BARRAMUNDI LIMITED

NON-GAAP
FINANCIAL INFORMATION

August 2023

INTRODUCTION

The purpose of this policy is to set out Barramundi's position in relation to the use of financial information that is not presented in accordance with generally accepted accounting practice (GAAP). This is described as non-GAAP information.

This policy:

- Identifies non-GAAP information used by Barramundi;
- Prescribes the definitions and calculations applied by Barramundi to non-GAAP information; and
- Provides disclosure guidance in respect to reporting non-GAAP information in Barramundi's reports and other communications.

NON-GAAP INFORMATION USED BY BARRAMUNDI

Financial information presented other than in accordance with GAAP can be useful for shareholders as it provides perspective on how Barramundi is performing.

Non-GAAP information does not have a standardised meaning prescribed by GAAP and is not uniformly defined or utilised by all companies in New Zealand. Accordingly, these measures may not be comparable with similarly titled measures used by other companies.

The following is a list of non-GAAP information that Barramundi currently reports and the definition and calculations of these measures:

- **Net Asset Value (NAV)**

  The NAV per share represents the market value of the total assets of Barramundi (investments and cash) less any liabilities (expenses and tax), divided by the number of shares on issue. The NAV is calculated at the close of business each Wednesday and at month end. The NAV is reviewed by PwC at interim period end and audited at the end of each financial year. The NAV is announced to the NZX each Thursday and at month end.

  This metric is useful as it reflects the underlying value of the investment portfolio.

- **Adjusted Net Asset Value (Adjusted NAV)**

  The adjusted NAV per share represents the total assets of Barramundi (investments and cash) minus any liabilities (expenses and tax), divided by the number of shares on issue and adds back dividends paid to shareholders and adjusts for the impacts of shares issued under the dividend reinvestment plan at the discounted reinvestment price, shares bought off the market (share buy-backs) at a price different to the NAV and warrants exercised at a price different to the NAV at the time exercised.

Adjusted NAV assumes all dividends are reinvested in the company's dividend reinvestment plan and excludes imputation credits.

This metric is useful as it reflects the underlying performance of the investment portfolio adjusted for dividends, share buy-backs and warrants, which are a capital allocation decisions and not a reflection of the portfolio's performance.

The Adjusted NAV calculation is reviewed by an independent actuary at each interim and annual reporting period.

- **Adjusted NAV Return**

  The Adjusted NAV Return is the percentage change in Adjusted NAV and is calculated monthly, so the Adjusted NAV Return for multi-month periods is the compounded monthly returns.

  The Adjusted NAV Return is reviewed by an independent actuary at each interim and annual reporting period.

- **Gross Performance Return**

  Gross Performance Return is an estimated investment return on a before expenses and tax basis. It is calculated monthly and is appropriate for assessing the Manager's performance against an index or benchmark.

  The monthly gross performance is calculated by adding together the interest, dividend income and investment gains (or losses) generated by Barramundi's portfolio of investments over the month. The Gross Performance Return represents the gross performance divided by Barramundi's opening asset value for the month plus the net cash flow for the month, assuming it was paid mid-month. The result is expressed as a percentage. The Gross Performance Return for multi-month periods is the compounded monthly returns.

  The Gross Performance Return is used to compare the Manager's performance against a benchmark index return (which are also on a gross basis with no fees, costs or tax).

  This metric reflects the Manager's portfolio performance in terms of stock selection and hedging of currency movements.

  The Gross Performance Return is reviewed by an independent actuary at each interim and annual reporting period.

- **Total Shareholder Return (TSR)**

  The TSR combines the share price performance, the warrant price performance (when warrants are on issue), the net value of converting warrants into shares, and dividends paid to shareholders.

  TSR assumes:

  - all dividends paid are reinvested in the company's dividend reinvestment plan at the discounted reinvestment price and excludes imputation credits.
  - all shareholders that have received warrants (for free), have subsequently exercised their warrants at the warrant expiry date and bought shares (if they were in the money).

  This metric is useful as it reflects the return of an investor who reinvests their dividends and, if in the money, exercises their warrants at warrant maturity date for additional shares. No metric has been included for investors who choose other investment options. The TSR is reviewed by an independent actuary at each interim and annual reporting period.

- **Operating Expense (OPEX) Ratio**

  The OPEX Ratio represents total expenses, excluding brokerage and tax, divided by Barramundi's average net asset value for the period. The result is expressed as a percentage.
  This metric is useful when comparing Barramundi's expenses to those of other investment vehicles.
  The OPEX Ratio may also be reported on an excluding performance fees basis.

  The OPEX Ratio is reviewed by an independent actuary at each annual reporting period.

- **Dividend Return**

  The Dividend Return is calculated by dividing the dollar value of dividends paid per share by the average share price for the period.

  This metric is useful as it indicates how much Barramundi pays out in dividends each year relative to its share price.

  The Dividend Return is reviewed by an independent actuary at each interim and annual reporting period.

General Guidelines:

To achieve consistency, completeness and accuracy, Barramundi's policy when reporting non-GAAP information in key documents including annual reports and all other communications is as follows:

- Non-GAAP information shall be clearly labelled in a way that distinguishes it from the corresponding GAAP information
- The definitions and naming conventions of non-GAAP information shall be used consistently in all documents and in all reported comparative periods
- The calculations applied to non-GAAP information shall be used consistently in all documents and in all reported comparative periods
- Any reference to non-GAAP information will be accompanied by a footnote providing further explanation
- A statement explaining the reason why directors believe the non-GAAP information provides meaningful insight shall be included in the Barramundi annual report and on the website
- An explanation about how the non-GAAP information is calculated shall be provided on the Barramundi website
- If there is a change in approach from the previous period, an explanation about the reason for the change and any financial impact shall be provided in the Barramundi annual report and on the website
- Undue prominence, emphasis or authority will not be given to non-GAAP information
- Non-GAAP information will be unbiased and will not be used to remove or disguise unfavourable results