: 7.0%) over the compounding period for the carrying amount to equal the recoverable amount.

14.3 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the net identifiable assets of the acquired business. Goodwill is carried at cost less accumulated impairment losses.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Note 14 – Intangible Assets (continued)

14.4 Computer software

Software-as-a-Service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such, the Group does not receive a software intangible asset at the contract commencement date. For SaaS arrangements, the Group assesses if the contract will provide a resource that it can 'control' to determine whether an intangible asset is present. If the Group cannot determine control of the software, the arrangement is deemed a service contract and any implementation costs, including costs to configure or customise the cloud provider's application software, are recognised as operating expenses when incurred.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. If distinct, such costs are expensed as incurred when the service is provided. If not distinct, such costs are expensed over the SaaS contract term.

In implementing SaaS arrangements, the Group has incurred customisation costs which creates additional functionality to a cloud-based software. Management has determined that it has rights to the intellectual property and has owned the developed software which meets the definition and recognition criteria for an intangible asset.

Cost incurred for the development of software that enhances or modifies, or creates additional functionality to an on-premise software, that meets the definition and recognition criteria of intangible assets are recognised as intangible assets. These costs are recognised as intangible software assets when they are available for use, and subsequently amortised over the useful life of the software on a straight-line basis. The estimated useful life for computer software is between 3 and 10 years.

Sanford did not impair computer software assets in the current year ended 30 September 2026 (2025: $0.6m).

Note 15 – Trade and Other Payables

Trade and other payables

Trade and other payables are financial liabilities, classified and measured at amortised cost. As these are short-term in nature the carrying amount is considered to be a reasonable approximation of fair value.

Provisions

The Group recognises a provision when the Group has a present obligation – legal or constructive – as a result of a past event, it is more likely than not that the resulting liability from the obligation will be required to be settled, and the amount required to settle can be reliably estimated.

Employee entitlements

(i) Long-service leave

The Group's net obligation in respect of long-service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using an actuarial technique.
Changes in long-service leave provision are recognised in the income statement.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

	2026	2025
	$000	$000
Current liabilities		
Trade payables	20,932	15,298
Other payables and accruals	12,929	14,969
Employee entitlements	6,775	7,139
Restructuring provision	-	-
	40,636	**37,406**
Non-current liabilities		
Employee entitlements	258	674
	258	**674**

Note 16 – Capital/Reserves and Earnings Per Share

(a) Translation reserve

This reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Group's net investment in a foreign subsidiary.

(b) Share-based payments reserve

This reserve comprises the fair value of equity instruments granted under the long-term incentive plan.

(c) Cash flow hedge and cost of hedging reserve

The cash flow hedge reserve comprises the effective portion of changes in the fair value of derivative contracts for highly-probable forecast transactions.

The cost of hedging reserve contains the cumulative net change in fair value on foreign currency options which are excluded from the hedge designations of foreign currency risk.

(d) Share capital and earnings per share

	Ordinary Shares	
	2026	2025
	No. of Shares	No. of Shares
On issue at beginning and end of year	93,626,735	93,626,735

All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to Sanford's residual assets. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued.

The calculation of earnings per share (EPS) at 30 September 2026 was based on the following:

	2026	2025
Profit attributable to ordinary shareholders ('000s of dollars)	74,530	63,690
Add: net post tax LTI expense	180	-
Adjusted profit attributable to ordinary shareholders ('000s of dollars)	74,710	63,690
Issued ordinary shares throughout the year	93,626,735	93,626,735
Less: treasury shares held throughout the year	(120,598)	(120,598)
Weighted-average ordinary shares (basic)	93,506,137	93,506,137
Effect of dilutive share options under the long-term incentive plan	603,785	-
Weighted-average ordinary shares (diluted)	**94,109,922**	**93,506,137**
Basic earnings per share (cents)	79.7	68.1
Diluted earnings per share (cents)	79.4	68.1

Share options issued under the long-term incentive plan are dilutive in the current period and are included in the calculation of diluted earnings per share. Share options issued under the long-term incentive plan were anti-dilutive in FY2025 and were therefore excluded from the calculation of diluted earnings per share.

(e) Treasury shares and the long-term incentive scheme

In 2025, the Board approved the establishment of a long-term incentive option plan (the Plan). In accordance with the Plan, the Board may grant options to employees of the Company to acquire fully-paid shares in the Company (the Options). The objectives of the Plan are to reward and retain key employees, drive longer-term performance and align incentives of participants with the interests of the Company's shareholders, and encourage longer-term decision-making by participants.

On 18 December 2024, as approved by an ordinary resolution of shareholders at the Sanford Annual Shareholders' Meeting, the Group issued 1,800,000 Options to the Managing Director under the Plan with a grant date of 15 November 2024, vesting in approximately three years and subject to the satisfaction of other conditions as documented in the Plan. Upon exercise of the Options at vesting, the Managing Director will be issued one ordinary share in Sanford per Option exercised.

The Group may facilitate the issue of Sanford shares to the Managing Director by purchasing treasury shares pursuant to terms in the Plan. The Group has not acquired any Sanford Limited shares in 2026. Total treasury shares held at 30 September 2026 is 120,598 shares (2025: 120,598 shares).

Note 17 – Dividends

The following dividends were declared and paid by the Company for the year ended 30 September:

	2026	2025
	$000	$000
– Final dividend in respect of the 2025 year was 05 cents per share (Final dividend 2024 year: 05 cents per share)	4,676	4,676
– Interim dividend in respect of the 2026 half year was 05 cents per share (Interim dividend 2025: 05 cents per share)	4,676	4,676
	9,352	**9,352**

On 16 November 2026, the Board approved a final dividend for the year ended 30 September 2026 of 05 cents per share.

Note 18 – Financial Instruments

Classification and measurement

Classification and measurement of financial assets

Financial assets are classified into three categories depending on their contractual cash flow characteristics and the Group's business model for managing the financial assets. These categories are:

- Amortised cost
- Fair value through profit or loss
- Fair value through OCI.

A financial asset which is a debt instrument is measured at amortised cost only if both the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

However, the Group may choose at initial recognition to designate a debt instrument that meets the amortised cost criteria as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

For investments in equity instruments that are not held for trading nor managed on a fair value basis, the Group has elected to measure these at fair value through OCI.

Derivative financial instruments which are not designated in an effective hedge relationship are classified as fair value through profit or loss.

Classification and measurement of financial liabilities

Financial liabilities are classified as either amortised cost or fair value through profit or loss. The Group may choose at initial recognition to designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. All financial liabilities of the Group are measured at amortised cost except for derivative financial instruments which are measured at fair value. Changes in the fair value of derivative financial liabilities are recognised in profit or loss except when the derivative instrument is designated in an effective hedge relationship.

Specific accounting policies for the Group's financial assets and liabilities are described below.

Exposure to credit, interest rate, foreign currency, fuel price and liquidity risks arise in the normal course of the Group's business. Derivatives may be used as a means of reducing exposure to fluctuations in foreign exchange rates, interest rates and fuel prices. While these instruments are subject to the risk of subsequent changes to market rates, such changes would generally be offset by opposite effects on the items being hedged.

The Group is not exposed to substantial other market price risk arising from financial instruments.

Fair value measurement

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows using market interest rates. The fair value of forward foreign exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using market interest rates. The fair value of foreign currency options is estimated using option valuation methods with reference to current spot rates and market volatility. The fair value of fuel swaps is estimated using forward fuel prices at reporting date.

Note 18 – Financial Instruments (continued)

Fair value hierarchy

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) Credit risk

Credit risk, the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, arises principally from the Group's receivables from customers.

The Group does not generally require collateral in respect of trade and other receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Reputable financial institutions (defined as having a minimum credit rating of A-) are used for investing and cash-handling purposes.

Maximum exposure to credit risk

The carrying amount of financial assets represents the Group's maximum credit exposure.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status.

The Group's maximum exposure to credit risk for trade and other receivables (excluding prepayments and statutory tax receivables) by geographic regions is as follows:

	2026	2025
	$000	$000
New Zealand	37,336	22,445
Europe	16,549	18,854
North America	15,164	14,834
Asia	7,560	2,632
Middle East	2,726	1,168
Australia	2,496	2,923
Other	158	627
Trade and other receivables	**81,989**	**63,483**

The status of trade receivables at the reporting date is as follows:

	Gross Receivables	**Allowance for Doubtful Debts**	Gross Receivables	Allowance for Doubtful Debts
	2026	**2026**	2025	2025
	$000	**$000**	$000	$000
Not past due	73,090	(6)	56,571	-
Past due 0 - 30 days	6,818	-	5,548	-
Past due 31 - 90 days	960	(93)	550	-
Past due 91 - 120 days	2	(2)	66	(66)
Past due 121 - 365 days	-	-	131	(131)
Past due more than one year	80	(80)	-	-
	80,950	**(181)**	**62,866**	**(197)**

(a) Credit risk (continued)

Impairment assessment – expected credit losses

The Group applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The loss allowance provision on trade receivables that are individually significant is determined by an evaluation of the exposures on a line-by-line basis. For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on the number of days overdue, and taking into account the historical loss experience in portfolios with a similar number of days overdue. The expected credit losses incorporate forward-looking information and relevant macroeconomic factors.

(b) Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on a daily basis. The Group has secured bank loans which contain debt covenants. A breach of covenant may require accelerated repayment of the loans earlier than indicated in the loan contract.

The following table sets out the contractual and expected cash flows for all financial liabilities and derivatives:

	2026						
	Statement of Financial Position	**Contractual Cash Out/ (In) Flows**	**6 months or less**	**6–12 months**	**1–2 years**	**2–5 years**	**More than 5 years**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Bank loans	100,000	110,281	1,893	1,903	33,225	73,260	-
Trade payables	20,932	20,932	20,932	-	-	-	-
Other payables	12,929	12,929	12,929	-	-	-	-
Total non-derivative liabilities	**133,861**	**144,142**	**35,754**	**1,903**	**33,225**	**73,260**	**-**
Forward exchange contracts	9,034	9,356	3,403	2,085	2,861	1,007	-
Interest rate swaps	(715)	(785)	56	(183)	(337)	(321)	-
Fuel swaps	(5,011)	(5,067)	(4,691)	(309)	(67)	-	-
Total derivative liabilities (assets)	**3,308**	**3,504**	**(1,232)**	**1,593**	**2,457**	**686**	**-**

	2025						
	Statement of Financial Position	Contractual Cash Out/ (In) Flows	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
	$000	$000	$000	$000	$000	$000	$000
Bank loans	105,000	112,120	2,023	41,277	2,540	66,280	-
Trade payables	15,298	15,298	15,298	-	-	-	-
Other payables	14,969	14,969	14,969	-	-	-	-
Total non-derivative liabilities	**135,267**	**142,387**	**32,290**	**41,277**	**2,540**	**66,280**	**-**
Forward exchange contracts	(302)	(348)	1,172	(866)	(552)	(102)	-
Interest rate swaps	1,547	1,779	251	393	561	574	-
Fuel swaps	601	616	252	328	36	-	-
Total derivative liabilities (assets)	**1,846**	**2,047**	**1,675**	**(145)**	**45**	**472**	**-**

Note 18 – Financial Instruments (continued)

(b) Liquidity risk (continued)

Bank loans and borrowings

Bank loans and borrowings are recognised initially at fair value, net of attributable transaction costs. Subsequent to initial recognition, bank loans and borrowings are measured at amortised cost, applying the effective interest method.

Banking facilities, expiry dates and balances of the secured and syndicated bank loans for the Group are illustrated in the table below:

2026		
Expiry Date	**Facility**	**Balance**
	$000	**$000**
April 2028	50,000	30,000
April 2029	30,000	30,000
April 2030	50,000	30,000
April 2031	10,000	10,000
	140,000	**100,000**

2025		
Expiry Date	Facility	Balance
	$000	$000
April 2026	60,000	40,000
April 2028	80,000	65,000
April 2029	20,000	-
	160,000	**105,000**

Facilities

The Group completed refinancing activities in the 2026 year. Expiry dates for the Group's banking facilities were extended, and the total facility limit was reduced from $160m (as at 30 September 2025) to $140m.

Interest rates

Interest rates on the above loans ranged from 3.61% - 4.00% (2025: 3.43% - 4.06%).

Security and covenants

All bank loans are syndicated and secured by a general security interest over property and a mortgage over all quota shares.
All borrowings are subject to borrowing covenant arrangements, which include interest cover ratio, gearing ratio and ratios of assets and earnings before interest, taxes, depreciation, and amortisation (EBITDA) between Sanford and the Guaranteeing Group. Compliance with covenant arrangements are reported to lenders quarterly. The Group has complied with all covenants during 2026 (2025: all covenants were complied with).

(c) Market risk

Financial risk management and hedge accounting

Market risk is the risk that arises from changes in foreign exchange rates, interest rates and commodity (specifically fuel) prices. Such changes will affect the Group's earnings and/or the value of its holdings of financial instruments. These risks arise due to the Group having financial instruments that would be impacted by changes in these market factors.

The Group enters into derivative contracts, being forward exchange contracts, foreign currency options and interest rate swaps to manage exposure to foreign currency and interest rate risks. The Group also enters into commodity swaps to manage fuel price risk. Senior management is involved in the operation and oversight of risk management and derivative activities. Regular reporting of activities is provided to the Board of Directors which provides the policy for the use of derivative instruments. In accordance with its Treasury Policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as held for trading and classified at fair value through profit or loss.

The Group initially recognises derivatives at fair value when the Group becomes a party to the contractual provisions of the instrument, and subsequently remeasures these at fair value at each balance date. All derivatives are classified as Level 2 on the fair value hierarchy explained above. The resulting fair value gain or loss on remeasurement is recognised in profit or loss immediately, unless the derivative is designated and effective as a hedging instrument, in which case the timing of recognition in profit or loss depends on the nature of the designated hedge relationship.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income (OCI) to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement. For cash flow hedges of financial items, (e.g. forecast sales), the changes in fair value deferred in OCI are transferred to the profit or loss when the hedged item affects the profit or loss.

The Group designates only the intrinsic value of options into hedging relationships. The time value of the options is treated as a cost of hedging. Changes in fair value of the time value component of the option contract are deferred in OCI over the term of the hedge. For transaction-related hedged items, the cumulative change in fair value deferred in OCI is recognised in profit or loss at the same time as the hedged item. If the hedged item first gives rise to the recognition of a non-financial asset or a non-financial liability, the amount in equity is removed and recorded as part of the initial carrying amount of the hedged item. If the hedged item gives rise to the recognition of a financial asset or liability, then the amount in equity is recognised in profit or loss at the same time as the hedged item is recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued retrospectively. The cumulative gain or loss previously recognised in OCI remains there until the forecast transaction occurs, or is immediately recognised in profit or loss if the transaction is no longer expected to occur.

Fair value measurement

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows using market interest rates. The fair value of forward foreign exchange rate contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using market interest rates. The fair value of foreign currency options is estimated using option valuation methods with reference to current spot rates and market volatility. The fair value of fuel contracts is estimated using forward fuel prices at reporting date.

Interest rate risk

The Group is exposed to interest rate risk through its cash balances, short-term and long-term borrowings. The Group adopts a risk management strategy of managing the exposure to interest rate risk through a proportion of fixed and floating rate borrowings. To meet this strategy, the Group uses interest rate swaps to fix between 25% and 75% of the floating rate exposure on long-term borrowings in line with its Board-approved Treasury Policy. In the current period, the Group designated the highly-probable forecast transactions and the interest rate swap contracts into cash flow hedge relationships.

Interest rate swap contracts are recognised within derivative financial instruments in the statement of financial position as at reporting date. The fair value gains and losses on these derivatives were recognised in OCI and transferred to profit or loss when the underlying transactions affected the profit or loss within finance expenses in the income statement. The amounts designated as the hedged item in qualifying cash flow hedges mirror the amounts designated as hedging instruments as set out below; therefore, the Group has established a 1:1 hedge ratio.

Hedge ineffectiveness is only recognised for accounting purposes if it results in movements in the value of the hedge instrument in excess of those on the hedged item. The source of any ineffectiveness would be largely due to credit valuation adjustments and timing of cash flows. No ineffectiveness arose on cash flow hedges of interest rate risk during the year (2025: none).

Note 18 – Financial Instruments (continued)

(c) Market risk (continued)

Interest rate risk (continued)

Interest-bearing variable rate instruments and related derivatives re-price as follows:

	2026					
	Total	**6 months or less**	**6–12 months**	**1–3 years**	**3–5 years**	**More than 5 years**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Cash and cash equivalents	46,375	46,375	-	-	-	-
Bank loans	(100,000)	(100,000)	-	-	-	-
Interest rate swaps						
Notional cash inflows	70,000	70,000	-	-	-	-
Notional cash outflows	(70,000)	(5,000)	-	(50,000)	(15,000)	-
Total variable rate	**(53,625)**	**11,375**	**-**	**(50,000)**	**(15,000)**	**-**

	2025					
	Total	6 months or less	6–12 months	1–3 years	3–5 years	More than 5 years
	$000	$000	$000	$000	$000	$000
Cash and cash equivalents	11,589	11,589	-	-	-	-
Bank loans	(105,000)	(105,000)	-	-	-	-
Interest rate swaps						
Notional cash inflows	86,000	86,000	-	-	-	-
Notional cash outflows	(86,000)	(10,000)	(6,000)	(35,000)	(35,000)	-
Total variable rate	**(93,411)**	**(17,411)**	**(6,000)**	**(35,000)**	**(35,000)**	**-**

Effects of hedge accounting on the financial position and performance

The tables below demonstrate the impact of hedged items and the hedging instruments designated in hedging relationships:

	2026					
	Nominal	**Weighted Average Rate**	**Carrying Amounts**		**Change in Fair Value used to Measure Ineffectiveness**	**Cash Flow Hedge Reserve**
			Assets	**Liabilities**		
Cash flow hedges	**$000**		**$000**	**$000**	**$000**	**$000**
Interest rate risk						
Hedged item: NZD floating rate exposure on borrowings	(100,000)	3.80%	n/a	n/a	716	n/a
Hedging instrument: Interest rate swaps	(70,000)	3.46%	715	-	715	(715)

(c) Market risk (continued)

Effects of hedge accounting on the financial position and performance (continued)

	2025					
	Nominal	Weighted Average Rate	Carrying Amounts		Change in Fair Value used to Measure Ineffectiveness	Cash Flow Hedge Reserve
			Assets	Liabilities		
Cash flow hedges	$000		$000	$000	$000	$000
Interest rate risk						
Hedged item: NZD floating rate exposure on borrowings	(105,000)	3.87%	n/a	n/a	1,556	n/a
Hedging instrument: Interest rate swaps	(86,000)	3.41%	-	(1,547)	(1,547)	1,547

Foreign currency risk

The Group is exposed to foreign currency risk as a result of sales and purchases denominated in foreign currencies, as well as the foreign currency exposure arising from USD-denominated fuel purchases. The Group has entered into forward exchange contracts and foreign currency options (hedging instruments) to hedge the variability in cash flows arising from foreign exchange rate movements in relation to foreign currency sales (hedged item) up to two years forward. Minimum and maximum hedging levels for the next two years' expected sales volumes are stipulated by its Board-approved Treasury Policy. In the current period, the Group designated the highly-probable forecast transactions and the forward exchange contracts and options into cash flow hedge relationships.

Forward exchange contracts and foreign currency options are recognised within the derivative financial instruments on the statement of financial position as at reporting date. The fair value gains and losses on these derivatives were recognised in OCI and transferred to profit or loss when the underlying transactions affected the profit or loss within revenue and cost of sales in the income statement. The amounts designated as the hedged item in qualifying cash flow hedges mirror the amounts designated as hedging instruments as set out below; therefore, the Group has established a 1:1 hedge ratio.

Hedge ineffectiveness is only recognised for accounting purposes if it results in movements in the value of the hedge instrument in excess of those on the hedged item. The source of any ineffectiveness would be largely due to credit risk adjustments on the derivatives and timing of cash flows. No ineffectiveness arose on cash flow hedges of foreign currency transactions during the year (2025: none).

As at 30 September 2026, the Group's exposure to foreign currency risk for the next 12 months can be summarised as follows:

	2026				
	USD	**AUD**	**EUR**	**GBP**	**JPY**
(figures are NZD)	**$000**	**$000**	**$000**	**$000**	**$000**
Cash	12,620	1,896	950	(166)	186
Trade receivables	69,165	1,506	23	-	-
Trade payables	(6,494)	(6,475)	(125)	(48)	-
Net statement of financial position exposure before hedging activity	75,291	(3,073)	848	(214)	186
Forecast net receipts / (net payments)	295,082	(19,940)	4,180	(352)	-
Net cash flow exposure before hedging activity	370,373	(23,013)	5,028	(566)	186
Forward exchange contracts and options	(402,569)	10,743	-	-	-
Net un-hedged exposure	**(32,196)**	**(12,270)**	**5,028**	**(566)**	**186**

Note 18 – Financial Instruments (continued)

(c) Market risk (continued)

Foreign currency risk (continued)

	2025				
	USD	AUD	EUR	GBP	JPY
(figures are NZD)	$000	$000	$000	$000	$000
Cash	3,271	289	667	185	50
Trade receivables	49,954	1,576	1,129	-	-
Trade payables	(3,769)	(2,115)	(2)	(42)	-
Net statement of financial position exposure before hedging activity	49,456	(250)	1,794	143	50
Forecast net receipts / (net payments)	295,082	(24,176)	6,075	-	-
Net cash flow exposure before hedging activity	344,538	(24,426)	7,869	143	50
Forward exchange contracts and options	(295,388)	19,920	(4,212)	-	-
Net un-hedged exposure	**49,150**	**(4,506)**	**3,657**	**143**	**50**

The Group's policy is not to hedge operating cash flows denominated in EUR and GBP. However at the Board's discretion hedges can be taken on these currencies.

Effects of hedge accounting on the financial position and performance

The tables below demonstrate the impact of hedged items and the hedging instruments designated in hedging relationships.

	2026				
		Carrying Amounts		Change in Fair Value used to Measure Ineffectiveness	Cash Flow Hedge Reserve
	Nominal	Assets	Liabilities		
Cash flow hedges*	**$000**	**$000**	**$000**	**$000**	**$000**
Foreign currency risk					
Hedged item: Forecast transactions denominated in foreign currencies	391,826	n/a	n/a	(7,910)	n/a
Hedging instruments: Forward exchange contracts	391,826	1,293	(10,326)	(9,033)	9,033

	2025				
		Carrying Amounts		Change in Fair Value used to Measure Ineffectiveness	Cash Flow Hedge Reserve
	Nominal	Assets	Liabilities		
Cash flow hedges*	$000	$000	$000	$000	$000
Foreign currency risk					
Hedged item: Forecast transactions denominated in foreign currencies	279,680	n/a	n/a	(1,366)	n/a
Hedging instruments: Forward exchange contracts	279,680	4,203	(3,901)	302	(302)

* Includes all hedges of forecast future transactions.

(c) Market risk (continued)

Fuel price risk

The Group is exposed to fuel price risk through its purchases of fuel for its fishing fleet.

Fuel price risk is the risk of loss to the Group due to adverse fluctuations in fuel prices in USD terms. The currency exposure arising from USD fuel costs is managed separately (see foreign currency risk management). The Group's fuel price risk has the following contractually specified components: gas oil and shipping costs.

The Group enters into gas oil commodity swaps to reduce the variability in those components of fuel costs, which historically have comprised approximately 80% (2025: 80%) of total fuel cost for the year. Minimum and maximum hedging levels for the next two years' expected purchase volumes are stipulated by its Board-approved Treasury Policy. A 1:1 hedge ratio is used, reflecting the match of the hedging instruments and the component exposures in the fuel costs.

Fuel swaps are recognised within the derivative financial instruments on the statement of financial position as at reporting date and were designated as the hedging instruments in qualifying cash flow hedges. The fair value gains and losses on these derivatives were recognised in OCI and transferred from other comprehensive income and included in the initial carrying amount of inventory. When the fuel is consumed it is expensed to the profit or loss within cost of sales in the income statement.

Hedge ineffectiveness is only expected to result from credit valuation adjustments and any shortfalls in the amounts of the expected exposures. Hedge ineffectiveness is only recognised for accounting purposes if it results in movements in the value of the hedge instrument in excess of those on the hedged item. Any ineffectiveness is recognised within cost of sales in the income statement.

All fuel derivative contracts mature within 24 months of reporting date (2025: 18 months).

Reconciliation of changes in hedge reserves

The movements in the fair value of hedging instruments which are deferred to the cash flow hedge reserve during the year are set out below, together with changes in the cost of hedging reserve, and the tax thereon:

	2026			
	Hedging Instruments used to Hedge			
	Interest Rate Risk	Currency Risk	Fuel Price Risk	Total
Recognised in statement of changes in equity hedge reserves	**$000**	**$000**	**$000**	**$000**
Balance at beginning of year	**(1,115)**	**972**	**(434)**	**(577)**
Changes in cash flow hedge reserve – changes in fair value	2,262	(9,256)	5,612	(1,382)
Deferred tax on reserve movements	(633)	2,591	(1,571)	387
Balance at end of year	**514**	**(5,693)**	**3,607**	**(1,572)**

	2025			
	Hedging Instruments used to Hedge			
	Interest Rate Risk	Currency Risk	Fuel Price Risk	Total
Recognised in statement of changes in equity hedge reserves	$000	$000	$000	$000
Balance at beginning of year	**226**	**18,902**	**(1,393)**	**17,735**
Changes in cash flow hedge reserve – changes in fair value	(1,862)	(24,903)	1,332	(25,433)
Deferred tax on reserve movements	521	6,973	(373)	7,121
Balance at end of year	**(1,115)**	**972**	**(434)**	**(577)**

Note 18 – Financial Instruments (continued)

(c) Market risk (continued)

Sensitivity to changes in market prices or rates

All derivatives are measured at fair value and changes in market inputs used to determine these fair values would have an impact on Sanford's financial statements. For each type of market risk that the entity is exposed to at the end of the reporting period, the sensitivity analysis below shows the impacts of reasonably plausible changes in the relevant market variables on the profit or loss and OCI for the period. The effects of a variation in a particular assumption is calculated independently of any changes in another assumption. As this sensitivity analysis is only on financial instruments (derivative and non-derivative), these ignore the offsetting impacts of future forecast transactions designated as hedged items to the derivatives held.

	2026		2025	
	$000	$000	$000	$000
Other comprehensive income, net of tax will increase/(decrease) by:	**Increase in Rates or Prices**	**Decrease in Rates or Prices**	Increase in Rates or Prices	Decrease in Rates or Prices
Sensitivity to changes in interest rates				
100 bp change in interest rates	974	(1,002)	1,520	(1,578)
Sensitivity to changes in foreign exchange rates				
10% change in foreign exchange rates	31,036	(25,276)	18,098	(22,118)
Sensitivity to changes in fuel prices				
10% change in fuel prices	1,641	(1,559)	674	(1,862)
Profit after tax will increase/(decrease) by:				
Sensitivity to changes in interest rates				
100 bp change in interest rates	121	(121)	(143)	143
Sensitivity to changes in foreign exchange rates				
10% change in foreign exchange rates	4,193	(3,326)	2,536	(3,099)

(d) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of capital structure on shareholders' return is also recognised and the Group acknowledges the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The allocation of capital between its specific business operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific business segment operations and activities is undertaken independently of those responsible for the operation.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

There have been no material changes in the Group's management of capital during the period.

(e) Master netting arrangements

Sanford enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master agreements. The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not currently have any legally enforceable right to offset recognised amounts. Under the ISDA agreements the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events. The potential net impact of this offsetting is shown below. Sanford does not hold and is not required to post collateral against its derivative positions.

Net derivatives after applying rights of offset under ISDA agreements

	2026	2025
	$000	$000
Derivative assets	7,112	4,521
Derivative liabilities	(10,420)	(6,367)
Net amount	**(3,308)**	**(1,846)**

Note 19 – Right-of-Use Assets and Lease Liabilities

(a) Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received and an estimate of costs to dismantle and remove the underlying asset. The right-of-use asset is subsequently carried at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. These assets are depreciated over the expected lease term. The expected lease term may include the taking-up of lease extension options, if the Group is reasonably certain of exercising such options.

		2026				
	Note	Land and Buildings	Plant and Equipment	Annual Catch Entitlement (ACE)	Marine Farm Licences	Total
		$000	$000	$000	$000	$000
Cost						
Balance at beginning of year		15,137	22,672	52,377	10,947	101,133
Assets no longer classified as held for sale	20	17,833	-	-	-	17,833
Additions		338	210	-	230	778
Remeasurements		-	-	-	-	-
Disposals		-	(222)	(49,486)	-	(49,708)
Effect of movement in exchange rates		79	-	-	-	79
Balance at end of year		**33,387**	**22,660**	**2,891**	**11,177**	**70,115**
Accumulated depreciation and impairment						
Balance at beginning of year		(5,847)	(9,650)	(42,432)	(3,754)	(61,683)
Assets no longer classified as held for sale	20	(6,864)	-	-	-	(6,864)
Depreciation		(1,696)	(3,678)	-	(719)	(6,093)
Depreciation - ACE		-	-	(8,789)	-	(8,789)
Impairment		-	-	-	-	-
Disposals		-	222	49,486	-	49,708
Effect of movement in exchange rates		(56)	63	-	-	7
Balance at end of year		**(14,463)**	**(13,043)**	**(1,735)**	**(4,473)**	**(33,714)**
Net book value at 30 September 2026		**18,924**	**9,617**	**1,156**	**6,704**	**36,401**

Note 19 – Right-of-Use Assets and Lease Liabilities (continued)

(a) Right-of-use assets (continued)

	2025				
	Land and Buildings	Plant and Equipment	Annual Catch Entitlement (ACE)	Marine Farm Licences	Total
	$000	$000	$000	$000	$000
Cost					
Balance at beginning of year	13,069	17,894	44,253	5,916	81,132
Adjustments to existing right of use assets	718	5,433	(87)	2,637	8,701
Additions	24	486	-	398	908
Remeasurements	1,616	109	8,211	3,239	13,175
Disposals	(327)	(1,250)	-	(1,243)	(2,820)
Effect of movement in exchange rates	37	-	-	-	37
Balance at end of year	**15,137**	**22,672**	**52,377**	**10,947**	**101,133**
Accumulated depreciation and impairment					
Balance at beginning of year	(4,031)	(7,356)	(33,917)	(3,077)	(48,381)
Adjustments to existing right of use assets	(486)	465	-	(776)	(797)
Depreciation	(1,583)	(3,877)	-	(1,113)	(6,573)
Depreciation - ACE	-	-	(8,515)	-	(8,515)
Impairment	(69)	-	-	-	(69)
Disposals	348	1,118	-	1,212	2,678
Effect of movement in exchange rates	(26)	-	-	-	(26)
Balance at end of year	**(5,847)**	**(9,650)**	**(42,432)**	**(3,754)**	**(61,683)**
Net book value at 30 September 2025	**9,290**	**13,022**	**9,945**	**7,193**	**39,450**

Impairment testing

All right-of-use assets not held for sale were assessed for impairment within the relevant cash-generating unit and assessed for indicators of impairment annually.

(b) Lease liabilities

At the inception of the lease contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from the use of the asset throughout the term. The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rates as at the commencement date
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

(b) Lease liabilities (continued)

The lease liability is measured at amortised cost using the effective interest rate method. The liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate and if the Group revises its assessment as to whether it will exercise a purchase, extension or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

Leases are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for more than 12 months after the balance date.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Group recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

Variable lease payments not included in the measurement of the lease liability

Variable lease payments which do not depend on an index or a rate are excluded from the measurement of the lease liability and recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Leasing activities

The Group leases mainly land and buildings, plant and equipment, annual catch entitlement (ACE) and marine farm licences. Land and building and plant and equipment leases are typically for periods of between one and 20 years (2025: one and 20 years) with a number of extension options. Rent is either fixed or reset periodically based on an index or rate. The lease of ACE for use on the Company's fishing vessels is for a period of five years (2025: periods of between one and five years), and is renegotiated periodically based on commercial rates. Marine farm licence leases are for periods of between four and 25 years (2025: four and 25 years) and are typically linked to the period of the licence or consent. Rent may be adjusted on the basis of annual fixed percentage increases, Consumer Price Index (CPI) movements, rent negotiations or market reviews.

The Group has estimated the potential future cash outflows arising from optional lease renewal periods, should it exercise these extension options, would result in an increased lease liability of $2.6m (2025: $2.1m).

Determination of lease term

The lease term is the non-cancellable period of a lease, together with periods covered by an option (available to the lessee only) to extend or terminate the lease if the lessee is reasonably certain to exercise/not to exercise that option. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise/not exercise an option. This may include the existence of large penalties for early termination, the incurrence of significant maintenance costs in meeting early return obligations, the uniqueness of the underlying asset being leased or consideration as to whether leasehold improvements still carry significant value. Such assessment is reviewed if a significant event or change in circumstances occurs which affects this assessment and is within the control of the Group. Certain property leases, for which there is no readily identifiable alternative property available, include an additional renewal period where one is available under the lease contract or where the Group considers the exercise of renewal options highly likely.

Determination of incremental borrowing rate

The Group determines the incremental borrowing rate by obtaining the rates from various external financing sources and makes certain adjustments to reflect the term and currency of the lease and the type of asset being leased.

Note 19 – Right-of-Use Assets and Lease Liabilities (continued)

(b) Lease liabilities (continued)

Amounts recognised as lease liabilities are presented below.

	Note	2026 Land and Buildings $000	2026 Plant and Equipment $000	2026 Annual Catch Entitlement (ACE) $000	2026 Marine Farm Licences $000	2026 Total $000
Balance at beginning of year		10,029	14,263	10,067	7,046	41,405
Liabilities no longer classified as held for sale	20	12,079	-	-	-	12,079
Additions and remeasurements		338	210	-	270	818
Interest cost		676	724	86	446	1,932
Repayments of principal and interest		(1,962)	(4,484)	(8,873)	(1,044)	(16,363)
Effect of movement in exchange rates		24	874			898
Balance at end of year		**21,184**	**11,587**	**1,280**	**6,718**	**40,769**
Represented by:						
Current		2,593	4,004	662	655	7,914
Non-current		18,591	7,583	618	6,063	32,855
		21,184	**11,587**	**1,280**	**6,718**	**40,769**

	2025 Land and Buildings $000	2025 Plant and Equipment $000	2025 Annual Catch Entitlement (ACE) $000	2025 Marine Farm Licences $000	2025 Total $000
Balance at beginning of year	9,551	11,109	10,834	2,837	34,331
Adjustments to existing lease liabilities	153	5,850	-	1,247	7,250
Additions and remeasurements	1,640	594	8,211	3,617	14,062
Interest cost	650	928	126	384	2,088
Repayments of principal and interest	(1,903)	(4,373)	(9,104)	(1,032)	(16,412)
Terminations	(74)	(348)	-	(7)	(429)
Effect of movement in exchange rates	12	503	-	-	515
Balance at end of year	**10,029**	**14,263**	**10,067**	**7,046**	**41,405**
Represented by:					
Current	1,427	3,688	8,874	617	14,606
Non-current	8,602	10,575	1,193	6,429	26,799
	10,029	**14,263**	**10,067**	**7,046**	**41,405**

(b) Lease liabilities (continued)

Present value of future rentals payable

	2026 Principal $000	2026 Interest $000	2026 Gross $000	2025 Principal $000	2025 Interest $000	2025 Gross $000
Less than one year	7,914	1,653	9,567	14,606	1,488	16,094
Between one and five years	17,660	5,064	22,724	17,332	4,288	21,620
More than five years	15,195	5,108	20,303	9,467	4,971	14,438
Total	**40,769**	**11,825**	**52,594**	**41,405**	**10,747**	**52,152**

Lease expenses included in profit or loss

	2026 $000	2025 $000
Short-term leases	1,619	2,595
Short-term leases of Annual Catch Entitlement (ACE)	2,648	7,050
	4,267	**9,645**

Note 20 – Assets Held for Sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are recognised in the income statement.

The criteria for the held-for-sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment, and right-of-use assets are not depreciated once classified as held for sale.

	2026 $000	2025 $000
Assets		
Right-of-use assets	-	14,373
Buildings	-	5,243
Total	**-**	**19,616**
Liabilities		
Lease obligation	-	(13,538)
Net held-for-sale asset position	**-**	**6,078**

(a) Auckland site – cessation of held-for-sale classification

The Group continues to intend to sell these assets, however in July 2026 the Group determined that the proposed sale of the perpetual right to lease the Auckland land and associated building assets no longer met the criteria for classification as held for sale, as the Board no longer expects the sale to complete in the 12 months after 30 September 2026 or without significant changes to the plan. Accordingly, the right-of-use assets and buildings were reclassified to right-of-use assets (Note 19) and property, plant and equipment (Note 12), respectively, and the related lease obligations were reclassified to lease liabilities (Note 19). No assets or liabilities were classified as held for sale at 30 September 2026. The comparative balances at 30 September 2025 are presented above.

On cessation of held-for-sale classification, the assets were measured at the lower of their carrying amounts before classification as held for sale, adjusted for depreciation that would have been recognised had they not been classified as held for sale, and their recoverable amounts at the date they ceased to meet the held-for-sale criteria. Depreciation resumed from July 2026.

A loss on remeasurement of $3.0m was recognised in other expenses in the income statement for the year ended 30 September 2026 (Note 5).

Note 21 – Group Entities

Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value (excluding transaction costs), as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, are eliminated on consolidation.

Joint arrangements

A joint arrangement is an arrangement where two or more parties have joint control. The Group classifies its joint arrangements as either joint operations or joint ventures depending on the legal, contractual or other rights and obligations. Where the interest in the joint arrangement is in the net residual of the business, the arrangement is a joint venture. Joint ventures are accounted for using the equity method, which is detailed in Note 13. Where the Group has rights to the assets, and obligations for liabilities of the joint arrangement, this is a joint operation. The Group recognises its share of assets, liabilities, revenues and expenses of each joint operation.

Basis of consolidation (continued)

The Group comprises the Company and the following principal entities:

	2026 Interest Held (%)	2025 Interest Held (%)	Balance Date	Principal Activity
Subsidiaries:				
New Zealand				
Auckland Fish Market Limited	100	100	30 September	Auction
Sanford Fish Market Limited	100	100	30 September	Dormant company
Sanford Investments Limited	100	100	30 September	Investment company
Sanford LTI Limited	100	100	30 September	Holding company
Shellfish Production & Technology NZ Limited	100	100	30 September	Research company
BreedCo Limited	80	80	30 September	Research company
Auckland Fishing Port Limited	67	67	31 March	Wharf company
Australia				
Sanford Australia Pty Limited	100	100	30 September	Seafood wholesale
Sanford Seafoods (Australia) Pty Limited	100	100	30 September	Holding company
Joint Operation:				
New Zealand				
North Island Mussels Limited	50	50	30 September	Mussel farming and seafood processing
Joint Ventures and Associates:				
New Zealand				
San Won Limited	50	50	30 September	Cold storage
New Zealand Japan Tuna Company Limited	46.74	46.74	30 September	Fish catching and processing
Trident Systems General Partner Limited	-	42.53	30 September	Research company
Precision Seafood Harvesting General Partner Limited	33.33	33.33	30 September	Research company
Precision Seafood Harvesting Limited	12.5	12.5	30 September	Research company

Note 22 – Related Party Transactions

(a) Basis of transactions

Related parties of the Group include the joint ventures, associates and joint operation disclosed in Note 21.

Transactions with related parties have been entered into in the ordinary course of business.

(b) Material transactions and balances with related parties

		Transaction Value Joint Ventures and Associates		Transaction Value Joint Operation	
		2026	2025	**2026**	2025
	Note	**$000**	$000	**$000**	$000
Income/(Expenses)					
Management fees		204	200	-	-
Sales		-	4	1,064	1,274
Interest received		4	4	1,813	2,024
Dividends received	13	375	690	-	-
Acquisition of shares in associates	13	(171)	(278)	-	-
Purchases		(2,428)	(2,634)	(11,900)	(16,323)
		(2,016)	**(2,014)**	**(9,023)**	**(13,025)**

		Amounts Owing from/(to) Related Parties	
		2026	2025
		$000	$000
Associates	9(b)	154	170
Joint operation		35,521	33,631
		35,675	**33,801**

In respect of the joint operation the transaction values and amounts owing are eliminated on consolidation and are therefore for information purposes only.

Interest is charged on balances between New Zealand related parties at rates linked to the market. All related party balances are repayable on demand. The parties have agreed not to call upon the loans within 12 months from reporting date.

Note 23 – Key Management Personnel Compensation

Key management personnel compensation comprised:

	2026	2025
	$000	$000
Salary and short-term employee benefits*	11,482	10,582
Directors' fees	712	630
Redundancy payments	46	137
	12,240	**11,349**

Key management personnel is defined as the executive and their direct reports.

* The FY26 disclosure includes short-term incentives (STI) provided and not paid as at 30 September 2026 ($1.7m). FY25 includes the provision for contracted and provided STI which was paid on 5 December 2025 ($866k).

Note 24 – Contingent Liabilities

	2026	2025
	$000	$000
Guarantees	1,195	801

The Group has guarantees with its commercial banking partners. In this respect the Group treats the guarantee contracts as contingent liabilities until such times as it becomes probable that the Group will be required to make payments under the guarantees.

Note 25 – Subsequent Events

The Board approved a final dividend of 05 cents per share for the year ended 30 September 2026 on 16 November 2026 (2025: a final dividend of 05 cents per share was approved for the year ended 30 September 2025). Refer to note 17.

Subsequent to year-end, Sanford has acquired full ownership of North Island Mussels Limited (NIML), by purchasing Cedenco Aquaculture Limited's (Cedenco) 50% interest. The transaction included the acquisition of associated mussel farming waterspace interests held by Cedenco in the Coromandel.

Independent Auditor's Report

To the shareholders of Sanford Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 September 2026;
- the consolidated income statement, statements of other comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Sanford Limited (the **Company**) and its subsidiaries (the **Group**) on pages 34 to 79 present fairly in all material respects:

- the Group's financial position as at 30 September 2026 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

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

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

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

Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

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Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $3.4m determined with reference to a benchmark of the Group's total revenue. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

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

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

The key audit matter	How the matter was addressed in our audit
Valuation of Fishing Quota Assets	
Refer to Note 14 to the financial statements. The Group holds Fishing Quota recognised as indefinite life intangible assets of $377.2m (2025: $377.2m). The accounting standards require annual impairment testing of assets with an indefinite useful life. Valuation of Fishing Quota is a key audit matter due to the uncertainty in the growth and discount rates used in the cash flow forecasts that support the carrying value.	The procedures we performed to evaluate the impairment assessments included: • assessing whether the methodology adopted was consistent with accepted valuation approaches of IAS 36 Impairment of Assets; • evaluating the key assumptions by comparing to historical trends, approved budgets, business plans and external market data; • comparing the discount rates and terminal growth rates applied to the estimated future cash flows to relevant benchmarks using KPMG valuation specialists; • challenging the above assumptions and judgements by performing sensitivity analysis and considering a range of outcomes based on various scenarios; and • considering the appropriateness of the disclosures in the financial statements.

Other information

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

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

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

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

Use of this independent auditor's report

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

Responsibilities of directors for the consolidated financial statements

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

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

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

Our objective is:

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

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

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

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

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

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

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

For and on behalf of:

KPMG

KPMG
Auckland
16 November 2026

Directory

As at 16 November 2026

Board of Directors

Sir Robert McLeod, Chair
KNZM, LLB/BCom, FCA

Tony Carter
CNZM, BEng (Hons), MPhil

David Mair
BE (Civil), MBA

John Strowger
LLB (Hons)

Tom McClurg
B.Ag.Sc, RLV, M.Sc.
(Natural Resource Management)

Jo Curin
BCom, FCA

Craig Ellison
M.Sc. (Zoology)

Officers

David Mair, Managing Director
Paul Alston, Chief Financial Officer
Vaughan Wilkinson, Strategy and Innovation Officer
Debra Lumsden, Chief People Officer

Registered Office

22 Jellicoe Street
Freemans Bay
Auckland 1010
New Zealand

PO Box 443
Shortland Street
Auckland 1140
New Zealand

Website: **sanford.co.nz**

Principal Bankers

ANZ Bank New Zealand Limited
ASB Bank Limited

Solicitors

Chapman Tripp
Russell McVeagh

Group Auditor

KPMG, Auckland

Stock Exchange

The Company's shares trade on the New Zealand Stock Exchange (NZX).

NZX Trading Code: SAN

Share Registrar

Computershare Investor Services Limited
Private Bag 92 119
Victoria Street West
Auckland 1142
New Zealand

159 Hurstmere Road
Takapuna
Auckland 0622
New Zealand

Managing your Shareholding

Online: **investorcentre.com/nz**

To change your address, update your payment instructions and to view your investment portfolio including transactions.

Email: **enquiry@computershare.co.nz**

Please assist our registrar by quoting your CSN or shareholder number.



