

ZGL Financial Disclosures Reporting - June 2025

Zespri Group Limited is required to publicly disclose the following information by 30 June 2025 under regulation 14(3)&(4) of the Kiwifruit Export Regulations 1999. The Special Purpose Financial Statements will be disclosed in July 2025.

Regulation 14(3) - New Zealand Registered Number of Suppliers

	2025	2024	2023
Number of Suppliers	13	13	13
Trays Supplied	198,179,792	138,441,172	165,845,413

Regulation 14(4) - Kiwifruit Payments Methodology - 2025/26 Season

This disclosure document includes a high-level summary of the general principles and elements of ZGL's methodology used to pay growers for Kiwifruit in the 2025/26 season. The full contractual basis and technical breakdown of the methodology is recorded in Supply Agreement (including the documents incorporated by reference). For reporting purposes, the Grower Payments Booklet (2025) contains a thorough description of the matters published and is available at the following site: <https://www.zespri.com/en-NZ/corporate-information/regulatory-affairs>.

Grower Pools and Corporate

The allocation of revenue and cost between Pools and Corporate (non-pool) is based on the Annual Supply Agreement between Zespri Group Limited and Suppliers. The allocation between pools is applied as follows:

- Sales are directly allocated to individual pools.
- Where expenses are directly attributable to one pool, they are allocated to that pool.
- Where expenses relate to more than one pool, amounts are allocated to pools based on allocation methods disclosed and agreed annually with the 'Industry Advisory Council' ('IAC'), captured in the Pool Policy Manual.

Grower Payments

Revenue earned by Zespri in the markets flows through to Growers after various costs, royalties, Zespri Margin and other elements are deducted. Grower Payments are categorised under three payment groups: Fruit, Incentive, and Service Payments. These groups cover the major payment programmes used to secure Zespri Class 1 Standard Supply of Zespri Kiwifruit. These payments are made to Growers via contract with their chosen post-harvest supplier. The diagrams and tables at **Appendix 1** illustrate the flow of funds as well as categories and timings of payments and penalties.

Payments and justifiable discrimination between suppliers

Each fruit group (variety and growing method) will have different market returns and may have differing payment calculations. This section describes within each payment type how suppliers may receive different amounts for fruit that is identical in every other respect.

Submit payments

Submit payments are paid on fruit when it is submitted into inventory. These payments represent a payment ahead of actual net sales receipts. All suppliers are paid the same submit rates for the same variety and size of kiwifruit supplied. There is no other basis for differentiating the submit rates.

Progress Payments

Progress payments represent the balance of fruit value to be paid after all other service and incentives payments are calculated. Different varieties and sizes of fruit receive different payments depending on the net return for each variety and size. There is no other differentiation between these payments.

Taste Zespri Payments

Taste payments are calculated for trays supplied (FOBS) based on a Taste Zespri Grade (TZG) score derived from the dry matter results of a maturity area. Dry matter is a proxy for good taste, and the payments are designed to incentivise better tasting fruit. Different varieties have different taste calculations. If every other characteristic is the same, there is no differentiation between suppliers based on taste - fruit supplied FOBS with the same dry matter result will receive the same taste payment.

Kiwistart Premiums

Kiwistart premiums are calculated for fruit that is supplied under a Supply Cap, or Allocated Volume. The Kiwistart rates incentivise early harvest to maximise early sales opportunities.

Under Kiwistart payments, differences between the payments for fruit packed in the same period can arise for three reasons:

- 1) Market Access - Zespri communicates ahead of time the market access requirement for Kiwistart supply for the First Past the Post Supply Caps. Only fruit that is available to the specified markets will attract the Kiwistart rate. This is considered commercially justified as Kiwistart rates are not paid to fruit that is not available to key early supply markets.
- 2) Allocated Volumes - Under Allocated Volumes Zespri procures fixed amounts of Kiwistart fruit per week. These fixed amounts are calculated using Registered Supplier shares to achieve equitable allocation of the procured amount. For

SunGold, Registered Suppliers may choose to pack ahead of time, meaning some fruit packed in a certain week may not attract the Kiwistart rate relevant to that week. This could represent a difference in rates between fruit that is identical in every respect (apart from exceeding Zespri's fixed procurement amount). Post harvest suppliers deal with this via their own pooling that Zespri is not involved in.

- 3) Ship-by rules - Any differences based on ship-by rules are considered commercially justified as the Kiwistart rates are a cost to the pool for early shipping, so the rates should not be paid to fruit that has an ordering opportunity but does not ship in the agreed timeframes. These are applied equally to all supply but in theory could result in fruit with identical characteristics receiving different rates due to failure to ship. This can only occur if Zespri has provided sufficient opportunity to ship. The ship-by rules address the unfairness that would result if the grower pools paid Kiwistart rates for early supply, but the fruit was packed early and not shipped early. In recent years Zespri and Registered Suppliers have worked through the Kiwistart inventory in a timely manner and there have been no payment reversals.

Supplier Accountability

Supplier Accountability premiums and penalties are applied based on sampled out-turn results offshore. These calculations are applied equally to all supply but result in different outcomes based on measured defects and the extrapolation of sampled results to the whole population. There are different calculations for different markets.

Time Payments

Time payments are designed to incentivise late supply. The rates are calculated for load out weeks. For fruit with identical characteristics supplied at FOBS in the same week there is no difference between payments made.

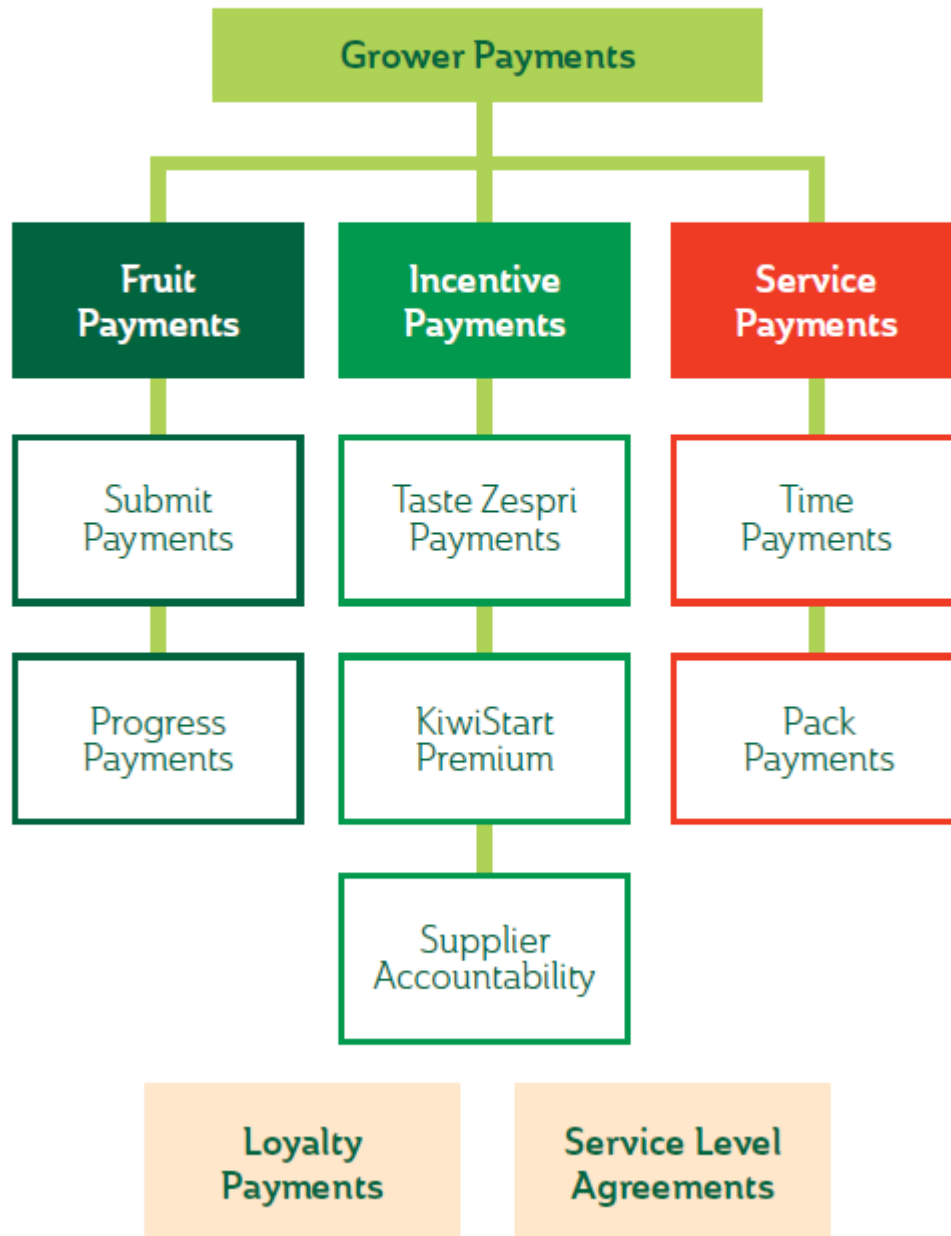
Pack Payments

Pack payments are calculated on a pack differential model which calculates the differential cost for different formats. Differences include packaging components, complexity resulting in additional overhead and variable costs in the post harvest, and differential load out costs in delivering the fruit. For fruit that is loaded out in identical formats, there is no differentiation between the amounts paid via the pack payment.

Appendix 1



GROWER PAYMENTS



The chart below shows estimated payment timings for the 2025/26 season:

Payment Timings	Submit	Progress	KiwiStart	Taste Zespri	Supplier Accountability	Pack and Time	Loyalty
April 2025	●					●	
May 2025	●					●	
June 2025	●					●	
July 2025		●		●	●	●	
August 2025		●	●	●	●	●	
September 2025		●		●	●	●	
October 2025		●	●	●	●	●	
November 2025		●		●	●	●	
December 2025		●		●	●	●	
January 2026 ^{ABC}					●		●
February 2026		●					
March 2026		●					
April 2026		●					
May 2026 ^B							
June 2026		●					●

- The first instalment of the 2025/26 season Loyalty Payment will be paid in January 2026.
- There is no fruit payment in January and May 2026.
- The possibility of a June progress payment is being discussed at the time of printing.