Interim Report FY25

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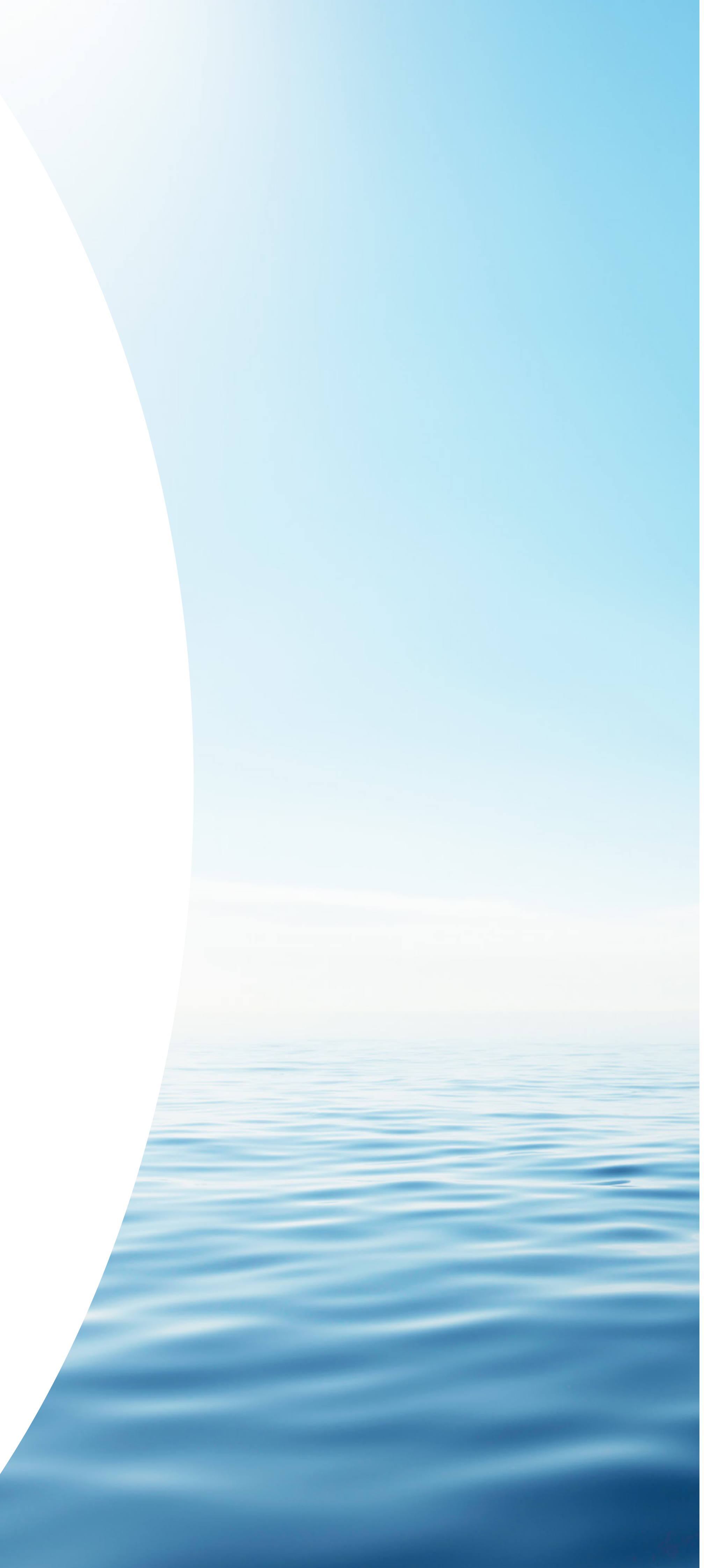


Highlights

For the six months ended 31 March 2025

Sales revenue
HY25:
$286.0m ↑ 4%
HY24: $276.0m

Gross margin %
HY25:
28.2% ↑ 13%
HY24: 24.9%

Adjusted EBIT
HY25:
$54.0m ↑ 40%
HY24: $38.5m

Net profit after tax (NPAT)
HY25:
$34.0m ↑ 110%
HY24: $16.2m

Operating cash flow
HY25:
$49.6m ↑ 498%
HY24: $8.3m

Net debt
HY25:
$165.1m ↓ 25%
HY24: $220.5m

Earnings per share
HY25:
36.4 cps ↑ 110%
HY24: 17.3 cps

Interim dividend
HY25:
5.0 cps
HY24: 5.0 cps

Chair and Managing Directors' Reports

Managing Director's Report

I am pleased to report to Sanford Shareholders after being Managing Director (MD) for a little over 12 months.

I approached my first year with a particular focus on operating cashflow, debt reduction, business simplification and cost rationalisation. There is still a long way to go but we have made a good start, and I believe there are many more opportunities for improvement.

Sanford's interim financial results represent a record profit for the company. Revenue of $286.0m was only 4% up on the prior comparative period (pcp). However, net profit after tax (NPAT) at $34.0m was a pleasing 110% up over the prior period. Operating cashflow of $49.6m is a $41.3m (498%) improvement on pcp. Net debt has dropped to $165.1m from $220.5m in March 2024, a $55.4m decrease.

We are now focused on operating as a commodity player, where reducing costs and operating more efficiently is critical for success. Overheads are coming down and debt has dropped to more reasonable levels, albeit in my view still too high. Driving product costs down and lowering overheads will make us more competitive in any market.

The salmon business has been a standout for the first half with revenue and contribution up 24% and 32% respectively. We made a conscious effort to bring sales forward to reduce stock in water during the higher risk summer months and to maximise returns due to future tariff uncertainty.

This decision proved successful and highlighted the market potential to absorb more volume while maintaining price. Salmon has limited volume growth opportunities without significant investment. However, I believe there are many opportunities to improve profitability by incrementally improving our processing and farming operations.

Our mussel business had a significant improvement in profitability with contribution lifting by 97%. Prices and demand have remained positive, and the business has been taking out costs and eliminating inefficiencies where possible (such as the exit of the of Tauranga processing site). Unlike salmon, the mussel business does have opportunities to grow at lower cost due to unused waterspace that is not currently being farmed. Further work is required in this area.

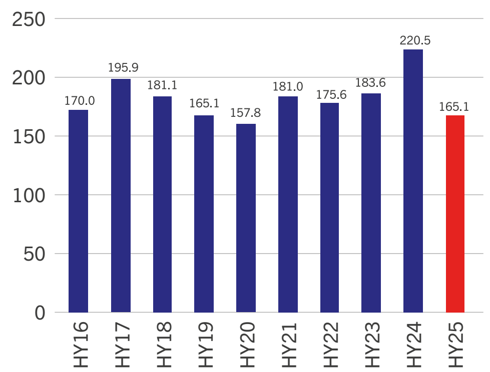
Wildcatch profitability was 10% down on pcp. This is mostly related to reduced scampi sales, and the timing of squid catch. Our current success in this business is very much tied to scampi and commodity white fish such as hoki and orange roughy. We are at the mercy of global prices, that are currently under pressure. Deepwater fishing is very capital intensive with the costs of maintaining an effective fleet expensive. This is an industry wide issue, and I will be considering all options with a focused review in the next 12 months. The exit out of the inshore fishery and closure of our Auckland factory has been positive for our bottom line while maintaining ownership of our quota assets.

Capital Allocation

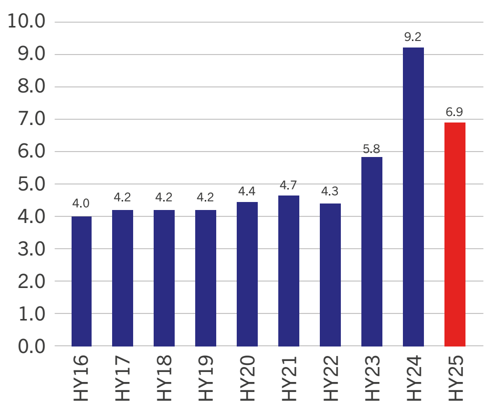
We are now focused on a more disciplined capital investment process, and a review of assets has shown some opportunities for rationalisation and even disposal that improves our cash (and debt) position.

The two charts below highlight achievements in terms of decreasing debt and reducing interest costs over the last 12 months. My intention is to reduce debt further by year-end that will put the company on a more solid platform to take advantage of investment opportunities should they arise.

Net debt ($m)



Interest ($m)



Strategic Review

Turbulence in markets has required a change in focus to first considering key customers in key markets. Sanford has become concentrated on several markets, in particular the US and China. Clearly, this front-end activity will require a lot more time going forward.

Our sales team (front end) have done a very good job of rationalising finished goods stock keeping units (skus) and reviewing pricing leading to small but important improvements in margin. They have continued selling through inventory and converting to cash.

We have managed to review most of the growth and associated capital plans for our Aquaculture (Salmon and Mussels) business. This included a deep review of assets. We are confident that we can improve performance at a lower capital spend.

Obviously, the next area of focus is wildcatch where our immediate focus is on catching and selling scampi.

Sustainability

In January 2025, Sanford issued its first stand-alone sustainability report. Operating in a sustainable industry is very important for us and understanding the potential impact of climate change on New Zealand wildfish and aquaculture is critical for our success. We have invested in additional resource to support our understanding of climate related impacts and help develop mitigation strategies for the company.

Our People

There has been significant change in the business since I last reported to shareholders and this inevitability impacts people. The senior executive team have been trimmed down and changes have been made with fewer people required.

I would like to thank staff for their efforts during this period of uncertainty and change.

I would also like to thank our directors and shareholders for their support.

Chair's Report

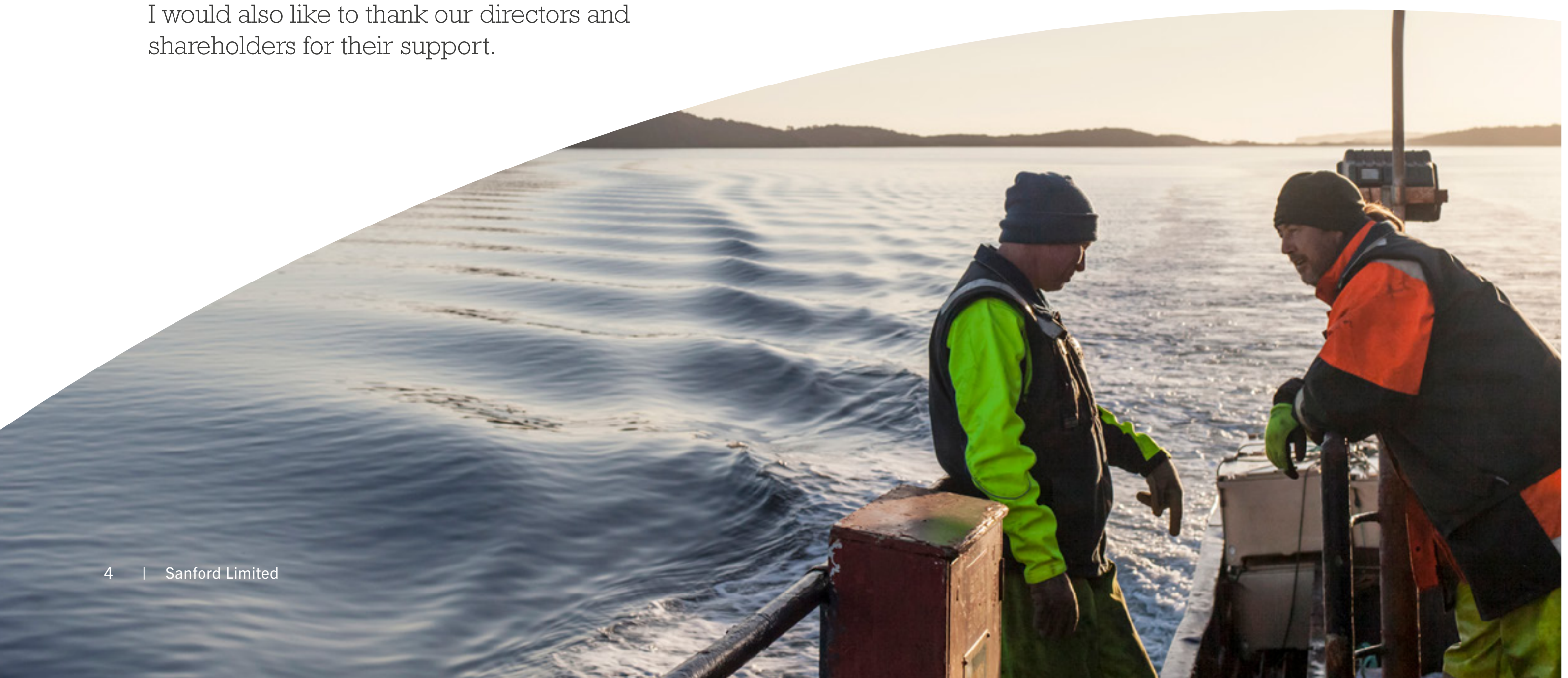
New Leadership

The Board is very pleased with Sanford's half year financial performance to 31 March 2025, and the Board particularly thanks our management team and people led by David for a job well done. Our internal management results and our external share price have both improved during this reporting period, which is an important goal of the business. I reiterate David's comments that much change has been implemented with still more to be done. You will see that most of the effort and result has been on reducing costs and debt. This has strengthened Sanford's balance sheet enabling the company to be more resilient in tougher times but more responsive to opportunities as they arise. Consistent with this strategy, the Board continues to take a conservative approach to dividend policy and accordingly recommends an interim dividend of 5.0c per share.

The first-half result is positive, however we do not anticipate the same level of profitability in the second half due to in-market price pressures and seasonal volume fluctuations.

Sir Robert McLeod
Chairman

David Mair
Managing Director



GAAP to Non-GAAP Reconciliation

	6 months ended 31 March 2025 $000	6 months ended 31 March 2024 $000	12 months ended 30 September 2024 $000
Reported net profit for the period (GAAP)	**34,033**	**16,154**	**19,670**
Add back:			
Income tax expense	13,518	9,833	17,725
Net interest expense	6,906	9,200	16,867
EBIT	**54,457**	**35,187**	**54,262**
Adjustments:			
Restructuring costs	408	659	1,495
Impairment of assets	115	–	16,856
Net loss on sale of property, plant and equipment and intangibles	63	6	293
Gain on sale of North Island Mussels Limited assets	(1,040)	–	–
Net gain on sale of North Island inshore fishery assets	–	(964)	(964)
Impairment of investment and advances in Two Islands Co NZ Limited	–	3,333	3,132
Other one-off losses/(gains)	–	257	(866)
Adjusted EBIT	**54,003**	**38,478**	**74,208**
Add back:			
Depreciation and amortisation	17,393	17,542	34,442
Adjusted EBITDA	**71,396**	**56,020**	**108,650**

GAAP to Non-GAAP Reconciliation

Sanford's standard profit measure prepared under New Zealand GAAP is net profit. Sanford has used non-GAAP measures when discussing financial performance. The Directors and management believe that these measures provide useful information as they are used internally to evaluate business unit and total Group performance and to establish operating and capital budgets. Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand equivalents to International Financial Reporting Standards) 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

EBIT: Earnings before interest and taxation.

Adjusted EBIT: Earnings before interest, taxation, restructuring costs, impairment of assets and investments, gain on sale from transactions, net loss on sale of property, plant and equipment, and intangible assets and other one-off items.

Adjusted EBITDA: Adjusted EBIT before depreciation and amortisation.

Consolidated Condensed Interim Financial Statements

For the six months ended 31 March 2025

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Consolidated Condensed Income Statement

for the six months ended 31 March 2025

	Note	**Unaudited 6 months ended 31 March 2025 $000**	Unaudited 6 months ended 31 March 2024 $000	Audited 12 months ended 30 September 2024 $000
Revenue	3	285,999	275,978	582,913
Cost of sales		(205,463)	(207,350)	(456,726)
Gross profit		**80,536**	**68,628**	**126,187**
Other income	7	3,480	3,490	7,240
Distribution expenses		(6,236)	(6,515)	(13,630)
Administrative expenses		(16,273)	(19,464)	(33,778)
Other expenses	8	(7,058)	(10,979)	(31,896)
Operating profit		**54,449**	**35,160**	**54,123**
Finance income		820	605	1,270
Finance expense		(7,726)	(9,805)	(18,137)
Net finance expense		**(6,906)**	**(9,200)**	**(16,867)**
Share of profit of equity-accounted investees		8	27	139
Profit before income tax		**47,551**	**25,987**	**37,395**
Income tax expense		(13,518)	(9,833)	(17,725)
Profit for the period		**34,033**	**16,154**	**19,670**
Profit attributable to:				
Equity holders of the Company		34,034	16,166	19,685
Non-controlling interest		(1)	(12)	(15)
		34,033	**16,154**	**19,670**
Earnings per share attributable to equity holders of the Company during the period (expressed in cents per share)				
Basic and diluted earnings per share (cents)		36.4	17.3	21.1

Consolidated Condensed Statement of Comprehensive Income

for the six months ended 31 March 2025

	Unaudited 6 months ended 31 March 2025	Unaudited 6 months ended 31 March 2024	Audited 12 months ended 30 September 2024
	$000	$000	$000
Profit for the period (after tax)	**34,033**	**16,154**	**19,670**
Other comprehensive income			
Items that may be reclassified to the income statement:			
Foreign currency translation differences	43	70	68
Change in fair value of cash flow hedges recognised in other comprehensive income	(32,193)	(1,239)	14,119
Deferred tax on cash flow hedges	9,014	347	(3,953)
Items that have been classified to the income statement:			
Amount of treasury share cost expensed in relation to share-based payment	375	–	–
Cost of hedging gain	–	(293)	(293)
Deferred tax on cost of hedging	–	82	82
Other comprehensive (loss)/income for the period	**(22,761)**	**(1,033)**	**10,023**
Total comprehensive income for the period	**11,272**	**15,121**	**29,693**
Total comprehensive income for the period is attributable to:			
Equity holders of the Company	11,273	15,133	29,708
Non-controlling interest	(1)	(12)	(15)
Total comprehensive income for the period	**11,272**	**15,121**	**29,693**

Consolidated Condensed Statement of Financial Position

as at 31 March 2025

	Note	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited 12 months ended 30 September 2024
		$000	$000	$000
Current assets				
Cash on hand and at bank	6	11,901	6,547	14,475
Trade receivables	6	92,865	102,948	83,167
Derivative financial instruments		1,307	4,051	13,556
Other receivables and prepayments		10,236	7,367	5,085
Biological assets		66,328	57,730	55,557
Inventories		84,607	90,548	73,363
Assets held for sale	9	19,616	12,807	19,706
Total current assets		**286,860**	**281,998**	**264,909**
Non-current assets				
Property, plant and equipment		219,220	235,568	217,819
Right-of-use assets		33,319	37,993	32,751
Investments		578	1,148	1,261
Derivative financial instruments		1,698	10,721	16,364
Biological assets		15,790	15,239	23,239
Intangible assets		489,561	491,848	490,087
Total non-current assets		**760,166**	**792,517**	**781,521**
Total assets		**1,047,026**	**1,074,515**	**1,046,430**
Current liabilities				
Derivative financial instruments		8,045	4,417	1,705
Trade and other payables		53,007	61,106	44,647
Taxation payable		6,497	841	899
Lease obligations		5,615	13,648	13,889
Liabilities held for sale	9	14,024	13,326	12,908
Total current liabilities		**87,188**	**93,338**	**74,048**
Non-current liabilities				
Bank loans (secured)	4	177,000	227,000	200,000
Contributions received in advance		1,379	1,703	1,531
Employee entitlements		1,139	1,233	1,260
Derivative financial instruments		4,013	775	1,145
Deferred taxation		40,573	34,287	43,646
Lease obligations		24,873	21,717	20,442
Total non-current liabilities		**248,977**	**286,715**	**268,024**
Total liabilities		**336,165**	**380,053**	**342,072**
Equity				
Paid in capital		94,690	94,690	94,690
Retained earnings		619,680	591,572	590,415
Other reserves		(3,873)	7,832	18,888
Shareholder funds		**710,497**	**694,094**	**703,993**
Non-controlling interest		364	368	365
Total equity		**710,861**	**694,462**	**704,358**
Total equity and liabilities		**1,047,026**	**1,074,515**	**1,046,430**

Consolidated Condensed Statement of Cash Flows
for the six months ended 31 March 2025

	Note	Unaudited 6 months ended 31 March 2025 $000	Unaudited 6 months ended 31 March 2024 $000	Audited 12 months ended 30 September 2024 $000
Cash flows from operating activities				
Receipts from customers		308,756	290,031	630,832
Interest received		820	604	1,270
Payments to suppliers and employees		(250,901)	(269,813)	(533,856)
Income tax paid		(1,977)	(4,768)	(7,770)
Interest paid		(7,076)	(7,804)	(17,480)
Net cash flows from operating activities		**49,622**	**8,250**	**72,996**
Cash flows from investing activities				
Proceeds from sale of North Island Mussels Limited assets	9(b)	2,695	–	–
Proceeds from sale of property, plant and equipment		24	12	1,306
Proceeds from sale of North Island inshore fishery assets	7	–	6,830	6,830
Proceeds from sale of investment in Two Islands NZ Co Limited	8	–	–	200
Dividends received from associates		690	383	383
Purchase of property, plant and equipment		(15,790)	(22,504)	(45,916)
Purchase of intangible assets		(380)	(684)	(1,490)
Acquisition of shares in other companies		–	(278)	(278)
Net cash flows from investing activities		**(12,761)**	**(16,241)**	**(38,965)**
Cash flows from financing activities				
Proceeds from borrowings	4	–	24,000	27,000
Repayment of term loans	4	(23,000)	–	(30,000)
Lease payments		(11,668)	(10,693)	(13,135)
Dividends paid to Company shareholders	5	(4,769)	(5,610)	(10,286)
Net cash flows from financing activities		**(39,437)**	**7,697**	**(26,421)**
Net (decrease)/increase in cash and cash equivalents		(2,576)	(294)	7,610
Effect of exchange rate fluctuations on cash held		2	36	60
Cash and cash equivalents at beginning of the period		14,475	(51,195)	(51,195)
Short-term borrowings reclassified as term loans		–	58,000	58,000
Cash and cash equivalents at end of the period		**11,901**	**6,547**	**14,475**
Represented by:				
Cash on hand and at bank		11,901	6,547	14,475
		11,901	**6,547**	**14,475**

Consolidated Condensed Statement of Cash Flows
for the six months ended 31 March 2025

Reconciliation of Profit for the Period with Net Cash Flows from Operating Activities

	Note	Unaudited 6 months ended 31 March 2025 $000	Unaudited 6 months ended 31 March 2024 $000	Audited 12 months ended 30 September 2024 $000
Profit for the period (after tax)		**34,033**	**16,154**	**19,670**
Adjustments for non-cash items				
Depreciation and amortisation		17,393	17,542	34,442
Depreciation – Annual Catching Entitlement (ACE)		4,257	3,873	7,746
Impairment of investment	8	–	3,333	2,956
Impairment of property, plant and equipment	8	115	–	14,837
Impairment of intangibles	8	–	–	1,832
Share-based payment expense		375	–	–
Change in fair value of biological assets		(3,322)	(6,443)	(12,270)
Change in fair value of forward exchange contracts and foreign currency options		3,918	(851)	(2,882)
Unrealised foreign exchange (gains)/losses		(4,888)	(1,425)	1,489
Share of profit of equity accounted investees		(8)	(27)	(139)
Increase in deferred tax liability		5,941	7,720	12,697
Decrease in contributions received in advance		(152)	(175)	(347)
Other		–	(7)	187
		23,629	**23,540**	**60,548**
Movements in working capital				
(Increase)/decrease in trade and other receivables and prepayments		(9,302)	4,186	23,410
(Increase)/decrease in inventories		(11,242)	(7,505)	9,666
Increase/(decrease) in trade and other payables and other liabilities		7,765	(24,366)	(40,446)
Increase/(decrease) in taxation payable		5,598	(2,801)	(2,726)
		(7,181)	**(30,486)**	**(10,096)**
Items classified as investing activities				
Net loss on sale of property, plant and equipment		181	6	3,838
Gain on sale of North Island Mussels Limited assets	7	(1,040)	–	–
Net gain on sale of North Island inshore fishery assets	7	–	(964)	(964)
		(859)	**(958)**	**2,874**
Net cash flows from operating activities		**49,622**	**8,250**	**72,996**

Consolidated Condensed Statement of Changes in Equity

for the six months ended 31 March 2025

	Note	Share Capital $000	Share-based Payment Reserve $000	Translation Reserve $000	Cash Flow Hedge Reserve $000	Cost of Hedging Reserve $000	Retained Earnings $000	Total $000	Non-controlling Interest $000	Total Equity $000
Balance at 01 October 2024 (audited)		**94,690**	**–**	**1,153**	**17,735**	**–**	**590,415**	**703,993**	**365**	**704,358**
Profit for the period (after tax)		–	–	–	–	–	34,034	34,034	(1)	34,033
Other comprehensive income										
Foreign currency translation differences		–	–	43	–	–	–	43	–	43
Hedging losses recognised in other comprehensive income		–	–	–	(32,193)	–	–	(32,193)	–	(32,193)
Deferred tax on change in reserves		–	–	–	9,014	–	–	9,014	–	9,014
Amount of treasury share cost expensed in relation to share-based payment		–	375	–	–	–	–	375	–	375
Total comprehensive income		**–**	**375**	**43**	**(23,179)**	**–**	**34,034**	**11,273**	**(1)**	**11,272**
Distributions to shareholders	5	–	–	–	–	–	(4,769)	(4,769)	–	(4,769)
Balance at 31 March 2025 (unaudited)		**94,690**	**375**	**1,196**	**(5,444)**	**–**	**619,680**	**710,497**	**364**	**710,861**
Balance at 01 October 2023 (audited)		**94,690**	**–**	**1,085**	**7,569**	**211**	**581,016**	**684,571**	**380**	**684,951**
Profit for the period (after tax)		–	–	–	–	–	16,166	16,166	(12)	16,154
Other comprehensive income		–	–	–	–	–	–		–	
Foreign currency translation differences		–	–	70	–	–	–	70	–	70
Hedging losses recognised in other comprehensive income		–	–	–	(1,239)	–	–	(1,239)	–	(1,239)
Deferred tax on change in reserves		–	–	–	347	–	–	347	–	347
Cost of hedging gains recovered to the income statement		–	–	–	–	(293)	–	(293)	–	(293)
Deferred tax on cost of hedging		–	–	–	–	82	–	82	–	82
Total comprehensive income		**–**	**–**	**70**	**(892)**	**(211)**	**16,166**	**15,133**	**(12)**	**15,121**
Distributions to shareholders	5	–	–	–	–	–	(5,610)	(5,610)	–	(5,610)
Balance at 31 March 2024 (unaudited)		**94,690**	**–**	**1,155**	**6,677**	**–**	**591,572**	**694,094**	**368**	**694,462**
Balance at 01 October 2023 (audited)		**94,690**	**–**	**1,085**	**7,569**	**211**	**581,016**	**684,571**	**380**	**684,951**
Profit for the period (after tax)		–	–	–	–	–	19,685	19,685	(15)	19,670
Other comprehensive income		–	–							
Foreign currency translation differences		–	–	68	–	–	–	68	–	68
Hedging gains recognised in other comprehensive income		–	–	–	14,119	–	–	14,119	–	14,119
Deferred tax on change in reserves		–	–	–	(3,953)	–	–	(3,953)	–	(3,953)
Cost of hedging gains recovered to the income statement		–	–	–	–	(293)	–	(293)	–	(293)
Deferred tax on cost of hedging		–	–	–	–	82	–	82	–	82
Total comprehensive income		**–**	**–**	**68**	**10,166**	**(211)**	**19,685**	**29,708**	**(15)**	**29,693**
Distributions to shareholders	5	–	–	–	–	–	(10,286)	(10,286)	–	(10,286)
Balance at 30 September 2024 (audited)		**94,690**	**–**	**1,153**	**17,735**	**–**	**590,415**	**703,993**	**365**	**704,358**

Notes to the Interim Financial Statements

for the six months ended 31 March 2025

Note 1 – General Information

Sanford Limited 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 unaudited financial statements presented are for Sanford Limited ('Sanford' , the 'Company' or the 'Group') as at and for the six months ended 31 March 2025. The Group comprises Sanford Limited, its subsidiaries and its investments in joint arrangements and associates.

The interim financial statements are prepared in accordance with NZ IAS 34: Interim Financial Reporting. The interim financial statements and the comparative information for the six months ended 31 March 2024 are unaudited. The comparative information for the year ended 30 September 2024 is audited.

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.

The Group's key operating business units 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.

Note 2 – Basis of Preparation

Significant accounting policies

The Group's accounting policies have been applied consistently to all periods presented in these interim financial statements, and have been applied consistently by Group entities. The interim financial statements should be read in conjunction with the financial statements for the year ended 30 September 2024.

New and amended accounting standards and interpretations adopted

Amendment to NZ IAS 1: Presentation of Financial Statements, Classification of Liabilities as Current or Non-current

The Amendment to NZ IAS 1: Presentation of Financial Statements, Classification of Liabilities as Current or Non-current (the Amendment) is effective for the Group in the financial year ended 30 September 2025. Under the Amendment, an entity classifies a liability as current unless the entity has a right to defer settlement of the liability for at least 12 months after the reporting period. The right must also exist at the reporting date and have substance. The Group elected to early adopt the Amendment, effective from 01 October 2023. Bank loans drawn under the Group's working capital facilities were classified as non-current liabilities at 31 March 2024 and 30 September 2024 as a result. Refer to note 4 for details on bank loans.

Note 3 – Segment Reporting

Sanford's management monitors the operating results of the Wildcatch and Aquaculture (mussels and salmon) business units. Business unit performance is evaluated based on operating profit or loss. Capital expenditure consists of additions of property, plant and equipment and intangible assets.

The Group has determined that the business units 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. Further information on segment reporting is included in the financial statements for the year ended 30 September 2024.

Note 3 – Segment Reporting (continued)

Revenue by geographical location of customers

	Unaudited 6 months ended 31 March 2025	Unaudited 6 months ended 31 March 2024	Audited 12 months ended 30 September 2024
	$000	$000	$000
New Zealand	106,189	104,318	222,699
North America	57,416	60,977	125,188
Europe	42,287	24,117	66,183
China	31,640	37,399	78,573
Australia	22,425	24,871	43,631
Other Asia	6,741	8,532	19,019
Middle East	6,416	1,286	4,000
Japan	4,675	5,774	10,516
South Korea	3,883	3,042	5,493
Hong Kong	1,739	1,365	2,882
Africa	1,441	329	764
Pacific	960	2,374	2,117
Central and South America	187	1,594	1,848
Revenue	**285,999**	**275,978**	**582,913**

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

The Group has one customer accounting for more than 10% of total sales for the current period across both Wildcatch and Aquaculture (six months ended 31 March 2024: one customer; year ended 30 September 2024: Nil).

Note 4 – Bank Loans (Secured)

	Carrying and face value		
	Unaudited 31 March 2025	Unaudited 31 March 2024	Audited 30 September 2024
	$000	$000	$000
Balance at beginning of the period	**200,000**	**203,000**	**203,000**
Bank term loans			
Proceeds	–	24,000	27,000
Repayments	(23,000)	–	(30,000)
Balance at end of the period	**177,000**	**227,000**	**200,000**
Interest rates applicable	4.3% – 5.1%	6.2% – 6.8%	5.6% – 6.7%

All syndicated bank loans are 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 EBITDA between Sanford and the Guaranteeing Group. The Group has complied with all covenants during the period (March 2024: all covenants were complied with; September 2024: all covenants were complied with).

Interest rates for all loans are floating based on the bank bill rate plus a margin. The Group's policy for term loans is to hedge between 25% and 75% of floating rate debt by using interest rate swaps.

Note 4 – Bank Loans (Secured) (continued)

Refinancing activities and loan balances

The Group completed refinancing activities on 31 January 2025. Expiry dates for the Group's banking facilities were extended, and the total facility limit was reduced from $250m as at 30 September 2024 to $230m.

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

Non-current facilities	Unaudited		
Syndicated and secured bank loans	As at 31 March 2025		
	Facility	Expiry Date	Balance
	$000		$000
	85,000	April 2026 – April 2027	66,000
	125,000	April 2028	100,000
	20,000	April 2029	11,000
	230,000		177,000

Non-current facilities	Audited			Unaudited		
Syndicated and secured bank loans	As at 30 September 2024			As at 31 March 2024		
	Facility	Expiry Date	Balance	Facility	Expiry Date	Balance
	$000		$000	$000		$000
	40,000	November 2025	30,000	60,000	April/November 2025	60,000
	85,000	March 2026 – April 2026	85,000	85,000	March 2026 – April 2026	82,000
	95,000	April 2026	55,000	75,000	April 2026	55,000
	30,000	April 2028	30,000	30,000	April 2028	30,000
	250,000		200,000	250,000		227,000

Note 5 – Dividends

The following dividends were declared and paid by the Company:

On 14 May 2025 the Board declared an interim dividend for the six months ended 31 March 2025 of 5.0 cents per share (31 March 2024: 5.0 cents per share; 30 September 2024: a final dividend of 5.0 cents per share was approved by the Board on 14 November 2024 and paid on 9 December 2024).

Note 6 – Financial Instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities at reporting date.

	Note	**Unaudited 6 months ended 31 March 2025 $000**	Unaudited 6 months ended 31 March 2024 $000	Audited 12 months ended 30 September 2024 $000
Non-derivative financial assets not measured at fair value (i)				
Trade receivables		92,865	102,948	83,167
Cash and cash equivalents		11,901	6,547	14,475
Other receivables – advances to associates		137	137	137
Shares in other companies		104	104	104
Non-derivative financial liabilities not measured at fair value (i)				
Trade and other payables		(44,649)	(52,539)	(36,227)
Bank term loans (secured)	4	(177,000)	(227,000)	(200,000)
Total net non-derivative financial liabilities		**(116,642)**	**(169,803)**	**(138,344)**
Derivative financial (liabilities)/assets measured at fair value (ii)				
Forward exchange contracts		(8,400)	5,335	28,689
Interest rate swaps		105	3,476	314
Fuel swaps		(758)	769	(1,933)
Total net derivative financial (liabilities)/assets		**(9,053)**	**9,580**	**27,070**

(i) Presented at carrying value that is equivalent to fair value.
(ii) Presented at fair value.

Other payables that are not financial liabilities are excluded above (provisions and employee entitlements: March 2025: $8.4m; March 2024: $8.6m; September 2024: $8.4m).

Note 7 – Other Income

31 March 2025 – Gain on sale of North Island Mussels Limited assets

Included in other income is a gain on sale of $1.0m from the sale of North Island Mussels Limited assets that were classified as assets held for sale at 30 September 2024. Refer to note 9 (b) for details.

31 March 2024 and 30 September 2024 – Net gain on sale of North Island inshore fishery assets

On 31 October 2023 the agreement for Sanford to lease the Annual Catch Entitlement (ACE) for much of its quota of North Island inshore species to Aotearoa Fisheries Limited (Moana) on a long-term basis became unconditional. The transaction included the sale of two of the Group's inshore fishing vessels, a selection of processing equipment, refrigerated vehicles/trailers, and one marine farm comprising three coastal permits in the Croisilles Harbour. The assets and marine farm licences were classified as assets held for sale (net of impairment) at 30 September 2023. In the six months ended 31 March 2024 and the year ended 30 September 2024, the Group received total consideration of $6.8m for the assets, resulting in a gain on sale of $0.96m which is included in other income in the income statement of the comparatives.

Notes to the Interim Financial Statements
for the six months ended 31 March 2025

Note 8 – Other Expenses

Material items included in other expenses in the comparative income statements are listed in the table below.

	Note	Unaudited 6 months ended 31 March 2024 $000	Audited 12 months ended 30 September 2024 $000
Impairment of investment and advances in Two Islands Co NZ Limited	i	3,333	2,956
Impairment of property, plant and equipment	9(a)/(b)	–	14,837
Impairment of intangible assets	ii	–	1,832

There were no material impairments in the six months ended 31 March 2025.

i. In the six months ended 31 March 2024 the Group impaired its equity accounted investment in Two Islands Co NZ Limited, including its subsidiary Two Islands Co Australia Pty Limited, by $2.9m. An advance to Two Islands Co NZ Limited of $0.2m including interest was also written off. Subsequent to 31 March 2024 the impaired investment was sold for a consideration of $0.2m.

ii. Included in the impairment of intangible assets for the year ended 30 September 2024 was an impairment of goodwill balance of $1.4m associated with Enzaq, a mussel powder business acquired in 2017.

Note 9 – Assets held for sale

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

31 March 2025

In the six months ended 31 March 2025 a conditional sale and purchase agreement was signed to sell the Auckland site's perpetual right to lease the land and buildings. This did not give rise to any accounting as the fair value adjustment and related impairment were recognised in the year ended 30 September 2024, noted below. The assets and lease obligation are disclosed as held for sale due to the conditional nature of the contract.

31 March 2024 and 30 September 2024

The perpetual right to lease the Auckland premises was classified as held for sale at 31 March 2024. As at 30 September 2024, the signing of a sale and purchase contract was considered imminent. On this basis these site leases and associated buildings were classified as held for sale.

At 30 September 2024 the conditional contract with the developer provided evidence of the fair value of the lease and building assets, which overall indicated there would be a gain from this transaction to be recognised if the conditions of the contract are fulfilled in the future. The conditional contract at this time provided evidence as to the fair value of the building assets prior to its reclassification to assets held for sale, which was less than the carrying value. In light of this the buildings were impaired by $4.2m as at 30 September 2024.

	Unaudited 31 March 2025 $000	Unaudited 31 March 2024 $000	Audited 30 September 2024 $000
Assets			
Right-of-use assets	14,373	12,807	12,807
Buildings	5,243	–	5,243
Total	19,616	12,807	18,050
Liabilities			
Lease obligation	(14,024)	(13,326)	(12,908)
Net held for sale asset position	**5,592**	**(519)**	**5,142**

Note 9 – Assets held for sale (continued)

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

North Island Mussels Limited (NIML) is a joint operation in which Sanford Limited has 50% shareholding to farm, process and sell mussels. The processing plant, based in Tauranga, was closed in the year ended 30 September 2024. Land, buildings, plant and equipment of the Tauranga site were actively marketed for sale in 2024 and as such were classified as held for sale at 30 September 2024. Total book value of assets held for sale less impairment was $1.7m. Sanford's share of impairment was $6.4m as recognised in the income statement in FY24.

The sale was completed in the six months ended 31 March 2025 for a consideration of $2.7m, resulting in a gain on sale of $1.0m, which is included in other income in the income statement.

As this is a joint operation, the Group recognises its share of NIML's assets, liabilities, revenues and expenses. The numbers presented are therefore representative of the Group's 50% share only.

	Audited 30 September 2024 $000
Assets	
Land	880
Buildings	776
Net held for sale asset position	**1,656**

Note 10 – Assets Valuation

Other than that noted in note 8, there have been no other material impairment losses recognised in the six months ended 31 March 2025 or 31 March 2024, or in the year ended 30 September 2024.

Impairment testing

The Group's market capitalisation has been below the carrying amount of net assets from September 2020. At 31 March 2025 the Group's market capitalisation was $473m (31 March 2024: $383m; 30 September 2024: $353m) and the carrying value of its net assets was $711m (31 March 2024: $694m; 30 September 2024: $704m). Accounting standards consider this to be an indicator of impairment.

Management undertakes impairment testing annually in respect of the cash-generating units (CGU) that contain the New Zealand fishing quota and marine farm licences using the value-in-use methodology. When the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the greater of fair value less cost to sell and its value-in-use.

This testing results in positive headroom between the value of these CGUs and the carrying amount of their net assets, indicating that there is no impairment at the CGU level.

The recoverable amounts of the CGUs were estimated based on the following significant assumptions:

- Post tax discount rates of 8.1% to 9.1% were applied, the midpoint being 8.6% (31 March 2024: 8.5%; 30 September 2024: 8.5%)
- Future cashflows were projected for a period of five years and a terminal growth rate of 2.25% (31 March 2024: 2.25%; 30 September 2024: 2.25%)
- The Aquaculture CGU assumes that for the FY25–FY29 (31 March 2024: FY24–FY28, 30 September 2024: FY25–FY29) period the compound annual growth rate (CAGR) of earnings is 1.6% (31 March 2024: 10.8%; 30 September 2024: 10.2%) and for the equivalent period for the New Zealand Wildcatch CGU the CAGR of earnings is 22.3% (31 March 2024: 3.9%; 30 September 2024: 24.8%).

The recoverable amount of New Zealand Wildcatch exceeds its carrying amount by $99m (31 March 2024: $137m; 30 September 2024: $109m) and Aquaculture by $137m (31 March 2024: $80m; 30 September 2024: $93m).

Sensitivity analysis

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 earnings assumption was assumed to have a CAGR of -10.4% (31 March 2024: no growth through to FY28; 30 September 2024: 1.2% through to FY29), 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 16.6% (31 March 2024: 4.9%; 30 September 2024: 18.4%) over the modelled period for the carrying amount to equal the recoverable amount.

Notes to the Interim Financial Statements
for the six months ended 31 March 2025

Note 11 — Contingent Liabilities and Commitments

(a) Contingent liabilities

	Unaudited 31 March 2025	Unaudited 31 March 2024	Audited 30 September 2024
	$000	$000	$000
Guarantees	801	801	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.

(b) Commitments

The estimated capital expenditure for property, plant and equipment contracted for at reporting date but not provided is $7.4m (31 March 2024: $16.2m; 30 September 2024: $4.4m).

Note 12 — Subsequent Events

Interim dividend approval

The Board approved an interim dividend for the six months ended 31 March 2025 on 14 May 2025. Refer to note 5 for details.

Directory

Board of Directors
Sir Robert McLeod, Chair
KNZM, LLB/BCom, FCA

David Mair
BE (Civil), MBA

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

Joanne Curin
BCom, FCA

Craig Ellison
M.Sc. (Zoology)

John Strowger
LLB (Hons)

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

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Bank of New Zealand
Rabobank New Zealand 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
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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.