



**SILVER
FERN[®]
FARMS**

CO-OPERATIVE LTD

Annual Report **2025**



2025 Annual Meeting of
Silver Fern Farms Co-operative Limited

Tuesday 5 May 2026, 11am

Distinction Hotel Dunedin



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About our Reporting Suite

The following information covers the results for Silver Fern Farms Co-operative Limited, and a summary of results for its investments, Silver Fern Farms Limited and Woolscour Holdings Limited (trading as WoolWorks).

Silver Fern Farms Co-operative Limited and Bright Meat (Hong Kong) Limited are the equal joint owners of Silver Fern Farms Limited, each holding a 50% share. Silver Fern Farms Co-operative also acquired a 12.5% stake in Woolscour Holdings Limited (trading as WoolWorks) in October 2024.



Our Investments



Chair's Review



2025 was a year where confidence improved across our farming communities.

After a few seasons of tougher returns, it has been heartening, and much needed, to see a material lift in sentiment right across rural New Zealand. You can feel it in the conversations on farms, at field days, and in our wider communities. Farmers are looking ahead again. That renewed confidence is grounded in improved farmgate pricing and a clearer line of sight on growing demand for the kind of food we are uniquely placed to produce.

For the Co-operative and for Silver Fern Farms Limited, this shift matters deeply. Our shared ambition is for the red meat sector to move decisively back into a growth mindset. We want to see the sector buck the trend of declining livestock volumes and position itself to thrive rather than simply survive in the years ahead.

At the same time, while underlying demand for what we produce remains strong, geopolitical and trade tension presents ongoing risks for the sector. In the period ahead, Silver Fern Farms will be drawing on its size, maturity and capability to navigate the complex world we trade into.

A Co-operative investing in our farmers' long-term interests

The Co-operative model remains a strategic anchor for us, and is a model we don't take for granted. With most livestock supplied by shareholders, alignment between on farm decisions and market priorities is built into our governance and investment approach.

At its core, the Co-operative ensures farmers stay in control of decisions that affect them. Those decisions are not made in distant boardrooms by investors seeking quick returns. They are made by people who understand land, livestock, and the communities that rely on them. That grounding in real farming experience anchors the priorities of the operating company and keeps farmers at the centre of a our long-term strategy.

Our 50:50 partnership with Bright Meat Group reflects that principle in action. The recapitalisation of the business a decade ago was vital, and the governance arrangements continue to ensure the Co-operative retains meaningful influence. It is a balance that brings strength. Bright is a constructive partner that recognises farmer prosperity is central to the success of the company. At the same time, elected farmer directors provide the tension needed to test decisions and keep the organisation accountable to the people who supply it.





Being the only red meat company in New Zealand where farmers now retain a meaningful interest is a responsibility we hold seriously. The Co-operative model keeps value where it belongs, strengthening farms, businesses and rural communities.

Our industry is unique in that processors are often competing more fiercely to procure livestock than to sell product. While that is currently shaped by supply and demand dynamics, the Co-operative ensures farmers have an honest broker if the balance shifts again. Without a strong Co-operative, the risk is that relationships become transactional rather than enduring.

Most importantly, the Co-operative gives farmers collective strength. One farmer alone cannot shift a global market. Together, through shared ownership and shared direction, we can. That collective approach underpins our premium positioning in market and ensures farmer values are embedded in our international story. Our shareholders understand that if we want the rest of the supply chain to invest in farmers, farmers must remain prepared to invest beyond their own farm gate. That philosophy is what sustains long term alignment and builds resilience through cycles.

We're operating in an increasingly volatile global environment, where disruption can emerge quickly and place real pressure on the processing sector. In this kind of setting, the Co-operative structure gives our loyal shareholding farmers confidence that their livestock will continue to be prioritised should global conditions tighten.

We also recognise that Co-operatives must continue evolving. Today's farmers have more investment choices than capital available. That means we must create new forms of value for shareholders and ensure the Co-operative continues meeting the expectations of future generations.





“ Being the only red meat company in New Zealand where farmers now retain a meaningful interest is a responsibility we hold seriously. **The Co-operative model keeps value where it belongs, strengthening farms, businesses, and rural communities.** ”

Silver Fern Farms Co-operative performance

Your Co-operative delivered an improved financial turnaround in FY25. Profit after tax was 14.2 million dollars, compared with a 10.9 million loss in FY24. This improvement was driven primarily by our equity accounted share of Silver Fern Farms Limited's improved result and by lower operating costs.

Operating expenditure reduced from 2.2 million dollars to 1.4 million dollars. Interest income for the year was 0.9 million dollars, compared with 1.9 million dollars in FY24, reflecting lower average deposit balances.

Total equity increased to 410.5 million dollars (up from 391.5 million dollars), supported by the improved operating result and stronger underlying performance from Silver Fern Farms Limited. The carrying value of our 50 percent investment in Silver Fern Farms Limited increased to 387 million dollars from 367.7 million dollars in the prior year.

The Co-operative ended the year with 11.7 million dollars in short term deposits and 5.1 million dollars in cash.

The Co-operative did not receive dividend distributions from Silver Fern Farms Limited or WoolWorks during 2025. Therefore, the Co-operative Board has not declared a dividend or patronage reward distribution for the 2025 financial year.





Silver Fern Farms Limited Performance

Our core investment, Silver Fern Farms Limited, managed another year of tight operating margins with discipline and focus. Revenue reached 3.046 billion dollars (up from 2.637 billion dollars), and net before tax of \$41.0 million, compared with a \$29.7 million loss recorded in the prior year.

Our Co-operative's share of Silver Fern Farms Limited's profit, recognised through equity accounting, was 14.5 million dollars.

Silver Fern Farms Limited's performance reflected a rigorous focus on cost control and avoidance, cash management, and the deferral of some investment.

While these decisions were necessary and prudent, it is important to acknowledge that deferred investment carries an opportunity cost. Projects that are paused delay the benefits of improved efficiency, upgraded technology, and enhanced market access that would otherwise have been realised earlier.

I want to acknowledge the leadership of Dan Boulton, his Executive and everyone of the team at Silver Fern Farms. While the farmers have enjoyed the upside of favourable market returns that Silver Fern Farms are extracting, tighter margins have required them to do more with less.



WoolWorks Performance

2025 marks the second year of our investment into WoolWorks. With the deferred part of the transaction now complete it is pleasing to see the progress the business has made in completing its post Cyclone Gabrielle rebuild of its Awatoto site. With a modern, efficient facility it allows WoolWorks to further optimise its business model and offer better returns to both shareholders and supplying farmers. The introduction of Grower Direct has seen those farmers participating happy with results, most noting wool having returned to a profit contributor within their businesses. It also sees support for more of the ovine value chain to reside within New Zealand.

Reflecting realities both ways

After two years as Co-operative Chair, I've learned that part of the role is about building understanding right across the supply chain. On one side, it means reflecting global market realities back across the farm gate. This involves building understanding about what matters to customers and consumers, where demand is growing, and how we can continue to win by leaning into provenance, animal welfare, environmental stewardship, and nutrition.

On the other side, it means carrying the realities of farming into offshore markets and customer conversations. This includes bringing an understanding of farm systems, seasonal pressures, and our nature positive and intergenerational approach to farming. These insights ensure that decisions about our brand, our investments, and our market positioning are grounded in the practical realities of how food is produced in New Zealand.

Our pasture-based systems, livestock which graze outdoors all-year round, and stewardship of landscapes are not marketing slogans. They are what we do. At Silver Fern Farms we will continue to build transparent partnerships that allow customers to reward the genuine efforts of our farmers. However, we must continue to provide proof through robust on-farm data, and credible certification frameworks.

On that note, some significant progress has been made in the last year by Silver Fern Farms Ltd, with a new strategic partnership with Sainsbury's signed at the end of the year as an example. This partnership has created a first where NZFAP Plus farmers are paid for their on-farm efforts in addition to meat supply. While high commodity prices are currently clouding the significance of these types of arrangements, they are the type of longer-term partnerships we need to accelerate.





Looking ahead

While farmgate returns and confidence have improved for farmers, the underlying structural challenges in the industry remain clear. As the only red meat company with a material farmer influence, Silver Fern Farms will continue to take a leadership role in addressing these challenges.

For New Zealand's sheep, beef and venison farmers to thrive, they need a strong processing and marketing sector which both operates efficiently and can commit the type of investment required to differentiate our products in market.

Lower livestock volumes have underscored the capacity challenges in the industry. While these challenges are difficult to resolve, Silver Fern Farms will continue to lean into them both in terms of our own network and through working with others. Ultimately farmers have an important role in supporting the changes that need to be made through their supply of livestock. A processor with a loyal supply of livestock is better able to navigate the challenge we face, and ultimately position suppliers for long-term success.

Having spent time in our markets, I feel there continues to be significant opportunity for greater collaboration between red meat companies, although we are making progress. In China, Silver Fern Farms joined forces with other processors, the Meat Industry Association, and the Government under Taste Pure Nature to promote New Zealand Country of Origin. Ultimately, our strength lies in unity, not internal competition, especially when facing global giants.

Last year demonstrated that when market conditions and farmgate returns improve, confidence follows in our rural communities. Our task now is to lock in that improved profitability on farm. We must continue to operate efficiently, to collaborate where it makes sense, to find new ways to partner with global customers and with our valued suppliers, to prove our environmental credentials with evidence and to invest with a long term view. In doing so, we can ensure our farmers, our communities, and our customers all share in the benefits of a more stable and higher value livestock industry.

Anna Nelson
Chair

Creating value for the farmers the world needs



Excellence in Leadership and Governance

- Leadership through action to deliver a prosperous future
- Deliver best in class governance with clarity of purpose
- Enable effective succession and governance development for current and future directors.



Supporting our Farmers and Communities

- Supporting our wider farming community
- Advocacy within global markets and the processing sector to ensure pastoral farming is prosperous long-term
- Backing our farmers to deliver enduring value from Nature Positive farming systems
- Priority access to processing space, livestock programmes, and value-accretive initiatives.



Creating Shareholder Value

- Lifting financial performance of our investments through effective governance
- Invest to support infrastructure resilience and efficiency
- Partnering and investing for future revenue streams
- Proactively manage risk across our investment portfolio
- Our farmers have a shareholding that has incremental value improvement through net asset growth and dividend distributions.

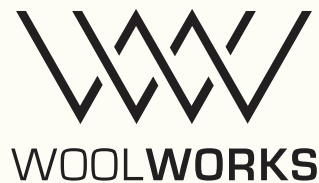


12.5% SHARE

WoolWorks New Zealand

Silver Fern Farms Co-operative Limited holds a 12.5% stake in Woolscour Holdings New Zealand Limited (trading as WoolWorks New Zealand).

WoolWorks is the largest woolscourer by volume in the world and provides commissioned woolscouring services to wool growers, local and international wool manufacturers, and wool exporters.



Strategically the fit between WoolWorks and Silver Fern Farms Co-operative is a strong one. Woolscouring (the washing of the wool) is a critical early-stage value-add to the fibre, enabling it to be integrated into many manufacturing processes, both locally here in New Zealand and around the world.

Being a best-in-class wool scourer is no longer enough for WoolWorks, and we recognise that to create the best value for farmers, wool supply line costs must reduce, and value must be added to the wool through innovation, increased exposure and engagement further into the supply chain.

WoolWorks Grower Direct

WoolWorks Grower Direct (WGD) was launched in the South Island early in 2025, with WGD commencing operations in the North Island in mid-2025. The rationale for WGD was simple; providing a direct and far more efficient wool supply option for growers, to improve wool returns from day one by shortening the supply chain and lowering handling costs.

The initial goal is to enhance the cost efficiencies in getting farmer's wool to market and better serve our exporter clients.

The second goal is to establish more direct routes to higher value consumers, and we continue to invest in this.

The directness provides the opportunity to connect customers and brands with growers and grower groups, which WoolWorks is actively developing. The mid-term objective is to realise significant improved prices for woolgrowers to underpin future wool supply and support additional revenue generation for WoolWorks.

The financial benefits for participating growers will vary, but after a year of being operational WGD is delivering material improved returns for wool grower's clips through the reduced costs of the direct model, and improved pricing that the location of the sold wool derives. This has set a strong platform for direct wool supply through WoolWorks, and importantly an enabler for genuine value-add programmes.





Wool Value Chain Developments

WoolWorks continues to develop market opportunities that recognise specific wool attributes and on-farm certifications such as NZFAP Plus and low carbon, with the ability to leverage this through their largely decarbonised woolscouring operations.

On 23rd March 2026 WoolWorks created history by scouring the first NZFAP Plus Gold certified commercial wool delivery.

This 40MT initial programme represents the ability for WoolWorks to work closely with Silver Fern Farms Co-operative shareholders and create more value from the effort they are already applying to their farming operations.

This is a great example of the supply chain integration that WoolWorks can enable and lead, direct from farm through to finished scoured product, with the ability to seamlessly carry forward shared credentials into the market and to the consumer. This effort is about leveraging more from the investment that farmers have already made in their progressive enterprises, and that the Co-operative has made in WoolWorks.

Further to this, and in the context of a continuously changing geo-political environment, WoolWorks has numerous workstreams underway, supported by in-market personnel, with much focused on USA based manufacturing solutions that relate to the carpet, rug, insulation, and acoustic panel markets, all representing significant volumes of wool, and importantly requiring varying wool types.



Co-operative Financial Results

Your Co-operative has reported a net profit before tax of \$14.0m for the 12-month period from 1 January 2025 through to 31 December 2025.

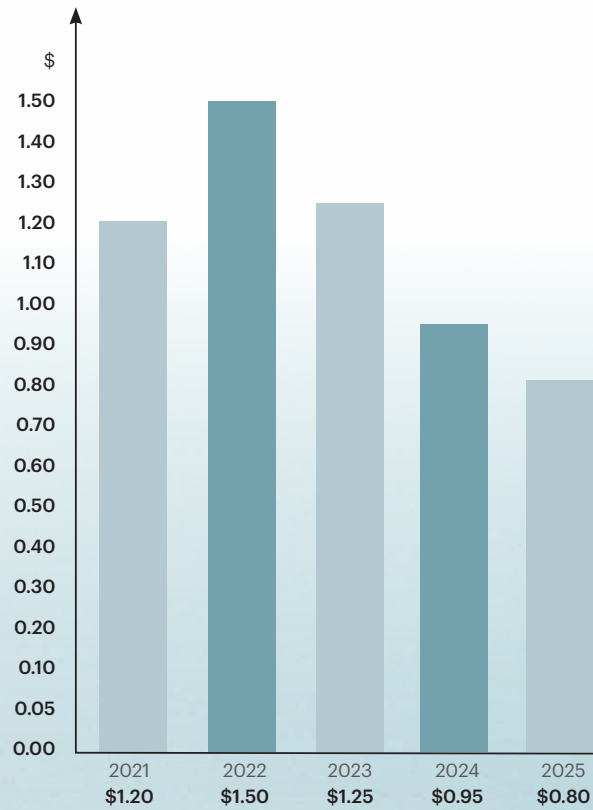
The after-tax result for the period was a net profit of \$14.2m. At balance date, 31 December 2025, our Total Shareholder Equity increased to \$410.5m (up from \$391.5m).

\$500k of the administrative overhead for the Co-operative for the 12-month period was met by Silver Fern Farms Limited as agreed under the terms of our partnership.

Silver Fern Farms Co-operative result for the 12-months to 31 December 2025:

| Silver Fern Farms Co-operative | FY25 | FY24 | Movement |
|--------------------------------|-----------------|-----------------|----------------|
| Share of Earnings | \$14.5m | (\$10.9m) | \$25.4m |
| Net Profit/(Loss) before Tax | \$14.0m | (\$11.0m) | \$25.0m |
| Net Profit/(Loss) after Tax | \$14.2m | (\$10.9m) | \$25.1m |
| Total Equity | \$410.5m | \$391.5m | \$19.0m |

Share Value (Value at Year End)



Your Co-operative Board of Directors



Anna Nelson

Chair of the Co-operative Board and Shareholder Elected Director

Together with husband Blair (Munta) and family, Anna runs a 1450 ha sheep and beef breeding and finishing farm in Aria in the King Country.

Anna is originally from Cheviot and has a Veterinary degree from Massey University. Anna was appointed to the Co-operative board in October 2021 and then elected in May 2023.

Anna became Chair of the Co-operative Board from May 2024 and Co-Chair of Silver Fern Farms Limited from May 2025.



Adrian Ball

Shareholder Elected Director

Alongside his wife Pauline, Tirau farmer Adrian runs Dennley Farms, a 196 ha fully integrated dairy and dairy beef finishing farm supplying finished cattle to Silver Fern Farms. He is also the Chairman of Rahinga Dairies in Dacre, Southland. Adrian is in an observer role for the Boards of WoolWorks and is on the Board of Silver Fern Farms Limited.

Adrian and his wife were the recipients of the 2019 Gordon Stephenson Trophy which is part of the Ballance Farm Environment Awards. They were the 2019 National Ambassadors for sustainable farming and growing. He has also recently completed a strategy specialisation certificate at the Harvard Business School and an Advanced Directors course at the Institute of Directors NZ.



William Beetham

Shareholder Elected Director

William farms in Wainuioru, situated 15 minutes east of Masterton in the Wairarapa. He is the Managing Director of Beetham Pastoral Ltd, operating two farms over 1,250 ha effective with semi-intensive sheep and beef finishing. He is a Director of the Food and Fibre Centre of Vocational Excellence and former Board Member of Federated Farmers and Chair of the Meat and Wool Section.

William is a Ministerial appointment to the Food and Fibre Industry Skills Board as well as Vice Chair.



Rodney Booth

Shareholder Elected Director

Rodney is joint owner and Managing Director of Dunfield Farming Limited, a 400 ha finishing property at Hororata, Canterbury. He was responsible for the development and transformation of the property from dryland to fully irrigated several years ago. Dunfield is predominantly a beef finishing property.

Rodney graduated Lincoln University with a Diploma in Farm Management and has completed professional development through the Institute of Directors (IOD).



Cassandra Crowley
Independent

Cassandra is a chartered accountant (Fellow), barrister and solicitor of the High Court of New Zealand and a member of the Institute of Directors.

In addition to her commercial advisory work, she holds non-executive directorship roles across several sectors of the New Zealand economy. These roles include chairing audit, finance and risk committees and overseeing digital transformation. She is a past president of Chartered Accountants Australia and New Zealand and has been recognised for her leadership and governance contributions with the Supreme Award for Excellence in Governance from Women on Boards



Tim Gibson
Independent

Tim is Managing Director of Tūhana Consulting Limited. He is a successful international executive with strengths in strategy development and implementation, stakeholder management, and building high performing teams. He has been a Chief Executive in Government and held Managing Director and senior executive positions in co-operative, and public companies.

Tim's career spans roles in the New Zealand Dairy Industry, in New Zealand, Asia and Europe. It includes Managing Director, Anchor (UK) Limited; Managing Director, North Asia, New Zealand Dairy Board; and Group Director Global Strategy, New Zealand Dairy Board.

Tim is Chair of the Port Otago Ltd (port and property); Chair of the Skills Group (vocational training); and a Director of Silver Fern Farms Ltd (New Zealand's largest meat processing and sales business). He is a Trustee of the Gillies McIndoe Foundation and Research Institutes, and was previously a Director of LIC and Miraka Limited.



Gabrielle Thompson
Shareholder Elected Director

Gabrielle graduated from Massey University with a Veterinary degree in 2000. Gabrielle developed her own companion animal clinic in 2004, growing to five clinics around the lower South Island over a 10-year period before selling these clinics to a nationwide company.

Gabrielle and her family own and operate a 360 ha arable and store lamb farm at Dorie, Mid Canterbury. Gabrielle is a chartered fellow of the Institute of Directors and is a member of the Lincoln University Council.

Your General Manager Co-operative Services



Clark Taylor

Clark ensures all aspects of the Co-operative's business requirements are fulfilled. One of his critical functions is to work closely with the Board and the Silver Fern Farms Executive Team to ensure that our fully shared suppliers are receiving the level of access to our Shareholder Benefits Programme they deserve.

Clark joined the Co-operative in August 2017, following a 37-year career with Bank of New Zealand, in senior leadership roles including leading the agribusiness, commercial banking and private banking sectors across the Otago/Southland region.

Your Co-operative Governance

Silver Fern Farms Co-operative Limited is a limited liability company registered under the New Zealand Companies Act 1993 and the Co-operative Companies Act 1996. The company is a co-operative owned primarily by suppliers of livestock to the group.

The company has a class of shares called New Ordinary Shares which are traded under the code "SFF" on the Unlisted Securities Exchange (USX). USX is a cost efficient trading facility and is not a registered stock exchange under the Securities Markets Act 1988.

The constitution of Silver Fern Farms Co-operative Limited is available on the company's website or on request.

Role of Board of Directors

The Board of Directors is responsible for the company's corporate governance and strategic direction. The Board is committed to undertaking this role in accordance with best practice appropriate to the company's business. The Board is responsible for determining the company's policies and objectives, managing risk, developing major strategies, and monitoring the performance of management. The Board has delegated certain powers to committees of the Board and the day-to-day management of the company to the General Manager Co-operative Services.

Policies

Silver Fern Farms Co-operative Limited's policies are designed to enhance overall performance and assist the company in reaching its objectives.

Director Independence

Silver Fern Farms Co-operative currently has two Independent Directors.

Board Composition

The Co-operative's Constitution determines that:

- Silver Fern Farms Co-operative Limited will have a Board of between six and nine directors;
- up to five directors are to be elected by shareholders who are suppliers of livestock to the Company. Shareholder-elected Directors must also be an eligible person (supplying shareholder);
- up to four directors may be appointed by the Board ('Independent Directors'). If there are more than three Independent Directors, one must be an eligible person (supplying shareholder).

To qualify for election or appointment, a director must not be an employee of Silver Fern Farms Co-operative, Silver Fern Farms Limited or any of their subsidiaries.

The Board at 31 December 2025 comprised, five supplier-elected Directors and two Board-appointed Independent Directors as follows:

| | |
|--------------------|----------------------------|
| Adrian Ball | Shareholder elected |
| William Beetham | Shareholder elected |
| Rodney Booth | Shareholder elected |
| Cassandra Crowley | Independent |
| Tim Gibson | Independent |
| Anna Nelson | Chair, Shareholder elected |
| Gabrielle Thompson | Shareholder elected |

Biographies of current Directors are set out in the Board of Directors section of this report.

Director Nominee Process

Director nominees must be nominated by two current shareholder suppliers. The Director nominee process involves an independent evaluation of those nominated, against a range of skill set requirements for the business. The Candidate Assessment Panel which includes an independent evaluator advise shareholders of each candidate's fit against that framework.

The Board establishes the framework and appoints an independent evaluator. An independent director also chairs the candidate evaluation process. No other members of the Board are involved in this process. The Directors believe in encouraging the creation of a pool of director capability relevant to the business, particularly among the shareholder-elected constituents. In addition to working with organisations such as the Co-operative Business New Zealand and the Institute of Directors and other Co-operative's to encourage director training and development.

Committees

The Board has appointed two committees, established to work on behalf of the board on specific issues, reporting back to the Board. The Audit, Finance, Risk and Investment Committee assists the Board regarding the credibility of financial reporting and oversight regarding the discharge of its responsibilities related to financial reporting and regulatory compliance.

The Remuneration and Appointments Committee reviews the performance of the General Manager Co-operative Services and recommends remuneration of Directors. In addition, the Committee oversees the Elected Director process and the process for appointment of Independent Directors.

Operation of the Board

The Silver Fern Farms Co-operative Board meets formally four times each year, and as otherwise required. The Board's Audit, Finance, Risk and Investment Committee is scheduled to meet two to three times a year or as otherwise required. The Remuneration and Appointments Committee meets at least twice a year.

The Chair and General Manager Co-operative Services establish the agenda for each Board meeting. The General Manager Co-operative Services prepares a quarterly management report that includes a summary of the company's activities together with financial and other reports. The Board also receives regular briefings on key strategic issues from Silver Fern Farms Limited management.

New Directors receive induction training which includes written and oral presentations by the Chair, General Manager Co-operative Services, Silver Fern Farms Limited's Chief Executive and senior management team on the key strategic and operational business issues facing Silver Fern Farms. External training providers are also utilised.

The Board has established a Board Capability Matrix that outlines the ideal competencies and skills required by Directors to operate effectively on the Silver Fern Farms Co-operative Board. This matrix is used to assess performance of the Board collectively and the performance of Directors individually.

An independent consultant has been used to establish the Competency Matrix and complete the Board and Director Effectiveness reviews. Reviews are generally completed every two years.

Auditor Independence

The company requires its Auditor to maintain independence in accordance with best practice. The Audit, Finance, Risk and Investment Committee reviews the independence and objectivity of the Auditor.

Directors' Fees

The current total Directors' fee pool is \$1.071 million per annum.

Public release of material information

Silver Fern Farms Co-operative Limited has developed processes for release of material information to Unlisted and for the public release of information and the publication of information on the company's website.

Attendance at meetings

During the year ended 31 December 2025, the Board met six times as follows:

| Director | Board | Annual | Committee [#] |
|--------------------|-------|--------|------------------------|
| Adrian Ball | 6 | 1 | 3 |
| William Beetham | 6 | 1 | 2 |
| Rodney Booth | 6 | 1 | 3 |
| Cassandra Crowley | 6 | 1 | 3 |
| Tim Gibson | 6 | 1 | 2 |
| Rob Hewett* | 3 | 1 | 1 |
| Anna Nelson | 6 | 1 | 3 |
| Gabrielle Thompson | 6 | 1 | 3 |

Board committee meetings include Audit, Finance, Risk and Investment / Remuneration & Appointments

* Retired May 2025

Your Co-operative Statutory Information

Directors

The Directors of Silver Fern Farms Co-operative Ltd as at 31 December 2025 are:

- Anna Gioia Nelson (Chair)
- Adrian Charles Ball
- Ralph William Trevor Beetham
- Rodney Paul Booth
- Cassandra Rose Crowley
- Timothy Dunlop Gibson
- Gabrielle Jane Thompson.

Directors' Interest in Transactions

For the period ended 31 December 2025, no Director caused to be entered in the company's interest register any transaction or proposed transaction with the company. Also, no director of any subsidiary of the company disclosed any such interest.

Co-operative Status

The following resolution was unanimously passed by the Board on 17 February 2025.

"In the opinion of the Board, Silver Fern Farms Co-operative Limited has throughout the period ended 31 December 2025 been a "co-operative company" as defined in the Co-operative Companies Act 1996 ("Act") for the following reasons:

- a. More than 60 percent of the shareholders of the Company entitled to vote are transacting business with the Company and are transacting shareholders as set out in Section 4 of the said Act;
- b. The Company carries on a co-operative activity as set out in Section 3 of the Act."

Information Disclosure

For the period ended 31 December 2025, no Director requested to use Company information received by them in their capacity as Directors.

Remuneration and Appointments Committee

The Committee comprises Tim Gibson - Chair, William Beetham and Adrian Ball.

Audit, Finance Risk and Investment Committee

The Committee comprises Cassandra Crowley – Chair, Gabrielle Thompson and Rodney Booth.

Directors' Insurance

Directors' and officers' liability insurance is taken out and paid for by Silver Fern Farms Limited, the Operating Company. In the event of a claim, the Directors may benefit under the terms of these policies.

Donations

During the period ended 31 December 2025, Silver Fern Farms Co-operative made no donations (2024: \$nil).

Auditor

KPMG were appointed as auditors of both the Co-operative and Silver Fern Farms Limited, the Operating Company. Audit fees for the period are disclosed in the notes to the financial statements.

Directors' Interests in Silver Fern Farms Shares

The shares held in Silver Fern Farms Co-operative Limited by each director as at 31 December 2025 are set out in the following table:

| Director | Holding as at 31 December 2025 |
|--------------------|-----------------------------------|
| Adrian Ball | 40,000 |
| Rodney Booth | 80,170 |
| William Beetham | 70,327 |
| Tim Gibson | - |
| Anna Nelson | 85,314 |
| Cassandra Crowley | - |
| Gabrielle Thompson | 125,031 |

Tim Gibson and Cassandra Crowley do not have any share ownership – directly or via another entity.

Directors' Fees

Consistent with the terms of the Shareholders' Agreement between the Co-operative, Bright Meat Group and the operating company, the Co-operative Board appoints five directors to the Board of the operating company, including a Co-chair.

The Co-operative is responsible for all remuneration of directors in connection with their appointments to the Board of the Co-operative, the Board of the operating company and to the Committees of those Boards. No Director of the Company has, since the end of the previous period, received or become entitled to receive a benefit other than Directors' fees and insurances. The total pool for directors' fees was \$1.071 million.

| | | Co-operative | Operating Company | Total |
|------------------------------|---|------------------------------------|------------------------------------|------------------------------------|
| Director | Positions | Year ended 31 December 2025 | Year ended 31 December 2025 | Year ended 31 December 2025 |
| Adrian Ball | Director of the Co-operative, Operating Company and Observer on WoolWorks Board | 58,965 | 73,662 | 132,626 |
| William Beetham | Director of the Co-operative | 35,296 | 44,491 | 79,787 |
| Rodney Booth | Director of the Co-operative and Operating Company | 35,296 | 62,056 | 97,352 |
| Cassandra Crowley | Director of the Co-operative and operating company, Chair of Audit, Risk Assessment and Mitigation Committee of the Co-operative, Chair of the Risk & Sustainability Committee of the Operating Company | 41,604 | 127,389 | 168,993 |
| Tim Gibson | Director of the Co-operative and Operating Company, Chair of the Remuneration and Appointments Committee of the Co-operative and the Operating Company | 41,604 | 127,389 | 168,993 |
| Rob Hewett | Director of the Co-operative, Co-chair of the Operating Company (retired 20 May 2025) | 16,881 | 98,611 | 115,492 |
| Anna Nelson | Chair of the Co-operative and Co-Chair of the Operating Company | 74,083 | 198,065 | 272,149 |
| Gabrielle Thompson | Director of the Co-operative | 35,296 | - | 35,296 |
| Total Directors' fees | | 339,025 | 731,663 | 1,070,688 |

Remuneration of Employees

One employee of Silver Fern Farms Co-operative Limited received remuneration and other benefits in excess of \$100,000 in the year ended 31 December 2025 (\$140,000 - \$150,000).

Directors' Statement

This Annual Report is dated 30 March 2026 and is signed on behalf of the Board by:



Anna Nelson

Chair
30 March 2026



Cassandra Crowley

Chair - Audit, Finance, Risk, Investment Committee
30 March 2026

Your Co-operative Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

| NZD IN THOUSANDS (\$000) | Notes | Year ended 31 December 2025 | Year ended 31 December 2024 |
|---|-------|--------------------------------|--------------------------------|
| Share of earnings of SFFL | 2(b) | 14,527 | (10,904) |
| Share of earnings of WSHL | 3 | – | 250 |
| Interest income | | 886 | 1,924 |
| Total income/(loss) | | 15,413 | (8,730) |
| Operating expenditure | 4 | (1,406) | (2,244) |
| Total expenses | | (1,406) | (2,244) |
| Profit/(loss) before tax | | 14,007 | (10,974) |
| Tax benefit/(expense) | 5 | 145 | 90 |
| Profit/(loss) after tax | | 14,152 | (10,884) |
| Other comprehensive income | | | |
| <i>Items that may be subsequently reclassified to profit or loss:</i> | | | |
| Share of equity accounted investments' other comprehensive income | 2(b) | 4,782 | (4,540) |
| Total comprehensive income/(loss) | | 18,934 | (15,424) |
| Earnings per share attributable to shareholders of the parent | | Cents | Cents |
| Basic earnings per share | 6 | 14.10 | (10.84) |
| Diluted earnings per share | 6 | 14.10 | (10.84) |

The Consolidated Statement of Comprehensive Income above should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For the year ended 31 December 2025

| NZD IN THOUSANDS (\$000) | Notes | 2025 | 2024 |
|--------------------------------------|-------|----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 5,149 | 266 |
| Short term deposits | 7 | 11,694 | 22,795 |
| Trade and other receivables | 8 | 51,684 | 65,850 |
| Equity receivable | 11(b) | - | - |
| Total current assets | | 68,527 | 88,911 |
| Non-current assets | | | |
| Equity-accounted investment | 2(a) | 387,005 | 367,696 |
| Other investments | 3 | 19,450 | 18,485 |
| Deferred tax assets | 5 | 293 | 148 |
| Total non-current assets | | 406,748 | 386,329 |
| TOTAL ASSETS | | 475,275 | 475,240 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | 54,819 | 70,060 |
| Interest bearing liabilities | 10 | - | 3,485 |
| Total current liabilities | | 54,819 | 73,545 |
| Non-current liabilities | | | |
| Members' rebate shares | 11(a) | 9,987 | 10,161 |
| Total non-current liabilities | | 9,987 | 10,161 |
| TOTAL LIABILITIES | | 64,806 | 83,706 |
| NET ASSETS | | 410,469 | 391,534 |
| EQUITY | | | |
| Ordinary share capital | 11(b) | 136,495 | 136,495 |
| Foreign currency translation reserve | | 4,562 | 3,763 |
| Cash flow hedge reserve | | 421 | (3,572) |
| Retained earnings | | 269,001 | 254,848 |
| TOTAL EQUITY | | 410,469 | 391,534 |

The Consolidated Statement of Financial Position above should be read in conjunction with the accompanying notes.
For and on behalf of the Board.



Anna Nelson
Chair
30 March 2026



Cassandra Crowley
Chair – Audit, Finance, Risk, Investment Committee
30 March 2026

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

| NZD IN THOUSANDS (\$000) | Notes | Share capital | Cash flow hedge reserve | Foreign currency translation reserve | Retained earnings | Total equity |
|---|-------|----------------|-------------------------|--------------------------------------|-------------------|-----------------|
| Balance as at 1 January 2024 | | 136,495 | 2,799 | 1,932 | 265,614 | 406,840 |
| Profit/(loss) for the year | | - | - | - | (10,884) | (10,884) |
| Other comprehensive income | | | | | | |
| Share of equity accounted investments' other comprehensive income | 2(b) | - | (6,371) | 1,831 | - | (4,540) |
| Total comprehensive income/(loss) | | - | (6,371) | 1,831 | (10,884) | (15,424) |
| Transactions with owners in their capacity as owners: | | | | | | |
| Dividends paid | 11(c) | - | - | - | - | - |
| Dividends forfeited | 9 | - | - | - | 118 | 118 |
| Balance as at 31 December 2024 | | 136,495 | (3,572) | 3,763 | 254,848 | 391,534 |

| NZD IN THOUSANDS (\$000) | Notes | Share capital | Cash flow hedge reserve | Foreign currency translation reserve | Retained earnings | Total equity |
|---|-------|----------------|-------------------------|--------------------------------------|-------------------|----------------|
| Balance as at 1 January 2025 | | 136,495 | (3,572) | 3,763 | 254,848 | 391,534 |
| Profit/(loss) for the year | | - | - | - | 14,152 | 14,152 |
| Other comprehensive income | | | | | | |
| Share of equity accounted investments' other comprehensive income | 2(b) | - | 3,993 | 789 | - | 4,782 |
| Total comprehensive income/(loss) | | - | 3,993 | 789 | 14,152 | 18,934 |
| Transactions with owners in their capacity as owners: | | | | | | |
| Dividends paid | 11(c) | - | - | - | - | - |
| Dividends forfeited | 9 | - | - | - | 1 | 1 |
| Balance as at 31 December 2025 | | 136,495 | 421 | 4,552 | 269,001 | 410,469 |

The Consolidated Statement of Changes in Equity above should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

| NZD IN THOUSANDS (\$000) | Notes | 2025 | 2024 |
|--|--------------|----------------|----------------|
| Cash flows from/(used in) operating activities | | | |
| Payments to suppliers and directors | | (2,357) | (1,205) |
| Dividends received from other investments | 3 | - | 250 |
| Interest received | | 762 | 2,123 |
| Net cash flows from operating activities | 12 | (1,595) | 1,168 |
| Cash flows from/(used in) investing activities | | | |
| Cash withdrawal/(investment) in short term deposits | | 11,102 | 12,500 |
| Investment in financial assets | | (4,450) | (15,000) |
| Net cash flows used in investing activities | | 6,652 | (2,500) |
| Cash flows from/(used in) financing activities | | | |
| Dividends paid | 11(c) | - | - |
| Deferred proceeds from issue of ordinary shares | 11(b) | - | 19 |
| Cash returned from unclaimed dividends and share redemptions | 9 | - | 1,500 |
| Members' rebate shares redeemed | 11 | (174) | (193) |
| Net cash flows used in financing activities | | (174) | 1,326 |
| Net increase/(decrease) in cash and cash equivalents | | 4,883 | (6) |
| Cash and cash equivalents at the beginning of the financial year | | 266 | 272 |
| Cash and cash equivalents at end of year | | 5,149 | 266 |

In addition to cash and cash equivalents, the Co-operative held short term deposits of \$11,694,000 at balance date (2024: \$22,795,000).

The Consolidated Statement of Cash Flows above should be read in conjunction with the accompanying notes.

Your Co-operative

Notes to the Financial Statements

GENERAL INFORMATION AND SUMMARY OF ACCOUNTING POLICIES

1. General information and summary of accounting policies

The consolidated financial statements of Silver Fern Farms Co-operative Limited (the 'Co-operative'), for the year ended 31 December 2025, comprise the Co-operative, its subsidiary and its equity accounted investment in Silver Fern Farms Limited ('SFFL'). The Co-operative is registered under the Companies Act 1993 and the Co-operative Companies Act 1996. The Co-operative is a reporting entity under the Financial Markets Conduct Act 2013 (FMC Act). Under the FMC Act, parent company numbers are not required to be presented in the consolidated financial statements.

The Co-operative is domiciled in New Zealand and SFFL's principal place of operations is New Zealand. The Co-operative's primary activity is the management of its investment in SFFL and other investments. SFFL is involved in the processing, marketing and distribution of beef, sheep meat, venison and related products.

At 31 December 2025, the Co-operative had one dormant New Zealand subsidiary, SFFC Sub Limited.

The ordinary shares of the Co-operative are traded on the Unlisted Securities Exchange (USX).

The consolidated financial statements were authorised for issue by the directors on 30 March 2026.

a. Basis of preparation

These consolidated financial statements of the Co-operative have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for tier 1 for profit entities. These financial statements also comply with International Financial Reporting Standards ('IFRS').

These consolidated financial statements are presented in New Zealand Dollars (\$), which is the Co-operative's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

All mandatory amendments and interpretations have been adopted in the current year. None had a material impact on these financial statements. Amendments included FRS 44 – Disclosure of Fees for Audit Firm's Services the amendments enhance the required disclosures for fees incurred for services received from each audit or review firm. The Group has made these enhanced disclosures in Note 16.

During the last financial year the International Accounting Standard Board issued IFRS 18 Presentation and Disclosure in the Financial statements, which is effective for accounting periods beginning on or after 1 January 2027. The impact of this standard is being assessed by the Co-operative; however it is expected the standard will affect the presentation of the financial statements.

Going Concern

In preparing these financial statements, the directors have assessed various events, conditions and uncertainties facing the Co-operative and its ability to continue as a going concern. These conditions do not give rise to any significant doubt upon the Co-operative's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

b. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with NZ IFRS requires directors to exercise their judgement in the process of applying the Co-operative's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Consideration of impairment of associate investment

The Co-operative considers whether its equity accounted investments might be impaired at each reporting date, firstly, by understanding if there are indicators of impairment under NZ IAS 28. If indicators of impairment exist, an evaluation of the current recoverable amount of the investment is required.

Consideration of fair value of other investments

When the fair values of other investments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using the comparable market valuation technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Refer to note 3.

Climate risk

For the purposes of the financial statements the effects of climate change are a continuing source of uncertainty where the risk primarily lies with SFFL who have put controls in place to respond to the risk and opportunities that climate change creates. Outside of the financial statements, there is a climate risk to the farmer shareholders of the Co-operative due the industry in which they operate.

FINANCIAL PERFORMANCE

2. Equity accounted investment

Investments in associates are measured using the equity method. The equity method has been used for associate entities over which the Co-operative has significant influence but not control.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Co-operative's share of the post acquisition profits or losses and movements of the investee's other comprehensive income in the Consolidated statement of comprehensive income.

Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. If the Co-operative's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Co-operative does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.



Accounting policy

Significant influence

With effect from 6 December 2016, the Co-operative has equity accounted for its investment in SFFL as an associate. The Co-operative owns 50% of the shares in SFFL; the other 50% is owned by Bright Meat (Hong Kong) Limited ("BMG"), formerly Shanghai Maling Aquarius Co. Limited. The directors have concluded that the Co-operative has significant influence over SFFL, due to its appointment of five of its ten directors, including a co-chairperson, and other terms of the Shareholders' Agreement. However, it does not control SFFL, as defined by NZ IFRS 10 Consolidated Financial Statements, due to the casting vote rights of the BMG appointed co-chairperson on certain specific matters.

Consideration of impairment

The directors consider whether any objective indicators of potential impairment exist in relation to its investment in SFFL, by reference to NZ IAS 28 Investments in Associates and Joint Ventures, at each reporting date. Per NZ IAS 28, indicators of impairment might include significant financial difficulty, a need for financial reorganisation, the disappearance of an active market or significant adverse effects from changes to the technological, market, economic or legal environment in which the associates operate. When indicators of impairment exist, an assessment of the recoverable amount of the associate investment is required. An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount.

An impairment loss is recognised in profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. Goodwill was recognised by the Co-operative upon initial recognition of its associate investments.

a. Carrying amount of investments in equity accounted investments

The Co-operative equity accounts for its 50% investment in SFFL as an associate. The Co-operative holds no other investments in associates.

Equity accounted investments

| NZD IN THOUSANDS (\$000) | Notes | 2025 | 2024 |
|--|-------|----------------|----------------|
| Opening Balance 2025 | | 367,696 | 383,140 |
| Share of profit/(loss) after tax | 2(b) | 14,527 | (10,904) |
| Share of other comprehensive income/(loss) | 2(b) | 4,782 | (4,540) |
| Closing balance | | 387,005 | 367,696 |

Dividends

Total dividends declared and paid from equity accounted investments for the year ended 31 December 2025: \$nil (2024: \$nil).

Impairment

The directors have assessed that there were no indicators of potential impairment as at 31 December 2025.

b. Co-operative's share of total comprehensive income of equity accounted investment

Summary financial information is not adjusted for the percentage ownership held by the Co-operative

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|--|------------------|------------------|
| REVENUE | 3,046,171 | 2,636,905 |
| Profit/(loss) after tax | 29,055 | (21,809) |
| Other comprehensive income for the year, net of tax | 9,563 | (9,081) |
| Total comprehensive (loss)/income for the year attributable to shareholders of the parent | 38,618 | (30,890) |
| CO-OPERATIVE'S SHARE | | |
| Co-operative's share of profit/(loss) after tax | 14,527 | (10,904) |
| Co-operative's share of other comprehensive income | 4,782 | (4,540) |
| Co-operative's share of total comprehensive income/(loss) | 19,309 | (15,444) |

c. Co-operative's share of net assets of equity accounted investments

Summary financial information is not adjusted for the percentage ownership held by the Co-operative

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|--|------------------|------------------|
| Current assets | 836,920 | 673,570 |
| Non current assets | 612,098 | 584,703 |
| Total assets | 1,449,018 | 1,258,273 |
| Current liabilities | 675,826 | 531,035 |
| Non current liabilities | 30,024 | 22,688 |
| Total liabilities | 705,850 | 553,723 |
| Net assets | 743,168 | 704,550 |
| Co-operative's share of net assets | 371,584 | 352,275 |
| Goodwill on initial recognition | 15,421 | 15,421 |
| Equity accounted investment in SFFL | 387,005 | 367,696 |

The summary information provided for SFFL is based off the most recent annual financial statements which have a balance date of 31 December 2025.

A copy of the financial statements of SFFL can be obtained from the Companies Register in New Zealand at <https://companiesregister.companiesoffice.govt.nz/>.

3. Other investment



Accounting policy

i. Recognition and Initial measurement

Other investments represent investments in equity instruments, for which the Co-operative has neither significant influence or control.

Other investment and financial liabilities are initially recognised when Co-operative becomes a party to the contractual provisions of the instrument.

Other investments are classified as Fair value through profit and loss as the Co-operative has not made the irrevocable election to classify as Fair value through Other Comprehensive Income.

ii. Subsequent measurement and gains and losses

Other investments subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

iii. Measurement of fair values

When measuring the fair value of an other investment, the Co-operative 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 equity instrument 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.

The Co-operative recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

Financial assets measured at fair value

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|---------------------------------|---------------|---------------|
| Investment in WSHL | 19,450 | 18,485 |
| Total | 19,450 | 18,485 |

Reconciliation of level 3 fair values: Equity Securities

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|------------------------------------|---------------|---------------|
| Balance at 1 January 2025 | 18,485 | - |
| Purchases | 965 | 18,485 |
| Balance at 31 December 2025 | 19,450 | 18,485 |

Woolscour Holdings Limited (“WSHL”)

On 18 October 2024, the Co-operative acquired a 12.5% share in Woolscour Holdings Limited (‘WSHL’), for total consideration of \$18,485,000, settlement was finalised in October 2025 with an additional payment bringing total consideration to \$19,450,000. The investment is accounted for as a financial asset at fair value through profit or loss (“FVTPL”). The final payment settled the outstanding loan (refer note 10).

The Co-operative has determined the fair value of WSHL using level 3 inputs due to limited observable market data. A third party was used to determine a fair value as at 31 December 2025 using the methodology outlined in the above policy. It has been determined that no fair value adjustment is required.

No dividend was declared and paid during the year ended 31 December 2025 (2024: \$250,000).

The below table summarises the valuation techniques used when measuring level 3 fair values, as well as the significant unobservable inputs used.

| Type | Valuation Technique | Significant unobservable input | Inter-relationship between significant unobservable inputs and fair value measurement |
|-------------------|--|---------------------------------------|---|
| Equity securities | Market comparison technique: the valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the equity securities, and the revenue and EBITDA of the investee. The estimate is adjusted for the net debt of the investee. | Adjusted market multiple (7-8) | The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower). |

4. Operating expenditure

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|------------------------------------|--------------|--------------|
| Directors fees | 1,071 | 1,017 |
| Other operating costs | 335 | 1,227 |
| Total operating expenditure | 1,406 | 2,244 |

5. Income tax



Accounting policy

The income tax expense or credit for the period comprises current and deferred tax. Income tax is recognised in the income statement except when it relates to items recognised directly in other comprehensive income (in which case income tax is recognised in other comprehensive income). Income tax is based on tax rates and regulations enacted in the jurisdictions in which the entities operate.

The Co-operative's main source of income is its share of income from Equity accounted investments and dividends and fair value movements from other investments. The share of associate income is not directly taxable in the Co-operative and an adjustment is made in the note below. Dividends received from Equity accounted investments and other investments are taxable and are recognised as taxable income, as indicated in the note below.

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|---|--------------|-------------|
| INCOME TAX EXPENSE | | |
| Current tax | | |
| Current tax on profits/(losses) for the year | - | - |
| Deferred tax | | |
| Deferred tax in respect of the current year | (145) | (90) |
| Income tax (benefit)/expense | (145) | (90) |
| Numerical reconciliation of prima facie tax payable to tax expense | | |
| Profit from continuing operations before income tax expense | 14,007 | (10,974) |
| Income tax @ 28% | 3,922 | (3,073) |
| Tax effects of: | | |
| • Non-assessable earnings from SFFL | (4,067) | 3,053 |
| • Other Non Taxable income | - | - |
| • Dividends from equity accounted investments | - | - |
| Other adjustments: | | |
| • Imputation credits attached to dividends received | - | (70) |
| • Recognised tax losses in respect of prior years | - | - |
| Tax (benefit)/expense recognised in profit or loss | (145) | (90) |

Imputation credit balance

The Co-operative has an imputation credit balance as at 31 December 2025 of \$8,241,000 (2024: \$8,450,000).

Tax losses

The Co-operative had \$293,000 of unused tax losses for which a deferred tax asset has been recognised (2024: \$148,000) of unused tax losses for which a deferred tax asset has been recognised).

6. Earnings per share

a. Earnings used in calculating earnings per share

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|---|-------------|-------------|
| Profit attributable to the ordinary equity holders of the Co-operative used in calculating basic and diluted earnings per share | 14,152 | (10,884) |

b. Weighted average number of shares

| NUMBER OF SHARES IN THOUSANDS (000) | 2025 | 2024 |
|--|----------------|----------------|
| Weighted average number of ordinary shares for basic earnings per share | 100,379 | 100,379 |
| Weighted average number of ordinary shares for diluted earnings per share | 100,379 | 100,379 |

There have been no transactions involving ordinary shares that would significantly change the number of ordinary shares outstanding between the reporting date and the date these financial statements have been signed.

OPERATING ASSETS AND LIABILITIES

7. Current assets – short term deposits



Accounting policy

Short term deposits are measured at amortised cost using the effective interest method.

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|----------------------------------|---------------|---------------|
| Short term deposits | 11,694 | 22,795 |
| Total short term deposits | 11,694 | 22,795 |

The Co-operative holds short term deposits with maturity dates ranging from three to five months and have interest rates of between 3.35% and 3.65% (2024: 4.25% to 5.85%).

8. Trade and other receivables



Accounting policy

Trade and other receivables are amounts due from other entities in the ordinary course of business.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment on trade receivables is considered by taking into account the expected future credit losses.

No expected future credit losses have been recognised as the only customer is SFFL. There have been no historical credit losses.

| NZD IN THOUSANDS (\$000) | Notes | 2025 | 2024 |
|--|--------------|---------------|---------------|
| Livestock receivables from SFFL | 15 | 51,379 | 65,476 |
| Other receivables from SFFL | 15 | 57 | 13 |
| Other receivables | | 248 | 361 |
| Total trade and other receivables | | 51,684 | 65,850 |

The largest component of receivables relates to amounts owed by SFFL for livestock supplied by Co-operative shareholders in the last 14 days of the financial year. Note 15 includes further details of the transactions between the Co-operative and SFFL during the year.

9. Trade and other payables



Accounting policy

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or in the normal operating cycle of the business if longer. If not, they are presented as non current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

| NZD IN THOUSANDS (\$000) | Notes | 2025 | 2024 |
|---|--------------|---------------|---------------|
| Livestock payables to shareholder suppliers | 15 | 51,379 | 65,476 |
| Other payables | | 3,297 | 3,358 |
| Payables to SFFL | 15 | 143 | 1,226 |
| Total trade and other payables | | 54,819 | 70,060 |

The payables balance mostly relates to amounts due to Co-operative shareholders for livestock supplied to SFFL in the last 14 days of the financial year. Note 15 includes further details of the transactions between the Co-operative and its shareholders during the year.

As at 31 December 2025, other payables include amounts owed to shareholders of \$3,258,000 (2024: \$3,324,000). This represents \$1,215,000 (2024: \$1,276,000) of unclaimed dividends, \$1,444,000 (2024: \$1,447,000) of rebate shares and \$599,000 (2024: \$601,000) of redemptions. Some of the unclaimed amounts arose in connection with the payment of a special dividend and the redemption of supplier investment shares in 2017. Unclaimed funds were held in trust until 2019, when, following legal advice, \$1,970,000 was returned to the Co-operative. There has since been a further \$1,425,000 and \$1,500,000 returned to the Co-operative. These funds are held on deposit by the Co-operative and interest earned will be used for the benefit of shareholders. The share registrar holds \$29,000 in trust, which is included within other receivables, disclosed in note 8.

The directors resolved to forfeit shares and distributions unclaimed for greater than 5 years. These amount to \$nil (2024: nil) of supplier investment share redemptions and \$1,200 (2024: \$118,000) of unclaimed dividends.

FUNDING

10. Interest bearing liabilities



Accounting policy

Borrowings are initially recognised at fair value net of attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|--------------------------|----------|--------------|
| Loan payable | - | 3,485 |
| Total | - | 3,485 |

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|--------------------------|----------|--------------|
| Current borrowings | - | 3,485 |
| Non current borrowings | - | - |
| Total | - | 3,485 |

During 2025, the Co-operative had a loan with Ferrier Woolscours Limited (refer note 3). The loan was repaid in full on 17 October 2025 for the revised value of \$4,449,829. Interest was charged at 5% per annum with the total amount paid of \$222,491.

11. Members' rebate shares and ordinary shares



Accounting policy

Ordinary share capital is classified as equity.

Members' rebate shares are hybrid financial instruments as they have characteristics of both equity and financial liabilities. The equity component has a nominal value of \$nil. Since members' rebate shares are redeemable, a financial liability component is recognised, measured at fair value; fair value is the redemption amount of \$1 per share. Accordingly, a financial liability component of \$9,987,000 (2024: \$10,161,000) is recognised.

Since the payment of dividends on members' rebate shares is discretionary and there is no contractual obligation, dividends on members' rebate shares are accounted for as a deduction from equity.

Patronage rewards are a component of the overall dividend paid to qualifying shareholders. Whilst the calculation of patronage rewards is connected to the volume of livestock supplied within the qualifying period, payment of patronage rewards is discretionary. Accordingly, patronage rewards paid to holders of both ordinary and members' rebate shares are accounted for as deductions from equity.

| NZD IN THOUSANDS (\$000) | Members' Rebate Shares | Ordinary Shares |
|----------------------------|------------------------|-----------------|
| At 31 December 2023 | 10,354 | 136,495 |
| Shares redeemed | (193) | - |
| At 31 December 2024 | 10,161 | 136,495 |
| Shares redeemed | (174) | - |
| At 31 December 2025 | 9,987 | 136,495 |

a. Members' rebate shares

All members' rebate shares have a nominal value of one dollar per share. Under the Co-operative Companies Act 1996, the Co-operative has a right to defer redemption but not to withhold payment.

Members' rebate shares carry full voting rights subject to the shareholder being a current supplier (as defined in the constitution of the Co-operative) at the time of voting. Members' rebate shares participate equally on winding up.

The maximum shareholding for members' rebate shares is 17,500 (2024: 17,500).

During 2021 Directors approved the redemption of all shareholder rebate shares where shareholding was less than a \$1,000 to reduce ongoing share registry costs.

The number of shares redeemed for year ended 31 December 2025 where the shareholding was less than \$1,000 was nil (2024: nil).

b. Ordinary share capital

Partly paid shares

As part of a change in capital structure in 2009, shareholders could elect to exchange rebate shares and supplier investment shares for ordinary shares on a one for one basis; no cash was payable on exchange. In addition to the exchange of shares, shareholders could elect to participate in a two for one rights issue. Under the terms of the rights issue, shareholders were entitled to subscribe in cash for two ordinary shares for every one ordinary share issued to them under the exchange offer.

The rights issue price per ordinary share of \$1.00 was payable either in full on application or under a deferred payment option, over a period of approximately three years by way of deduction from proceeds of the sale of livestock. Shares are now fully paid and the balance receivable is nil (2024: nil). During the year, no funds were received in respect of partly paid shares (2024: \$19,000).

c. Dividends

Total dividends received by the Co-operative for the year ended 31 December 2025 \$nil (2024: \$250,000). No dividends were declared and paid during the year (2024: All dividends were declared and paid during the year).

During the year ended 31 December 2025, no ordinary dividend was paid to shareholders (2024: nil). This year, no shareholder suppliers were rewarded with a patronage (2024: nil) (Total distributed 2024: nil).

12. Reconciliation of profit after tax to net cash flow from operating activities

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|---|----------------|--------------|
| Profit/(loss) for the period | 14,152 | (10,884) |
| Share of earnings of equity accounted investments | 14,527 | 10,904 |
| Deferred tax recognised | (145) | (90) |
| Movement in working capital | | |
| (Increase)/decrease in receivables | 69 | 195 |
| Increase/(decrease) in payables | (1,144) | 1,042 |
| Net cash inflow from operating activities | (1,595) | 1,168 |

13. Risk management

The Co-operative is exposed to financial risks, which are outlined in summary below, together with the Co-operative's approach to managing these risks, to protect its financial position and financial performance.

Credit risk

As detailed in note 8, the Co-operative is exposed to credit risk in respect of trade and other receivables and equity receivable.

The Co-operative is able to manage risk in respect of trade and other receivables by maintaining visibility over the solvency of SFFL and WSHL through reports received as a shareholder and the directors appointed to the respective boards.

Cash, cash equivalents and short term deposits

The Group held cash, cash equivalents and short term deposits of \$16,843,000 as at 31 December 2025 (2024: \$23,061,000). The cash, cash equivalents and short term deposits are held with banks which are rated AA to AA+ based on Standard & Poor's agency ratings.

Impairment on cash, cash equivalents and short term deposits have been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash, cash equivalents and short term deposits have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of expected credit losses for cash, cash equivalents and short-term deposits to those used for debt securities.

Interest rate risk

The Co-operative is currently exposed to interest rate risk as it has funds invested in bank deposits at major New Zealand banks with approval from the Co-operative board. The Co-operative has outsourced its day to day treasury management to SFFL. The Co-operative has treasury policies and procedures in place to optimise the interest returned on these deposits and has not identified any significant interest rate risk on current bank deposits. Treasury policies include investing no more than \$15,000,000 with any one bank. Loans payable at fixed rates expose the Co-operative to fair value interest rate risk, refer note 10.

Foreign currency risk

The Co-operative is not directly exposed to foreign currency risk. The Co-operative is only exposed to foreign currency risk through its investment in associates. SFFL exports most of its goods which exposes it to foreign currency risk. SFFL has treasury policies and procedures, including the use of hedging instruments, to mitigate foreign currency risk.

Liquidity risk

The Co-operative is exposed to liquidity risk from the redemption of member's shares outstanding. These shares are subject to redemption at \$1 per share which could result in a significant portion of cash reserves being drawn down. The Co-operative mitigates this risk by retaining the right to defer redemption under the Co-operative Companies Act 1996 and shareholder constitution, and by retaining cash and term deposits in excess of the maximum liability. The Co-operative is not permitted to accept the redemption of any shares unless it is able to satisfy the solvency test immediately after doing so.

Market risk

The Co-operative is exposed to risk of fair value or future cash flows fluctuations due to change in market prices related to its Other investments. The risk is mitigated by active monitoring of investments' performance.

14. Events occurring after the reporting period

No subsequent events outside the normal course of business have been identified.

15. Related party disclosures

SFFL

- During the year \$1,419,500,000 (2024: \$1,138,182,000) was invoiced to SFFL in respect of livestock. \$1,419,500,000 (2024: \$1,138,182,000) was invoiced from shareholder suppliers in connection with livestock supplied for the year.
- At 31 December 2025 \$51,379,000 (2024: \$65,476,000) was receivable from SFFL and \$51,379,000 (2024: \$65,476,000) was payable to shareholder suppliers in connection with livestock supplied.
- Other receivables from SFFL amounted to \$57,000 as at 31 December 2025 (2024: \$13,000) payable from the Operating Company. Other payables to SFFL amounted to \$143,000 as at 31 December 2025 (2024: \$1,226,000).

In accordance with the Shareholders' Agreement between the Co-operative, BMG and SFFL, administrative services are provided to the Co-operative by SFFL. Administrative services include the maintenance of records, the preparation and audit of financial statements, taxation returns, the maintenance of bank accounts, share registry services, the conduct of shareholder meetings and director elections and the payment of dividends. SFFL undertakes to pay all reasonable costs of the Co-operative that relate to its governance and administration, excluding directors' fees, and all reasonable costs of engagement with its shareholders, up to a maximum of \$500,000 in any accounting period.

Governance and administration costs paid by SFFL totalled \$500,000 in the year ended 31 December 2025 (2024: \$500,000).

Directors and their trading entities

The Co-operative purchased livestock and made other livestock related payments to the farming businesses of the Co-operative and SFFL directors on the same terms and conditions as other suppliers.

- During the year purchases totalled \$13,242,000 (2024: \$10,799,000).
- At 31 December 2025, \$413,000 was payable to directors and their trading entities (2024: \$313,000).

Key management personnel

Key management personnel of the Co-operative, as defined by NZ IAS 24, comprise the board of directors only.

The Co-operative is responsible for paying fees to directors of the Co-operative and paying fees to directors of SFFL who have been appointed by the Co-operative. Fees for the year amounted to \$1,071,000 (2024: \$1,017,000).

16. Auditor's remuneration

| NZD IN THOUSANDS (\$000) | 2025 | 2024 |
|---------------------------------|-------------|-------------|
| Audit fees | 59 | 71 |

In accordance with the Shareholders' Agreement described in note 15, audit fees in respect of the Co-operative are paid by the SFFL.



Independent Auditor's Report

To the shareholders of Silver Fern Farms Co-Operative Limited (**Group**)

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 31 December 2025;
- the consolidated statements of 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 Silver Fern Farms Co-Operative Limited (the **Company**) and its subsidiary (the **Group**) on pages 22 to 38 present fairly in all material respects:

- the Group's financial position as at 31 December 2025 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 Silver Fern Farms Co-Operative 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.

Other than in our capacity as auditor we provide no other services to the Company. We are also the auditor and provide Agreed Upon Procedure services to Silver Fern Farms Limited, the Company's equity accounted investment. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

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 \$4.7m determined with reference to a benchmark of the Group's total assets. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

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Document classification: **KPMG Public**

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.

| | |
|-------------------------------|--|
| <h3>The key audit matter</h3> | <h3>How the matter was addressed in our audit</h3> |
|-------------------------------|--|

Equity accounted investment in Silver Fern Farms Limited

Refer to Note 2 to the consolidated financial statements.

The Group holds an equity accounted investment for its 50% share in Silver Fern Farms Limited (SFFL). The investment is carried at \$387m having accounted for the Co-operative share of comprehensive income during the year of \$19.3m.

This is a key audit matter because:

- The investment is significant to the Group's position and performance (representing 81% of total assets); and
- Management is required to assess whether there is objective evidence of impairment of the investment in Silver Fern Farms Limited. The investee operates in a highly competitive market which is subject to fluctuations in livestock procurement, operating efficiency and selling prices. The financial performance can fluctuate in any given year. Consequently, the performance is considered over a longer horizon when considering whether any impairment exists.
- Management assessed a range of factors and have not identified any objective evidence of impairment of SFFL.

Our audit procedures included:

- Reconciling the movement in the investment in associate to the audited accounts of Silver Fern Farms Limited;
- Challenging management's assessment of the whether there is any objective evidence of impairment. This included an independent assessment of the examples of loss events which are noted in the relevant accounting standards; and
- Assessing the accuracy and completeness of the disclosure requirements noted in the relevant accounting standards.

We did not identify any material misstatements in relation to the equity accounted investment in Silver Fern Farms Limited.

Valuation of the investment in Woolscour Holdings Limited

Refer to Note 3 to the consolidated financial statements.

The Group holds a 12.5% share in Woolscour Holdings Limited (WSHL) which is carried at its fair value of \$19.5m.

This is a key audit matter because of the level of judgement when assessing fair value, particularly in the absence of observable market transactions of WSHL shares.

Our audit procedures included:

- Meeting with management's specialist to understand their scope, and approach to establishing a valuation range.
- Engaging our KPMG valuation specialist to assess the work of management's specialist with a focus on the method used and selection of comparable companies.
- Obtaining an understanding of the recent performance and future business plans of WSHL based on conversations with management's

specialist, management and the Company's appointed Director to WHSL.

- Challenging the estimation of future maintainable earnings by comparison to information such as historical financial information and available market data.
- Performing sensitivity testing to consider a range of future maintainable earnings outcomes.
- Assessing the accuracy and adequacy of the disclosures made in the financial statements in relation to the valuation approach adopted.

We did not identify any material misstatements in relation to the valuation of Woolscour Holdings Limited.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

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.



***xlr* 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
Auckland
30 March 2026

Your Co-operative Directory

Board of Directors

Adrian Ball
William Beetham
Rodney Booth
Cassandra Crowley
Tim Gibson
Rob Hewett (retired May 2025)
Anna Nelson
Gabrielle Thompson

Management

Clark Taylor – General Manager Co-operative Services

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Shareholder Enquiries

For enquiries regarding Silver Fern Farms Co-operative Limited's Ordinary Shares and Rebate Shares, contact:

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PO Box 941, Dunedin 9054
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Listed Securities

Unlisted
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Wellington 6145
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Share Registrar

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PO Box 91976
Auckland 1142
T: +64 9 375 5993
F: +64 9 375 5990

Bankers

- Kiwibank Limited
 - Westpac New Zealand Limited
 - BNZ
 - ANZ
-

Auditor

KPMG

Tax Advisors

PwC

Legal Advisors

Harmos Horton Lusk







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