The a2 Milk Company

2025 Annual Report

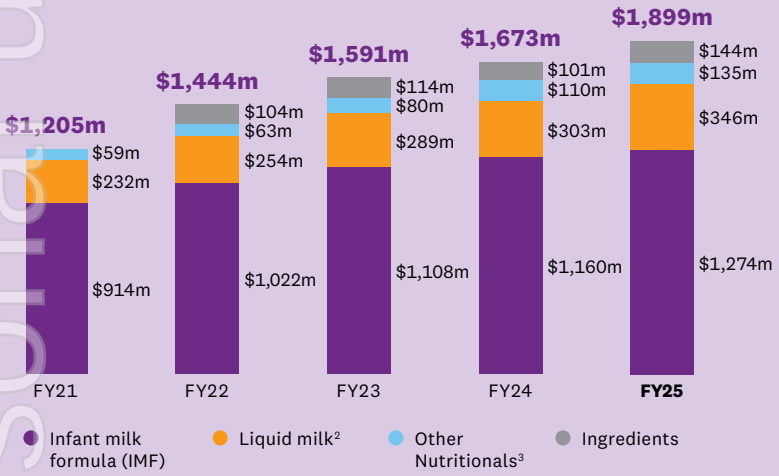
We pioneer the future of Dairy for good

For personal use only

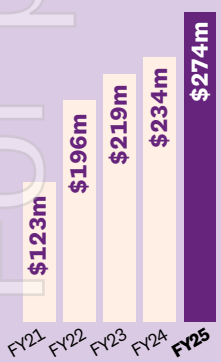
For personal use only

Strategic focus and disciplined execution have driven another strong result, underscoring the success of our growth strategy and sustained momentum

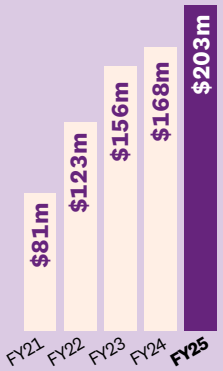
Sales Revenue[1]



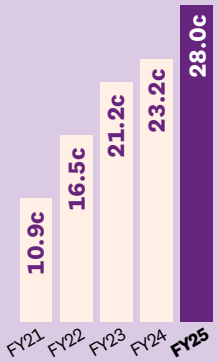
EBITDA



NPAT[4]



EPS[5]



1 Sales revenue reflects Net Sales Revenue and excludes Other Revenue.
2 Excludes liquid milk products (plain and fortified) exported to China and Other Asia markets.
3 Comprises powdered milk products (plain and fortified), and liquid milk products (plain and fortified) exported to China and Other Asia markets.
4 Attributable to owners of the Company.
5 Earnings per share (basic).

For personal use only

Contents

Chair's letter 2

CEO's year in review 4

Building a sustainable growth business 14

- Who we are 15
- What makes us unique 15
- A remarkable journey 16
- What we do 18
- How we create value 20
- Our growth strategy 22
- Our reporting approach 25
- People 28
- Planet 38
- Consumers 48
- Shareholders 55
- Risks and opportunities 58

Corporate governance 68

- Directors 72
- Executive Leadership Team 74
- Remuneration 76

Financial statements 85

Company disclosures 144

For personal use only

Chair's letter

As we mark the 25th anniversary of The a2 Milk Company, it is a moment to reflect on our journey and celebrate the remarkable progress we've made. From pioneering the A2-type protein proposition to growing and becoming a trusted brand across China, Australia, New Zealand, the USA, and new emerging international markets – our commitment to quality, innovation and sustainable growth continues to define who we are.

FY25 has been another year of strong execution and performance. Despite ongoing macroeconomic challenges and evolving market dynamics, we remained focused on delivering against our growth strategy that has been our north star since it was refreshed in 2021. Our results this year reaffirm the effectiveness of our strategy, the strength of our brand and the quality of execution by our talented team. We delivered exceptionally strong growth in Group revenue (up 13.5%) driven by our China IMF business, with an improvement in margins driving faster growth in EBITDA (up 17.1%) and EPS (up 20.9%). We continue to make meaningful progress against our strategic medium-term financial and non-financial ambitions and remain on track to achieve the vast majority of our targets.

One of the most significant milestones for the Company this year was the introduction of a dividend policy at our Annual Meeting in November 2024. This was followed by the announcement of an inaugural dividend of 8.5 cents per share at our 1H25 results in February, and a final FY25 dividend announced today of 11.5 cents per share. This reflects the Board's confidence in the Company's business model and financial position, and its commitment to delivering long-term shareholder value.

Supply chain transformation remains a top priority for the Company with a focus on securing strategic control of additional China label registrations and developing our nutritional manufacturing capability. During the period we have been focused on increasing our speed of innovation through investment in capability and fostering strong partnerships with key partners. In FY25 we expanded our commercial relationship with Yashili New Zealand, through the launch of our new elevated English label IMF product, *a2 Genesis*™, and, through our new partnership with Howell, we commenced our first China-based manufacturing with the launch of three new China label products targeting the fast-growing senior segment.

Since the end of our FY25 financial year, we have continued to progress our supply chain transformation opportunities. Alongside our FY25 results announced today, we have simultaneously announced the acquisition of a world-class fully integrated nutritional manufacturing facility, located in Pokeno, New Zealand. This acquisition marks a significant step toward securing greater market access to the NZ$23 billion China label IMF market[1], enabling innovation and supporting future growth in our core IMF business over time. We also announced today the divestment of our MVM facility to optimise our asset footprint, capacity utilisation and financial performance.

1 Source: a2MC internal analysis informed by a series of data sources including but not limited to newborn data, Kantar, Nielsen and Smartpath data.

For personal use only

"One of the most significant milestones for the Company this year was the introduction of a dividend policy at our Annual Meeting in November 2024. This reflects the Board's confidence in the Company's business model and financial position, and its commitment to delivering long-term shareholder value."

These transactions provide us with greater certainty over our future capital needs and as a result, the Board is pleased to announce its intention to declare a special dividend of $300 million after obtaining regulatory approval to bring the new China label registered products under The a2 Milk Company brand and completion of the MVM divestment. Further details in relation to a special dividend will be announced once this has happened, which we hope will be within twelve months.

Shifting focus back to our FY25 performance. We continued to make progress against our commitment to sustainability through our goals of protecting our planet, caring for our cows, re-thinking packaging, progressing towards net zero and contributing to a nature positive future. Last year we released our first climate statement, and this year we expanded our disclosures to include a detailed GHG emissions reduction roadmap, enhancing transparency and tracking our progress towards reducing our emissions and environmental impact. We remain committed to doing our part to support our planet and the communities in which we operate across a variety of initiatives.

Our talented people are at the heart of our success. We continue to uphold our commitment to providing a safe, diverse and inclusive environment where our people feel valued, supported and engaged. This year we have continued to invest in our most important asset – our people – through leadership and development programmes, recognition initiatives and a broad range of employee benefits to help our people, and our business, thrive.

From a governance perspective, a key focus in my first year as Chair has been Board renewal and succession planning. This year, we welcomed Tonet Rivera and Lain Jager to the Board, bringing deep expertise in global IMF supply chain and international agribusiness leadership. More recently, and subsequent to our financial year end, the Board appointed Grant Dempsey who brings expertise in strategic and financial leadership and will join the Board effective 1 September 2025. During the year we also farewelled Directors Warwick Every-Burns and David Wang, whose contributions have been invaluable and on behalf of the Board, I extend our sincere thanks to them both. These changes reflect our commitment to ensuring the Board has the capabilities and diverse perspectives needed to support the Company's strategic ambitions into the future as part of a considered evolution of Board composition.

Throughout the year, our teams across Australia, China, New Zealand and the USA have continued to deliver exceptional results. Their passion, professionalism and alignment with our BOLD values are the foundation of our success. I would also like to acknowledge our CEO, David Bortolussi, and his leadership team for their unwavering focus and execution.

As we look ahead, the Board remains excited about the opportunities before us. With a strong brand, clear strategy, talented team and strong financial position, we are well placed to pursue sustainable growth to create and deliver long-term value to our shareholders over time. Thank you for your continued support and investment in The a2 Milk Company.

Pip Greenwood
Chair
17 August 2025

For personal use only

CEO's year in review

Strategic focus and disciplined execution have driven another strong result

Group financial performance[1, 2, 3]

The a2 Milk Company ("the Company", "a2MC") announces its financial results for the 12 months ended 30 June 2025. Key results are as follows:

$NZ million	FY25	FY24	Variance (%)
Group Revenue	1,902.0	1,675.5	13.5%
EBITDA[4]	274.3	234.3	17.1%
Net profit after tax (NPAT) (Attributable to owners of the Company)	202.9	167.6	21.1%
Basic earnings per share (cents)	28.0	23.2	20.9%
Net cash[5]	1,061.2	968.9	9.5%
Total dividend (NZ cents per share)	20.0	–	n/a

Revenue grew 13.5% to $1,902.0 million, driven by continued growth in the China & Other Asia segment up 13.9%, supported by the USA segment up 22.5% and Mataura Valley Milk (MVM) up 42.7%, with the ANZ segment flat.

Total IMF sales grew 9.9% led by English label which was up 17.2% driven by performance within the CBEC and O2O[6] channels (up 24.9%) supported by English label market growth. China label sales were 3.3% higher, with the Company achieving record China label market share in FY25, despite ongoing market decline and the impact of supply constraints experienced in 1Q25 and 4Q25.

1 All references to full year (FY), halves (H) and quarters (Q) relate to the Company's financial year, ending 30 June 2025.
2 All figures are in New Zealand Dollars (NZ$), unless otherwise stated.
3 All comparisons are with the 12 months ended 30 June 2024 (FY24), unless otherwise stated.
4 EBITDA is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business. A reconciliation of EBITDA to net profit after tax is shown in the Company's 2025 Annual results and Supply Chain Transformation update (slide 60) dated 18 August 2025.
5 Including term deposits and borrowings, excluding subordinated non-current shareholder loans.
6 Cross-border e-Commerce and Offline-to-Online channels.

For personal use only

Group performance

$1,902m
Revenue ↑ 13.5%

$274m
EBITDA ↑ 17.1%

$203m
NPAT attributable to owners of the Company ↑ 21.1%

28.0c
Earnings per share ↑ 20.9%

$1,061m
Net cash

$201m
Operating cash flow

Product segment revenue

$1,274m
Infant nutrition ↑ 9.9%

$346m
Liquid milk ↑ 14.4%

$135m
Other Nutritionals ↑ 23.1%

Operating segment revenue

$1,302m
China and Other Asia ↑ 13.9%

$316m
Australia and New Zealand ↓ 0.4%

$139m
USA ↑ 22.5%

$145m*
Mataura Valley Milk ↑ 42.7%

* Revenue excluding intercompany sales.

For personal use only

"We continued to grow market share in China to record levels, elevating the Company to a top-4 brand position in the world's largest infant milk formula market."

Liquid milk sales grew 14.4%, with ANZ up 9.9% and USA up 22.1% driven by growth in the core portfolio and from recent product innovation. Other Nutritional sales continued to grow, up 23.1%, supported by new kids and seniors fortified milk powder products that were launched during the year. The Other Nutritionals portfolio consists of non-IMF powdered *a2 Milk*™ products and China & Other Asia liquid milk products. Ingredients (MVM) sales grew 41.9% mainly due to higher GDT[7] market pricing and increased milk volumes processed.

Gross margin percentage[8] of 46.1% was up 0.3ppts driven by lower IMF ingredients costs, favourable FX and cycling the net impact of MVM coal-fired boiler accelerated depreciation that was FY24 weighted (FY25: $5 million, FY24: $10 million), partly offset by the cost of airfreight used to mitigate IMF supply constraints net of Synlait support.

Distribution costs were flat as a percentage of net sales with higher ANZ rates due to distribution mix offset by improvement in USA freight rates.

Marketing investment increased 13.7% to $318.4 million, maintaining a similar re-investment rate to prior year of ~17% of revenue, and was primarily focused on China related activities including *a2 Milk*™ superiority campaigns, new user recruitment in the Year of the Dragon, and the launches of *a2 Genesis*™ infant formula and new kids and seniors fortified milk powder products. China marketing continues to make-up the vast majority of the Group's investment, accounting for over 90% of total FY25 marketing expenses.

Administrative and other expenses (SG&A) declined as a percentage of sales, down 0.7ppts to 13.4%, reflecting improved operating leverage. In absolute terms, SG&A increased by 7.6% to $254.2 million primarily due to investment in capability development, particularly in supply chain functions and in China, and increased costs related to scientific research and innovation, partially offset by reduced FX losses and cost reduction initiatives.

EBITDA increased 17.1% to $274.3 million, with EBITDA % margin slightly higher at 14.4% (up 0.4ppts), in line with guidance. EBITDA % margins improved from 1H25 to 2H25, with 2H25 EBITDA % margin of 15.4% up 2.1 ppts on 1H25 (13.3%).

Depreciation and amortisation decreased $5.9 million to $26.3 million due to cycling higher accelerated depreciation of the MVM coal-fired boiler in FY24, net interest income increased to $41.2 million reflecting higher cash balances and the effective tax rate improved to 33.6% (FY24: 35.4%) due to reduced MVM and US tax losses.

NPAT was $202.9 million, an increase of 21.1%, with basic earnings per share of 28.0 cents, up 20.9%.

7 Global Dairy Trade.
8 Gross margin percentage is calculated as sales less cost of goods sold, divided by sales.

For personal use only

The balance sheet further strengthened during the year with closing net cash of $1,061.2 million, up $92.2 million on 30 June 2024. Operating cash inflows (excluding interest and tax) were $259.3 million, representing operating cash conversion of 95%[9] in line with guidance but lower than FY24 (126%). FY25 cash conversion was impacted by the settlement of Synlait FY24 payments withheld in accordance with contractual arrangements and a reduction in Synlait purchase order deposit payment terms which commenced in FY25.

Inventory of $139.1 million was down 22.6% on 30 June 2024 driven by lower IMF inventory levels that were impacted by sharp growth in early stage product demand compounded by Synlait supply constraints caused by 4Q25 manufacturing challenges. To mitigate the impact on consumer sales and new user recruitment, the Company prioritised distributor and retailer stock levels, and utilised airfreight to expedite deliveries. The Company has been actively collaborating with Synlait to address its manufacturing challenges taking steps to reduce the likelihood of recurrence in the future to ensure that a2MC's own inventory returns to target levels.

Regional and product performance

1. China & Other Asia

The China IMF market showed signs of stabilisation in FY25, with the rate of value decline moderating to -3.2%[10] by year-end. While the overall market declined, the Stage 1 and Stage 2 categories grew 10% and 3%, respectively. The strong performance of early stages was due to the increased number of newborns which grew by 5.8% to 9.54 million during CY24[11], the first year of growth since CY16. The CY24 growth in birth rates reflected a combination of the realisation of delayed births from COVID years and the "Year of the Dragon" effect, however, it is anticipated that the birth rate will decline in CY25 aligned with longer-term trends in the childbearing population and fertility rate.

Subsequent to 30 June 2025, the China Central Government announced subsidies to support the costs of childcare provided by central and local authorities. A positive initiative for families and the industry, however it is too early to assess the potential impact.

Despite the overall China IMF market decline, a2MC's China & Other Asia segment revenue grew by 13.9% to $1,302.0 million driven by IMF sales growth of 12.4%, with segment EBITDA up 14.6% to $332.4 million. a2MC's China IMF market share continued to reach record levels with overall market share increasing to 8.0% from 7.1% in FY24[12], with the brand achieving a top-4 position in the world's largest IMF market – a major milestone for the Company which launched its first IMF product only 12 years ago. The brand's continued growth in China was supported by increased marketing investment and improved brand health metrics. In terms of IMF channel performance, English label IMF CBEC and O2O channels were a stand-out performer, growing 24.9%.

China label IMF

China label IMF sales reached $632.5 million, representing an increase of 3.3%. This was a positive outcome, particularly in the context of a 5.6% decline in the overall China label market, and to a lesser extent, supply constraints that impacted stock availability in 1Q25 and 4Q25. The Company delivered early stage sales growth significantly ahead of the market, driven by effective new user recruitment initiatives, resulting in record Stage 1 market share in the MBS channel of 4.0% (FY24: 3.1%)[13] and in the DOL channel of 5.8% (FY24: 5.5%)[14]. These efforts contributed to a record high China label IMF market share of 5.5%[15], underscoring the brand's growing consumer demand and competitive strength.

In terms of a2MC's channel performance, the significant gains in early stage new users drove market share growth across both MBS and DOL channels. The Company's total MBS market share increased 0.2ppts to 3.7%, with market share in BCD cities increasing to 3.2% in line with the Company's strategic focus, while share in Key&A cities recovered to 7.0%[16]. Online channels continued their upward momentum, reflecting strong consumer demand for convenience and accessibility, with a2MC's DOL market share reaching a new high of 4.2%[17], up 0.3ppts on FY24.

9 Operating cash conversion defined as net cash flow from operating activities before interest and tax divided by EBITDA.
10 Kantar Worldpanel 0–6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities). Value decline of -13.4% in 1H24 and -6.8% in 2H24. Kantar had two rounds of panel update in March and June 2025 and restated historical data.
11 China National Bureau of Statistics.
12 Kantar Worldpanel 0–6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities), MAT.
13 Nielsen MBS retail measurement service: mother and baby stores only retail value share. MAT.
14 Smart Path China IMF online market tracking: for DOL only retail value share, MAT.
15 Kantar Worldpanel 0–6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities), MAT.
16 Nielsen MBS retail measurement service: mother and baby stores only retail value share. MAT.
17 Smart Path China IMF online market tracking: for DOL only retail value share, MAT.

CEO's year in review (continued)

For personal use only

English label IMF[18]

English label IMF positive sales momentum continued with English label sales in the China & Other Asia segment of $559.1 million up 24.9%. a2MC's English label growth continues to be supported by overall market expansion and growth in combined CBEC and O2O channels. The English label market grew by 11.9% in FY25 driven by higher volume and continued premiumisation, gaining share within total IMF to 19% from a low of 14% in FY22 but below pre COVID-19 levels of 23% in FY20. While English label represents a smaller proportion of the IMF market, a2MC is well positioned to benefit from this segment given its position as the second largest brand in the English label market with just under 20% market share[19].

The rapid growth of HMO and specialty product segments continues to be a growth driver of the English label market with consumers adopting English label products due to ingredients and specialised formulations not widely available in China label (such as those including various HMOs[20]). To capitalise on this growing market opportunity, the Company launched its most premium English label IMF product, *a2 Genesis*™ into the Hong Kong CBEC channel in January 2025 followed by a major marketing campaign during 4Q25 to build awareness. Early indicators suggest the product has been well received by consumers, achieving positive reviews, encouraging repurchase rates and strong month on month sales growth off a low base.

In addition, the Company continued to make progress against its emerging markets strategy expanding its reach of English label products into Vietnam through the launch of *a2 Platinum*™ in 1H25 and *a2 Gentle Gold*™ in 2H25 with a focus on building brand awareness and expanding distribution across MBS stores.

18 English label IMF includes sales via CBEC, O2O, Emerging Markets and Hong Kong Resellers.
19 Kantar Worldpanel 0–6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities), MAT.
20 Human milk oligosaccharides.

For personal use only

"Our Liquid Milk growth was outstanding, up 14% in ANZ and USA, and Other Nutritionals grew by an impressive 23% in China."

Other Nutritional products

Other Nutritionals revenue in the China & Other Asia segment was up 33.1% to $110.3 million. The Company's focus on growth and innovation resulted in the launch of three new locally manufactured China label fortified milk powder products in 1H25 targeting the seniors segment addressing top senior health needs: immunity, bone, gut and heart health. The Other Nutritionals portfolio was further expanded in 2H25 with the launch of a new kids fortified milk powder product designed for kids aged 3+, supporting immunity, eye health and brain development with innovative packaging. The newly launched seniors and kids milk powder products are resonating well with consumers, supported by a2MC's strong brand equity and showing early signs of positive uptake.

2. Australia and New Zealand

Australia and New Zealand (ANZ) segment reported revenue of $316.0 million and EBITDA of $57.5 million, down 0.4% and 8.7% respectively. The result was driven by growth in the Australian liquid milk business (up 9.9%) which offset ongoing Daigou channel decline.

English label IMF and Other Nutritionals products

a2MC IMF reseller and retail sales decreased 18.1% to $80.6 million versus FY24, consistent with wider channel declines, however showed signs of stabilisation with 2H25 sales in line with 1H25. English label IMF focus remains on the CBEC and O2O channels, however the Company continues to support the Daigou channel through marketing support and trade activations.

a2 Gentle Gold™, which launched during FY24 has continued to perform well in market with *a2 Gentle Gold*™ driving a year-on-year increase of 19% in a2MC's Total Australian Retail Sales Value[21].

Consistent with Daigou channel declines, revenue for Other Nutritionals was down 7.5% to $24.8 million, with growth realised through channels in the China & Other Asia segment.

Liquid milk

Australian liquid milk sales were up 9.9% to $209.0 million, led by *a2 Milk*™ *Lactose Free* and growth in the core *a2 Milk*™ range. This strong performance was achieved in a challenging market, with the liquid milk category declining 0.7%[22] driven by ongoing elevated competitor promotional activity.

a2MC's liquid milk market value share grew 0.8ppts to 11.2%, primarily driven by *a2 Milk*™ *Lactose Free* which increased share of the Australian lactose free market from 12.7% to 18.5%[23]. a2MC's liquid milk brand health continues to strengthen, with brand health advocacy (NPS) at its highest levels on record[24].

21 Source: Circana (includes major retailers, pharmacy), MAT June 2025 vs. MAT June 2024.
22 IRI Australian Grocery Weighted Scan, MAT to 22 June 2025 vs. MAT to 22 June 2024.
23 IRI Australian Grocery Weighted Scan, MAT to 22 June 2025 vs. MAT to 22 June 2024.
24 a2MC brand health tracking June 2025.

CEO's year in review (continued)

For personal use only

3. USA

USA grew revenue by 22.5% to $139.3 million and continued to make progress towards profitability, with EBITDA losses reduced to $9.3 million (FY24: $15.5 million).

Revenue growth was driven by ongoing strength in the core *a2 Milk*™ range plus growth in *a2 Milk*™ *Grassfed* products and the Club channel. a2MC's market value share in the premium milk category for the Grocery channel increased to 2.2% (up from 2.1%)[25]. IMF sales in FY25 under the current US FDA Enforcement Discretion were not material.

Profitability improvement was achieved through revenue growth and a continued focus on optimising trade spend, and input and distribution costs.

The Company's New Infant Formula Notification (NIFN) submission to US FDA for long-term IMF approval is under review.

4. Mataura Valley Milk

The FY25 year was characterised by higher GDT market pricing plus higher milk volumes processed through the MVM site. As a result, revenue of $144.7 million was $43.3 million higher than prior year, with EBITDA losses improving to $17.4 million (FY24: $20.9 million). EBITDA loss improvement reflects higher internal revenue, driven by timing impacts and growth in the Group's Other Nutritionals range which utilise MVM milk powders, and disciplined cost management.

Innovation and supply chain transformation

In FY25, the Company maintained its strong focus on innovation as a key growth driver, supported by strategic partnerships and ongoing transformation across its supply chain. A range of new products were launched targeting strategic growth opportunities, all formulated with A1 protein free milk powders produced at a2MC's MVM facility in New Zealand.

The Company enhanced its English label IMF partnership with Yashili New Zealand with the development, manufacture and launch of a new English label IMF product featuring an advanced HMO formulation. The launch of *a2 Genesis*™ was an important innovation for the Company, targeted at the growing HMO product segment and benefiting from price premiumisation in the English label market.

This year also marked the start of local production for the first time in China with seniors fortified milk powders. Three new products were launched in collaboration with Shanghai Howell Nutrition Dairy Co., Ltd., enhancing responsiveness to market needs and strengthening local relevance.

Supply chain optimisation also continued, with the transition of manufacturing for *a2 Milk*™ powder pouch to NZ Nutritional Wellness. This move has improved production efficiency, enhanced capability, and strengthened traceability.

The Company also commenced the commissioning of an upgrade of its Kyabram (Australia) fresh milk facility in partnership with KyValley Dairy to increase capacity which is close to completion.

"We accelerated innovation by launching a range of new products spanning the infants, kids and seniors nutrition markets."

25 SPINS data for the Grocery channel, MAT.

For personal use only

Sustainability

The Company continued making planet-positive progress. In FY25, the Company developed a detailed emissions reduction roadmap and climate transition plan, providing a structured framework to track progress toward its 2040 net zero GHG emissions target.

The Company reduced Scope 1 emissions by 97% in FY25, led by the MVM boiler conversion completed in FY24. This transition has resulted in MVM now operating on 100% certified renewable energy[26].

At the farm level, a2MC continued to invest in sustainable practices through the *a2*™ Farm Sustainability Fund, supporting 19 new projects with a total investment of NZ$575,000. These initiatives are closely aligned with the Company's broader sustainability goals and reflect its commitment to supporting its supplier base in the transition to more sustainable farming.

Packaging sustainability remained a priority, with further execution against the Company's sustainable packaging action plan. In FY25, a2MC achieved 98% recyclable packaging placed on market (by weight) and attained 'Beyond Best Practice' status in Australian sustainable packaging performance[27], demonstrating leadership in circular packaging solutions.

The Company also maintained its support for AgriZero^{NZ}, a collaborative effort between the New Zealand Government and leading agribusinesses aimed at reducing on-farm biogenic methane and nitrous oxide emissions.

Dividends

In November 2024, the Company announced the establishment of a dividend policy for the first time in company history. The dividend policy targets a payout ratio range of between 60% and 80% of net profit after tax excluding non-recurring and other items (normalised NPAT). Subsequently, the Company declared its first interim dividend of 8.5 cents per share in February 2025, which was paid to shareholders in April 2025. This represented a payout ratio of ~67% of NPAT, equating to approximately $61.5 million, and was fully imputed and fully franked.

As part of the Company's FY25 results, a final dividend of 11.5 cents per share fully franked and ~78% imputed has been declared, representing a payout ratio of ~75%, equating to approximately $83.4 million, to be paid to shareholders on 3 October 2025. Total dividends declared by the Company for FY25 are 20.0 cents per share, representing a total payout ratio of ~71% which equates to approximately $145m being returned to shareholders.

On an ongoing basis, dividends are expected to be declared on a semi-annual basis in February and August each year at a level consistent with the payout ratio range. In determining future dividends, a number of factors will be taken into consideration, including market conditions, current and future earnings, cash flows, capital requirements and the Company's financial position.

The Company intends to impute and frank dividends to the maximum extent possible subject to available credits, noting that imputation credits are limited.

Supply chain transformation update

In addition to the Company's FY25 results announced today, the Company simultaneously announced the acquisition of Yashili New Zealand (YNZ) a world-class fully integrated nutritional manufacturing facility in Pokeno with two existing China Label product registrations. Concurrently, and following the decision to acquire YNZ, a2MC has also announced the divestment of MVM to optimise its asset footprint, capacity utilisation and financial performance. These transactions mark a major milestone in the Company's supply chain transformation. The supply chain transformation initiatives announced today are expected to deliver substantial benefits to a2MC shareholders supported by a clear strategic rationale.

See the Company's FY25 results and Supply Chain Transformation update presentation and media release dated 18 August 2025 for full details.

26 MVM purchases Meridian's Certified Renewable Energy production values product to enable it to exclusively match the amount of electricity it uses on an annual basis with an equivalent amount of electricity put into the national grid from one of Meridian's hydro stations or wind farms (which have been independently verified as producing 100% renewable electricity). Actual electricity received on location is from mixed renewable and fossil fuel sources, due to the nature of the electricity transmission and distribution system.

27 Source: a2MC 2025 Australian Packaging Covenant Organisation (APCO) Annual Report and Action Plan.

For personal use only

CEO's year in review (continued)

"The acquisition of the Pokeno manufacturing facility and related products represent a pivotal moment for the Company and the execution of our supply chain transformation strategy."

FY26 Outlook

a2MC will continue executing its growth strategy in FY26, with an emphasis on capturing its full potential in the China market whilst expanding into adjacent categories and new markets. With respect to the transactions announced today, the Company will be mainly focused on securing regulatory approvals, progressing the future insourcing of *a2 Platinum*™ and commencing a multi-year capital investment programme.

The following outlook is prepared on the basis that both transactions complete as expected and excludes any potential special dividend payment.

On a continuing operations[28] basis, the Company expects the following for FY26:

- Revenue growth of high single-digit percent versus FY25 continuing[29]
- EBITDA % margin to be approximately 15% to 16%
- Depreciation and amortisation to be approximately $20 million to $24 million
- Interest income to be lower due to lower market rates and net transaction cash outflows
- NPAT similar to FY25 reported[30]
- Cash conversion of approximately 80% to 90%
- Capital expenditure of approximately $50 million to $70 million

MVM will be treated as discontinued operations, including operating losses prior to completion of the divestment and an expected loss on sale of approximately $130 million.

Key risks

A range of risks could materially impact expected revenue and earnings outcomes including, but are not limited to, trading upside and downside, challenging macroeconomic conditions, China IMF category dynamics and competitive intensity, product and supply related risks, cross border trade, foreign exchange movements, changes in interest rates, farmgate milk pricing and other commodity prices, and regulatory risk.

a2MC's full FY26 outlook statement is outlined on slide 55 in the Company's FY25 Results and Supply Chain Transformation update investor presentation dated 18 August 2025.

Capital management update

Once completed, the transactions announced today will help clarify the Company's future capital needs. As a result, the Board intends to declare a $300 million special dividend, fully franked and unimputed, subject to the Company receiving regulatory approvals in connection with the two existing China label registrations for use under the a2MC brand and completion of the MVM divestment, which are both expected to be achieved in the next twelve months. Further detail on the dividend will be provided once these steps are complete.

The Board also reaffirmed the Company's ordinary dividend policy of 60–80% payout of normalised NPAT, and confirmed its intention to maintain a strong and flexible balance sheet, continue to assess growth opportunities and capital needs, manage risk and consider further shareholder returns.

David Bortolussi
Managing Director and Chief Executive Officer
17 August 2025

28 Continuing operations represents the a2MC Group excluding MVM and including YNZ from the expected completion date of 1 September 2025. Discontinued operations comprises of MVM.
29 FY25 continuing operations revenue was $1,757 million.
30 FY25 reported NPAT was $203 million.

For personal use only

Building a sustainable growth business

For personal use only

For personal use only

Who we are

The a2 Milk Company is a dairy nutritionals company, fuelled by its purpose to pioneer the future of Dairy for good.

The Company was founded in 2000 in New Zealand by scientist Dr Corran (Corrie) McLachlan and his business partner, Howard Paterson, who recognised that not all milk is the same. Dr McLachlan joined Sir Robert (Bob) Elliot – who had earlier discovered that proteins in milk affect people differently – to pioneer research to understand these differences better.

Originally all cows' milk contained only A2 beta-casein protein, but over many years the A1 protein developed in some cows' milk. Results of several published peer-reviewed human clinical trials have shown that A1 protein can cause digestive issues for some people. A scientific and proprietary way to identify cows that naturally produce A1 protein free milk was also discovered.

a2 Milk™ is sourced from specially selected cows that naturally produce milk containing only A2-type beta-casein protein and no A1. This means that while most ordinary milk contains both A1 and A2-type proteins, *a2 Milk*™ is naturally A1 protein free.

a2MC continues to pioneer science and research to further understand the potential benefits of A1 protein free milk, and focuses its sales and marketing efforts to take *a2 Milk*™ to the world. With a growing portfolio of *a2 Milk*™ products, the Company is dedicated to enabling more consumers to enjoy its unique digestive and other potential health benefits.

The Company's current product portfolio includes fresh milk, ultra-heat treatment (UHT) milk, extended shelf life (ESL) milk, infant milk formula (IMF), plain milk powders (including instant whole and skim milk powder), fortified milk powders and other dairy nutritional products, providing high quality nutrition for infants, children, adults, pregnant women and seniors. The Company primarily operates in the China, Australia, New Zealand, Vietnam, South Korea and North America markets.

The Company's primary business activities by region are:

- **China and Other Asia:** Sales of China label and English label IMF, plain and fortified milk powders, liquid milk and Other Nutritional products in offline stores and domestic and cross-border e-commerce channels.
- **Australia and New Zealand:** Sales of English label IMF, plain and fortified milk powders for children, adults and pregnant women through reseller and retail channels, and production and sales of liquid milk across retail channels in Australia and New Zealand.
- **North America:** Sales of liquid milk and IMF in the United States of America and liquid milk in Canada.
- **Mataura Valley Milk:** Production of nutritional and ingredients products for a2MC and other external customers in overseas markets.

What makes us unique

The a2 Milk Company's purpose is to pioneer the future of Dairy for good with a vision to create an A1-free world where Dairy nourishes all people and our planet.

Our B O L D values

Bold passion

We believe in the power of the *a2*™ proposition.

We are pioneers and always find a way to make it happen.

We are passionate about our consumers and customers.

Ownership and agility

We align on outcomes and prioritise initiatives.

We are effective in teams and do what we say we will do.

We are flexible and act with a sense of urgency.

Leading constructively

We are proud of what we do and how we do it.

We encourage and develop ourselves and others.

We are honest, direct and respectful in our interactions.

Disruptive thinking

We think big, creatively and logically to maximise impact.

We are better together and unlock the power of the collective.

We challenge existing ways of working to achieve better solutions.

For personal use only

A remarkable journey

2000

- A2 Corporation founded by Dr Corrie McLachlan and Howard Paterson

2001

- A1 protein free hypothesis first published
- A1 protein free gene test developed

2003

- *a2 Milk*™ launched in Australia and New Zealand

2004

- A2 Corporation listed on the alternative market of the NZX

2011

- Transferred listing to NZX Main Board

2012

- Smeaton Grange milk processing facility commissioned in Australia
- Supply agreement with Synlait signed
- Strategic partnership with China State Farm Agribusiness signed

2013

- *a2 Platinum*™ launched in ANZ and China
- *a2 Milk*™ launched in China

2014

- Rebranded to 'The a2 Milk Company'
- Annual revenue exceeds NZ$100 million

2015

- a2MC listed on ASX
- *a2 Milk*™ launched in USA
- *a2 至初*™ China label IMF launched

2016

- IMF overtakes liquid milk as primary profit driver
- Publication of first clinical trial in China

For personal use only

2025 marked 25 years since The a2 Milk Company (formerly A2 Corporation) was incorporated on 17 February 2000. This is an opportunity to reflect on the incredible journey and growth of this business and brand over the past 25 years. It is fitting that the Company celebrated this milestone with several notable achievements including declaring its first dividend and delivering record sales of $1.9 billion. Cheers to the next 25 years!

2018

- South Korea distribution agreement with Yuhan Corporation

2019

- Annual revenue exceeds NZ$1 billion

2021

- Acquisition of 75% of Mataura Valley Milk

2022

- *a2 Milk*™ Lactose Free launched in Australia

2024

- *a2 Gentle Gold*™ launched in multiple markets
- Initial launch of *a2 Platinum*™ in US market
- Vietnam distribution agreement with Livewell

2025

- *a2 Genesis*™ launched in multiple markets
- First dividend paid to shareholders

For personal use only

What we do

Over the last 25 years, The a2 Milk Company has built a strong presence across key markets. Notably, the a2™ brand ranks amongst the top-4 IMF brands in China and is the leading branded milk in Australia. This is thanks to our talented and dedicated global team and the support of our strategic partners.

China and Other Asia

Key statistics

Revenue	EBITDA
$1,302m	**$332m**
Estimated market size	NZ$28 billion China IMF market[1,2] NZ$1 billion Vietnam IMF market[3,4]
Product mix (% share of a2MC sales)	IMF 62.7% Other Nutritionals 5.8%
Supply chain	China State Farm importation agent and master distributor Products sourced from New Zealand and Australia, except for seniors powder which are produced in China with New Zealand milk powders
Our people	158 (headcount)

Product portfolio

Strategic and distribution partners

- CNADC, CSFA 中国农垦 — Master distributor (China label)
- Houzelli — Production partner
- YUYOU — Distributor China, O2O
- YUHAN CARE — Distributor South Korea
- Livewell — Distributor Vietnam

Australia and New Zealand

Key statistics

Revenue	EBITDA
$461m	**$42m**
Estimated market size	NZ$2.5 billion dairy milk market[5,6] NZ$0.4 billion Australia IMF market[5,7]
Product mix (% share of a2MC sales)	Liquid milk 11.0% IMF 4.2% Other Nutritionals 1.3% Ingredients 7.6%
Supply chain	
Australia (Liquid Milk)	**New Zealand (Nutritionals)**
– Smeaton Grange (a2MC) – Kyabram (a2MC) – 14 farmer suppliers	– 75% interest in Mataura Valley Milk – 19.8% interest in Synlait Milk – 197 farmer suppliers
Our people	322 (headcount)

Product portfolio

Strategic and distribution partners

- CAHG — MVM co-owner
- Synlait — Production partner
- Yashili — Production partner, Subsidiary of Mengniu
- NewMilk — Production partner, Subsidiary of Lactalis
- Production partner
- Fonterra Dairy for life — Licensee fresh milk New Zealand

North America

Key statistics

Revenue	EBITDA
$139m	**$(9)m**
Estimated market size	NZ$5 billion premium liquid milk segment[3,8] NZ$10 billion USA IMF market[3,9]
Product mix (% share of a2MC sales)	Liquid milk 7.2% IMF 0.1%
Supply chain	3 third-party processing relationships 9 farmer suppliers IMF sourced from New Zealand
Our people	26 (headcount)

Product portfolio

Strategic and distribution partners

- agrifoods — Licensee fresh milk Canada

For personal use only

Strategic partnerships and supply chain investments

The Company has strong strategic partnerships that provide access to manufacturing capability, market access support, distribution and logistics services, and consumer and regulatory insights. Each partner brings different strengths that enable the Company to execute against its strategic objectives.

In particular, its strategic partnerships with China National Agriculture Development Group, China State Farm Agribusiness and China Animal Husbandry Group provide invaluable insights and assistance in understanding the trade and regulatory environment in China. a2MC also has supply and other relationships with Synlait, Yashili and New Zealand New Milk.

China and Other Asia: Strategic and distribution partners

China National Agriculture Development Group Co., Ltd.

China National Agriculture Development Group Co., Ltd (CNADC) is a leading State-Owned Enterprise (SOE) and offers comprehensive agricultural services in mainland China. CNADC is responsible for meeting China's agricultural needs with 17 wholly-owned or share-controlled subsidiaries, and three publicly listed companies. CNADC's knowledge of the Chinese market and its ownership of China State Farm Agribusiness and China Animal Husbandry Group positions it as a strong strategic partner for a2MC for the long term.

China State Farm Agribusiness

China State Farm Agribusiness Holding Shanghai Co., Ltd (CSFA) is an SOE and became the Company's exclusive logistics and distribution partner for IMF products in China in 2013.

CSFA is the exclusive import agent for the Company's China label IMF products with 107 active IMF distributors and approximately 126 UHT and milk powder distributors throughout the country. The Company's agreement with CSFA is for a term of five years from 1 October 2022 in addition to a longer-term strategic co-operation agreement. CSFA's China expertise is of significant value to a2MC in managing its operations effectively.

China Animal Husbandry Group

China Animal Husbandry Group (CAHG) is an SOE and became a strategic partner when the Company purchased 75% of MVM in 2021. CAHG holds 25% of MVM and is also owned by CNADC. The partnership with CAHG provides the opportunity to build and enhance the Company's relationships with key partners in China.

Australia and New Zealand: Strategic and supply chain partners

Synlait

Synlait Milk Limited (Synlait) has produced IMF products for a2MC since 2013 and sources its milk from the Canterbury region in New Zealand. Synlait currently produces *a2 Platinum*™ and *a2至初*™ for a2MC. In addition to its supply arrangements, a2MC holds a 19.8% equity interest in Synlait, making it the second-largest shareholder. Synlait's largest shareholder is Bright Dairy, a multinational food and beverages manufacturing company headquartered in China. Bright currently has a 65.3% interest in Synlait and is its controlling shareholder.

Mataura Valley Milk

Mataura Valley Milk (MVM) is a purpose-built nutritionals facility and sources milk from Southland in New Zealand. a2MC acquired a 75% interest in MVM in July 2021. The acquisition provided a2MC with the opportunity to insource certain volumes from Synlait, to prioritise innovation at an owned facility, achieve additional China label registrations over time and capture vertical manufacturing margins.

Yashili New Zealand

Yashili New Zealand Dairy Co., Limited (Yashili) a subsidiary of Mengniu, is an integrated nutritional facility located in the North Island of New Zealand. Using milk powders supplied by MVM, it currently produces *a2 Genesis*™ and *a2 Gentle Gold*™ for a2MC.

Fonterra Co-operative Group Limited

The Company has a strategic relationship with Fonterra Co-operative Group Limited, and the two organisations continue to work closely on opportunities in New Zealand or other markets that could deliver mutual benefits.

1 Assumes RMB to NZD exchange rate of 4.5:1.
2 Source: FY25 Market size based on a2MC internal estimation approach, which may be adjusted year-to-year, and which may result in market size not being directly comparable across periods.
3 Assumes USD to NZD exchange rate of 1:1.7.
4 Source: Globaldata.
5 Assumes AUD to NZD exchange rate of 1:1.10.
6 Source: Circana IRI Australia Grocery Weighted FY25.
7 Source: Circana IRI Australia Grocery Pharmacy Scan FY25.
8 Source: USA Food FY25 retail milk sales in the Premium Segment.
9 Source: Globaldata for IMF sales.

How we create value

For personal use only

Our people

Through a purpose driven culture underpinned by our values, we aim to create an environment that provides our people with opportunities to thrive. Our success is the result of our diverse, skilled and engaged team, aligned and focused to deliver on our purpose and strategy. We are committed to the wellbeing and safety of our people and are continuing to develop systems and processes to identify, control, report, investigate and monitor health and safety risks and actions across the business.

Our brand

Our trusted brand, our proprietary know-how and our A1 and A2-type protein expertise are our most valuable assets. We are committed to maintaining and growing these assets with appropriate investment. Through ongoing science and research programmes, we are deepening our expertise and advancing global understanding of the potential health benefits of *a2 Milk*™. Focused investment in communicating the *a2 Milk*™ difference continues to build consumer awareness, consideration and brand equity across the markets in which we operate.

Our environment

Access to natural resources and a thriving agricultural sector that supports healthy ecosystems is fundamental to our business. We recognise that climate change and pressures on agricultural and food systems present a systemic challenge for our world – and we are committed to finding unique and high impact solutions across our value chain to help address these challenges. Appropriately meeting this challenge will enable us to continue providing premium *a2 Milk*™ based products to our consumers and long-term value to our shareholders.

Our supply chain

Building on our in-house fresh milk and dairy nutritionals supply chain capability has been a significant focus over the past 12 months. We continue to complement this internal expertise by working closely with our suppliers and farming community to maintain a reliable and responsible sourcing and manufacturing supply chain. We believe this combination of internal capability and constructive partnerships is critical to our long-term success.

Our communities

We strive to make a difference by supporting a range of community initiatives in our key regions of New Zealand, Australia, China and the USA. With a focus on proactive wellness, we partner with organisations that are helping communities to thrive by creating a brighter future for children, families and the Company's farming communities.

Our finances

We carefully balance investment in our supply chain and distribution through both strategic partnerships and direct ownership. Combined with the growth of our premium products, this approach has enabled us to build a strong and robust balance sheet; which, guided by our capital management framework, provides financial capital for us to deploy in the pursuit of our strategic objectives.

Our growth strategy

Purpose

We pioneer the future of Dairy for good

Strategic priorities

- *Invest in people and planet leadership*
- *Capture full potential in China IMF*
- *Ramp up product innovation*
- *Transform our supply chain*
- *Accelerate path to profitability in USA and MVM*

For personal use only

Risks and opportunities

Page 58–67

Vision

An A1-free world where Dairy nourishes all people and our planet

Values

- *Bold passion*
- *Ownership and agility*
- *Leading constructively*
- *Disruptive thinking*

Our stakeholder groups

People

Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities.

Page 28

Planet

Protect our planet and cows, rethink packaging, achieve net zero and become nature positive.

Page 38

Consumers

Bring the unique benefits of pure and natural *a2 Milk*™ to as many consumers as possible.

Page 48

Shareholders

Create long-term, enduring value for shareholders and maintain a trusted, transparent relationship.

Page 55

For personal use only

Our growth strategy

The a2 Milk Company is driven by a clear and consistent growth strategy, focused on unlocking value across market, brand, product and distribution opportunities.

The Company has clear goals across four stakeholder groups – People, Planet, Consumers and Shareholders – to ensure that, while delivering its commercial ambitions, it is creating an environment for its teams to thrive, actively working to achieve its sustainability priorities and executing in a way that further develops a trusted and transparent relationship with all its stakeholders.

The Company's growth strategy centres on five key priorities:

- **Invest in people and planet leadership:** Critical to the Company achieving its commercial objectives is ensuring it has thriving, high performing teams to execute its strategy. The Company has continued to invest in people leadership, including through its constructive leadership programmes. In addition to its people, the Company has elevated investment in planet leadership to sit amongst its top strategic priorities, focusing on taking direct action in GHG emissions reduction, farming practices and sustainable packaging. The Company is also focused on supporting healthy ecosystems through initiatives that contribute to nature positive outcomes.
- **Capture full potential in China IMF:** Growing share in the China IMF market remains the Company's most significant commercial opportunity. The Company is particularly focused on share gain in key accounts, lower tier cities and online channels. Critical to increasing share will be ongoing brand investment, which the Company leverages across its English label and China label IMF product portfolios.
- **Ramp up product innovation:** While the Company has historically been focused on a narrow product range, to continue to drive growth in IMF and beyond, it will be important to expand its portfolio in both China label and English label IMF, as well as leveraging its brand strength to develop into other product categories for kids, adults and seniors. Opportunity also exists for the Company in leveraging existing products into new emerging markets.
- **Transform the supply chain:** Connected to its IMF and innovation ambitions, the Company is working to transform its supply chain. This includes a focus on obtaining additional China label IMF registrations, developing nutritional manufacturing capability, leveraging capacity at MVM, as well as pursuing other investment opportunities and commercial partnerships. Over time, the Company will also consider developing its domestic supply chain capability in China.
- **Accelerate path to profitability:** To maximise investment in China and to improve Group return on sales, the Company needs to ensure it accelerates the path to profitability for both the USA and MVM. The Company is targeting achieving this by FY27 or later.

Purpose	**We pioneer the future of Dairy for good**				
Vision	**An A1-free world where Dairy nourishes all people and our planet**				
Goals	**People** Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities	**Planet** Protect our planet and cows, rethink packaging, achieve net zero and become nature positive	**Consumers** Bring the unique benefits of pure and natural *a2 Milk*™ to as many consumers as possible	**Shareholders** Create long-term, enduring value for shareholders and maintain a trusted, transparent relationship	
Strategic priorities	**1** **Invest in people and planet leadership** – Invest in our people to enable them to thrive – Take direct action to lead the industry in GHG emissions reduction, farming practices and sustainable packaging	**2** **Capture full potential in China IMF** – Increase share in key accounts, expand in lower tier cities and further accelerate online growth – Invest in brand strength and leverage across two labels and wider portfolio	**3** **Ramp up product innovation** – Expand EL and CL IMF product portfolios – Develop Other Nutritionals for kids, adults and seniors – Leverage IMF and other products into new markets – Innovate in liquid milk	**4** **Transform our supply chain** – Expand CL market access through MVM and other investment opportunities, primarily in NZ and China over time – Develop supply capability to enable innovation	**5** **Accelerate path to profitability** – Improve USA liquid milk losses and invest in development of IMF opportunity – Increase MVM A1-free milk pool, nutritional capability, utilisation and efficiency
Enablers	**Quality & service**	**Brand strength**	**Science & innovation**	**Strategic relationships**	
Values	**B** Bold passion	**O** Ownership & agility	**L** Leading constructively	**D** Disruptive thinking	

For personal use only

Financial measures of success

The Company has remained firmly focused on executing against its refreshed growth strategy that was introduced in 2021. Meaningful progress has been made against the Company's strategic medium-term financial and non-financial ambitions which are reflected in the Company's FY25 Group Performance Scorecard (refer to page 79).

a2MC's strong brand, underpinned by sustained marketing investment, has driven significant market share gains. The Company's share of the total China IMF market has increased from 4.9% in FY21 to 8.0% in FY25, elevating a2MC to the position of the fourth-largest player in the market this year.

a2MC has achieved strong growth in Group revenue and EBITDA from FY21 to FY25 of 58% and 122% respectively. For the same period, China label IMF sales have grown 62% and English label IMF sales, have seen a recovery, up 22%.

This year the Company delivered record sales of $1.9 billion, with double-digit growth in revenue, EBITDA and EPS with the results driven by execution of our growth strategy.

This strong FY25 performance has moved the Company meaningfully closer to its medium-term revenue ambition of around ~$2 billion by ≥FY27.

The key drivers for further sales growth are:

- Increasing share in CL and EL IMF through portfolio expansion and growth in lower tier cities and online channels.
- Growing other dairy and nutritional products in China through innovation and distribution growth.
- Growing in existing and new emerging markets outside of China (e.g. South East Asia).
- Expanding in milk and adjacent categories in ANZ and the USA.

The Company continues to target EBITDA margins in the 'teens' with year-on-year improvement and is focused on continuing to deliver against its growth strategy and broader medium-term ambitions out to FY27.

Achieving these goals will depend on a range of factors, including China IMF market conditions and channel dynamics, mix of business (IMF channel mix and overall product mix), investment levels in brand and capability, timing and investment required to deliver the Company's priorities around its supply chain transformation, and achieving profitability in the USA and at MVM.

There are also key macro uncertainties that may impact the future outlook, including:

- How the China birth rate evolves and the impact policy changes may have on this.
- How the competitive landscape will continue to evolve in China.
- The extent and pace of change in consumer product and channel preferences.
- How the China regulatory framework and international relations may evolve and impact trade.
- Inflationary pressures impacting operating costs and introducing cost-of-living pressures for consumers globally.

Because of these uncertainties, it is difficult to define future targets and when they will be achieved – the path is also unlikely to be linear. Accordingly, future results may be materially different to the Company's ambition.

Medium-term measures of success

● On track ▲ Work in progress

Goals						
People Page 28	**Planet** Page 38	**Consumers** Page 48				**Shareholders** Page 55
		Brand Health	**Market Share**	**Innovation**	**Supply Chain**	
1	2	3	4	5	6	7
● Safety	● GHG emissions reduction	● China brand health	● MBS share	● IMF sales from new products	● Access to ≥3 CL registrations	● Sales ambition of ~$2.0b (≥FY27)
● Engagement	● Farm environmental plans	● AU household penetration	● DOL share	● China Other Nutritionals growth	● CL inventory management	● EBITDA margin ambition in the 'teens' targeting year-on-year improvement
● Diversity and inclusion	● Animal welfare programmes	● USA household penetration	▲ CBEC share	▲ Emerging markets development	● EL inventory management	
▲ Gender pay gap	● Sustainable packaging		▲ O2O + Daigou share	● ANZ sales from new products	▲ Quality and service	● USA profitability by FY27
			● Australian fresh milk share	▲ USA sales from new products	▲ Supply chain efficiency	▲ MVM profitability by FY27
			● USA premium milk share			

Non-financial measures of success

The Company is also focused on several medium-term non-financial measures of success, as summarised in the table above.

People: The Company is committed to promoting a safe, diverse, inclusive and engaging environment for its people. The Company's ambition is to be an employer of choice in the industry by creating a fulfilling employee engagement experience that enables employees to thrive personally and professionally. To facilitate this ambition, the Company is targeting below 5 for its safety total recordable injury frequency rate (TRIFR) with continuous improvement, improving its employee engagement score to greater than 75%, maintaining its diversity and inclusion rating and reducing the Company's Australian gender pay gap by 2ppts per annum.

Planet: The Company is committed to minimising its impact on the planet, contributing to nature positive and becoming a more sustainable business across a broad range of areas. For on-farm and other impact areas, this includes maintaining 100% of certified farms supplying raw A1 protein free milk having certified farm environmental plans and upgraded animal welfare programmes.

On emissions, the Company seeks to make meaningful progress each year towards its target of net zero emissions for Scope 1 and 2 by 2030 and for Scope 3 by 2040, and an interim reduction in Scope 3 emissions of 30% (per kilogram of milk solids) by 2030, from a FY21 base year.

The Company also seeks to make meaningful progress each year against its target of 100% reusable, recyclable or compostable packaging with 50% average recycled content.

Consumers: The Company has set brand health, market share, innovation and supply chain targets to deliver on its Consumer goals.

For brand health, the Company is targeting greater than 25% for unprompted awareness in China, household penetration of ~16% in Australian fresh milk, and household penetration above 3% in the USA in the premium milk segment.

For market share, the Company had been working to become a top five China label IMF player with a greater than 5% market share, achieving 5.5% in FY25. The Company is also targeting to have the leading English label IMF range with market share for that range of greater than 25%. For its liquid milk business, the Company is targeting greater than 13% market share in Australia and greater than 3% market share in the premium milk segment in the USA.

For innovation, the Company is looking to drive $200 million in incremental revenue from dairy and Other Nutritionals in China while also driving 15% of sales from new products in Australia and the USA.

For supply chain, importantly, the Company is also looking to secure three or more China label IMF registrations. The Company targets to maintain the highest food safety and quality standards, improve supplier and customer service levels, tightly manage inventory levels and constantly improve supply chain efficiency.

For personal use only

For personal use only

Our reporting approach

The Company aims to continuously improve its reporting and disclosures to meet stakeholder expectations. The Company also aims to ensure that it creates long-term, enduring value for shareholders through a trusted, transparent relationship.

This FY25 Annual Report integrates the Company's financial, environmental, social and governance disclosures. At its core, the integrated reporting concept refers to a principles-based, multi-capital framework in which companies can communicate clearly and concisely about how their strategy, governance, performance and prospects create value in the context of their external environments.

The Company acknowledges recent developments in disclosures, particularly its requirements under the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2, and NZ CS 3) published by the Aotearoa New Zealand Climate Standards External Reporting Board (XRB) in December 2022. The Company's FY25 Climate Statement addresses the requirements of the Aotearoa New Zealand Climate Standards and is also largely aligned with the Australian climate-related financial disclosures, although a2MC is not currently required to disclose under the Australian requirements due to its business structure. This Annual Report has also been prepared considering the first two standards issued by the International Sustainability Standards Board (ISSB), the United Nation's Sustainable Development Goals (SDGs), and with reference to the Global Reporting Initiative (GRI) Standards. Please refer to the Company's GRI Index.

The Company will continue to assess stakeholder requirements and expectations along with the reporting requirements in all jurisdictions in which it operates to guide its future reporting.

Assurance

The Company acknowledges the expectation of stakeholders to ensure non-financial metrics disclosed externally are done so with a similar level of rigour to financial reporting. For FY25, the Company has received from Ernst and Young (EY) reasonable assurance for Scope 1 and 2 emissions; and limited assurance for Scope 3 emissions, operational environmental management, people, community investment, and sustainable packaging metrics included in this report and the Company's FY25 Climate Statement, along with reference to the GRI Standards. For further information, please see the ESG assurance report from EY on the following pages.

Materiality assessment

In March 2025, the Company refreshed its materiality assessment to inform its strategy and disclosures to stakeholders in the Annual Report. A representative sample of 18 external and 13 internal stakeholders were engaged in the materiality assessment, with stakeholders rating 24 issues around their importance for the Company to prioritise, how well a2MC is managing the issue in their opinion, and how significant the financial impact of the issue is on the Company. Within this framework, 'materiality' differs from financial and audit interpretations and the NZX/ASX definitions of material information.

The top 12 key issues identified through this process as most material by both internal and external stakeholders are outlined below.

Top 12 material issues

1. Product safety and quality
2. Health, safety and wellbeing of the team
3. Policy and regulation
4. Brand and intellectual property
5. Product innovation
6. Responsible supply chain
7. A thriving team
8. Profitability
9. Business ethics and responsible marketing
10. Animal welfare
11. Growth in market share
12. Sustainable farming practices

Independent ESG Assurance Report

for the year ended 30 June 2025

For personal use only

EY
Shape the future with confidence

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Assurance Report to The a2 Milk Company Limited

Our Conclusions:

Limited assurance: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Limited Assurance Subject Matter for the year ended 30 June 2025 has not been prepared, in all material respects, in accordance with the Criteria defined below.

Reasonable assurance: In our opinion, the Reasonable Assurance Subject Matter for the year ended 30 June 2025 is prepared, in all material respects, in accordance with the Criteria defined below.

What we assured

Ernst & Young ('EY', 'we') were engaged by The a2 Milk Company Limited ('a2MC') to provide limited assurance over selected sustainability measures disclosed in a2MC's Annual Report (the 'Report') for the year ended 30 June 2025 in accordance with the noted Criteria, both as defined in the following table:

What we assured (Limited Assurance Subject Matter)	What we assured it against (Criteria)
Planet	
Total Scope 3 emissions: 436,528 tCO_2-e	a2MC's own publicly disclosed criteria (as outlined on page 40 of the Report)
Total water usage: 294,027 '000 litres	a2MC's own publicly disclosed criteria as informed by the Global Reporting Initiative (GRI) Standards
Water use intensity: 1.4 litres/litre of milk	
Wastewater diverted to beneficial land application: 1,356,984 litres	
Waste to landfill: 65 tonnes	
Waste diversion: 95.7%	
Total energy consumption: 70,600,000 kWh	
Recyclable packaging (by weight): 98%	
People	
Gender diversity – total workforce that are female: 53%	a2MC's own publicly disclosed criteria as informed by the Global Reporting Initiative (GRI) Standards
Cash and stock donations: $1.75m NZD	

In addition, we were engaged by a2MC to provide reasonable assurance over the following information in accordance with the noted Criteria, as defined in the following table:

What we assured (Reasonable Assurance Subject Matter)	What we assured it against (Criteria)
Planet	
Total Scope 1 emissions: 374 tCO_2-e	a2MC's own publicly disclosed criteria (as outlined on page 40 of the Report)
Total Scope 2 emissions (location-based method): 8,486 tCO_2-e	
Total Scope 2 emissions (market-based method): 153 tCO_2-e	

Other than as described in the preceding paragraphs, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion or conclusion on this information.

Key responsibilities

a2's responsibility

a2's management is responsible for selecting the Criteria, and ensuring the Subject Matter is prepared, in all material respects, in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibility and independence

For the limited assurance engagement, our responsibility is to express a conclusion on the Limited Assurance Subject Matter based on the evidence we have obtained. For the reasonable assurance engagement, our responsibility is to express an opinion on the Reasonable Assurance Subject Matter based on the evidence we have obtained. We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY applies Auditing Standard ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our approach to conducting the assurance procedures

We conducted our assurance procedures in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE3000'), in relation to greenhouse gases *Assurance Engagements on Greenhouse Gas Statements* ('ASAE 3410'), and the terms of reference for this engagement as agreed with a2MC on 27 February 2025.

For the limited assurance engagement, these standards require that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Limited Assurance Subject Matter is not prepared, in all material

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

EY

Shape the future with confidence

respects, in accordance with the Criteria, and to issue a report. For the reasonable assurance engagement, these standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Reasonable Assurance Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing and extent of the assurance procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

Description of assurance procedures performed

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Limited Assurance Subject Matter and related information, and applying analytical and other appropriate procedures. The Limited Assurance procedures we performed were based on our professional judgement and included, but were not limited to:

- Conducted interviews with personnel to understand the business and reporting process and the process for collecting, collating and reporting the Limited Assurance Subject Matter during the reporting period
- Assessed that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical review procedures to support the reasonableness of the data
- Identified and assessed assumptions supporting calculations
- Checked on a limited sample basis the aggregation of selected disclosures and transcription to the Report
- Considered the appropriateness of the presentation relating to the Subject Matter in the Report.
- Reviewed a2MC's reporting with reference to the GRI Standards (2021).

Additional reasonable assurance procedures we performed were based on professional judgement and included, but were not limited to:

- Considered internal controls relevant to a2MC's preparation of the greenhouse gas disclosures
- Assessed the suitability in the circumstances of a2MC's's use of the Criteria;
- Evaluated the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by a2MC;
- Tested a sample of data used in calculations and of emission sources to supporting evidence
- Evaluated the overall presentation of the disclosures

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion and reasonable assurance opinion.

Inherent limitations

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The greenhouse gas emissions quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, greenhouse gas procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify greenhouse gas emissions within the bounds of existing scientific knowledge.

Additional inherent limitations

Limited assurance scope

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. Our limited assurance procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Reasonable assurance scope

While our procedures performed for our reasonable assurance engagement are of a higher level of assurance, due to the use of sampling techniques, it is not a guarantee that it will always detect material misstatements.

Other matters

Our report does not extend to any disclosures or assertions made by a2MC relating to future performance plans and/or strategies disclosed in a2MC's 2025 Annual Report and any supporting disclosures online.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any parties other than a2MC, or for any purpose other than that for which it was prepared. Our assurance procedures were performed over certain web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance report.

Ernst & Young

Ernst & Young
Sydney, Australia
17 August 2025

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Progress towards our goals – People

People

Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities.

In this section:

Passionate and thriving team 29

Our ongoing commitment to gender pay equality 32

Human rights 34

Enriching communities 35

For personal use only

For personal use only

Passionate and thriving team

The Company is committed to maintaining a safe, highly diverse and inclusive environment for its people. The Company's ambition is to be an employer of choice in the industry by creating a fulfilling employee engagement experience that enables employees to thrive personally and professionally.

Medium-term people targets

Gender pay gap
2ppts reduction
per annum in gender pay gap
FY25: Decreased Australian and global gender pay gaps by 1ppt to 39.8% and 31.8% respectively

Engagement
>75%
Company-wide engagement survey
March 2025: 71%
October 2024: 71%

Safety
<5 TRIFR
with continuous improvement
FY25: 3.3
FY24: 6.2

To facilitate this ambition, the Company focuses on health and safety, invests in leadership, promotes the employee experience, fosters a learning environment, and celebrates diversity and inclusion.

During FY25, the Company launched various initiatives to deliver on its ambition and to achieve engaged and effective teams who create long-term value for the Company and its shareholders.

FY25 progress

Health, safety and wellbeing

- Launched 'Safety Non-Negotiables', identifying behavioural guidelines for team members when exposed to any of our top eight critical risks.
- Reduced Global Total Recordable Injury Frequency Rate (TRIFR) to 3.3[1], down from 6.2 at the same time last year. This was achieved through continued embedding of safety programmes and initiatives such as critical risk controls verification and good manual handling techniques training, along with promoting a safety first culture.
- Made progress towards launching a new global online safety event reporting system, intended to streamline centralised reporting and trend analysis.
- Evolved the Health Safety and Wellbeing Group Strategy, maintaining the focus on both critical and psychosocial risks, safety system requirements, and strengthening safety behaviours and leadership.
- Delivered Workplace Behaviour Training to people leaders in Australia and New Zealand.
- Launched Mental Health Awareness Training for people leaders.

1 Excludes contractors.

For personal use only

Investment in leadership

- Implemented the 'B O L D leadership programme' focusing on 'leading self' and 'leading others'.
- Hosted all senior leaders at the annual Senior Leaders' Conference to align on strategic priorities and execution plans for FY26 and share learning, opportunities and achievements.

Reward, recognition and training

- Developed and rolled out educational and support materials to drive greater pay transparency for both leaders and team members.
- Celebrated and recognised monthly nominees for the *a2™ Legends* awards acknowledging individuals and teams who demonstrate Company values and outstanding contribution towards achievement of Company strategic priorities.
- Recognised the overall winner of the annual *a2™ Legend of the Year* award and four individual recipients of the annual B O L D values awards.

Recruitment

- Implemented an end-to-end global mobility process to meet strategic Company objectives by identifying and relocating top talent to New Zealand from various countries throughout Asia.
- Further enhancements made to our Human Resources Information System (HRIS) providing global data and reporting.
- Invested in talent acquisition of product development and innovation skills, specifically in China and the Supply Chain teams, to strengthen internal capability to deliver on the Company's growth objectives.
- Advertised all roles internally and externally as flexible.

Supporting a diverse and inclusive workplace

- Received Family Inclusive Workplace certification through Parents at Work in partnership with UNICEF Australia to acknowledge our ongoing commitment to creating a supportive and inclusive workplace with leading policies, practices and benefits on flexible work, parental leave, family care and family wellbeing.
- Implemented transition coaching through Parents at Work for team members returning from parental leave in Australia, New Zealand and the USA.
- Partnered with TDC Global to undertake a Diversity, Equity, Inclusion and Belonging (DEIB) whole of business review, which included listening sessions and specific engagement survey questions to gain quantitative and qualitative insights to inform the diversity and inclusion priorities.
- Delivered Inclusive Leadership Training and Unconscious Bias Training to people leaders.
- Launched an inclusive leadership webinar series for all team members.
- Launched Māori Awareness Training and Australian Indigenous Culture Training.
- Included gender pay gap metrics (Australia and global) in the Company scorecard as a key performance indicator.
- Launched an enhanced Domestic and Family Violence policy, dedicated intranet page, internal resources and education and awareness learning module.
- Launched a dedicated intranet page for parental leave.

Next steps

- Enhance current benefits to strengthen the Company's value proposition for a2MC team members and to attract future talent.
- Continue to work on our Family Inclusive Workplace Action plan to further enhance our policies, practices and benefits on flexible work, parental leave, family care and family wellbeing.
- Implement a purchased leave programme for ANZ team members to provide further flexibility.

For personal use only

Key metrics data

Gender (as at 30 June 2025)	Cohort	Male	%[3]	Female	%[3]	Variance to last year[3] (% of females)
Directors[1]	6	3	50%	3	50%	0%
Executive Leadership Team[1]	10	7	70%	3	30%	0%
People Leaders[2]	124	63	51%	61	49%	4%
Remaining Team Members	372	169	45%	203	55%	1%
Total	**511**	**241**	**47%**	**270**	**53%**	**2%**

Age (as at 30 June 2025)	Number	%[3]	Variance to last year (%)[3]
Under 30	49	10%	-3%
30 to 50	353	69%	4%
Over 50	109	21%	-1%
Total	**511**	**100%**	**–**

Tenure (as at 30 June 2025)	Number	%[3]	Variance to last year (%)[3]
0–2 Years	177	35%	-6%
2–5 Years	195	38%	3%
5+ Years	139	27%	3%
Total	**511**	**100%**	**–**

1 David Bortolussi has been included in both the Director and ELT calculations. The appointment of Grant Dempsey as an independent non-executive director was announced on 4 August 2025. As his appointment is not effective until 1 September 2025, he has not been factored into the People analysis in this report.
2 People Leaders are defined as any Team Member with direct reports.
3 All values subject to rounding.

For personal use only

Our ongoing commitment to gender pay equality

The Company continues to progress its policies, benefits and practices that support and promote gender equality, driven by a strong belief that a holistic approach to diversity and inclusion in the workplace drives better business outcomes and provides a better experience for all team members.

The Company is pleased to have achieved a reduction in its gender pay gap metrics whilst acknowledging that it still has work to do to continue this reduction consistently over time.

In FY25 the Company proudly received 'Family Friendly Workplace' certification issued by Parents at Work and UNICEF.

The Board level representation of women remained at 50%, led by a female Chair. The Executive Leadership Team (ELT) has 30% women and management continues to work towards the goal of having at least 40% representation of men and women across all levels in the organisation.

a2MC has a gender-neutral approach to pay across the organisation and upholds equal pay as a core component of its remuneration policy and compliance in the markets in which it operates.

The Company proudly continues to offer gender neutral parental leave and in the past 12 months there have been 13 men who have accessed extended paid parental leave. Management believes that by offering gender neutral parental leave it supports and breaks down gender stereotypes and promotes a more equitable, supportive and productive society and benefits all family members.

The Company has partnered with an external Diversity, Equity, Inclusion and Belonging (DEIB) consultancy (TDC Global) to lead numerous interactions with our team members, providing qualitative and quantitative insights that continue to inform the ongoing development and execution of our DEIB strategy.

Focus areas to support gender pay equality

The Company maintains three priorities to support its gender pay equality objectives.

1. Talent acquisition

Inclusion and diversity are areas of continued focus in the attraction, development and retention of talent. a2MC has taken various initiatives to improve outcomes in this area, including:

- All roles are advertised internally to widen the pool of candidates and to provide development opportunities to existing team members.
- Specialised external software is used to attract diverse candidates through gender neutral language in role advertisements reducing gender bias in talent attraction.
- Talent acquisition teams are required to provide gender balanced candidate short lists.
- For higher graded appointments, the Company ensures it has a gender balanced interview panel with a senior female executive.
- Unconscious Bias training is provided to all hiring leaders to reduce unintended bias in the recruitment process.
- Talent management processes ensure that gender balance is a consideration.
- The CEO and Chief People & Culture Officer review all senior leadership appointments to ensure that a gender-neutral approach has been adopted.

For personal use only

2. Flexible and supportive work practices

The Company proudly achieved 'Family Friendly Workplace Certification' awarded by Parents at Work in partnership with UNICEF. This recognition acknowledges a2MC's ongoing commitment to creating a supportive and inclusive workplace with leading policies, practices and benefits on flexible work, parental leave, family care and family wellbeing. Consistent with this, the Company's policies include:

- Gender neutral parental leave, providing all permanent employees (of any gender) who are welcoming the arrival of a child to their family through pregnancy, adoption, surrogacy, fostering or kinship arrangement, with 20 weeks paid leave with no qualifying period and removal of the primary and secondary carer labels. Gender neutral parental leave is an important part of the Company's approach to gender equality in the workplace and helping take gender bias out of parental leave.
- Multiple newborns parental leave (eight weeks additional paid leave).
- Grandparents leave for the arrival of a new family member (five days additional paid leave).
- Women's health leave for team members experiencing symptoms of endometriosis, peri-menopause or menopause as well as those individuals undertaking fertility treatments, including IVF (five days additional paid leave).

3. Remuneration framework

a2MC continues to undertake regular independent salary reviews and equal pay validation. Over the past year the Company engaged global consulting firm Korn Ferry to lead an independent and extensive job grading process for all roles in Australia across all job grades. The Korn Ferry Hay Group Guide Chart-Profile Method of Job Evaluation is the most widely accepted method worldwide. The Company utilises this methodology annually during the annual salary review process and ad-hoc reviews to verify job grades, market data and equal pay. The Company has a long-standing partnership with Korn Ferry, utilising their expertise to regularly review remuneration ranges, benchmarking and job matching.

Gender pay gap calculations

We have reduced our total remuneration average gender pay gap by 1% from 2024 to 2025.

Australian gender pay gap data[1]

Due to the relatively low number of total employees in Australia, the gender pay gap calculations are sensitive to small movements. Notwithstanding, the Company is determined to make a difference in Australia and globally and has included a continuous improvement goal in the Group performance scorecard.

		FY25	FY24
Base salary	Average	24.0%	26.6%
	Median	17.8%	19.9%
Total remuneration	Average	39.8%	40.8%
	Median	21.4%	21.2%

1 WGEA methodology used to calculate gender pay gap based on data as at 31 March of each year. 166 and 166 employees as at 31 March 2024 and 31 March 2025 respectively in line with WGEA reporting dates.

Global gender pay gap data[1]

Whilst gender pay gap is an important insight into gender equality at a point in time, it does not provide a complete picture of a2MC's commitment to it. The Company is proud of its approach to diversity and inclusion, has market-leading policies and is committed to continuous improvement in closing its legacy gender pay gap and will continue to create a great place to work that provides accessible opportunities for all our team members to thrive.

		FY25	FY24
Base salary	Average	20.4%	20.8%
	Median	13.5%	11.8%
Total remuneration	Average	31.8%	32.7%
	Median	10.2%	11.0%

1 WGEA methodology used to calculate gender pay gap based on data as at 31 March of each year.

For personal use only

Human rights

The Company has long recognised that a company's values, principles and decisions have an impact well beyond its own operations. We strongly believe in the vital role business plays in upholding human rights and consider it our basic responsibility to treat individuals, communities and our environment with respect, and encourage our partners to do likewise.

Anti-modern slavery

The Company is committed to taking action to support the elimination of modern slavery by focusing on high standards of responsible conduct, social responsibility and sustainability in all areas of our business, including our operations and supply chains.

The Company manages an Anti-Modern Slavery programme, including supply chain mapping, risk assessment, supplier engagement, regular business updates and a formal governance process.

The Company publishes a dedicated annual Modern Slavery Statement. This is available at thea2milkcompany.com/ESG-reporting.

FY25 progress

- Completed the refreshed risk assessment and a gaps and opportunities analysis to support longer-term action planning.
- Developed a longer-term action plan for modern slavery.
- Launched a cross-functional modern slavery working group to drive the Company's action plan for modern slavery.
- Created an information hub about modern slavery for a2MC Team Members.
- Introduced modern slavery training into the Corporate Induction programme run for new joiners in Australia and New Zealand.
- Commenced initial work on an improved supplier due diligence programme, commenced roll-out of supplier questionnaires to some of MVM's suppliers and continued the roll-out of anti-modern slavery follow-up questions to a2MC's suppliers with indicators of higher potential risk exposure.
- Engaged with a number of a2MC's Australian and New Zealand manufacturing partners to understand more about their modern slavery risks and anti-modern slavery action plans.

Next steps

- Continue development of an improved supplier due diligence programme.
- Work with Australian and New Zealand manufacturing partners to improve modern slavery risk mitigation on farms supplying A1 protein free milk.
- Define approach to human rights and modern slavery supplier audits.

Promoting diversity and inclusion

As a diverse business with operations across four different countries, the Company recognises the value of a diverse workforce, and the importance of fostering a culture that promotes respect and inclusion in and beyond the workplace.

In New Zealand, the Company commenced its Māori cultural journey in 2024. The Company's initial focus has been on education, with a focus on building understanding of the Māori culture among team members globally.

In Australia, the Company recognises the importance of reconciliation between First Nations peoples and non-Indigenous peoples and in FY23 formally commenced its reconciliation journey by committing to the Reconciliation Action Plan (RAP) framework established by Reconciliation Australia.

FY25 progress

- Rolled out Māori Masterclass training to team members in New Zealand, Australia and the United States in partnership with Tika Learning.
- Delivered Indigenous cultural awareness training across Australia and New Zealand, in partnership with YarnnUp, a First Nations consultancy.
- In Australia, completed deliverables against the Company's 'Reflect' RAP.

Next steps

- In Australia, commence development of 'Innovate' RAP.
- Implementation of cultural awareness training module.

For personal use only

Enriching communities

The Company proudly supports communities across New Zealand, Australia, the United States and China, that are helping to create a brighter future for children and families, and the Company's farming communities.

Support is provided through cash contributions, product donations and time invested from a2MC team members. Each employee is entitled to one paid volunteer day per year, allowing them to contribute directly to community initiatives.

In FY25, the Company became a member of Business for Societal Impact (B4SI) adopting its framework to enhance the reporting and evaluation of social impact. This framework enables the Company to assess its inputs, outputs and impacts ensuring its community initiatives deliver meaningful and measurable positive outcomes.

FY25 progress

Total of $1.75 million[1] in product and cash donations.

Community investment

$1.36m
invested in community initiatives (cash, in-kind, time)

2,230
direct beneficiaries supported through key partnerships

147
organisations supported through community investment

Social innovation

$391K
invested in social and environmental impact

19
grants awarded to farmers through a2™ Farm Sustainability Fund

PROUD to be a part of BUSINESS FOR SOCIETAL IMPACT CORPORATE CITIZENSHIP 2025

FY25 contributions

Key community partners in FY25 included:

- KidsCan (New Zealand).
- Foodbank School Breakfast Program (Australia).
- Feed the Children (USA).
- Operation Smile (China).

Event-based (or reactive) support

- Donated UHT products for Typhoon Yagi flood relief in Vietnam.
- Supplied UHT and WMP products to Foodbank for Cyclone Alfred support in Australia.

Additional farming community specific programmes and support

- a2™ Farm Sustainability Fund.
- Surfing for Farmers support.
- Bale Up Conference support.
- Dairy Women's Network support.
- Gravel in Paradise sponsorship.

1 Total donations figure includes contributions made through both community investment and social innovation. It reflects the cost value of donated products and any donation of cash (NZD) to communities, organisations, farmers and individuals.

For personal use only

Community partners

To maximise its impact, the Company supports one strategic community partnership in each of its operating regions.

Operation Smile (China)

About 25,000 babies born in China each year suffer from cleft lip palate.

While corrective surgery can help to transform those children's lives, they cannot undergo surgery until they achieve the requisite 'health standard', which includes weight targets. The Company continued to partner with Operation Smile during the year to provide nutrition products to children suffering from cleft lip palate, before and after their operations. With more than 6,000 medical volunteers from around the world, Operation Smile is one of the world's largest volunteer-based not-for-profit organisations.

Operation Smile 微笑行动

CHINA CHARITIES AID FOUNDATION FOR CHILDREN 中华少年儿童慈善救助基金会

KidsCan (New Zealand)

The Company is proud to partner with KidsCan, a New Zealand based charity dedicated to helping children affected by poverty.

a2MC is a major partner of KidsCan, which helps to support children experiencing hardship by providing food, jackets, shoes and basic health products in partnership with schools and early childhood centres nationwide. Through this partnership the Company supports five early childhood education centres helping to improve the wellbeing and development of children under the age of five.

The Company supports KidsCan's belief that education is a child's ticket out of poverty. Recognising that children struggle to learn when they are cold or hungry and providing practical support can help to remove some of these barriers, creating an opportunity for a better future.

KidsCan

For personal use only

Feed the Children (USA)

The Company partnered with Feed the Children and local community partner Wee Cycle in Colorado to help provide struggling families the supplies they need to send their children back to school with confidence.

The ongoing health and economic crisis continues to cause hardships for children and their families and it's estimated that one in five children in the USA is food insecure. In FY25, the Company donated funds to provide food and supplies for school children, ensuring they have what they need to grow and thrive with joy.

Foodbank (Australia)

The Company has supported Foodbank with fresh milk product donations in New South Wales and Victoria since 2015, scaling up support in times of heightened need.

In FY23, a2MC extended its support through a cash donation to the Foodbank School Breakfast Program, which provides a healthy breakfast for school children who would otherwise go without. The Program delivers important benefits for students across a broad range of physical and mental health outcomes, including energy levels and concentration.

In FY25, the Company continued its support by helping to extend the reach of the School Breakfast Program to more than 118 schools across some of Australia's most remote Indigenous communities in the Northern Territory, South Australia and Western Australia.

Progress towards our goals – Planet

Planet

The Company has strategic goals to protect our planet and cows, re-think packaging, achieve net zero and contribute to nature positive. We are committed to taking action on greenhouse gas emissions reduction, farming practices and sustainability.

Our key Planet focus areas include:

Climate	39
Nature	42
Thriving farms	43
Operational environmental management	46
Sustainable packaging	47

For personal use only

For personal use only

Climate

Climate change poses a material risk for the dairy sector, as climate-related impacts on natural resources can directly impact the operations and production of the sector; and in turn dairy farming can have direct impacts on climate change through operational and animal emissions. Therefore, the Company is committed to taking action to reduce our value chain emissions, and managing the risks and opportunities associated with climate change.

Medium-term climate targets

Net Zero GHG emissions
for Scope 1 and 2 by 2030

30% Scope 3 emissions intensity reduction
by 2030 (per kilogram of milk solids, from a FY21 base year)

Net Zero GHG emissions
for Scope 3 by 2040

Climate Commitments

The Company has set net zero greenhouse gas (GHG) emissions targets for Scope 1 and 2 emissions by 2030, and net zero for Scope 3 emissions by 2040, with an interim target of 30% Scope 3 emissions intensity reduction by 2030 (per kilogram of milk solids, from a FY21 base year). To support these ambitious targets, a detailed emissions reduction roadmap and climate transition plan have been developed.

Emissions Reduction Roadmap

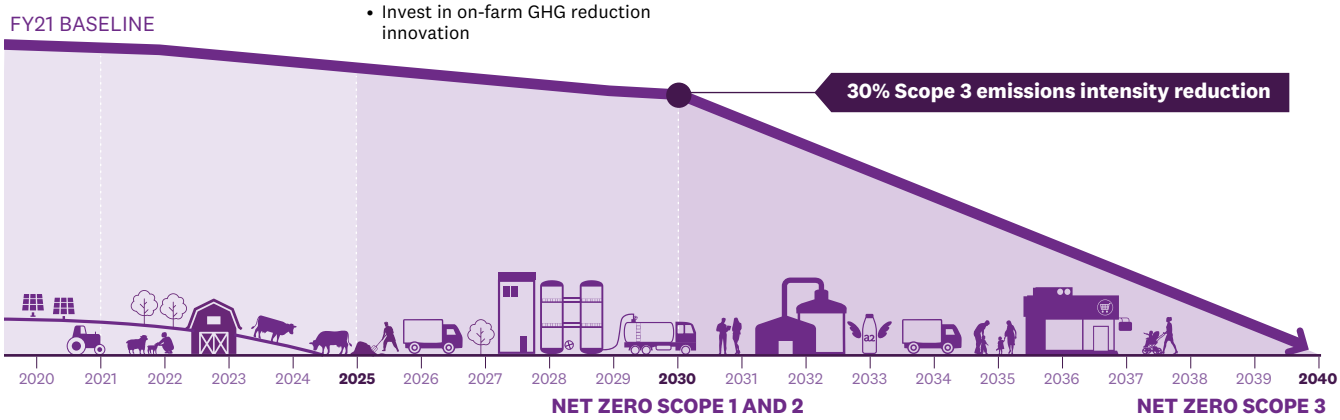
The Company has continued to track against its net zero roadmap, which illustrates the Company's net zero targets and how it plans to meet these targets over time.

Emissions reduction roadmap to 2040

ACTIONS TO DATE
- MVM electrode boiler
- Smeaton Grange solar panels
- Synlait biomass boiler
- Scope 3 on-farm reduction
- Farmer grant programme

ACTIONS TO 2030
- Electrification of infrastructure and vehicles
- Green electricity contracts
- Enhance supplier engagement and support
- Develop insetting and incentive programme
- Invest in on-farm GHG reduction innovation

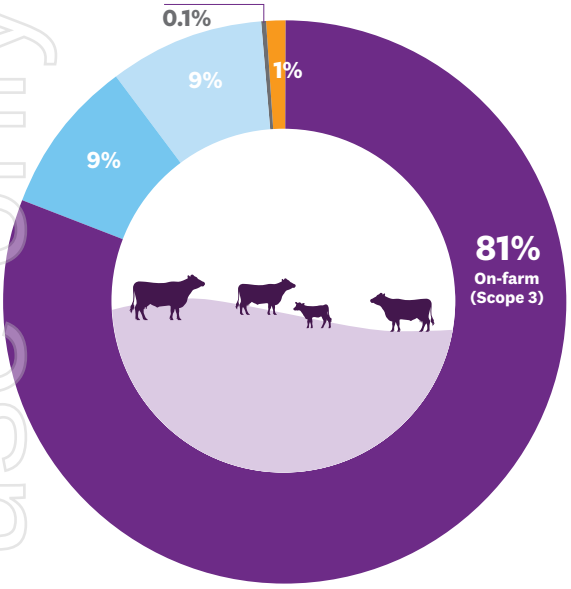
ACTIONS TO 2040
- Continue supplier engagement and support, with increased focus on adaptation and resilience
- Scale insetting and incentive programme
- Expand retailer and co-financing partnerships
- Deploy new GHG solutions on-farm and accelerate uptake

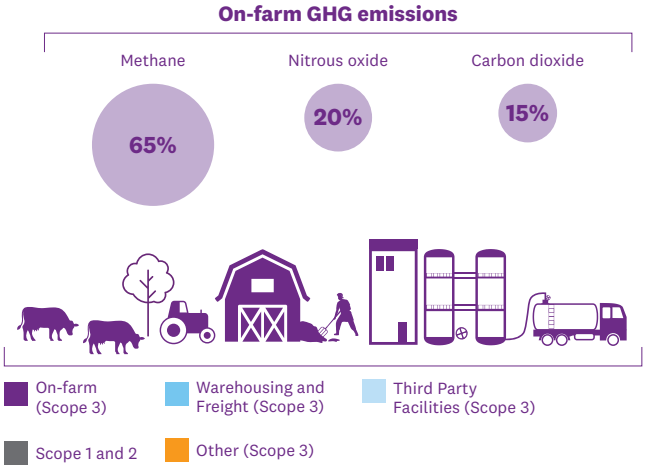


For personal use only

GHG emissions profile[1]

The greenhouse gas emissions profile provides a visual representation of a2MC's Scope 1, 2 and 3 emissions. Scope 3 accounts for more than 99% of the Company's total emissions, with on-farm activities contributing to approximately 81% of those emissions.





GHG Emissions FY21–FY25[1]

GHG Emissions[2]	FY25 tCO_2e	FY24 tCO_2e	FY23 tCO_2e	FY22 tCO_2e	FY21 tCO_2e	% change FY21–FY25
Total GHG Emissions[3]	**437,055**	**453,953**	**501,090**	**516,345**	**493,319**	**-11.4%**
Scope 1	374	13,412	24,343	22,972	30,144	-98.8%
Scope 2 (Market-based)[4,5]	153	149	153	–	–	–
Scope 2 (Location-based)[4]	8,486	4,507	3,356	3,221	3,426	147.7%
Total Scope 3	436,528	440,392	476,595	490,153	459,749	-5.1%
On-farm Scope 3	355,250	360,919	374,168	403,429	376,930	-5.8%
Scope 1, 2 and 3 Emissions Intensity (tCO_2e per kg of milk solids)	12.12	15.09	18.65	18.99	19.35	-37.3%
Scope 3 Emissions Intensity (tCO_2e per kg of milk solids)	12.11	14.64	17.74	18.03	18.03	-32.9%

Positive change movement.

The Company has a Scope 3 emissions intensity reduction target of 30% by 2030, against a 2021 baseline. The FY25 data indicates that Scope 3 emissions intensity has reduced by 33%, and total emissions intensity has reduced by 37% in the a2MC value chain since the baseline year. This reflects efforts in dairy production efficiency and energy transition in the supply chain since the baseline year, however more detailed and targeted methods of data collection and calculation for Scope 3 emissions since 2021 may account for the change in Scope 3 emissions, reflecting more accurate emissions data.

1 Numbers are subject to rounding.
2 Greenhouse gas emissions, calculated as tonnes of carbon dioxide equivalent (tCO_2e), have been estimated using considerations from The GHG Protocol guidelines. Emissions and conversion factors were sourced from the National Greenhouse Accounts Factors for Australia, the New Zealand Ministry for the Environment for New Zealand and a range of other country-specific sources. Where required, indirect emissions sources have been estimated using default and/or extrapolated emissions intensity rates to provide a more complete picture of the Company's Scope 1, 2 and 3 emissions. Total emissions calculations include packaging and non-milk raw ingredients for owned facilities only. Refer to the Company's GHG inventory report for details of estimations and assumptions used, which can be found in the Company's Climate Statement.
3 Total GHG emissions have been calculated using market-based method for Scope 2 in years where such emissions were reported. In years without Scope 2 market-based emissions, the location-based method was used.
4 A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments, such as green energy contracts.
5 Renewable energy certificates (RECs) have been procured from Meridian for the MVM site in New Zealand. These RECs originate from assets ranging from 1 to 7 years old.

For personal use only

FY25 progress

Scope 1: GHG emissions from direct operations

- Achieved 98.8% overall Scope 1 emissions reduction from FY21 base year, mainly due to the MVM boiler conversion in FY24.
- In Australia, continued to utilise a mixture of hybrid and fully electric vehicles across the Company's fleet.

Scope 2: GHG emissions from electricity operations

- Certified renewable energy[1] replaced coal-fired infrastructure at the MVM site.
- Continued with renewable electricity agreements at a2MC's Australian and New Zealand offices and Smeaton Grange processing facility.
- Despite an increase of 66% in electricity use since FY24, certified renewable electricity supply contracts resulted in market-based Scope 2 emissions of only 153 tCO_2e.

Scope 3: Indirect GHG emissions

- Scope 3 emissions intensity reduction of 33% since FY21.
- Continued to invest in AgriZero^{NZ}, a partnership between the New Zealand Government and major agribusiness companies to reduce on-farm biogenic methane and nitrous oxide emissions.
- Contributed to the Dairy Australia Emissions Roadmap work.
- Funded emissions reduction initiatives on-farm through the *a2*™ Farm Sustainability Fund (see page 44).
- Developed a strategy to collect real, individual, on-farm emissions data to feed into both disclosures and the emissions reduction roadmap.

Disclosures and GHG inventory

The Company is a climate-reporting entity under the Financial Markets Conduct Act 2013. In FY25, the Company has continued to evolve its alignment to external reporting requirements and has released its second Climate Statement under the Aotearoa New Zealand XRB Climate Standards, as required (NZ CS 1, CS 2 and CS 3).

The Climate Statement includes a detailed GHG inventory report which shows the breakdown of Scope 1, 2 and 3 emissions to provide transparency on the Company's emissions profile as well as communicate any estimation uncertainties and assumptions.

The Company's Climate Statement and GHG inventory report is available at the thea2milkcompany.com/ESG-reporting. The ESG assurance report relating to the disclosures in the Climate Statement is at pages 26 and 27.

Next steps

- Further progress the emissions reduction roadmap through the development of a Scope 3 emissions reduction incentivisation and implementation plan.
- Roll-out of on-farm emissions measurement.
- Continue to reduce Scope 1 and 2 emissions in our operations.
- Continue to invest and engage in potential on-farm emissions reduction solutions through AgriZero^{NZ}.
- Continue to fund emissions reduction projects on farms through the *a2*™ Farm Sustainability Fund.

AgriZero^{NZ}

In FY24, the Company made an investment into AgriZero^{NZ}, a public-private partnership between the New Zealand Government and other industry stakeholders, focused on providing farmers with tools to reduce methane and nitrous oxide emissions.

Mitigating on-farm emissions presents a significant challenge for the dairy industry and transitioning to a lower-emissions future requires a systematic change involving substantial investments in innovative technologies to maintain profitability and productivity.

For information on the progress and research outcomes of the AgriZero^{NZ} partnership, visit agrizero.nz/progress.

1 MVM purchases Meridian's Certified Renewable Energy production values product to enable it to exclusively match the amount of electricity it uses on an annual basis with an equivalent amount of electricity put into the national grid from one of Meridian's hydro stations or wind farms (which have been independently verified as producing 100% renewable electricity). Actual electricity received on location is from mixed renewable and fossil fuel sources, due to the nature of the electricity transmission and distribution system.

For personal use only

Nature

Nature encompasses all the elements of the natural world, and the natural interactions, processes and 'ecosystem services' that nature provides to sustain life. The Company recognises the critical role that dairy farming and production must play in both protecting and contributing to nature.

The Global Biodiversity Framework sets out an ambitious agenda to halt and reverse biodiversity loss by 2030 and to live in harmony with nature by 2050. As nature is currently being negatively impacted globally, net zero loss plus positive contributions are needed to reach this goal. Within the agricultural sector, understanding the interconnected relationship between nature, climate, and supply chain impacts, especially on-farm impacts, is essential to effectively contribute to a sustainable future.

Medium-term nature targets

Halt biodiversity loss in our value chain (FY24 baseline)

Contribute to nature positive in our value chain

Nature commitments

The Company is committed to contributing to nature positive in our value chain, pursuing the following goals developed in FY25:

- Sustainable use of natural resources (including water, fodder, waste and recycling).
- Contribute to biodiversity gains.
- Enhance soil health and soil carbon and nitrogen capture.
- Improve surface water quality.

From an FY24 baseline in the Company's mature dairy value chain, a2MC will work with its supply partners to make positive and measurable contributions to water, fodder utilisation, waste diversion, biodiversity, soil health and soil carbon, and water quality. a2MC will achieve this through its *a2*™ Farm Sustainability Fund, pursuing and sharing commercially sustainable solutions with farmers, establishing data collection and reporting, consideration of nature in business decisions and exploring nature and carbon in-setting opportunities.

FY25 progress

- Established nature commitment, baseline and approach.
- Launched a bee and pollination biodiversity project on one of a2MC's North America supply partner farms.
- Contributed $210,000 to nature positive projects through the *a2*™ Farm Sustainability Fund[1], enabling successful supplier farms to implement and measure nature positive initiatives on-farm through the *a2*™ Farm Sustainability Fund improving soil health, water quality and biodiversity (see page 44).

Next steps

- Determine nature metrics for natural resources, biodiversity, soil health and water quality.
- Measure the positive impacts of nature initiatives on biodiversity, soil and water.

1 Nature positive projects include activities related to soil improvement, water quality and environmental plantings.

For personal use only

Thriving farms

The farmers and cows who produce and supply A1 protein free milk to the Company are the centre of a2MC products and supporting them and their land to thrive is a top priority.

Medium-term thriving farms targets

100% of certified *a2 Milk*™ supplying farms

passed independent animal welfare audits in FY25

Thriving farm commitments

The Company is committed to working with and supporting its farmers to improve their operations, deliver improved welfare outcomes for cows, and farm their land sustainably.

Farm environmental plans

The Company has an established global framework for farm environmental plans.

The principles of the framework address the most material aspects of environmental management in the dairy industry:

- Lowering GHG emissions.
- Managing water quality and efficiency.
- Managing soil quality.
- Boosting on-farm biodiversity.
- Improving nutrient (effluent) management.

a2MC requires all its supplying farms to have an environmental management plan in place, and monitors compliance by suppliers.

In FY25, the Company continued to support farmers to improve operational, environmental and animal welfare standards. In FY25, 100% of certified farms supplying raw A1 protein free milk had a farm environmental plan in place and were certified under an upgraded animal welfare programme, a position maintained from FY24.

Animal welfare

Cow welfare is crucial in dairy production, and improving it benefits the animals, farm employees and milk production. Robust standards, combined with suitable oversight and monitoring, leads to productive and efficient farming with welfare front of mind.

Best practice standards for animal welfare on farms are central to a2MC's farm sourcing, and the Company works with its farmers to support best practice in animal welfare on its supplying farms.

a2MC assists farmers to implement its animal welfare programme through training, milk monitoring, and comprehensive independent and internal audits. All farms are required to have the Company's robust welfare programme in place, which is independently audited and verified annually.

In addition, the requirements of the programme are reviewed annually by external experts in conjunction with the a2MC team, with a view to continuously advance standards over time. Cow and calf welfare is therefore continually evolving on farms supplying a2MC, to align with science, evidence and consumer expectations.

Sustainable farming support

a2MC offers farmers supplying the Company direct support to improve farming sustainability both practically and financially.

Our Farm Services team and Sustainable Dairy Manager offer personalised support to our farmers in many areas, including operational efficiency and productivity, farm environmental management, emissions reduction and animal welfare.

In addition, the *a2*™ Farm Sustainability Fund is open each year for project applications which have a positive impact on farm sustainability.

FY25 progress

- 100% of certified farms supplying raw A1 protein free milk continue to have a farm environmental plan in place.
- 100% of certified farms supplying raw A1 protein free milk have an animal welfare programme in place which was independently audited and verified in FY25.
- Established a new role, the Sustainable Dairy Manager, to support on-farm sustainability initiatives.
- Established an on-farm data strategy to collect emissions and environmental management data.

Next steps

- Implement on-farm data strategy to inform Company decision making in emissions reduction activities and investment into nature positive projects at the farm level.
- Engagement with a2MC farmers on a shared long-term animal welfare vision, identifying areas for further improvement and understanding how to successfully evolve systems if needed.

a2™ FARM SUSTAINABILITY FUND

For personal use only

The a2™ Farm Sustainability Fund supports projects within the Company's farming supply chain that demonstrate an integrated approach to a sustainable future.

By collaborating with industry experts, the Fund aims to drive nature positive practices, reduces environmental impacts, enhances animal welfare, and strengthens farming resilience, directly contributing to the Company's sustainability goals.

In FY25, the *a2*™ Farm Sustainability Fund awarded 19 projects, totalling $575,000. Since the inception of the farmer grants programme in 2017, the programme has awarded over 115 projects in Australia and New Zealand, totalling more than $2,730,000.

Overview of successful projects in FY25:

The key priority area and details of some of the successful projects funded in FY25 include:

- **Reduce on-farm GHG emissions:** Improved infrastructure with the introduction of solar panels to power farm operations.
- **Improve animal health and wellbeing:** Enhancing animal welfare through improved shelter and care practices.
- **Improve soil health and soil carbon sequestration:** Enhancing soil health through innovative pasture management and bio-stimulant applications.
- **Reduce effluent run-off and enhance water quality:** Riparian planting and pest control measures to improve water quality and biodiversity.
- **Build sustainable communities:** Creating educational spaces on-farm to engage local schools and students in sustainable farming practise.

Dewhirst Land, Canterbury, New Zealand

2025 project: Isaac Williams of Dewhirst Land in Canterbury is a first-year grant recipient of the *a2*™ Farm Sustainability Fund.

This farm's project involves planting a variety of pasture and adding beneficial bacteria and fungi to the soil. The project aims to enhance soil health by improving soil structure, promote biodiversity by supporting a diverse ecosystem, and implement sustainable farming practices to improve farm profitability and protect the land for future generations. This initiative has a strong focus on driving nature positive outcomes, aligning with the Company's sustainability goals.

ISAAC WILLIAMS OF DEWHIRST LAND, *a2*™ FARM SUSTAINABILITY FUND GRANT RECIPIENT

For personal use only

Cleary farm, NSW Australia

Leo and Sue Cleary, farmers in NSW Australia, have received six grants from the a2™ Farm Sustainability Fund since the programme began in 2017.

These grants have enabled continuous improvements on their farm, advancing their sustainability journey and contributing to the Company's sustainability goals.

Key achievements through funding include:

- Reduced fertiliser use.
- Improved water quality.
- Reduced greenhouse gas emissions.
- Enhanced animal welfare.

2025 Project: The Clearys' latest project involves using the Optiweigh system, a farmer-developed technology to accurately weigh cows in real time to optimise feed and pasture use. The project is expected to enhance animal welfare through optimised feeding regimes and better weight management. It aims to significantly reduce greenhouse gas emissions by improving feed efficiency.

Additionally, the system is designed to reduce labour inputs by automating weight monitoring. By leveraging precise data, the Clearys will measure these improvements over time, demonstrating a clear return on investment and supporting the Company's sustainability targets. The Clearys' journey showcases the impact of strategic grants and sustainable practices in farming.

LEO CLEARY, CLEARY FARM, a2™ FARM SUSTAINABILITY FUND GRANT RECIPIENT

UBEES
BEES FOR HUMANITY

Bee and pollination biodiversity pilot project

In collaboration with Ubees, a2MC launched an on-farm biodiversity pilot project on one of its supplier farms in the USA, aimed at supporting pollination and enhancing ecosystem health.

Recognising the critical role bees play in agricultural and natural systems, the project involved the installation of 20 beehives equipped with smart sensors to monitor pollinator activity and to provide insights to support nature positive outcomes.

The project aims to better understand how pollinators interact with farm environments and how their presence can support nature positive practices, including improved soil health and plant diversity.

For personal use only

Operational environmental management

The Company has an on-going focus on reducing the environmental impacts of our operated manufacturing facilities, Smeaton Grange in Australia and Mataura Valley Milk in New Zealand. Continued positive progress was achieved in FY25.

Environment management metrics

Metric	FY25	FY24	% change FY24–FY25
Manufacturing Facilities[1]			
Total water usage ('000 litres)	294,027	314,071	-6%
Water use intensity (litres/litre of milk)	1.4	1.6	-13%
Waste water diverted to beneficial land application (litres)	1,356,984	1,133,900	20%
Waste to landfill (tonnes)	65	68	-4%
Recycling waste (tonnes)	1,439	1,225	17%
Total waste (tonnes)	1,505	1,294	16%
Waste diversion (recycled waste/total waste)	95.7%	94.7%	1%
Electricity consumption (kWh)[2]	19,000,000	17,300,000	10%
Electricity consumption (MVM electrode boiler) (kWh)[2]	51,600,000	25,300,000	104%
Total electricity consumption (kWh)[2]	70,600,000	42,600,000	66%

Positive change movement.

FY25 progress

Water usage and efficiency

- Water efficiency is a top priority for the Company's manufacturing facilities. Targeted initiatives across both MVM and Smeaton Grange have led to a 13% reduction in water intensity.

Waste, wastewater and waste diversion

- Waste reduction is a key focus area for both MVM and Smeaton Grange. Despite an overall increase in total waste generated due to increased production volumes, landfill waste decreased by 4%, and recycling increased by 17% compared to FY24. These results reflect ongoing efforts to enhance resource recovery and minimise environmental impact across operations.

Electricity consumption

- Electricity consumption increased in FY25 following the commissioning of a new electrode boiler at MVM in FY24, removing reliance on the site's coal fired boiler and reducing direct emissions from on-site combustion through a transition to certified renewable electricity-based energy input[3].

Next steps

- Develop Environmental Management System for operated manufacturing facilities.

1 The table refers to operations at Smeaton Grange and MVM only.
2 This number has been rounded.
3 MVM purchases Meridian's Certified Renewable Energy production values product to enable it to exclusively match the amount of electricity it uses on an annual basis with an equivalent amount of electricity put into the national grid from one of Meridian's hydro stations or wind farms (which have been independently verified as producing 100% renewable electricity). Actual electricity received on location is from mixed renewable and fossil fuel sources, due to the nature of the electricity transmission and distribution system.

For personal use only

Sustainable packaging

Packaging is essential to the safety and quality of our products, but the Company recognises the potential impacts of packaging on the Planet and is committed to making its packaging as sustainable as possible whilst maintaining product integrity.

Sustainable packaging targets and commitments

All packaging recyclable by our consumers, in their local market

50%
Recycled content (across portfolio)

Phase-out of single-use and problematic plastics

Drive recovery through consumer messaging

Sustainable packaging metric	FY25	Target
Recyclable packaging (by weight)[1]	98%	100%
Recycled content (by weight)[2]	8%	50%
Phase-out of single-use, problematic plastics	Complete	Complete
Drive recovery	Recycling logos on 82% of Australian packaging. APCO Members (Australia). Oregon (USA) Extended Producer Responsibility Scheme.	Appropriate messaging in each market. Support recovery programmes as appropriate.

FY25 progress

- Conducted recycling market research in China and the USA to assess local recyclability of packaging sold into those markets.
- Launched 20% recycled plastic (HDPE) 2 Litre and 3 Litre fresh milk bottles from our Smeaton Grange facility.
- Further developed sustainable packaging action plan.
- Included sustainable packaging considerations in new product development process.
- Joined the Oregon and Colorado, USA, Extended Producer Responsibility Schemes.
- Achieved a 'beyond best practice' rating in Australia by the Australian Packaging Covenant.

Next steps

- Continue implementation of sustainable packaging action plan.
- Implement opportunities to increase recycled content of packaging materials.
- Verify recycled content of steel can packaging.

1 Packaging metrics are calculated based on the volume (by weight) of packaging placed on the market, determined by the number of sales units per year. This includes all primary, secondary, and tertiary packaging, excluding pallets, associated with products sold.
2 The recycled content does not include recycled content of steel cans, as this data could not be verified.

Consumers

Bring the unique benefits of pure and natural *a2 Milk*™ to as many consumers as possible.

In this section:

Consumers	49
A differentiated proposition	50
True a2™ ecosystem	50
Building brand equity	51
Regional marketing highlights	52
Research and development	54

For personal use only

For personal use only

Consumers

The Company has always been dedicated to providing the finest quality dairy nutrition to the world. An aggressive innovation agenda in FY25 has seen the Company's portfolio expand significantly with the launch of multiple new products across a range of categories. Combined with expansion into several new channels and markets, more consumers than ever now have access to our range of *a2*™ products.

In addition, the Company has continued to invest in marketing activity at record levels, leading to significant volume and share gains in the majority of its key categories and markets.

Medium-term consumers targets

China label IMF market share in China	English label IMF market share in China	Sale of Other Nutritionals in China	SAMR registered China label products	Australia dairy milk market share
>5%	≥25%	>$200m	≥3	13%
FY25: 5.5% FY24: 4.7%	FY25: 19.2% FY24: 19.7%[1]	FY25: $135m FY24: $110m	During FY25, a2MC secured access to an additional potential registration slot at Synlait's Dunsandel plant	FY25: 11.2% FY24: 10.4%

The Company's trusted brand, proprietary know-how and world-leading A1 and A2-type beta-casein protein expertise are valuable assets. a2MC is committed to ongoing investment to maintain and sustainably grow these assets, and focused on the responsible marketing of safe, trusted and high-quality dairy products to consumers.

We continue to grow the *a2*™ brand across all product categories, building consumer awareness, penetration and loyalty across the Company's key markets.

Through ongoing commitment to scientific research and development programmes, the Company is deepening its expertise and advancing global understanding of the potential health benefits of *a2 Milk*™. This science will underpin the Company's future product innovation, with the aim of bringing the benefits of *a2 Milk*™ to a broader audience of consumers.

Four key focus areas will ensure the Company can continue to deliver a targeted and differentiated brand proposition and product portfolio:

- Increase consumer understanding of the *a2 Milk*™ difference.
- Invest in science, nutrition and beta-casein understanding and education.
- Build and strengthen our brand.
- Expand our product portfolio via focused innovation.

1 Source: Kantar, who recently had a panel upgrade resulting in a restatement of their historical data, which gave rise to a change in a2MC's FY24 market share.

For personal use only

A differentiated proposition

The *a2*™ Difference

Dairy is great, A1 protein free is better, a2™ is best

At The a2 Milk Company we believe in the power of dairy, and delicious, nutritious milk is dairy at its simple, natural best – foundational nutrition packed with a range of nutrients essential for a healthy life whatever your life stage.

But we have also always known that not all milk is the same, and dairy can be done better. Sourced exclusively from cows specially selected to naturally produce milk with only A2-type protein and no A1, *a2 Milk*™ is naturally free from A1 protein.

Ever since the pioneering science of our founders unlocked the natural wonder of A1 protein free milk, The a2 Milk Company has been exclusively dedicated to sharing these benefits with the world.

A commitment to quality

The Company is committed to the highest standards of product quality and food safety, especially given a large proportion of its products are consumed by infants, young children and pregnant women. The Company has significant proprietary knowledge and quality processes to deliver products that achieve these standards, as well as compliance with other market regulations and requirements.

This commitment is supported by:

- A comprehensive focus on A1/A2-type beta-casein protein segregation and testing from farm to finished product.
- A priority focus on food safety and quality management audited by accredited third-party verification agencies for both self-owned and third-party manufacturing sites.
- Long-term partnerships with high quality third-party manufacturers who share the Company's focus and ambition on social responsibility.
- Relevant certifications including ISO 9001 (IMF), MPI RMP, SQF and BRC (GFSI recognised certification) at all processing facilities.
- China Organic (COFCC) Certification for *a2 Milk*™ Instant Whole Milk Powder and *a2 Milk*™ Skim Milk Powder products, manufactured at MVM.
- Ongoing monitoring and compliance with relevant regulatory requirements in the markets in which the Company operates.
- Investment in people and training to ensure capability to meet product quality and food safety standards.

True a2™ ecosystem

True a2™ is our promise of exceptional quality.

Representing 25 years of pioneering experience and expertise, and an unrivalled understanding of the A1 and A2-type beta-casein proteins, the unique *True a2*™ ecosystem consists of five critical elements.

True a2™ reflects our commitment to uncompromising care, ensuring that from our farms all the way to families, the finest *a2*™ products reach consumers in premium quality condition.

For personal use only

Building brand equity

Investment in brand

The Company is committed to increasing marketing investment levels to continue improving brand equity in its key markets of China, Australia and the USA. The Company targets consumers who experience discomfort when consuming products that contain A1 beta-casein protein, as well as progressive and health-conscious consumers who are drawn to the differentiated and premium quality proposition that a2MC delivers.

When targeting consumers who would otherwise limit their consumption of dairy products or avoid them altogether, the Company's marketing approach communicates the potential health and wellbeing benefits of its branded products.

a2MC aims to welcome these consumers back to milk. Many consumers and healthcare professionals report that people who experience digestive issues drinking ordinary cows' milk may experience benefits when they switch to *a2 Milk*™.

Engaging new consumers

Having established a strong core product range, the Company is committed to innovation and continuing to grow its distinctive portfolio of premium products based on the benefits of *a2 Milk*™. The approach to innovation varies within each market, adapting to local consumer preferences, category nuances, channel dynamics, regulatory requirements and overall category maturity.

The Company's product portfolio continued to expand in FY25, with the introduction of several new products including the *a2 Genesis*™ infant milk formula range and a range of fortified milk powders including products developed specifically for the needs of young children and seniors.

There has also been a focus on further geographic expansion with the launch of a major strategic partnership and introduction of *a2 Platinum*™ and *a2 Gentle Gold*™ in Vietnam, as well as the relaunch of *a2 Milk*™ in Singapore. In addition, the New Infant Formula Notification for long-term approval of *a2 Platinum*™ has been submitted to the US Food and Drug Administration (FDA) in the USA.

Responsible marketing

The Company's approach to marketing infant nutrition aligns to the core principle of supporting breastfeeding as the primary form of infant nutrition. The Company has developed a premium, high-quality range of infant nutrition products to provide parents with an alternative when breastfeeding is not an option.

The Company complies with local practices in each of its active markets with respect to the marketing of IMF products.

Regional marketing highlights

For personal use only

China

***a2 Platinum*™ was launched into China in 2013 followed by *a2 至初*™ in 2015 and our portfolio has since expanded to include both China label and English label products across a range of categories including infant milk formula, fortified milk powders and fresh milk. Our range can be accessed via multiple sales channels including domestic and cross-border e-commerce platforms, reseller (Daigou) networks and retail stores.**

Key highlights:

- Launched several successful new products including innovative new formulated milk powder for kids and a range of fortified milk powders for seniors.
- Invested in a record amount of marketing spend, including a collaboration with trusted influencer 'Daddy Lab' focused on 'A1 protein free', as well as an engaging 'Brand Superiority' campaign.
- Further progressed offline portfolio distribution expansion into lower tier cities to recruit new users.
- Achieved record market share in China label IMF whilst achieving top-4 share position in total China IMF market.
- Succeeded in recruiting new users with strong growth in both consumers and share for early-stage *a2 至初*™.

International

While continuing to grow volume of English label IMF and other products into China, a2MC has also been focused on expanding distribution of *a2*™ branded products into new markets. FY25 saw a major agreement signed with Livewell for the distribution of *a2 Platinum*™ and other products into Vietnam, as well as an expanded footprint for *a2 Milk*™ in Singapore.

Key highlights:

- Launched *a2 Genesis*™ infant milk formula range that combines HMOs, *a2 Milk*™, prebiotics, and probiotics for our most premium, advanced formulation in the English label portfolio.
- Launched a dedicated English label IMF marketing activity with leading e-commerce platforms – '*a2 Platinum*™ Energetic Babies'.
- Achieved over 60% year-on-year growth in Vietnam, primarily driven by the successful launch of *a2 Platinum*™, and the more recent launch of *a2 Gentle Gold*™.
- Further established our footprint in Singapore, successfully launching *a2 Milk*™ in major retail chains FairPrice and Cold Storage.
- Delivered more than 25% year-on-year growth in South Korea despite strong category headwinds, driven by additional ranging with Coupang, South Korea's leading e-commerce platform.

For personal use only

North America

In 2015, *a2 Milk*™ was launched in USA and has since established a loyal consumer base. Now available in a range of variants, *a2 Milk*™ Grassfed has seen particularly strong growth in recent years. *a2 Platinum*™ joined the portfolio in 2024 and is currently awaiting full FDA approval.

In 2020, The a2 Milk Company signed a licensing agreement with Agrifoods International Cooperative Ltd to produce, sell and market *a2 Milk*™ in the Canada market.

Key highlights:

- Completed long-term application to sell IMF in the US and now in final stages of FDA review.
- Continued development of *a2 Platinum*™ with increases in share of voice and year-on-year volume growth on Amazon.
- Grew the core liquid *a2 Milk*™ portfolio and refreshed its visual identity.
- Gained market share in liquid *a2 Milk*™ across both Conventional Grocery and Natural channels.
- Doubled *a2 Milk*™ Grassfed sales and attracted new users to the brand.

Australia and New Zealand

***a2 Milk*™ was launched in Australia in 2003 and has since become a leading fresh milk brand in grocery, available in a range of variants and formats. *a2 Milk*™ *Lactose Free* has been a particular focus in recent years driving significant growth. Our range of infant nutrition products including *a2 Platinum*™ and the recently launched *a2 Gentle Gold*™ are widely available through both grocery and pharmacy channels. The Company is currently exploring licensee options to recommence supply of fresh *a2 Milk*™ in New Zealand, but its full cream and skim milk powders and UHT milk remain available to New Zealand consumers.**

Key highlights:

- Grew the Australian IMF portfolio 18% year-on-year (MAT June 2025) in grocery and pharmacy, delivering the fastest growth among the top eight brands, driven by the launch of *a2 Gentle Gold*™.
- Won Product Review's 2025 'Baby Formula Award' in Australia for *a2 Platinum*™ for the third consecutive year and also received the 2025 'Highest Rated Toddler Milk Drink' award from Tell Me Baby.
- Received the 2025 'Lunchbox Award' in the Dairy Category for *a2 Milk*™ Full Cream UHT 200ml from Healthy Food Guide Australia.
- Increased dairy milk brand profile across Australian grocery channels with further value share gains.
- Continued to drive growth in *a2 Milk*™ *Lactose Free* through distribution gains and increased sales velocities.
- Strengthened consumer understanding of the A1 protein free difference.
- Delivered record high brand health metrics with continuing success of 'Only *a2*™ will do' brand campaign.

For personal use only

Research and development

Investment in science and A1 protein free understanding

As the pioneers of A1 protein free science, a2MC is also the custodian of the category. The Company's science priorities have always aligned with its business strategy; and most importantly, its consumer needs.

The science and nutrition functions are enablers to support growth and delivery of key strategic priorities and decrease risk to the business. The Company is increasing investment to strengthen its global leadership in A1 and A2-type beta-casein protein research, collaborating with a range of established institutions and other partners.

Expanding our evidence base

The results of three new scientific studies conducted in China and funded by a2MC were released in FY25. These studies continued to expand our knowledge about A1 and A2-type beta-casein in different demographics to those previously investigated by the Company.

The outcomes of two of these new studies were showcased at a recent major paediatric conference in Helsinki – The 57th Annual Meeting of The European Society for Paediatric Gastroenterology Hepatology and Nutrition (ESPGHAN).

In the first study, an exploratory study, 25 Chinese breastfeeding mothers consuming A1 protein free milk experienced significantly improved gastrointestinal outcomes coupled with a reduction in some markers associated with systemic inflammation at day 14 compared to the 25 mothers within the ordinary milk group. These benefits were also seen in their exclusively breastfed infants at day 14[1].

In the second study, a real world evidence study conducted over eight weeks, the mixed fed infant group of 140 Chinese infants consuming a combination of breastmilk and infant milk formula made from *a2 Milk*™ experienced statistically significant improvements in comfort including gastrointestinal symptom relief, and fewer crying periods compared to those who were mixed fed breastmilk and infant milk formula made from conventional milk at weeks 2 and 4. Improvement in results was observed through to week 8 of the study, with the results at weeks 2 and 4 timepoints being significant[2].

The third study focused on the benefits to cognition and quality of life in older Chinese adults, and was recently published in *The Journal of nutrition, health and aging*[3]. Results of this study include:

- Daily consumption of two serves of ordinary skim milk or A1 protein free skim milk over three months was beneficial to a broad range of cognitive measures in 88 healthy milk tolerant Chinese adults, aged 65–75 years with mild cognitive impairment (MCI).
- Participants who consumed A1 protein free milk showed a greater improvement in a range of cognitive measures and in their reported quality of life.

Commitment to ongoing discovery

The Company will continue to invest in research and development focused on:

- Benefits to consumers across life stages.
- Building on established and more recent research outcomes.
- Expanding relationships and collaborations with credible scientific partners.
- Working proactively with industry and government to raise awareness and education around A1 protein free milk.

Ongoing investment in research supports a2MC's efforts to expand its scientific credibility, understanding and leadership of A1 and A2-type beta-casein protein science, enabling its application across industry and consumer education, as well as brand.

1 Yang, F., Sun, Y., & Wang, Z. (2025). Effects of A1-type beta-casein protein free bovine milk on mothers and infants: a randomized double-blind controlled trial. Chinese Journal of Perinatal Medicine, 28(07), 542–557. https://doi.org/10.3760/cma.j.cn113903-20250127-00051.

2 Li, J., Yang, T., & Sheng, X. (2025). Effect of Infant Formula Made With Milk Free of A1-Type ß-Casein on Growth and Comfort: A Randomized Controlled Trial. *Food Science & Nutrition, 13*(7), e70606.

3 Zhang, K., Sun, J., Han, M., Diao, Y., Xia, Y., Yang, C., & Robinson, S. R. (2025). Milk free of A1 ß-Casein supports superior gains in cognition and quality of life, relative to conventional milk, in older adults with mild cognitive impairment. *The Journal of Nutrition, Health & Aging, 29*(7), 100579.

Shareholders

Create long-term, enduring value for shareholders and maintain a trusted, transparent relationship.

For personal use only

Our shareholders

For personal use only

The a2 Milk Company has more than 55,000 shareholders, many of whom are Australian and New Zealand individuals and companies, including KiwiSaver and superannuation funds.

Medium-term shareholder targets

Revenue
$2 billion
by FY27 or later
FY21 to FY25 12.0% CAGR

EBITDA % margin
In the teens
with year on year increases
FY24: 14.0%, FY25: 14.4%

Earnings per share (EPS)
>10%
growth per annum
FY21 to FY25 26.6% CAGR

Other metrics

Closing share price growth
+21.5%

Return on capital employed (ROCE)
63.3%[1]

The Company has an investor relations programme and is committed to timely and transparent market communications, guided by continuous disclosure obligations, to ensure that shareholders are able to exercise their rights in an informed manner. Our intention is to provide shareholders with all relevant information about the Company. Our Shareholder Communications Policy outlines our commitment to regularly communicating with shareholders through a range of forums (in-person and online) and publications (electronic and hard copy). A copy of our Shareholder Communications Policy is available on our website: thea2milkcompany.com/corporate-governance.

We are committed to maintaining multiple communication channels for shareholder communication and engagement, which includes:

- Investor section of our website.
- Interim report.
- Annual report and an annual climate statement.
- Annual corporate governance statement and annual modern slavery statement.
- Semi-annual earnings announcements via webcast and audio conference.
- Semi-annual post-results briefings with analysts and investors in New Zealand and Australia.
- Regular engagement with global investors in-person and/or virtually.
- Regular ad hoc one-on-one and group investor and analyst meetings.
- Annual meeting including virtual participation via webcast and audio.
- Regular disclosures on Company performance and news.
- Investor strategy briefings.

1 ROCE is defined as EBIT/Capital Employed. Capital Employed is calculated as total assets less current liabilities and cash and term deposits.

For personal use only

Capital allocation framework

The Company's capital allocation framework is enduring and prioritises investment in growth initiatives with the goal of creating long-term value for shareholders.

Consistent with the Company's growth strategy, priority is currently being given to transforming and de-risking a2MC's supply chain to capture the full potential of the China IMF market with investment opportunities focused on New Zealand and China.

The Company's capital allocation framework is regularly reviewed by management and the Board.

Capital allocation framework

Available capital + operating cash flow

Investment

Grow core business in existing markets

- Invest in building core business including brand, product innovation and channel development
- Develop execution capability through investing in talent, systems, quality, safety, infrastructure and partnerships
- Transform supply chain and existing market access
- Assess M&A opportunities to support core business growth and supply chain transformation

Expand the boundaries

- Expand in existing markets with new product categories
- Leverage existing products into new markets
- Assess M&A opportunities to expand boundaries

Balance sheet strength and flexibility

- Support business growth and risk management initiatives
- Maintain a conservative cash reserve to manage in an uncertain environment

Excess capital

Shareholder returns

Capital management

At the 2024 Annual Meeting, the Company announced the establishment of a dividend policy. The policy targets a payout ratio range between 60% and 80% of normalised Net Profit After Tax (NPAT).

The Company announced its first interim dividend of 8.5 cents per share in February 2025 which was paid to shareholders in April 2025. This represented a payout ratio of ~67% of NPAT, equating to approximately $61.5 million, and was fully imputed and fully franked.

In August, as part of our FY25 results, a 2H25 dividend of 11.5 cents per share fully franked and partially imputed at ~78% was announced, representing a payout ratio of ~75%, equating to approximately $83.4 million, to be paid on 3 October 2025.

The total dividends announced by a2MC for FY25 were 20.0 cents per share representing a total payout ratio of ~71% which equates to approximately $145 million being returned to shareholders.

On an ongoing basis, dividends are expected to be announced on a semi-annual basis in February and August each year at a level consistent with the payout ratio range.

In determining future dividends, a number of factors will be taken into consideration, including market conditions, current and future earnings, cash flows, capital requirements and the Company's financial position.

The Company intends to impute and frank dividends to the maximum extent possible subject to available credits, noting that imputation credits are limited.

The Board remains conscious of the Company's significant cash balance, which is being prioritised for supply chain transformation, growth opportunities and risk mitigation. As the Company continues to execute its strategy and risk evolves, the Board will continue to review its capital management options which may result in further returns to shareholders, likely in the form of special dividends.

The announcement and payment of all dividends will be subject to Board approval at the time.

For personal use only

Risks and opportunities

The management of risks and opportunities is an inherent and important part of actively growing and developing a sustainable business.

Effective risk management anticipates risk, develops strategies to manage risk and enables the Company to capitalise on opportunities, which is critical to sustainable, long-term value creation.

The Company's Risk Management Policy outlines the programme the Company has implemented to deliver appropriate risk management within its processes, systems, culture and decision making. A copy of the Risk Management Policy is available at www.thea2milkcompany.com/corporate-governance.

Governance of risk

The Board is responsible for the overall system of internal control and has delegated responsibility for ensuring that the Company maintains effective risk management and internal control systems and processes to the Audit and Risk Management Committee. The Audit and Risk Management Committee reviews the risk profile, including material business risks, and provides regular reports to the Board on the operation of the internal control systems.

The Company's management is responsible for designing and implementing risk management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate.

Management implements the action plans developed to address material business risks across the Company.

Management regularly monitors and evaluates the effectiveness of the action plans. In addition, management promotes and monitors the culture of risk management within the Company and compliance with the internal risk control systems and processes.

Management reports regularly to the Board regarding the status of the risk management programme and reviews its effectiveness with the Board.

The Committee and management may also refer particular risk management issues to the Board for final consideration and direction.

Approach to risk management

The Company's approach to risk management is anchored to ISO 31000 principles to ensure that robust foundations support its processes and procedures and, in doing so, this allows the Board to fulfil its governance responsibilities by making a balanced assessment of the risk management process. Risks are identified, assessed and monitored through regular workshops with senior management and the Audit and Risk Management Committee. Mitigating actions and controls are designed to limit the likelihood of key risks occurring, as well as the associated impacts if these risks occur. The Company's risk management approach evolves continually as it identifies, assesses, monitors and mitigates both financial and non-financial risks that may affect its ability to achieve its strategic goals.

The Company has identified nine sources of risk and opportunity relevant to its business activities. The pages that follow provide an overview of each source of risk, including key economic, environmental and social risks with the potential to materially impact the Company's ability to achieve its objectives. They also summarise how the Company is responding to those risks, as well as associated opportunities.

For personal use only

The nine sources of key risk and opportunity

The Company has identified nine sources of risk and opportunity relevant to its business activities.

The supply of nutritional food products > Page 59

Competitive intensity > Page 60

Doing business in international markets > Page 61

Major international events > Page 62

Climate and nature > Page 63

Strategic partnerships > Page 64

Technology and cyber security > Page 65

Talent and culture > Page 66

Social licence to operate > Page 67

The supply of nutritional food products

The Company supplies food products for human consumption, including complex nutritional products for consumption by infants and children. As a result, the Company is inherently exposed to potential product quality, food safety and/or food integrity events.

KEY RISKS	KEY RESPONSES
Genuine, perceived or alleged food safety and/or quality concerns	– Priority focus on food safety and quality management. – Food safety and quality systems audited by accredited third-party verification agencies. – Reliance on high-quality third-party manufacturing partners. – Significant site upgrades of the Kyabram fresh milk processing facility in Australia with a focus on improving efficiency and finished goods quality. – Rigorous positive release protocols prior to the release of finished product. – Expanded product portfolio to reduce reliance on individual products. – Enhanced traceability systems and implemented across milk powder products with the transition of manufacturing *a2 Milk*™ milk powder pouch products to NZ Nutritional Wellness to improve efficiency and traceability. – Counterfeit prevention enhancements through product and technology innovations. – Dedicated customer careline covering all active markets providing a feedback mechanism allowing the Company to quickly and proportionately respond to potential events. – Testing of certain distributed products in selected markets by an independent third-party. – Product liability and product contamination insurance coverage to reduce the financial impact in the event the risk materialises.

Key Opportunities

An increasingly health-conscious society combined with the size and enduring nature of the nutritional food category provides significant opportunity to:

- Leverage our pioneer status to promote the benefits of products made with *a2 Milk*™.
- Assert the Company's competitive advantage in beta-casein testing and technology.
- Maximise the potential of our existing product portfolio in key markets.
- Explore opportunities to innovate and expand our existing product portfolio.
- Enter adjacent product categories to drive growth.
- Strengthen consumer trust through communication of the *True a2*™ ecosystem – Our promise of exceptional quality.

For personal use only

Competitive intensity

The Company has experienced significant growth over recent years, and is now a top-4 brand in the China IMF market and the leading premium liquid milk brand in Australia. This success has inspired others to compete with the Company in the A2-type beta-casein protein segment.

KEY RISKS	KEY RESPONSES
Market share erosion in core markets due to: **a) Chinese domestic brands' potential to resonate and connect more effectively with local consumers than international brands; or** **b) unclear, misunderstood or undefined A2-type beta-casein protein (or A1 protein free) regulatory standards; or** **c) the adequacy of the Company's product range to appeal to a broad consumer group; or** **d) the ability for the Company to compete on price**	– Use of consumer and health care professional education to ensure clear understanding of the unique A2-type beta-casein protein proposition and benefits. – Significant and ongoing investment in science, nutrition and innovation globally to ensure the Company delivers unique consumer value propositions in all its markets underpinned by its proprietary know-how and quality processes. – Launched super-premium English label IMF product *a2 Genesis*™ targeting the rapidly growing HMO formulation segment and expanded fortified milk powder range targeting the growing kids and seniors segments. – Commenced the Company's first China-based production of fortified milk powder products using *a2 Milk*™ milk powder produced at MVM. – Signed an agreement to establish the *a2*™ Global R&D centre in China in partnership with China State Farm strengthening the Company's position and continued focus on the China market. – Plan to obtain additional China label registrations to expand the Company's IMF product portfolio. – Significant and ongoing investment in brand building activities globally. – Regular monitoring of market share data and proprietary research into consumer/shopper insights, preferences and expectations. – Continued investment in intellectual property to expand the Company's trade mark and patent portfolio.
Infringements of the Company's intellectual property (IP) rights resulting from third-party conduct or claims against such IP rights	– Monitoring infringement of the Company's IP and taking action to protect it. – Developed and deployed tailored internal training programme to educate business about IP and trade marks.
Counterfeit products	– Processes and technology to identify and manage potential counterfeit products including the use of external agencies and in-market authentication testing. – Development of the *True a2*™ ecosystem, which includes independent product audits and QR code verification systems to ensure the Company's products are of the highest quality and safety (see *True a2*™ page 50).

Key Opportunities

While competitive intensity can present market share erosion risks, it also expands consumer awareness of the segment and engagement with the benefits of *a2 Milk*™, encourages opportunities in relation to product innovation and allows the Company to further leverage its pioneer premium brand status. Opportunities exist to:

- Emphasise the Company's proprietary know-how and quality processes to deliver A2-type beta-casein protein products that are of unrivalled quality.
- Invest in science, nutrition and innovation to continue to pioneer the future of dairy and the A2-type beta-casein protein segment as well as explore new opportunities.
- Drive awareness and education of the Company's unique A2-type beta-casein protein proposition and benefits to increase the consumer base.

For personal use only

Doing business in international markets

With the Company's expanding geographical footprint, it is exposed to various risks and opportunities associated with conducting business in international markets. With the limited shelf life of IMF, in-store product freshness is a key consumer consideration. Accordingly, the Company is inherently exposed to any supply chain disruptions including manufacturer supply constraints, positive release testing anomalies, overseas shipping and customs clearance delays and over-land distribution interruptions.

KEY RISKS	KEY RESPONSES
Supply chain disruptions impacting timely supply and fulfillment of orders in full and on time	– The Company resolved the various disputes with Synlait in August 2024 which included the cancellation of Synlait's manufacturing and supply exclusivity rights for *a2 Platinum*™ stages 1–3, providing additional flexibility to a2MC to reduce reliance on a single source supplier and further enable its supply chain transformation strategy. – Safety stocks held to provide buffer against disruptive events. – Contractual obligations with key manufacturing partners to procure and hold raw material safety stocks. – Strengthened sales and operational planning protocols. – Preferential terms within key manufacturer agreements prioritising a2MC product over competitors. – Strengthened strategic and collaborative partnerships with Chinese State-owned enterprises. – Entry into China[1] based manufacturing in partnership with Howell reducing the lead time from finished goods production to customer delivery for some products.
Changing macro trends (including demographic, economic and social trends), which can impact the size of the addressable markets and/or the complexity of operating in those markets (e.g. declining China birth rates)	– Focus on innovation and new product development to broaden portfolio and addressable markets. – Launched super-premium English label IMF product *a2 Genesis*™ targeting the rapidly growing HMO formulation segment and expanded fortified milk powder range targeting the growing kids and seniors segments. – Continued strong investment in brand to grow share. – Agile approach to the execution of sales and marketing programmes, adjusting where appropriate to reflect shifts in consumer and channel dynamics. – Leverage multi-label, multi-channel portfolio to broaden distribution.
Geopolitical tension and regulatory environments influencing channels to market, market access, product registrations, trade tariffs, taxes and quotas	– Signed an agreement to establish the *a2*™ Global R&D centre in China in partnership with China State Farm. – Strong understanding of local standards, regulations and guidelines supported by expert in-market advice. – Strong strategic and collaborative partnerships with Chinese State-owned enterprises. – A multi-product, multi-channel route-to-market strategy for the sale of IMF into China.
Foreign currency exchange rate volatility	– Treasury management activities, providing oversight and monitoring of foreign currency exposures with some cash flow hedging.
Long-term approval of USA IMF	– Submitted the New Infant Formula Notification (NIFN) to seek FDA approval for the sale of USA IMF product beyond the period of Enforcement Discretion.
Concentration risk in China	– Strategic priority to explore new market opportunities. – Commenced IMF sales of *a2 Platinum*™ and *a2 Gentle Gold*™ into Vietnam in FY25.

Key Opportunities

Doing business in international markets provides opportunities for the Company to fulfil its vision of creating an A1-free world. These include:

- Significant further growth potential of IMF and other products in China, the largest and most attractive market for infant nutrition globally.
- Exposure and potential entry into attractive new markets (e.g. South East Asia, and IMF in North America).
- Ability to leverage the unique benefits of *a2 Milk*™ to engage with consumers in international markets.
- Operational resilience through developing and leveraging enduring strategic relationships.
- Experience sharing of consumer and product insights across markets.

1 Refer to page 19 for detail on partnerships.

For personal use only

Major international events

Pandemics, epidemics, outbreaks of animal diseases, international conflicts and natural disasters can cause unprecedented social, economic and supply chain disruptions globally.

KEY RISKS	KEY RESPONSES
Route-to-market disruption and transport cost volatility	– Continued close cooperation with Synlait and other suppliers to maintain continuity of infant milk nutrition supply, and with third-party suppliers in Australia and the USA to maintain continuity of liquid milk supply. – Multiple warehousing locations in China to mitigate supply chain disruptions. – Strong inventory surveillance and reporting to maintain stock control and availability through the supply chain. – Safety stock held to provide buffer against market disruptions. – Transitioned production of *a2 Platinum*™ Stage 4 IMF to MVM and another new commercial IMF supply chain partner (New Zealand New Milk, a subsidiary of Lactalis) to provide a degree of site diversification. – Broadened supply chain partnerships further by adding a new commercial IMF supply chain partner (Yashili, subsidiary of Mengniu) for production of *a2 Gentle Gold*™ and *a2 Genesis*™. – Entry into China based manufacturing in partnership with Howell de-risking some route-to-market risks for some products.
Health and wellbeing of our people	– Robust infection control protocols in line with all relevant government requirements, particularly across the Company's manufacturing facilities. – Investment in internal resources and systems focused on the health and safety of our people.
Inflationary pressures creating **a) volatility in operating costs and availability of ingredients and raw materials; and** **b) cost-of-living pressures**	– Use of long-term milk supply agreements in certain markets. – Forward procurement of key ingredients to stabilise price and ensure availability. – Dual sourcing of supply for certain ingredients. – Strong premium brand providing platform for cost recovery to varying extent through wholesale price adjustments. – Investment in internal procurement team focused on procurement of product input costs as well as operating expenses.
Potential animal disease incursions impacting the ability to supply export markets	– Assist farmers with farm biosecurity plans and preparedness. – Ongoing refinement of business continuity and crisis management frameworks and procedures including simulations to mimic real life events.

Key Opportunities

The Company's response to global events provides opportunities to enhance our profile in existing markets, and provide support to disrupted markets.

- Consumer share gain opportunities through product availability in supply-constrained environment.
- The Company's structure and culture provides agility to rapidly respond to global events.
- New market/product opportunities where the Company is able to positively respond more quickly than competitors.

For personal use only

Climate and nature

Being heavily dependent on agricultural inputs, the Company is exposed to short-, medium- and long-term climate and environmental risks, including physical risks resulting from acute and chronic changes in climate, and transition risks resulting from regulatory or market pressures associated with on-farm emissions (refer to the Company's Climate Statement).

KEY RISKS	KEY RESPONSES
Negative impacts to the environment from the Company's operations and value chain, including the Company's contribution to climate and nature change	– Invested, and actively engaged, in collaborative industry research on on-farm emissions reductions through the AgriZero^{NZ} joint venture. – Established Scope 1, 2 and 3 greenhouse gas emissions baseline and progressing roadmap for GHG emissions reductions. – Monitoring and tracking water consumption, waste-to-landfill, water efficiency and energy usage at manufacturing facilities. – Monitoring and tracking targets set for recycled content, recyclability and the phase-out of problematic plastic for a2MC branded product packaging (refer to page 47). – Sourcing milk from diversified milk pools within New Zealand, Australia and the USA and incorporating climate impact considerations into future sourcing strategies. – Investing in new technologies and emissions reduction initiatives, such as upgrading the coal-fired boiler at MVM to high-pressure electrode using renewable energy[1]. – Requirement for all certified A1 protein free farms supplying a2MC to have farm environmental plans in place, addressing the most material aspects of environmental management in the dairy industry. – Continued support for the *a2*™ Farm Sustainability Fund to assist farmer-led sustainable dairy farming projects.
Risk of natural disasters (e.g. flooding, drought, earthquake), particularly in Dunsandel given the China label product registration can only be made at that specific site	– Diversification of processing locations and new supplier relationships established in New Zealand. – Ongoing access to milk pools that exceed the Company's current usage requirements and incorporating climate impacts into future sourcing strategies. – Plan to obtain additional China label registrations. – Insurance coverage to reduce the financial impact to the Company in the event the risk materialises.
Risk of non-compliance with upcoming ESG standards, given change in regulatory environment across the jurisdictions in which it operates	– Obtaining external assurance over climate and other sustainability metrics, including various sections of the Company's Climate Statement. – Early adoption of required ESG reporting standards where possible.

Key Opportunities

Acknowledging climate and nature risks provides significant opportunity for the Company to play a leading role in driving industry change and build trust with increasingly climate-aware consumers. Ensuring climate scenarios and modelling are considered in medium-term and long-term strategic planning will enable the Company to develop operational resilience. Opportunities exist to:

- Develop operational resilience by incorporating climate and nature scenario modelling into long-term strategic planning.
- Strengthen brand and social positioning via meaningful position in GHG emissions reduction, recyclable packaging and sustainable farming practices.
- Realise increased productivity and efficiency via new technologies and practices that lower emissions and environmental impact.
- Enhance our climate risk modelling and disclosures.
- Develop a positive nature contribution strategy, and report on nature contributions within our value chain.

1 MVM purchases Meridian's Certified Renewable Energy production values product to enable it to exclusively match the amount of electricity it uses on an annual basis with an equivalent amount of electricity put into the national grid from one of Meridian's hydro stations or wind farms (which have been independently verified as producing 100% renewable electricity). Actual electricity received on location is from mixed renewable and fossil fuel sources, due to the nature of the electricity transmission and distribution system.

Strategic partnerships

The Company's success has been underpinned by relationships with key strategic partners[1], including critical supply and distribution partners. As a result, the business is inherently exposed to the operations of key partners changing in a material way, or as the result of one or more partners reprioritising their support for the Company.

KEY RISKS	KEY RESPONSES
Disruption to key partner operations impacting supply and/ or access to critical markets	– A broad range of strategic partner relationships have been developed over time. – Maintained shareholding in Synlait following equity raise in 2024. Refer to page 19. – Supplier diversification through driving insourcing and innovation at MVM to mitigate current supplier concentration in IMF. – Strong partnership with China State Farm Agribusiness, the Company's exclusive import agent and master distributor for its China label products. – Strategic partnership with Yuou, a leading Offline-to-Online distributor in China that operates ~1,500 Momtime (China's premier O2O network) stores and a digital platform, Yuncang, that services over 16,000 stores.
Key partners reprioritising their support for a2MC or failing to act ethically or in line with a2MC's values	– Supported Synlait through an equity raise. Refer to page 19. – A controlling 75% interest in MVM supports growth of the Company's nutritionals business. – Commercial supply chain partnerships with New Zealand New Milk, subsidiary of Lactalis; and Yashili, subsidiary of Mengniu. – Pursuing additional M&A, joint venture and alliance opportunities with IMF manufacturers to further diversify supplier risk in the longer term. – Stabilised our EL IMF distribution network, supported by more transparent partner relationships and greater level of transparency through enhanced traceability systems. – Multiple milk processors contracted in Australia and the USA, mitigating reliance on a single processor in these regions.
Ability to ensure timely supply of finished products to customers	– Ongoing access to milk pools that exceed the Company's current usage requirements. – Access to manufacturing capacity that exceeds current usage requirements. – Entry into China based manufacturing in partnership with Howell for a new fortified seniors nutrition range of three products using *a2 Milk*™ milk powder produced at MVM.

Key Opportunities

The Company's key partnerships provide significant opportunities including:

- Access to high quality manufacturing capability and capacity to support growth ambitions.
- Access to international markets (including opportunities to expand product registrations).
- Opportunities to diversify supply chain partners over time to build operational resilience.
- Access to lower tier cities in China through strategic partners that have a physical and online presence in regional locations.

1 Refer to page 19 for detail on partnerships.

For personal use only

For personal use only

Technology and cyber security

Technology continues to be used by the Company as a key enabler to build awareness of the effects of A1 protein, and promote brand loyalty, process transactions, forecast sales, manage inventory, manage product purchases and deliveries and manage operational production, quality and product traceability amongst other functions. Secure and uninterrupted availability of technology solutions is a crucial element of the value creation chain.

KEY RISKS	KEY RESPONSES
Cyber-attacks (including ransomware) and unauthorised disclosure of, or loss of, confidential data/information	– Continuing to enhance cyber security systems, processes and protections, partnering with specialised third parties to assist with 24/7 monitoring. – Expanding the use of sophisticated cyber tracking and monitoring tools covering areas including email and sensitive data loss. – Mapping, classification and restricting access to sensitive and private information. – Continuing to conduct cyber security audits and third-party risk assessments. – Ongoing strategy of deploying Software as a Service (SaaS) solution, e.g. Oracle Cloud, which significantly reduces the risk associated with on premise systems, data and supporting hardware. – Conducting cyber drills to test and refine organisational preparedness and incident response plans.
Reliability/stability of critical applications	– Continued transitioning core functions to Tier 1 cloud-based enterprise resource planning (ERP) software, e.g. Human Resources and expense management. – Implementing best of breed cloud-based solutions for functions which are outside the scope of ERP, e.g. Product Quality Management system and Workplace Health Safety & Wellbeing risk management system. – Consolidating multiple cloud environments to a single instance with common change and administrative processes. – Testing of backup and restore systems and processes to ensure business continuity in the event of interruptions.

Key Opportunities

Advances in technology also present significant opportunities, including:

- Digital platforms that support consumer engagement and marketing initiatives.
- Real-time data combined with the use of Artificial Intelligence (AI) to drive insights and enhanced decision making.
- Expanding the use of emerging product technologies including QR codes and supply chain traceability systems.
- Increased automation of quality, warehousing, sales and operations planning, sales and distribution processes over time.
- Continued integration of customers and suppliers via EDI and other e-commerce solutions.

For personal use only

Talent and culture

The Company relies on the talent and wellbeing of its people and the efficacy of its culture to drive commercial outcomes and deliver its strategic priorities. The loss of business-critical skills or the inability to identify, attract and retain qualified people could have a direct impact on managing business operations successfully.

KEY RISKS	KEY RESPONSES
Failure to adequately protect the physical and psychological health, safety and wellbeing of our workforce resulting in harm, impact on business operations and reputational damage	– Investment in dedicated programmes and resources that support and protect the Company's people including 'critical risk verification', 'safety non-negotiables', 'driver safety and fatigue management' and 'manual handling' training. – Continued investment in 'mental health awareness' and 'mental health first aid' training for leaders. – Investment in a new safety event reporting system that provides access to reporting safety events either on-site or at remote locations enabling the triage of incidents in real time.
Sub-optimal organisational culture (including the ability to attract, retain and develop capable talent)	– Capability planning and organisational design is reviewed by the ELT annually to align with the Company's strategic refresh process. – Strong cultural values, complemented by monthly and annual acknowledgement and reward programme for those exhibiting the values in day-to-day activities. – Regular surveys to monitor engagement and drive targeted people initiatives. – Alignment of remuneration to market benchmarks, annual third-party review of job grading and gender pay parity. – Regular talent discussions at ELT level. – A rigorous recruitment and selection process with structured induction/onboarding. – Continued evolution of the operating model to reinforce talent and 'bench strength' at all levels and functions. – Successful renegotiation of the Enterprise Bargaining Agreement at Smeaton Grange. – Investment in formal and on-the-job learning and development opportunities to support individual development plans. – Evolution of our operating model to support and promote global mobility, cross-functional skills transfer and promoting from within.

Key Opportunities

Providing a safe, diverse, inclusive and engaging working environment is fundamental to attracting, developing and retaining talent. The opportunity to grow capability, and attract talent, exists through:

- Amplifying the unique attributes of working at the Company and our aspiration to be an employer of choice in the sector.
- Nurturing the inherent energy, passion and enthusiasm that working for a trusted and unique brand attracts.
- Promoting the employee experience, fostering a learning environment, and celebrating diversity and inclusion.
- Cultivating our purpose-driven culture.

For personal use only

Social licence to operate

Acting and operating in an ethical manner – consistent with the expectations of the Company's shareholders, customers, consumers, suppliers, regulators, governments, communities and other stakeholders – protects the Company's reputation and economic sustainability. A real or perceived abuse of our social licence to operate could result in significant brand damage, financial loss, and the loss of strategic partnerships.

KEY RISKS	KEY RESPONSES
Non-compliant or sub-standard animal welfare practices	– Farms are required to be certified under our robust welfare programme which is independently audited and verified annually. On-farm support, specialist training and advice is provided to the Company's farmers. The Company also conducts milk monitoring and comprehensive independent and internal audits of the Company's third-party farms. – The requirements of the programme are reviewed annually by external experts, with a view to continuously advancing standards over time. Animal welfare is continually evolving on a2MC farms to align with science, evidence and consumer expectations.
Responsible marketing (e.g. promotion of breast milk substitutes)	– The Company is a member of Infant Nutrition Council (INC) which includes obligations to comply with the INC Code of Practice for Marketing of Infant Formula in New Zealand. – While the Marketing in Australia of Infant Formula: Manufacturers and Importers Agreement 1992 is no longer in force, the Company continues to market its products in Australia in alignment with the principles in the agreement. – Cross-functional approval process (including regulatory and legal review) prior to publication of marketing material.
Modern Slavery in the supply chain (refer to page 34)	– Modern slavery risk management programme, including Modern Slavery Response Protocol, Modern Slavery Remediation Plan and related actions plans and annual Modern Slavery Statement submission. – Mapping supply chains and assessing inherent risks of modern slavery by region and industry type. – Corporate values and a suite of corporate codes and policies developed and embedded (including a Code of Ethics and a Responsible Sourcing Policy). – Company-wide modern slavery awareness training, including more in-depth training for key stakeholders. – Launched a cross-functional modern slavery working group to drive the Company's action plan for modern slavery. – Created an information hub about modern slavery for a2MC Team Members. – Supplier engagement and due diligence.
Potential bribery and corruption allegations	– Corporate values and a suite of corporate codes and policies developed and embedded (including an Anti-Bribery and Anti-Corruption Policy and Gifts and Hospitality Policy).
Water usage, waste-water and water pollution	– Farm Environmental Plans in place at all supply farms, including responsible water use and waste-water management. – Water use monitoring systems in place at MVM and Smeaton Grange milk processing sites. – Undertaking water usage reduction projects and utilisation of a waste-water treatment system on-site at Smeaton Grange, with liquid waste products returned to farms and used as fertiliser. – Farmer grant programme to support farmer-led sustainable dairy farming projects, including riparian planting to reduce waterways pollution from farms, through *a2*™ Farm Sustainability Fund.

Key Opportunities

The Company's purpose to pioneer the future of Dairy for good refers to a significant leadership opportunity to do business the right way and exceed stakeholder expectations in doing so. This includes:

- Aspiring to lead the market in making a positive contribution to society. For example, to set and monitor industry-leading standards for animal welfare on the Company's supplier farms and to commit to engage and invest in the communities in which the Company operates through proactive programmes as well as reactive support in times of need.
- Strengthen brand and social positioning via minimising its impact on the planet, including contributing to nature positive, making meaningful progress each year towards emissions reductions and continually advancing recyclable packaging and sustainable farming practices.

Corporate governance

For personal use only

The Company is committed to maintaining the highest standards of corporate governance. The Company's corporate governance framework has been established to ensure that Directors, officers and employees fulfil their functions responsibly, whilst protecting and enhancing the interests of shareholders.

Good corporate governance adds to the performance of the Company, creates shareholder value and engenders the confidence of the investment market.

The Company's corporate governance framework has been developed with regard to:

- the NZX Corporate Governance Code dated 31 January 2025 (NZX Corporate Governance Code).
- the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition (ASX Principles).

For FY25 the Company's corporate governance framework complied with the recommendations in the NZX Corporate Governance Code and the ASX Principles.

Corporate Governance Statement

The Company's Corporate Governance Statement, which is current as at 30 June 2025 and approved by the Board, can be found at thea2milkcompany.com/corporate-governance.

The Board

Role of the Board and delegation of authority

The Board is responsible for the overall governance and operations of the Company, guiding the Company's strategic direction, monitoring risk, and overseeing the activities of management. All issues of substance affecting the Company are considered by the Board, with advice from external advisors as required.

The role and responsibilities of the Board are set out in the Board Charter, available on the Company's website at thea2milkcompany.com/corporate-governance. These include matters relating to the Company's strategic direction, financial performance, executive management, audit and risk management, business planning, corporate governance and disclosure, performance evaluation, workplace health and safety, ethical conduct, and determining the Company's sustainability, risk management and strategy implementation, including to respond to the Company's environmental and social sustainability risks and opportunities.

The Board delegates certain functions to its standing Committees. Other committees may be established from time to time with specific responsibilities as delegated by the Board.

The diagram opposite illustrates the Company's corporate governance framework.

Audit and Risk Management Committee (ARMC)

The principal purpose of this Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Group's risk management and internal control systems, accounting policies and practices, sustainability and climate risk management and strategy implementation, internal and external audit functions, and corporate reporting, including sustainability reporting. The ARMC meets regularly throughout the year, holding meetings and workshops (FY25: five total). Under the ARMC Charter, the ARMC is required to meet at least twice per year.

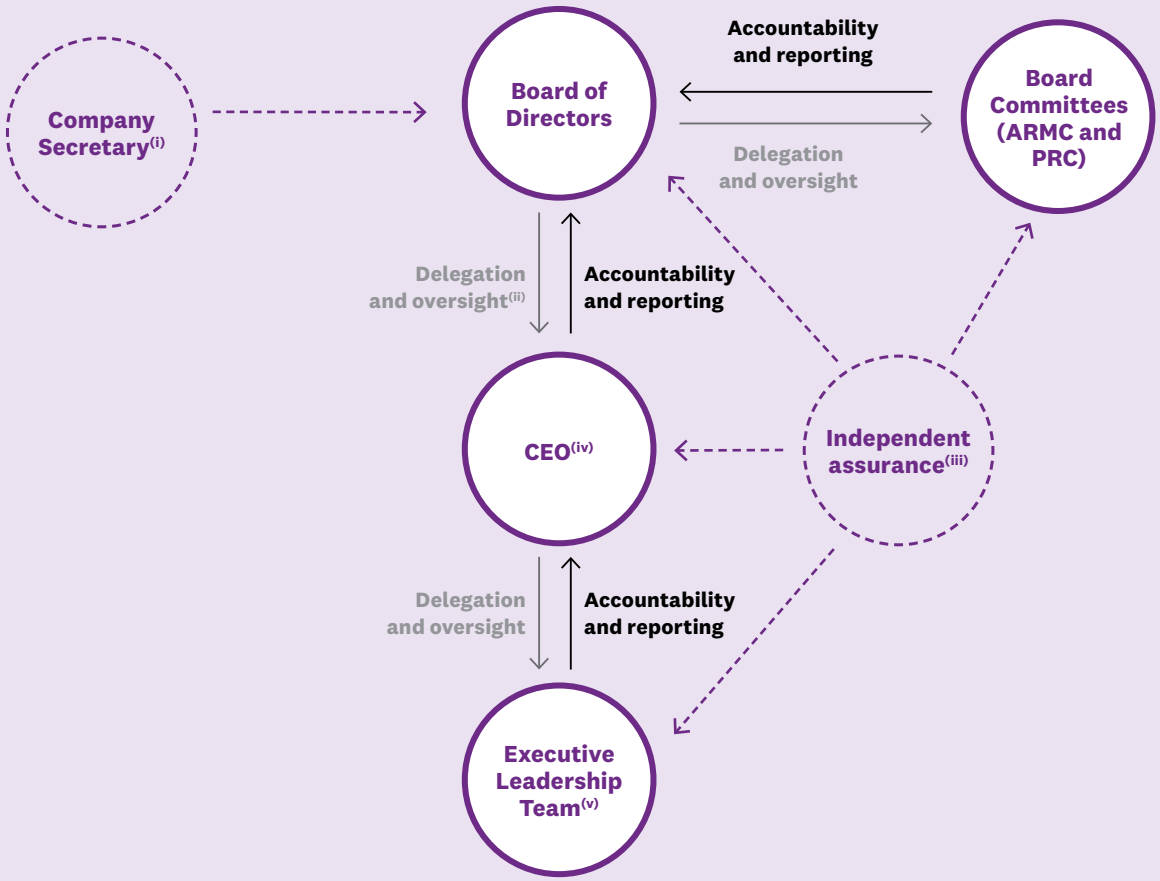
People and Remuneration Committee (PRC)

This Committee assists the Board in overseeing the design and implementation of appropriate people and remuneration policies and practices for the Company, to ensure the Company can deliver on its business objectives, remuneration is fair and current, and the Company is compliant with relevant laws, regulations and applicable listing rules. The PRC meets regularly throughout the year, holding meetings and workshops (FY25: three total). Under the PRC Charter, the PRC is required to meet at least once per year.

These Board Committees are governed by charters detailing their specific functions and responsibilities. Copies of the Committee charters are available at thea2milkcompany.com/corporate-governance.

For personal use only

Governance framework



(i) Accountability and reporting of corporate governance and Board related matters.
(ii) Board delegates all matters except those reserved for the Board or its Committees.
(iii) Internal audit/external audit/legal and other professional advice.
(iv) Responsible for day to day operations; leads the Executive Leadership Team.
(v) Implements strategy and business plans; manages performance and behaviours of teams.

Board size, skills and structure

The Company's constitution provides for a minimum of four directors and a maximum of eight, of which at least two must be ordinarily resident in New Zealand to comply with the NZX Listing Rules. During the reporting period, the Board comprised between five and six independent non-executive directors and one executive director, the Managing Director and CEO, David Bortolussi. Warwick Every-Burns and David Wang retired from the Board with effect from 22 November 2024 and 31 December 2024 respectively. Tonet Rivera and Lain Jager were appointed to the Board with effect from 1 November 2024 and 1 December 2024 respectively. Following the end of the reporting period, Grant Dempsey was appointed as an independent non-executive director, effective from 1 September 2025. Noting his appointment date, he has not been included in the disclosures in this section. Pip Greenwood, Kate Mitchell and Lain Jager are New Zealand residents.

Skills

The Board comprises directors with a diverse range of skills, experience and backgrounds to support the effective governance and robust decision-making of the Group. The skills matrix set out on the following page describes the combined skills, experience and expertise presently represented on the Board, but also recognises the skills and experience that the Board considers are required to effectively govern the Group now and in the medium-term. To the extent that any skills are not directly represented on the Board, they are augmented through management and external advisors.

For personal use only

CAPABILITY	NO. OF DIRECTORS (TOTAL OF 6) LEVEL OF CAPABILITY HIGH	MEDIUM
Consumer products and innovation – experience as a senior executive in, or as a professional advisor to, consumer products businesses, including sales and marketing, product innovation and supply chain	3	1
Digital, data and technology – experience and expertise in e-commerce as well as identifying, assessing, implementing and leveraging digital and other technology, understanding the application and use of data and analytics, and responding to digital disruption	1	1
Financial acumen – understanding of financial statements and reporting, key drivers of financial performance, corporate finance and internal controls	2	3
Food manufacturing safety and quality – technical or managerial experience relating to food, food product development, manufacturing and implementation and management of safe practices for the sourcing, production, transport and distribution of perishable foods	2	0
Governance – experience in and commitment to the highest standards of corporate governance, including as a non-executive director of a listed company, large or complex organisation or government body	2	2
International markets – experience as a senior executive in, or as a professional advisor to, international businesses and exposure to global markets and a range of different political, regulatory and business environments	2	4
Leadership – experience in a senior management position in a listed company, large or complex organisation or government body, including experience in leading strategy development and execution	3	3
People and culture – experience in overseeing workplace culture, people management, development and succession planning, setting remuneration frameworks and promoting diversity and inclusion	2	3
Risk management – experience in identification, assessment, monitoring and management of material financial and non-financial risks and understanding, implementation and oversight of risk management frameworks and controls	2	3
Strategy and M&A – development of corporate and business unit strategy and/or mergers, acquisitions and alliance structuring and execution	3	2
Environment and social – understanding and experience in sustainable practices to manage the impact of business operations on the environment and community and assess and manage climate and nature risks and opportunities	2	1

The Board skills matrix identifies the predominant skills of each director. Directors are assessed as 'high capability' or 'medium capability' on skills outlined in the Board skills matrix, based on their professional or non-executive experience relating to a skill. Directors initially provide a self-assessment rating which is then reviewed by the Board each year. The Board has limited each director to having a maximum of four areas identified as 'high capability' and four areas as 'medium capability'. A director is considered to have 'high capability' where the director has deep experience or expertise in relation to the capability while a director is considered to have 'medium capability' where the director has some experience or expertise in relation to the capability.

Director induction and ongoing training

Following appointment to the Board, directors undergo a tailored induction programme to learn about the Company. The induction programme covers the Company's strategy, structure, operations, culture, risks and financials, and includes meetings with key executives. New directors are also provided with copies of key governance documents.

The Board undertakes market visits, including visiting manufacturing facilities, on a regular basis to ensure that directors remain informed of market conditions and the environment in which the Company does business. The Board is also provided with training on relevant subjects each year, either from subject matter experts from within the Company or from external providers. All directors are expected to maintain the skills required to discharge their obligations to the Company.

Board performance

The Board recognises the importance of regularly monitoring and improving its performance. The Board internally assesses its performance annually. It typically engages an external party to assist with this process every second year, with an internal review in alternating years. The Board completed an internal survey to provide feedback on the Board's FY25 performance. The results were discussed by the Board and actions agreed by the Board. The Board renewal and succession planning process, which was a key focus following the FY24 review, was progressed during FY25 with the appointments of Tonet Rivera and Lain Jager and, more recently, with the appointment of Grant Dempsey as an independent non-executive director from 1 September 2025.

Board Committees

The Board's standing Committees facilitate and assist the Board in fulfilling its responsibilities. Other committees may be established from time to time with specific responsibilities as delegated by the Board. The composition of the Committees as at, and throughout the financial year ended, 30 June 2025 is set out on the opposite page.

For personal use only

COMMITTEE	MEMBERS	INDEPENDENT	NON-EXECUTIVE
Audit and Risk Management Committee	Kate Mitchell (Chair)	✓	✓
	Tonet Rivera[1]	✓	✓
	Sandra Yu	✓	✓
	David Wang[2]	✓	✓
People and Remuneration Committee	Sandra Yu (Chair)	✓	✓
	Pip Greenwood[3]	✓	✓
	Lain Jager[4]	✓	✓
	Warwick Every-Burns[5]	✓	✓
	David Wang[2]	✓	✓

1 Tonet Rivera was appointed with effect from 1 November 2024.
2 David Wang retired on 31 December 2024.
3 Pip Greenwood became a member of the People and Remuneration Committee on 23 November 2024.
4 Lain Jager was appointed with effect from 1 December 2024.
5 Warwick Every-Burns retired on 22 November 2024.

Attendance at Board and Committee meetings

Director attendance at Board and Committee meetings during FY25 is set out below.

	MEETINGS OF THE BOARD[5]		AUDIT AND RISK MANAGEMENT COMMITTEE[6]		PEOPLE AND REMUNERATION COMMITTEE[7]	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Pip Greenwood (Chair)	9	8	–	–	2	1
David Bortolussi (Managing Director and CEO)	9	9	–	–	–	–
Lain Jager[1]	6	6	–	–	2	2
Kate Mitchell	9	9	4	4	–	–
Tonet Rivera[2]	7	7	3	3	–	–
Sandra Yu	9	9	4	4	2	2
Warwick Every-Burns[3]	3	3	–	–	–	–
David Wang[4]	4	2	2	1	–	–

Held: meetings held during the period for which the person was a director or Committee member.

1 Lain Jager was appointed with effect from 1 December 2024.
2 Tonet Rivera was appointed with effect from 1 November 2024.
3 Warwick Every-Burns retired on 22 November 2024.
4 David Wang retired on 31 December 2024.
5 In addition to the formal Board meetings, the Board also had one workshop to prepare for formal meetings and discuss any issues as they arose.
6 In addition to the formal Audit and Risk Management Committee meetings, the Committee also had one workshop to prepare for formal meetings and discuss any issues as they arose.
7 In addition to the formal People and Remuneration Committee meetings, the Committee also had one workshop to prepare for formal meetings and discuss any issues as they arose.

Corporate governance policies

The following policies, each of which has been prepared having regard to the NZX Corporate Governance Code and the ASX Principles, are available on the Company's website at thea2milkcompany.com/corporate-governance:

- Code of Ethics
- Shareholder Communication Policy
- Continuous Disclosure Policy
- Global Whistleblower Policy
- Diversity and Inclusion Policy
- Global Anti-Bribery and Anti-Corruption Policy
- Risk Management Policy. Refer to the discussion of this policy commencing on page 58.
- Securities Trading Policy
- Responsible Sourcing Policy

The Board regularly reviews the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amends those policies and procedures or adopts new policies or procedures, to uphold the integrity of the Company's corporate governance framework.

Directors

For personal use only

Pip Greenwood

Chair and Independent, Non-executive Director

Bachelor of Laws (LL.B.) (University of Canterbury, New Zealand)

Pip has been a director of the Company since 1 July 2019, and Chair since November 2023. Pip also sits on the People and Remuneration Committee.

Currently Pip is also the Chair of Westpac New Zealand and a director of Fisher & Paykel Healthcare and Westpac Banking Corporation. She was previously a director of Spark New Zealand and Vulcan Steel. Prior to becoming a full time director, Pip was a senior partner at law firm Russell McVeagh, where she spent over 10 years on the firm's Board including acting as the firm's Board Chair and interim CEO.

Pip brings extensive commercial and board experience to The a2 Milk Company Board. A leader in the field of corporate law and in the New Zealand business community, she is the recipient of numerous industry awards including being named New Zealand 'Dealmaker of the Year' at the Australasian Law Awards, an accolade she has won five times; and she has twice been recognised as a finalist at the Women of Influence Awards.

Pip resides in New Zealand.

David Bortolussi

Managing Director and CEO

Bachelor of Commerce (University of Melbourne), FCA, F FIN, MAICD

David joined a2MC in February 2021 when the business was being disrupted by COVID-19. Under David's leadership, the Company has turned around its sales performance, refreshed its growth strategy, renewed its ELT, invested significantly more in brand, transformed its cross-border distribution, developed its e-commerce capability, ramped up product innovation, entered new markets and is now in the process of transforming its supply chain. The combination of these initiatives has driven significant growth in sales and earnings since FY21.

Prior to joining the Company, David held the role of Group President, HanesBrands, and prior to that he was the CEO of Pacific Brands. In 2016, HanesBrands acquired Pacific Brands and expanded David's role to cover international innerwear operations outside of the Americas. Prior to this, David was the Chief Strategy Officer at Foster's Group and held senior consulting roles at McKinsey & Company and PwC.

David's career has largely been focused on the consumer and retail sector in Australia and New Zealand complemented by significant international experience in various markets and categories in China, SE Asia, EU, UK and the USA. David also has an interest in private equity and growth-phase businesses. He is a member of the advisory board of Whiteoak and supports the development of investee companies.

David resides in Australia.

Lain Jager

Independent, Non-executive Director

Master of Social Science (University of Waikato)

Lain has been a director of the Company since 1 December 2024. Lain also sits on the People and Remuneration Committee.

Lain brings extensive international agribusiness leadership experience to the Board through his former role as CEO of Zespri International. Zespri is the world's largest marketer of kiwifruit, distributed in more than 50 countries with revenue of NZ$4.2 billion and operating profit of NZ$230 million in FY24. Lain's nine years as CEO of Zespri International from 2008 to 2017 included the development of a successful global growth strategy, and significant increases in revenue and profitability.

Since stepping down from Zespri in 2017, Lain has focused on private business interests including personal investments in a range of entrepreneurial, technology and agriculture related businesses.

Lain resides in New Zealand.

For personal use only

Kate Mitchell

Independent, Non-executive Director

Bachelor of Arts Honours (Modern Languages) (Oxford University, UK)

Chartered Member of the Institute of Directors, New Zealand

Kate has been a director of the Company since 1 June 2023. She is also Chair of the Audit and Risk Management Committee.

Kate has significant governance experience as a director of both private and public companies. She is also skilled in the areas of financial risk management, structured financing and investments.

Kate is currently Chair of The New Zealand Merino Company and Link Engine Management. She is also a director of Heartland Bank and Heartland Group Holdings (HGH: ASX, NZX), where she chairs the Sustainability Committee, and Christchurch International Airport, where she chairs the Property and Commercial Committee.

Prior to moving to New Zealand in 2014, Kate's executive career spanned 20 years in investment banking in London, which included senior leadership roles in Global Markets at Deutsche Bank, Goldman Sachs and Merrill Lynch.

Kate resides in New Zealand.

Tonet Rivera

Independent, Non-executive Director

Bachelor of Science, Industrial Engineering (University of the Philippines)

Tonet has been a director of the Company since 1 November 2024. He also sits on the Audit and Risk Management Committee.

Tonet has over 35 years of supply chain experience, including 17 years of international leadership experience.

Tonet worked for Mead Johnson Nutrition from 2002 to 2017, culminating in four years leading the global supply chain of the multinational nutrition company in the role of Senior Vice President, Global Supply Chain. In that role Tonet had responsibility for all supply chain operations globally, including manufacturing, engineering, procurement, supply planning and physical distribution. Prior to that, he served as Vice President, Supply Chain – Asia and Europe for more than a decade, with responsibility for Supply Chain operations in Europe and Asia, including owned manufacturing locations and third-party manufacturers.

Since retiring from executive roles in 2017, when Mead Johnson Nutrition was acquired by Reckitt Benckiser Group plc, Tonet has worked as a supply chain consultant.

Tonet resides in the Philippines.

Sandra Yu

Independent, Non-executive Director

Master – Marketing, International Business Management (National Taiwan University)

Advanced Management Program (Harvard Business School)

Sandra Yu has been a director of the Company since 1 March 2022. Sandra is the Chair of the People and Remuneration Committee and sits on the Audit and Risk Management Committee.

Sandra is a highly regarded company director and an experienced global executive in consumer goods industries, and importantly in the IMF market in China, with a proven track record of driving business and brand transformation, leveraging opportunities for growth, and building organisational capabilities across China as well as the USA and other parts of Asia. She is currently a director of 91AAP Inc, a retail Software as a Service provider.

As the former head of Mead Johnson Nutrition's Greater China business, Sandra was a member of the Mead Johnson Nutrition's Global leadership team. Prior to that, Sandra held various other senior executive roles at Mead Johnson Nutrition, including as the Global Marketing Vice President, responsible for transition to new digital media and e-commerce channels globally.

Sandra was also appointed as the non-executive chairwoman to lead RB China Advisory Board after the merger between Reckitt Benckiser and Mead Johnson Nutrition in 2017. Prior to joining Mead Johnson, Sandra held executive positions at Unilever, where she worked across Asia for 13 years.

Sandra resides in Greater China.

Executive Leadership Team

EXECUTIVE LEADERSHIP TEAM (L-R): CHOPIN ZHANG, EDITH BAILEY, JARON McVICAR, AMANDA HART, DAVID BORTOLUSSI, YOHAN SENARATNE, XIAO LI, ELEANOR KHOR, DAVID MUSCAT, KEVIN BUSH.

David Bortolussi

Managing Director and CEO

Bachelor of Commerce (University of Melbourne), FCA, F FIN, Member of the Australian Institute of Company Directors (MAICD)

Refer to page 72.

David Muscat

Chief Financial Officer

Bachelor of Commerce – Accounting and Finance (Monash University), CA

David joined the Group in October 2022. As CFO, David is responsible for finance, investor relations, risk management and IT across the Group. David is an experienced finance and people leader with a history of working in listed companies across New Zealand and Australia.

Prior to joining the Group, David was the CFO of DIM Brands International (formerly Hanes Europe Innerwear), and prior to this was the CFO of Hanes Australasia. David was the CFO of ASX and NZX listed Pacific Brands prior to its takeover by Hanesbrands Inc. in 2016. David commenced his career at Deloitte and has since gained significant experience in consumer goods and retail sectors in various international markets including China, the USA and Europe.

Jaron McVicar

Chief Legal and Sustainability Officer and Company Secretary

Bachelor of Laws (University of Otago)

Jaron joined the Group in November 2016 and is responsible for the Group's legal function and our important sustainability programme. In his role as Company Secretary, Jaron works closely with the Board on corporate governance and Board-related matters.

Prior to joining the Group, Jaron worked in private practice for 15 years as a corporate and commercial lawyer in New Zealand and the UK. Jaron is a qualified solicitor in New Zealand and England and Wales.

Chopin Zhang

Chief Supply Chain Officer

Master, Business Administration (Maastricht School of Management)

Chopin joined the Group in November 2022 and has over 35 years' experience in supply chain management with significant experience in China and New Zealand, including end-to-end supply chain management, manufacturing, quality, regulatory affairs and cross-border trade. Chopin has extensive experience in the China IMF market, having held senior executive and supply chain leadership roles with Yashili and Danone. During his career, Chopin has held additional supply chain senior leadership roles across Greater China, Asia Pacific and the USA with leading consumer goods companies including Starbucks, Nike and Johnson & Johnson.

Chopin's expertise in the China IMF industry and experience across New Zealand and China are highly relevant to his leadership of the transformation of the Company's supply chain to enable further market access, innovation and growth.

Edith Bailey

Chief Marketing Officer

Bachelor of Business – Marketing and Management (University of Technology, Sydney), Graduate of the Australian Institute of Company Directors (GAICD)

Edith joined the Company in December 2021 and is responsible for managing the strategic and creative direction of the *a2*™ brand, overseeing the science and nutrition functions, project management office, and consumer insights function, ensuring brand relevance and consumer centricity across ever-evolving markets.

Edith was previously Consumer Marketing Director of Danone's Specialised Nutrition division in ANZ, with Danone Nutricia's Specialised Nutrition division, having spent 14 years with the organisation in several senior marketing, sales, channel and category development positions. Edith has significant experience in the infant and adult nutrition categories across China, New Zealand, Australia and South East Asia.

Before her time at Danone, Edith held senior marketing roles with PepsiCo, Campbell Arnotts and S.C. Johnson & Son.

For personal use only

For personal use only

Amanda Hart

Chief People and Culture Officer

Bachelor of Business Administration (University of South Australia), Member of the Australian Institute of Company Directors (MAICD)

Amanda joined the Company in September 2021 and has extensive experience in people and culture roles within consumer products, telecommunications and media industries.

She is responsible for leading and executing integrated programmes and initiatives focused on constructive leadership development, capability building, employee engagement, health and safety, diversity and inclusion, and cultural change.

Prior to joining the Group, Amanda was previously Head of Human Resources (Australia and New Zealand) with Dyson Appliances and has experience in people and culture leadership roles both in the UK and USA and leading teams across APAC markets.

Xiao Li

Chief Executive Officer – Greater China

Bachelor of Arts in Business Admin, English (Heilongjiang University), Master, EMBA (China Europe International Business School)

Xiao joined the Group in April 2019 and is responsible for maximising the significant opportunities that the Greater China market presents for the Company, executing against our strategy and putting the right capabilities in place to deliver on these future growth opportunities.

Xiao has substantial experience building successful businesses in China across a diverse range of multinational and local fast growth consumer driven companies including Shell Company, Mars, Unilever and Nike. Xiao was previously the GM of Pousheng (HK listed sport retail), CEO of Burger King China and President of Wanda Kids Group and SVP of Wanda Group.

Yohan Senaratne

Managing Director – International

Master (Business Administration) (Kellogg School of Management, Northwestern University), Bachelor Commerce, Bachelor Business Systems (Monash University), Member of the Australian Institute of Company Directors (MAICD)

Yohan is responsible for leading the Company's cross-border export business, primarily focused on English label IMF products manufactured in New Zealand and sold into China, including liquid milk and Other Nutritional products.

Yohan is responsible for managing products sold through all channels, principally via the Daigou/reseller/O2O and cross-border e-commerce (CBEC) channels. The International team is also responsible for developing the Company's business in emerging markets.

Yohan brings capability in strategy, marketing, sales and e-commerce, and experience in infant milk nutrition and adjacent categories in China.

Yohan joined the Company in 2021 from his most recent role as Sales and Marketing Director at Bellamy's Organic. Yohan has also held multiple positions at Mondelez International, including Head of e-commerce for Australia, New Zealand and Japan. Prior to this, Yohan worked at ANZ Bank, focusing on retail banking digital transformation and with strategy consultancy LEK.

Eleanor Khor

Managing Director – ANZ and Strategy

Bachelor of Commerce/Bachelor of Laws (Hons) (University of Melbourne)

Eleanor joined the Company in August 2018, bringing a diverse range of experience, including her time as a corporate and M&A lawyer at Allens Linklaters, a management consultant at Bain & Co, and working in private equity with a focus on consumer goods businesses.

As Managing Director – ANZ and Strategy, Eleanor leads the Australia and New Zealand liquid milk business in addition to the Group Strategy function.

As leader of the ANZ business, Eleanor is responsible for realising the full potential of the *a2 Milk*™ brand in Australia and New Zealand, with a strong focus on driving growth through innovation.

Within the Strategy function, Eleanor is responsible for developing corporate and business strategy and the execution of key growth, performance improvement and potential M&A, joint venture and alliance initiatives.

Kevin Bush

Managing Director – USA

B. Comm Marketing (Monash University), Graduate Certificate Data Analytics (UNSW), Member of the Australian Institute of Company Directors (MAICD)

Kevin was appointed to the role of Managing Director – USA in May 2023. Kevin is responsible for leading the Company's North American business and continuing to grow the brand and delivering its path to profitability. Kevin is a director of the International Dairy Foods Association (IDFA) Fluid Milk Board.

Prior to this, Kevin was Executive General Manager – ANZ from July 2021. In this role, Kevin was responsible for leading the Company's business in Australia and New Zealand and the successful launch of *a2 Milk™ Lactose Free*.

Kevin previously held the role of Sales Director – ANZ from July 2016 and was pivotal in growing the *a2 Milk*™ liquid milk brand and driving increased market share. He has also overseen the successful establishment of the *a2 Platinum*™ IMF brand in the South Korean market and various other business development initiatives across the Group.

Kevin is a highly experienced sales and marketing professional with extensive FMCG experience across Australian, UK and USA markets and has held senior positions with leading consumer goods companies including Mars, Nestlé and McCain Foods.

For personal use only

Message from the People and Remuneration Committee Chair

Dear Shareholders,

On behalf of the Board, I am pleased to present the Remuneration disclosures for the year ended 30 June 2025 (FY25). This report sets out our remuneration strategy and framework, as well as the performance and remuneration outcomes for the CEO for FY25, which align with the Group's strategic objectives and financial performance, and the interests of our shareholders.

Year in review

In FY25, a2MC reported another year of strong performance driven by double-digit revenue growth and an improvement in profitability margins. Our FY25 revenue and EBITDA, both key measures used for determining short-term incentive (STI) outcomes, increased by 13.5% and 17.1% respectively exceeding targets. In addition, we continued to make solid progress against our non-financial strategic measures, primarily in the areas of people, planet, brand health and market share. As a result, the STI Group Scorecard outcome was slightly above target at 110%.

At the conclusion of the financial year, our long-term incentive (LTI) for the three year period FY23–FY25 was tested. The EPS CAGR hurdle was met and Revenue CAGR was between target and maximum, resulting in a vesting outcome of 96.7%.

CEO remuneration outcomes and framework

For FY25, the Board previously decided that the CEO's base salary would remain unchanged. For FY25 and subsequent years, the Board also decided to cap the CEO's STI at 130% of Target STI (previously a theoretical maximum of 169%).

For FY25, the CEO will receive 110% of his target STI due to the Group Performance Scorecard outcome being assessed as 110% and individual performance modifier of 100%. Refer to page 79 for details of the Group Performance Scorecard outcome.

In the interests of transparency and good governance, the Board will also continue its practice of voluntarily putting the CEO's LTI Grant to shareholders on an advisory basis at the Annual Meeting of shareholders.

I would like to thank our team members for their continued commitment and performance throughout the year.

I invite you to review our Remuneration disclosures.

Sandra Yu
Chair of People and Remuneration Committee

For personal use only

Remuneration

Our remuneration framework is designed to appropriately align with our strategy and achievement of our short-term and long-term ambitions. The key principles of our remuneration framework are outlined below.

Market competitive

Provide competitive rewards to attract, motivate and retain talented employees and executives relevant to the markets in which we operate.

Business strategy

Drive delivery of the Company's strategy by rewarding performance and having a mix of short-term and long-term remuneration elements.

Values and behaviours

Be consistent with, and supportive of, the Company's values, ethical framework and commitment to good corporate governance.

Shareholder alignment

Link rewards to the creation of sustainable value for shareholders, whilst avoiding inappropriate risk.

Remuneration governance

The People and Remuneration Committee (PRC) advises the Board on the policies and practices of the Company regarding the remuneration of non-executive directors, the ELT (comprising the CEO and direct reports to the CEO) and other senior leaders of the Group and reviews all components of the Group's remuneration practices relevant to its employees.

The PRC Charter sets out the objectives, responsibilities and authority of the PRC in relation to remuneration matters.

The Board's policy for remunerating ELT members and selected other senior leaders is to provide market-based remuneration packages comprising a blend of fixed and variable at-risk incentive-based remuneration, with clear links between individual and Company performance and individual reward. The PRC reviews the remuneration of ELT members and, as an aggregate, all other employees at least annually.

The PRC seeks external professional advice from time to time on remuneration matters. During FY25, external consultants were engaged to provide market practice information and benchmarking data. During the year, no remuneration recommendations were made by external consultants.

Remuneration policies and practices

All employees receive fixed remuneration. Selected employees also have variable remuneration in the form of a short-term incentive (STI) as part of their remuneration package. ELT members and selected other senior leaders also have a long-term incentive (LTI) in the form of equity as part of their remuneration package.

Remuneration packages for senior leaders are structured with a significant portion of variable reward at risk that can be earned by the achievement of performance outcomes.

An appropriate remuneration mix is determined for each position, taking into consideration the employee's role and level of responsibility. In addition, the Company's STI plan structure for the CEO includes a percentage of deferral as cash. In the interests of transparency and good governance, the Board also voluntarily puts the CEO's proposed LTI grant to shareholders on an advisory basis and for the purposes of ASX Listing Rule 10.14, at Annual Meetings of shareholders.

Managing ELT performance

Robust processes are in place for supporting and evaluating the performance of ELT members and other senior leaders.

The Board and CEO determine and agree annual targets and objectives for the Company based on the Company's strategic plan, supported by comprehensive and collaborative operational planning and financial budgeting processes. The CEO is accountable to the Board for the delivery of the agreed targets and objectives.

The targets and objectives agreed between the Board and the CEO are discussed with, and cascaded to, each of the other ELT members and captured in individual performance plans. The CEO uses the performance plans to facilitate individual conversations with the other ELT members. The performance discussions are documented and form the basis of the annual performance review that the CEO undertakes with each of the other ELT members at the end of the performance period.

The outcome of each of the ELT members' performance over the course of the year is one factor considered when any changes to fixed annual remuneration or any award of variable remuneration and incentives are determined.

During FY25, each ELT member who was an employee for the duration of the reporting period had a formal, annual performance discussion documented.

For personal use only

ELT remuneration framework

The ELT remuneration framework is designed to deliver high performance with substantial components at risk, with the aim of more closely aligning remuneration with the Company's strategy, objectives and risk tolerances as set out below.

The design of the ELT remuneration framework is based on our reward principles and is comprised of three components:

- Fixed Annual Remuneration (FAR) (base salary and statutory superannuation contribution where relevant)
- STI (variable remuneration)
- LTI (variable remuneration)

			TARGET	
COMPONENT	PURPOSE	LINK TO STRATEGY AND PERFORMANCE	CEO	ELT[2]
FAR	Provides market competitive remuneration to attract and retain talent while reflecting role scope, complexity, impact and accountabilities	Based on skills and experience relevant to the role, individual performance and current level of remuneration relative to remuneration benchmarks Reviewed on an annual basis with reference to independent external surveys and, where appropriate, is adjusted based on consideration of individual performance and market remuneration benchmarks	27%	29%–43%
STI	Incentivises annual achievement of short-term performance measures against the Group performance scorecard	Performance is assessed against a balanced scorecard, comprising financial performance measures and non-financial performance measures which align with the Company's value creation model (covering four key areas: People, Planet, Consumers and Shareholders)	32%[1]	26%–33%
LTI	Aligns reward with the creation of sustainable, longer-term shareholder value	Aligns selected executives' remuneration with the Company's strategy and ambition, designed to create long-term shareholder value through sustained growth in revenue and earnings	41%	32%–43%

1 25% of the CEO's Actual FY25 STI is deferred as cash for one year.
2 Excluding the CEO.

Executive minimum shareholding requirement (Executive MSR)

The Executive MSR Policy applies to all members of the ELT. From time to time, additional employees may be identified to whom the Executive MSR Policy will apply. The purpose of the Executive MSR Policy is to strengthen the alignment between the interests of the ELT and the interests of shareholders and encourage a focus on building long-term shareholder value.

Each member of the ELT is required to acquire and hold a minimum shareholding equivalent to 100% of their FAR (before any tax or social security deductions) by the end of five annual vesting periods for LTI grants. All ELT members are currently expected to achieve the Executive MSR within this timeframe.

For personal use only

FY25 Short-Term Incentive (STI)

STI values and performance targets are approved by the PRC and Board each financial year. Payments made under the STI plan are in the form of cash. For FY25, the CEO's STI will continue to be 75% cash and 25% deferred as cash for one year. In FY25 the amount awarded under the STI plan was determined by reference to:

Opportunity				Group Performance Outcome[1]		Individual Performance Modifier[1]		Outcome
FAR $	x	Target STI opportunity %	x	FY25 Group performance scorecard result % (detailed below)	x	Individual performance modifier %	=	STI award $

1 For the CEO, the maximum combined impact of the Group Performance Scorecard outcome and Individual Performance Modifier to apply to target STI opportunity was capped at 130%.

The STI plan incorporates a comprehensive assessment of Group performance, encompassing both financial and non-financial measures. The FY25 Group Performance Scorecard includes financial measures with a weighting of 65% and non-financial measures with a weighting of 35%, as set out in the table below.

For each objective there are threshold, target and maximum metrics (refer table below) to assess the Group's performance against. The outcomes range from 0% to 130%, with the target at 100%; and outcomes are determined by the Board (excluding the CEO).

FY25 Group Performance Scorecard

FY25 STRATEGIC OBJECTIVES		METRIC	OUTCOME (THRESHOLD / TARGET / MAXIMUM)	WEIGHTING AT TARGET
Financial measures				**65%**
Shareholders		Revenue		30%
		Earnings before interest, tax, depreciation and amortisation (EBITDA)		30%
		Inventory and risk management		5%
Non-financial measures				**35%**
People		Safety performance, employee engagement score, capability development and gender pay gap		5%
Planet		Employee rating of a2MC sustainability impact, and progress on packaging and Scope 3 GHG emissions goals		5%
Consumers	**Brand health**	China brand awareness, Australian fresh milk and USA household penetration *(with most weight placed on China outcomes)*		5%
	Market share	China label IMF (MBS and DOL), English label IMF (CBEC, Daigou, O2O), Australian fresh milk and USA premium liquid milk *(with most weight placed on China outcomes)*		5%
	Innovation	China label market access, progress on innovation pipeline including Other Nutritionals, sales from new products and US IMF FDA long-term approval		10%
	Supply chain	Quality outcomes and service levels *(this was impacted by 3rd party supply constraints during the year)*		5%
Scorecard outcome (% of target)			**110%**	

The outcome of the FY25 Group Performance Scorecard, as determined by the Board (excluding the CEO) for all ELT members (including the CEO) was 110%, reflecting that an outcome of 78% was achieved against financial measures and an outcome of 32% was achieved against non-financial measures.

For personal use only

FY25 Long-term incentive (LTI)

The table below outlines the key features of the FY25 LTI grant under the LTI plan.

Features	Approach
Purpose	– The LTI Plan is designed to: (a) assist in the reward, retention and motivation of ELT members and selected other senior leaders; and (b) align the reward available to selected senior executives with the creation of sustainable longer-term shareholder value.
Participants	– Participation in the LTI plan is by invitation only, at the sole and absolute discretion of the Board. – In FY25, ELT members and selected other senior leaders participated.
Opportunity	– The maximum face value of the LTI that can be granted for the CEO is 150% of FAR and, for other ELT members, ranges from 75% to 150% of FAR. The minimum potential outcome value is zero.
Performance/ vesting period	– Three years, from 1 July 2024 to 30 June 2027. – There is no retesting of performance if the performance hurdles are not met at the end of the performance period.
Instrument	– Performance rights – each performance right entitles the participant to receive one fully paid share in the Company, subject to meeting performance hurdles. – It is currently intended that, where possible in accordance with relevant laws, the Company will satisfy its obligation to allocate ordinary shares upon the vesting of performance rights by instructing the trustee of the a2MC Group Employee Share Trust to transfer existing shares held in the trust to each participant, where such existing shares were previously purchased by the trustee on-market.
Allocation approach	– The Company uses a maximum face value allocation approach. The number of performance rights granted were calculated as follows:

Grant opportunity				Share price		Number of rights
FAR $	x	Maximum LTI opportunity %	÷	Share price[1] (no discount applied)	=	Number of performance rights granted

1 In accordance with the ASX listing rules, the share price used was the volume weighted average share price of ordinary shares in the Company based on the 10 trading days up to and including 20 September 2024.

Dividend payments	– No dividends or dividend equivalent payments are provided on performance rights.
Board discretion	– The Board may forfeit performance rights for fraud, dishonesty, breach of a material obligation or acting in a manner that brings the Company into disrepute, or if there has been a material misstatement or omission that results in a restatement of accounts.

For personal use only

Performance hurdles

The performance rights vest subject to achievement of both:

- EPS CAGR (compound annual growth in diluted earnings per ordinary share); and
- Revenue CAGR (compound annual growth in total external revenue), performance hurdles over the performance period.

Vesting Framework

For any vesting to occur, both of the following must be achieved:

- EPS CAGR of at least 10%; and
- Revenue CAGR of at least 4%,

in each case, from 1 July 2024 to 30 June 2027.

If these performance hurdles are achieved, the proportion of performance rights that may vest will be determined on a straight-line basis per the table below:

Revenue CAGR	Vesting % (if EPS CAGR of at least 10%)
Less than 4%	Nil
4%	50%
Between 4% and 6%	Pro-rata vesting on a straight-line basis between 50% and 85%
6%	85%
Between 6% and 8%	Pro-rata vesting on a straight-line basis between 85% and 100%
8% and above	100%

Calculation approach

EPS CAGR and Revenue CAGR are derived from the Annual Report of the Company for the relevant financial years.

The EPS CAGR and Revenue CAGR performance hurdles have been determined having regard to the Company's growth strategy and associated medium-term financial ambition to grow revenue to NZ$2 billion by FY27 or later and to target EBITDA margins in the 'teens' with year-on-year improvements. The Board considers the performance hurdles sufficiently challenging to align with shareholder value creation, but still being motivating for, and viewed as achievable by, senior executives and managers invited to participate in the LTI Plan. The high end of the Revenue CAGR hurdles would deliver revenue over NZ$2 billion by FY27, exceeding the Company's medium-term financial ambition. The EPS CAGR is above the high end of the Revenue CAGR range to incentivise and promote margin accretion over the term of the performance period.

Achieving such performance hurdles will require significant market share gains in the Company's core infant milk formula business in the China market which is currently in decline, as well as a significant improvement in Group profitability.

Cessation of employment, change of control, bonus issue or reorganisation of capital

- Subject to the discretion of the Board or unless employment is terminated by the Company other than for fault, the participant retires or employment ceases due to total and permanent disablement, serious illness or death, unvested performance rights will be forfeited upon cessation of employment.
- If performance rights are not subject to forfeiture, the Board may in its discretion reduce the number of performance rights to reflect the proportion of the vesting period that has elapsed and/or accelerate vesting.
- Subject to the discretion of the Board, performance rights may be subject to accelerated vesting if the Company is subject to a change of control.
- Adjustments to the number of performance rights, or the number of Company shares to which they relate, may be made following any bonus issue of Company shares or reorganisation of its capital.

Performance rights granted in FY25

The Board authorised the grant of 2,361,975 performance rights under the LTI plan in respect of FY25. Further details on current and previous grants under the LTI plan can be found at Note F2 to the financial statements.

Normalisation adjustments

Relevant STI and LTI metrics are adjusted to remove the impact of such items as the Board may determine in its absolute discretion to normalise results (up or down) to more appropriately reflect underlying performance. Without limitation, adjustments may be made to exclude the impact of unusual or one-off items, discontinued operations, impairment charges, acquisitions and disposals, and capital management. No normalisation adjustments were made to STI and LTI metrics in FY25.

For personal use only

Remuneration of CEO – David Bortolussi

David commenced his appointment as Managing Director and CEO on 8 February 2021. Details of his remuneration arrangements are set out below.

Term

There is no fixed term. David's employment is ongoing until terminated by either David or the Company.

Fixed Annual Remuneration

A$1,936,789 per annum (inclusive of superannuation) in FY25. David's fixed annual remuneration is reviewed annually.

STI

On an annual basis, David participates in the Company's STI plan. For FY25, his STI incentive target was 120% of his FAR, subject to the achievement of the Group Performance Scorecard and individual performance objectives as determined by the Board (excluding David).

David's STI payment in FY25 is determined in accordance with the following:

FAR $	x	Target STI opportunity 120%	x	FY25 Group Performance Scorecard result %[1] (detailed above)	x	Individual performance modifier %[1]	=	STI award $

1 As disclosed in FY24, for FY25 and subsequent years, the Board has decided to cap the maximum combined impact of David's Group Performance Scorecard outcome and Individual Performance Modifier to apply to his target STI opportunity at 130%. This compares to a theoretical maximum combined impact of 169% (i.e. 130% x 130%) in FY24 and prior years.

75% of David's STI payment is payable in cash shortly following the Board's determination and the remaining 25% is deferred and payable in cash after one year.

LTI

Subject to Board discretion, on an annual basis David will be invited to be granted performance rights under the Company's LTI plan. Prior to FY24, performance rights issued to David were issued on the basis that they may only be satisfied on exercise with ordinary shares purchased on-market.

The Board will be submitting the CEO's proposed LTI grant for FY26 to shareholders, on an advisory basis and for the purposes of ASX Listing Rule 10.14, at the 2025 Annual Meeting.

Allowance

An allowance of A$10,000 per month (net of tax) is paid to assist David with the cost of his accommodation in Sydney and travel between Melbourne and Sydney.

Notice period

Generally, resignation by David requires six months' notice and termination (other than for cause) by the Company requires 12 months' notice.

Leave

Five weeks per annum paid annual leave, and personal and long service leave in accordance with minimum statutory entitlements.

Other terms

David's employment agreement also includes standard terms covering expense reimbursement, conflicts of interest, confidentiality, intellectual property and moral rights, clawbacks and restraints upon termination (which address non-competition, as well as non-solicitation of employees, customers and suppliers).

For personal use only

Total CEO remuneration earned

The remuneration accrued for David Bortolussi in the financial year was as follows:

Statutory remuneration accounting expense	FY25 A$	FY24 A$
FAR[1]	1,936,789	1,934,256
STI[2]	2,556,561	2,228,263
Allowance[3]	226,416	226,416
LTI[4]	2,900,230	2,701,108
Total remuneration	**7,619,996**	**7,090,043**

1 **FAR:** For FY25, the Board decided not to increase David's base salary, with an incremental change only in superannuation in line with the change in statutory limits.
2 **STI:** No change to CEO STI target levels in FY24 and FY25; 96% and 110% of target awarded in each year respectively, including accrued deferred component (25%). In FY25, the maximum STI opportunity was reduced from a theoretical maximum of 169% to 130% of target.
3 **Allowance:** No change to relocation allowance. Amount is inclusive of tax gross-up.
4 **LTI:** LTI expensing uses forecasts to approximate vesting probabilities of plans vesting in future years. The slightly higher year-on-year increase is primarily driven by the improvements in forecasts, resulting in higher estimated vesting.

Total CEO remuneration received

The remuneration received by David Bortolussi in the financial year is outlined in the table below. Presenting this information provides greater clarity and transparency as to the CEO's remuneration. This table differs from the statutory accrued remuneration table (see table above) which presents remuneration in accordance with accounting standards (i.e. on an accrual basis).

Remuneration received	FY25 A$	FY24 A$
FAR[1]	1,936,789	1,934,256
STI paid[2]	2,203,483	1,596,854
Allowance[3]	226,416	226,416
LTI[4]	2,798,164	2,249,312
Total remuneration received	**7,164,852**	**6,006,838**

Cash payments
1 **FAR:** For FY25, the Board decided not to increase David's base salary, with an incremental change only in superannuation in line with the change in statutory limits.
2 **STI paid:** The FY24 figure reflects the FY23 STI payment made in September 2023 with 25% deferred to be paid in September 2024. The FY25 figure is higher as it reflects both 75% of the FY24 STI payment which was made in September 2024, as well as 25% of the FY23 STI that was deferred.
3 **Allowance:** No change to relocation allowance.
Vesting of prior year awards (equity)
4 **LTI:** FY21 LTI grant vested in FY24 (August 2023) and FY22 LTI granted vested in FY25 (August 2024). Both LTIs vested in full (100%).

LTI – granted in FY25

In FY25, 538,336 performance rights vesting in or around August 2027 (subject to satisfaction of conditions including performance hurdles) were granted to David under the Company's LTI Plan. The CEO's FY25 LTI Grant was included as a resolution on an advisory basis and for the purposes of ASX Listing Rule 10.14, at the 2024 Annual Meeting (and received a 'for' vote of 99.42%).

Other than to meet any tax obligations, no shares held by David can be sold until he holds sufficient shares to meet the Company's minimum shareholding requirement under the MSR Policy.

For personal use only

Non-executive directors' remuneration policy and structure

Non-executive director fees are paid from an aggregate annual fee pool of $1,365,000, as approved by shareholders at the 2018 Annual Meeting. Non-executive directors do not receive variable pay.

The table below provides a summary of FY25 Board and committee fees:

	Position	Fees per annum $
Board of Directors	Chair[1]	375,000
	Member	165,000
Audit and Risk Management Committee	Chair	35,000
	Member	16,500
People and Remuneration Committee	Chair	35,000
	Member	16,500

1 No additional fees are paid to the Board Chair for Committee roles.

Remuneration paid to non-executive directors of the Company for FY25 was as follows:

		Committee fees		
	Board fees	**Audit and Risk Management**	**People and Remuneration**	**Total fees**
	$	**$**	**$**	**$**
Pip Greenwood (Chair)	375,000	–	–	**375,000**
Lain Jager[1]	96,250	–	9,625	**105,875**
Kate Mitchell	165,000	35,000	–	**200,000**
Tonet Rivera[2]	110,000	11,000	–	**121,000**
Sandra Yu	165,000	16,500	27,292	**208,792**
Warwick Every-Burns[3]	68,750	6,875	14,583	**90,208**
David Wang[4]	82,500	8,250	8,250	**99,000**
Total	**1,062,500**	**77,625**	**59,750**	**1,199,875**

1 Lain Jager was appointed with effect from 1 December 2024.
2 Tonet Rivera was appointed with effect from 1 November 2024.
3 Warwick Every-Burns retired on 22 November 2024.
4 David Wang retired on 31 December 2024.

No other benefits such as share options or special exertion payments were paid to non-executive directors.

No director of a subsidiary company was remunerated in their capacity as a director.

Director Minimum Shareholding Requirement

A Minimum Shareholding Requirement (Director MSR) Policy applies to all non-executive directors. The purpose of this Director MSR Policy is to strengthen the alignment between the interests of directors and the interests of shareholders and encourage a focus on building long-term shareholder value. Under this policy, directors are required to acquire and hold, for the duration of their tenure on the Board, a minimum shareholding equivalent in value (at the time of purchase) to 100% of their fixed annual director fees (including committee fees) before any tax or social security deductions. Directors are expected to achieve the Director MSR within three years of becoming a director.

In assessing compliance, the Board takes into account any exceptional circumstances including any extended periods during which the non-executive directors were prohibited from acquiring shares under the Securities Trading Policy.

For personal use only

Financial statements

Directors' approval of the financial statements	86
Independent auditor's report	87
Consolidated statement of comprehensive income	90
Consolidated statement of changes in equity	91
Consolidated statement of financial position	93
Consolidated statement of cash flows	94
Notes to the financial statements	95

Directors' approval of the financial statements

for the year ended 30 June 2025

The directors of The a2 Milk Company Limited are pleased to present the consolidated financial statements for The a2 Milk Company Limited (the Company) and its subsidiaries (together the Group) for the year ended 30 June 2025.

The directors are responsible for preparing and presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which present fairly the financial position of the Group as at 30 June 2025 and the results of its operations and cash flows for the period ended on that date.

The directors consider the financial statements of the Group to have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

There are reasonable grounds to believe that the Company and the Group entities identified in Note E1 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

Pip Greenwood
Chair

David Bortolussi
Managing Director and CEO

17 August 2025

For personal use only

Independent auditor's report

for the year ended 30 June 2025

For personal use only

EY
Shape the future with confidence

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the shareholders of The a2 Milk Company Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The a2 Milk Company Limited (the "Company") and its subsidiaries (together the "Group") on pages 90 to 143, which comprise the consolidated statement of financial position of the Group as at 30 June 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 90 to 143 present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2025 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Group 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ernst & Young has provided sustainability reporting advisory and assurance services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

Shape the future with confidence

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Customer rebates and promotional allowances

Why significant	How our audit addressed the key audit matter
Revenue and associated trade receivables are recognised net of rebates and promotional allowances paid or owed to customers based on their individual contractual arrangements. The recognition and measurement of rebates and promotional allowances, including the establishment of an appropriate amount accrued at year end, involves judgment and estimation, particularly relating to variable rebates and the expected level of rebate claims by customers. This was considered a key audit matter given the value of rebates and promotional allowances provided to customers, together with the level of judgment involved in estimating this variable consideration at year end. Disclosures regarding revenue and the related rebates and promotional allowances are included in note B2 to the financial statements.	Our audit procedures included the following: ▶ Considered the appropriateness of the Group's revenue recognition accounting policies as they relate to rebates and promotional allowances. ▶ Understood the Group's processes and controls over the recording of rebates and promotional allowances. ▶ Selected a sample of customer contracts, determined whether variable rebates were calculated in accordance with the agreed terms and inquired of management as to the existence of any non-standard agreements or side arrangements with customers. ▶ Selected a sample of variable rebates recorded and assessed whether the timing and value of amounts recognised were in accordance with NZ IFRS. ▶ Compared a sample of customer claims and payments made through the year for variable consideration to previously recorded accrued amounts. ▶ Considered the year end ageing profile of rebates and promotional allowances and inquired as to the likelihood of aged balances being settled. ▶ Considered the adequacy of the associated disclosures in the financial statements.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

EY

Shape the future
with confidence

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report.

Our opinion on the consolidated financial statements does not cover the 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 during the audit, or otherwise appears to be materially misstated.

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

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1-1/. This description forms part of our auditor's report.

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

Ernst & Young

Ernst & Young
Sydney
17 August 2025

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Consolidated statement of comprehensive income

for the year ended 30 June 2025

For personal use only

	Note	2025 $'000	2024 $'000
Sales	B1	1,899,273	1,673,323
Cost of sales		(1,024,118)	(906,694)
Gross margin		875,155	766,629
Other revenue	B1	2,710	2,128
Distribution expenses		(57,211)	(50,184)
Marketing expenses		(318,396)	(280,098)
Administrative and other expenses		(254,167)	(236,234)
Operating profit		248,091	202,241
Interest income		45,457	40,396
Finance costs	B4	(4,296)	(4,497)
Net finance income		41,161	35,899
Profit before tax		289,252	238,140
Income tax expense	B6	(97,161)	(84,258)
Profit for the year		192,091	153,882
Profit/(loss) for the year attributable to:			
Owners of the Company		202,889	167,577
Non-controlling interests		(10,798)	(13,695)
		192,091	153,882
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation (loss)/profit		(3,205)	939
Cash flow hedges fair value profit		1,143	3,721
Items not to be reclassified to profit or loss:			
Listed and unlisted investment fair value gain/(loss)	C8	30,643	(62,211)
Total other comprehensive gain/(loss), net of tax		28,581	(57,551)
Total other comprehensive income/(loss) attributable to:			
Owners of the Company		28,311	(57,862)
Non-controlling interests		270	311
		28,581	(57,551)
Total comprehensive income		220,672	96,331
Total comprehensive income/(loss) attributable to:			
Owners of the Company		231,200	109,715
Non-controlling interests		(10,528)	(13,384)
		220,672	96,331
Earnings per share			
Basic (cents per share)	B5	28.03	23.19
Diluted (cents per share)	B5	27.87	23.06

The accompanying notes form part of these financial statements.

For personal use only

Consolidated statement of changes in equity

for the year ended 30 June 2025

	Attributable to owners of the Company										
Year ended 30 June 2025	**Foreign currency translation reserve $'000**	**Fair value revaluation reserve $'000**	**Employee equity settled payments reserve $'000**	**Treasury shares reserve $'000**	**Hedging reserve $'000**	**Total reserves $'000**	**Retained earnings $'000**	**Share capital $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Balance 1 July 2024	(5,841)	(279,027)	67,292	(8,706)	1,882	(224,400)	1,490,776	100	1,266,476	(9,703)	1,256,773
Profit after tax for the period	–	–	–	–	–	–	202,889	–	202,889	(10,798)	192,091
Foreign currency translation differences – foreign operations	(3,317)	–	–	–	–	(3,317)	–	–	(3,317)	–	(3,317)
Changes in cash flow hedges taken to equity	–	–	–	–	4,113	4,113	–	–	4,113	(215)	3,898
Cash flow hedges reclassified to profit or loss	–	–	–	–	(3,217)	(3,217)	–	–	(3,217)	485	(2,732)
Listed and unlisted investment – fair value movement	–	30,643	–	–	–	30,643	–	–	30,643	–	30,643
Income tax	112	–	–	–	(23)	89	–	–	89	–	89
Total comprehensive income for the period	(3,205)	30,643	–	–	873	28,311	202,889	–	231,200	(10,528)	220,672
Transactions with owners in their capacity as owners:											
Dividends paid	–	–	–	–	–	–	(61,542)	–	(61,542)	–	(61,542)
Employee withholding tax payments	–	–	(430)	–	–	(430)	–	–	(430)	–	(430)
Treasury shares transferred	–	–	(5,323)	5,323	–	–	–	–	–	–	–
Share-based payments	–	–	13,545	–	–	13,545	–	–	13,545	–	13,545
Income tax	–	–	1,722	–	–	1,722	–	–	1,722	–	1,722
Total transactions with owners	–	–	9,514	5,323	–	14,837	(61,542)	–	(46,705)	–	(46,705)
Balance 30 June 2025	(9,046)	(248,384)	76,806	(3,383)	2,755	(181,252)	1,632,123	100	1,450,971	(20,231)	1,430,740

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2025

	Attributable to owners of the Company										
Year ended 30 June 2024	**Foreign currency translation reserve $'000**	**Fair value revaluation reserve $'000**	**Employee equity settled payments reserve $'000**	**Treasury shares reserve $'000**	**Hedging reserve $'000**	**Total reserves $'000**	**Retained earnings $'000**	**Share capital $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Balance 1 July 2023	(6,780)	(216,816)	61,247	(13,602)	(1,528)	(177,479)	1,323,199	100	1,145,820	3,681	1,149,501
Profit after tax for the period	–	–	–	–	–	–	167,577	–	167,577	(13,695)	153,882
Foreign currency translation differences – foreign operations	939	–	–	–	–	939	–	–	939	–	939
Changes in cash flow hedges taken to equity	–	–	–	–	(882)	(882)	–	–	(882)	(85)	(967)
Cash flow hedges reclassified to profit or loss	–	–	–	–	5,257	5,257	–	–	5,257	396	5,653
Listed investment – fair value movement	–	(62,211)	–	–	–	(62,211)	–	–	(62,211)	–	(62,211)
Income tax	–	–	–	–	(965)	(965)	–	–	(965)	–	(965)
Total comprehensive income for the period	939	(62,211)	–	–	3,410	(57,862)	167,577	–	109,715	(13,384)	96,331
Transactions with owners in their capacity as owners:											
Employee withholding tax payments	–	–	(235)	–	–	(235)	–	–	(235)	–	(235)
Treasury shares transferred	–	–	(4,896)	4,896	–	–	–	–	–	–	–
Share-based payments	–	–	10,727	–	–	10,727	–	–	10,727	–	10,727
Income tax	–	–	449	–	–	449	–	–	449	–	449
Total transactions with owners	–	–	6,045	4,896	–	10,941	–	–	10,941	–	10,941
Balance 30 June 2024	(5,841)	(279,027)	67,292	(8,706)	1,882	(224,400)	1,490,776	100	1,266,476	(9,703)	1,256,773

The accompanying notes form part of these financial statements.

For personal use only

For personal use only

Consolidated statement of financial position

as at 30 June 2025

	Note	2025 $'000	2024 $'000
Assets			
Current assets			
Cash and term deposits	D3	1,100,171	968,943
Trade and other receivables	C1	92,246	78,070
Prepayments	C2	108,522	52,545
Inventories	C3	139,113	179,648
Other financial assets	C8	10,949	8,739
Total current assets		1,451,001	1,287,945
Non-current assets			
Property, plant and equipment	C5	216,844	231,433
Right-of-use assets	D5	20,226	25,921
Investment property	C6	34,182	30,845
Intangible assets	C7	110,919	111,093
Other financial assets	C8	81,958	13,509
Deferred tax assets	B6	26,981	34,129
Total non-current assets		491,110	446,930
Total assets		1,942,111	1,734,875
Liabilities			
Current liabilities			
Trade and other payables	C4	353,537	347,569
Lease liabilities	D5	5,369	5,598
Loans and borrowings	D6	39,000	–
Income tax payable		43,992	57,384
Other financial liabilities	C9	8,182	6,223
Total current liabilities		450,080	416,774
Non-current liabilities			
Trade and other payables	C4	662	532
Lease liabilities	D5	17,603	22,732
Loans and borrowings	D6	38,764	37,890
Other financial liabilities	C9	4,262	174
Total non-current liabilities		61,291	61,328
Total liabilities		511,371	478,102
Net assets		1,430,740	1,256,773
Equity			
Share capital	D7	100	100
Retained earnings		1,632,123	1,490,776
Reserves	D9	(181,252)	(224,400)
Total equity attributable to owners of the Company		1,450,971	1,266,476
Non-controlling interests		(20,231)	(9,703)
Total equity		1,430,740	1,256,773

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 June 2025

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers		1,889,810	1,676,703
Payments to suppliers and employees		(1,630,547)	(1,382,247)
Interest received		45,934	40,353
Interest paid		(2,692)	(3,439)
Taxes paid		(101,028)	(75,626)
Net cash inflow from operating activities	D4	201,477	255,744
Cash flows from investing activities			
Payments for property, plant and equipment	C5	(3,661)	(17,020)
Payments for investment property	C6	(5,510)	(14,405)
Payments for intangible assets	C7	(310)	(3,506)
Investment in listed and unlisted shares	C8	(32,802)	(2,205)
Payments for term deposits		(750,000)	(750,000)
Receipts from term deposits		700,000	750,000
Net cash outflow from investing activities		(92,283)	(37,136)
Cash flows from financing activities			
Payments of lease principal	D5	(5,733)	(4,809)
Dividends paid	D8	(61,542)	–
Net proceeds from/(repayments of) borrowings		39,000	(45,000)
Net cash outflow from financing activities		(28,275)	(49,809)
Net increase in cash and short-term deposits		80,919	168,799
Cash and short-term deposits at the beginning of the year		518,943	352,234
Effect of exchange rate changes on cash		309	(2,090)
Cash and short-term deposits at the end of the year	D3	600,171	518,943

The accompanying notes form part of these financial statements.

For personal use only

Notes to the financial statements

For personal use only

Contents

	Page
A. Basis of preparation	**96**
B. Group performance	**98**
B1. Operating segments	98
B2. Revenue	101
B3. Expenses	102
B4. Finance costs	102
B5. Earnings per share (EPS)	103
B6. Income taxes	103
C. Operating assets and liabilities	**107**
C1. Trade and other receivables	107
C2. Prepayments	107
C3. Inventories	107
C4. Trade and other payables	108
C5. Property, plant and equipment	109
C6. Investment property	111
C7. Intangible assets	113
C8. Other financial assets	116
C9. Other financial liabilities	117
D. Financial risk and capital management	**118**
D1. Financial risk management	118
D2. Capital management	126
D3. Cash and term deposits	126
D4. Cash flow information	127
D5. Leases	128
D6. Loans and borrowings	131
D7. Share capital	132
D8. Dividends	133
D9. Nature and purpose of reserves	134
D10. Capital expenditure commitments	135
D11. Contingent liabilities	135
E. Group structure	**136**
E1. Consolidated entities	136
E2. Deed of cross guarantee	137
F. Other disclosures	**139**
F1. Related party transactions	139
F2. Share-based payments	140
F3. Auditor's remuneration	142
F4. Subsequent events	143

Basis of preparation

for the year ended 30 June 2025

For personal use only

A. Basis of preparation

The a2 Milk Company Limited (the Company) is a for-profit entity incorporated and domiciled in New Zealand. The consolidated financial statements of the Company for the year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the Group).

The Company is registered in New Zealand under the Companies Act 1993, and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is also registered as a foreign company in Australia under the *Corporations Act 2001* (Cth, Australia). The shares of The a2 Milk Company Limited are publicly traded on New Zealand's Exchange (NZX), the Australian Securities Exchange (ASX) and Cboe Australia (CXA). The Group's reporting currency is the New Zealand dollar.

The principal activity of the Company is the sale of branded products in targeted markets made with milk naturally containing only A2-type protein and no A1 protein.

The consolidated financial statements were authorised for issue by the directors on 17 August 2025.

The consolidated financial statements:

- Have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand;
- Comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS);
- Comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB);
- Are presented in New Zealand dollars, which is the Company's functional currency, with all values rounded off to the nearest thousand dollars, unless otherwise stated; and
- Have been prepared in accordance with the historical cost convention and, except for listed and unlisted investments and foreign currency forward contracts, do not take into account changing money values or fair values of assets.

Certain comparative amounts have been reclassified to conform with the current period's presentation.

Material accounting policies have been:

- Included in the relevant note to which each policy relates, other than the accounting policy for foreign currency, set out below; and
- Consistently applied to all periods presented in these consolidated financial statements.

Accounting policy: Foreign currency

Transactions

Foreign currency transactions are initially translated to the respective functional currencies of Group companies at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate ruling at the reporting date. Foreign exchange differences are generally recognised in profit or loss in the consolidated statement of comprehensive income.

Foreign operations translation to reporting currency

The assets and liabilities including goodwill and fair value adjustments arising on consolidation of foreign operations are translated into New Zealand currency at rates of exchange current at the reporting date, while revenues and expenses are translated at approximately the exchange rates ruling at the date of the transaction. Exchange differences arising on translation are recognised in other comprehensive income and accumulated within equity in the foreign currency translation reserve.

For personal use only

Judgements, estimates and assumptions

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions including climate-related risks and opportunities.

- This may affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.
- Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.
- Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:
  - Note B6: Income taxes – Recoverability and recognition of deferred tax assets and liabilities
  - Note B6: Income taxes – Application of base erosion and profit shifting (BEPS) Pillar Two Model Rules
  - Note C3: Inventories – Estimation of net realisable value
  - Note C5: Property, plant and equipment – Recoverability and determination of useful lives
  - Note C6: Investment property – Recoverability and determination of useful lives
  - Note C7: Intangible assets – Impairment review of goodwill and intangibles
  - Note C7: Intangible assets – Allocation of goodwill
  - Note C8 and C9: Other financial assets and liabilities – Fair value measurement of foreign currency forward contracts
  - Note D5: Leases – Determination of lease term
- The Group considers the impact of climate change when making judgements, estimates and assumptions. This includes a wide range of possible impacts on the Group due to both physical and transitional risks and how these may impact the Group.

Changes in material accounting policies

The Group has applied all new and revised Standards and Interpretations issued by the New Zealand External Reporting Board that are relevant to the Group's operations and effective for the current accounting period. Their application has not had any material impact on the Group's assets, profits or earnings per share for the year ended 30 June 2025.

New standards and interpretations not yet adopted

In May 2024, the XRB issued NZ IFRS 18, which replaces NZ IAS 1 Presentation of Financial Statements. It requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information.

In addition, there are consequential amendments to several other standards.

NZ IFRS 18, and the amendments to the other standards, is mandatorily effective for annual reporting periods beginning on or after 1 January 2027.

The Group is currently working to identify all impacts the amendments will have on the financial statements.

There are no other new standards and interpretations that are issued, but not yet mandatorily effective as at 30 June 2025, that are expected to have a material impact on the Group in current or future reporting periods.

Group performance

for the year ended 30 June 2025

For personal use only

B. Group performance

This section explains the results and performance of the Group for the year, including segment information, earnings per share and taxation.

The Group's key performance measures are segment revenue and segment results before interest, tax, depreciation and amortisation (Segment EBITDA, a non-GAAP measure). Further information and analysis of performance can be found in the CEO's year in review report, which forms part of the Annual Report.

B1. Operating segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on geographical location, and in the current financial year has four reportable operating segments as follows:

- The *China and Other Asia* segment receives external revenue from the sale of infant milk formula, other nutritional products and milk.
- The *Australia and New Zealand* segment receives external revenue from the sale of infant milk formula, milk and other nutritional products along with rent, royalty and licence fee income.
- The *USA* segment receives external revenue from the sale of milk, infant milk formula and licence fee income.
- The *Mataura Valley Milk* segment receives external revenue from the manufacturing and sale of nutritional and ingredients products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is assessed on segment EBITDA and is measured in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

For personal use only

B1. Operating segments (continued)

2025	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Mataura Valley Milk $'000	Eliminations $'000	Total $'000
Consolidated sales	1,301,959	314,458	138,910	143,946	–	1,899,273
Other revenue	–	1,556	357	797	–	2,710
Total external revenue	1,301,959	316,014	139,267	144,743	–	1,901,983
Inter-segment revenue	–	–	–	50,132	(50,132)	–
Reportable segment revenue	1,301,959	316,014	139,267	194,875	(50,132)	1,901,983
Reportable segment results (Segment EBITDA)	332,417	57,484	(9,306)	(15,033)	(2,331)	363,231
Corporate EBITDA						(88,883)
Group EBITDA						274,348
Interest income						45,457
Interest expense						(4,215)
Depreciation and amortisation						(26,338)
Income tax expense						(97,161)
Consolidated profit after tax						192,091

2024	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Mataura Valley Milk $'000	Eliminations $'000	Total $'000
Consolidated sales	1,143,069	315,531	113,297	101,426	–	1,673,323
Other revenue	–	1,768	360	–	–	2,128
Total external revenue	1,143,069	317,299	113,657	101,426	–	1,675,451
Inter-segment revenue	–	–	–	34,996	(34,996)	–
Reportable segment revenue	1,143,069	317,299	113,657	136,422	(34,996)	1,675,451
Reportable segment results (Segment EBITDA)	290,120	62,987	(15,463)	(20,457)	(467)	316,720
Corporate EBITDA						(82,376)
Group EBITDA						234,344
Interest income						40,396
Interest expense						(4,401)
Depreciation and amortisation						(32,199)
Income tax expense						(84,258)
Consolidated profit after tax						153,882

Group performance

for the year ended 30 June 2025

For personal use only

B1. Operating segments (continued)

Other segment information

2025	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Mataura Valley Milk $'000	Corporate $'000	Total $'000
Additions to non-current assets	269	6,321	86	2,007	3,554	12,237
Depreciation and amortisation	2,619	4,859	505	14,609	3,746	26,338
2024						
Additions to non-current assets	2,249	17,478	20	16,077	6,492	42,316
Depreciation and amortisation	2,346	4,845	535	19,288	5,185	32,199

Geographical information

	2025 $'000	2024 $'000
Revenue from external customers based on the location of the customer		
China	1,277,049	1,125,608
Australia	305,880	307,622
New Zealand	154,877	111,102
USA	139,267	113,657
Other	24,910	17,462
	1,901,983	1,675,451
Non-current assets based on the geographical location of assets[1]		
New Zealand	221,721	234,917
Australia	54,044	55,220
China	2,642	4,877
USA	1,485	1,895
	279,892	296,909

1 Non-current assets exclude goodwill, financial instruments and deferred tax assets.

For personal use only

B2. Revenue

Disaggregation of revenue

In the following table, revenue is disaggregated by geographical location (reportable segments) and major product types.

2025	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Mataura Valley Milk $'000	Total $'000
Infant milk formula:					
China label	632,521	–	–	–	632,521
English and other labels[1]	559,150	80,645	1,582	–	641,377
Liquid milk[2]	–	208,986	137,328	–	346,314
Other nutritionals[3]	110,288	24,827	–	–	135,115
Ingredients	–	–	–	143,946	143,946
Other revenue	–	1,556	357	797	2,710
	1,301,959	316,014	139,267	144,743	1,901,983

2024	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Mataura Valley Milk $'000	Total $'000
Infant milk formula:					
China label	612,344	–	–	–	612,344
English and other labels[1]	447,834	98,524	824	–	547,182
Liquid milk[2]	–	190,168	112,473	–	302,641
Other nutritionals[3]	82,891	26,839	–	–	109,730
Ingredients	–	–	–	101,426	101,426
Other revenue	–	1,768	360	–	2,128
	1,143,069	317,299	113,657	101,426	1,675,451

1 Revenue is allocated based on management responsibility and usually reflects the geographical location of the Group's wholesale customers. It is understood that the majority of the infant milk formula sales to customers in the Australia and New Zealand segment are ultimately consumed in China.
2 Excludes liquid milk products (plain and fortified) exported to China and Other Asia markets.
3 Comprises powdered milk products (plain and fortified), and liquid milk products (plain and fortified) exported to China and Other Asia markets.

Group performance

for the year ended 30 June 2025

For personal use only

B2. Revenue (continued)

Recognition and measurement

Sales of products

The Group sells branded milk products made with milk from cows that are specially selected to produce milk that naturally contains only A2-type protein and no A1 protein, to wholesale and retail customers; and manufactures nutritional and ingredients products for sale to wholesale customers.

A sale is recognised when control of the product has transferred, being when the product is delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the product has been shipped to the location specified by the customer and the customer accepts the product.

Revenue from sales is recognised based on arrangements as agreed with the customer. These arrangements are applied on an order by order basis and do not commit the customers to purchase a specified quantity or type of product; nor do they commit the Group to deliver a specified quantity or type of product. The arrangements set out the terms and conditions that apply to the parties each time an order is placed by a customer and accepted by the Group, creating a sale contract for that order. The terms and conditions cover, as appropriate to the customer, pricing, settlement of liabilities, return policies and any other negotiated performance obligations.

Revenue is recognised after offsetting items of variable consideration such as rebates agreed with customers.

Settlement terms range from cash-on-delivery or prepaid terms to various credit terms generally not exceeding 60 days from end of month. These terms reflect assessment of customer credit risk and industry practice.

Customer contract liabilities refer to payments in advance received from customers, with subsequent delivery to customers, and recognition of revenue, generally occurring within a week of receipt of the payment. Refer to Note C4 for details of customer contract liability balances.

For credit customers a receivable is recognised when the products are delivered, being the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

B3. Expenses

	2025 $'000	2024 $'000
Profit before income tax includes the following significant items:		
Salary and wage costs	118,373	103,384
Equity settled share-based payments (refer to Note F2)	13,545	10,727
Directors' fees	1,207	1,203
Bad and doubtful debts recovery	–	(43)
Depreciation and amortisation	26,338	32,199
Net foreign exchange losses	4,803	8,089

B4. Finance costs

	2025 $'000	2024 $'000
Interest expense – lease liabilities	1,821	1,493
Interest expense	2,394	2,908
Finance costs	81	96
	4,296	4,497

For personal use only

B5. Earnings per share (EPS)

	2025	2024
Profit attributable to members of the Company used in calculating basic and diluted EPS ($'000)	202,889	167,577
Weighted average number of ordinary shares ('000) for basic EPS	723,840	722,777
Effect of dilution due to performance rights ('000)	4,151	3,784
Weighted average number of ordinary shares ('000) for diluted EPS	727,991	726,561
Earnings per share		
Basic EPS (cents)	28.03	23.19
Diluted EPS (cents)	27.87	23.06

Recognition and measurement

Basic EPS is calculated as net profit attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS adjusts basic EPS for the dilutive effect of employee share rights that may be converted into ordinary shares in the Company.

B6. Income taxes

	2025 $'000	2024 $'000
Income tax recognised in profit or loss		
Current:		
Current year	100,897	97,862
Adjustment for prior years	(12,695)	(7,576)
Deferred:		
Temporary differences	(2,905)	(7,617)
Adjustment for prior years	11,864	1,589
Total tax expense	97,161	84,258
The prima facie income tax on pre-tax accounting profit from operations reconciles to:		
Accounting profit before income tax	289,252	238,140
Income tax expense calculated at 28% (2024: 28%)	80,990	66,679
Difference in income tax rates: Australia 30% (2024: 30%), USA 27% (2024: 27%), and China 25% (2024: 25%)	3,520	2,368
Non-deductible expenses and non-assessable income	4,042	625
Prior period adjustment to tax expense	(831)	(5,987)
Unutilised foreign tax credits	3,815	4,944
Deferred tax asset not recognised	5,625	15,629
Total tax expense	97,161	84,258
Income tax recognised directly in equity		
Current tax	–	–
Deferred tax	(1,699)	516
Tax (benefit)/expense in equity	(1,699)	516

Group performance

for the year ended 30 June 2025

For personal use only

B6. Income taxes (continued)

Deferred tax balances

2025	Opening balance $'000	Charge to comprehensive income $'000	Charge to equity $'000	Closing balance $'000
Gross deferred tax assets				
Patents	69	(4)	–	65
Provisions and accrued expenses	30,127	(8,291)	–	21,836
Tax losses	46	(46)	–	–
Property, plant and equipment	1,226	(501)	–	725
Employee share scheme	4,283	(30)	1,722	5,975
Hedging instruments	(623)	–	(23)	(646)
Other	(999)	25	–	(974)
Net deferred tax	34,129	(8,847)	1,699	26,981
Charge to profit or loss		(8,959)		
Charge to other comprehensive income		112		
		(8,847)		

2024	Opening balance $'000	Charge to comprehensive income $'000	Charge to equity $'000	Closing balance $'000
Gross deferred tax assets				
Patents	77	(8)	–	69
Provisions and accrued expenses	22,551	7,576	–	30,127
Tax losses	122	(76)	–	46
Property, plant and equipment	1,999	(773)	–	1,226
Employee share scheme	3,076	758	449	4,283
Hedging instruments	342	–	(965)	(623)
Other	450	(1,449)	–	(999)
Net deferred tax	28,617	6,028	(516)	34,129
Charge to profit or loss		6,028		
Charge to other comprehensive income		–		
		6,028		

For personal use only

B6. Income taxes (continued)

Tax losses

The Group companies have the following estimated gross tax losses at balance date not recognised:

	2025 $'000	2024 $'000
USA	98,390	99,938
New Zealand	249,852	232,760
	348,242	332,698

Imputation and franking credits

The Company is a New Zealand company which has elected to maintain an Australian franking credit account. The imputation credit and franking credit balances represent the sum of the imputation credit and franking credit account balances of all Group companies stated on an accrual basis. The ability to use the imputation and franking credits is dependent upon the ability of Group companies to pay dividends. The franking credit account balance is stated in AUD.

Imputation and franking credits available within the Group, and ultimately available to the shareholders of the Company as at year end:

	2025 $'000	2024 $'000
Imputation credits	26,240	49,725
Franking credits (stated in Australian dollars)	598,965	587,562

Recognition and measurement

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited in other comprehensive income or equity, in which case that tax is recognised in other comprehensive income or equity respectively; or where they arise from the initial accounting for a business combination.

The tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available in the future against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date for recoverability. Likewise, unrecognised tax assets (not booked to balance sheet) are re-assessed at each reporting date, and recognised, to the extent that future taxable profits are deemed likely to allow the asset to be recovered.

Group performance

for the year ended 30 June 2025

For personal use only

B6. Income taxes (continued)

Key estimates and judgements

Recoverability of deferred tax assets

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used.

Judgement is required when deferred tax assets are reviewed at each reporting date. Deferred tax assets may be reduced to the extent that it is no longer probable that future taxable profits will be available.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Changes in expectations for the future performance of the business may impact the amount of deferred tax assets recoverable and recognised on the consolidated statement of financial position and the amount of other tax losses and temporary differences not yet recognised.

BEPS Pillar Two Model Rules

The Group is within the scope of the Pillar Two Model Rules for the year ended 30 June 2025. The Group operates in multiple jurisdictions, some of which have enacted or substantively enacted tax legislation to implement the Pillar Two Model Rules applying to the year ended 30 June 2025. In particular, Australia and Canada have enacted the Pillar Two Model Rules, including domestic minimum top-up taxes, applying to the year ended 30 June 2025. Accordingly, the Pillar Two Model Rules apply to the Group's Australian and Canadian entities for the year ended 30 June 2025.

Under the Pillar Two Model Rules, the Group may be required to pay a top-up tax if the effective tax rate per jurisdiction (calculated using a prescribed approach) is below the minimum rate of 15%. The Group has undertaken a transitional country-by-country reporting safe harbour assessment based on the financial information for the year ended 30 June 2024. Based on this assessment, all jurisdictions in which the Group operates have met the requirements of at least one of the transitional country-by-country reporting safe harbour tests, meaning no detailed jurisdictional calculations are required, and no top-up taxes are expected to arise. The Group has performed an indicative assessment for the year ended 30 June 2025 and similarly deemed that no top-up taxes are expected on the basis that there are no material changes in the legal structure or operating model arrangements impacting the Pillar Two outcomes from the previous financial reporting period.

The Group has adopted the International Tax Reform – Pillar Two Model Rules – Amendments to NZ IAS 12 approved by the New Zealand External Reporting Board. These amendments provide a temporary mandatory exception from deferred tax accounting and require disclosures in the annual financial statements in relation to the implementation of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group has determined that any global minimum top-up taxes arising under the Pillar Two Model Rules are considered an income tax within the scope of NZ IAS 12. As no top-up taxes are expected to arise in Australia and Canada, and the Pillar Two Model Rules do not apply in other jurisdictions in which the Group operates for the year ended 30 June 2025, no current tax impact has been recognised in the Group's financial statements for the year ended 30 June 2025. The Group has applied the temporary mandatory exception from deferred tax accounting in respect of the Pillar Two Model Rules and will account for any top-up tax liabilities arising from the application of the rules as a current tax when it is incurred.

Operating assets and liabilities

for the year ended 30 June 2025

For personal use only

C. Operating assets and liabilities

This section provides details of the Group's operating assets, and liabilities incurred as a result of trading activities, used to generate the Group's performance.

C1. Trade and other receivables

	2025 $'000	2024 $'000
Trade receivables from contracts with customers	61,787	50,726
Allowance for expected credit losses	–	–
Goods and services tax	18,153	17,579
Other receivables	12,306	9,765
	92,246	78,070

The Group's exposure to credit risks and impairment losses related to trade and other receivables is disclosed in Note D1: Financial risk management.

Recognition and measurement

Trade receivables from contracts with customers are recognised initially at their transaction price. Other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method, less any lifetime expected credit losses.

C2. Prepayments

	2025 $'000	2024 $'000
Prepayments	108,522	52,545
	108,522	52,545

Prepayments predominantly relate to deposits made to inventory suppliers with respect to open purchase orders, which is customary practice in infant milk formula manufacturing.

C3. Inventories

	2025 $'000	2024 $'000
Raw materials	36,304	29,783
Finished goods	102,809	149,865
Total inventories at the lower of cost and net realisable value	139,113	179,648

At year end, $7,566,000 (2024: $9,623,000) was recognised as an expense in cost of sales for inventories written down or written off.

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using standard costing or weighted average methods. Standard costs are regularly reviewed and, if necessary, revised to reflect actual costs.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Key estimates and judgements

Estimation of net realisable value

Estimation of net realisable value includes assessment of expected future turnover of inventory held for sale and the expected future selling price of such inventory. Changes in trading, inventory condition and economic conditions may impact these estimations in future periods.

Operating assets and liabilities

for the year ended 30 June 2025

For personal use only

C4. Trade and other payables

	2025 $'000	2024 $'000
Current		
Trade payables	75,967	83,865
Rebates and promotional allowances	112,429	107,848
Accrued charges	130,809	130,222
Employee entitlements	31,598	25,338
Customer contract liabilities	2,734	296
	353,537	347,569
Non-current		
Employee entitlements	662	532

Recognition and measurement

Trade payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest rate method. They represent liabilities recognised when the Group becomes obligated to make future payments resulting from the purchase of goods and services. The amounts are unsecured.

Variable consideration such as rebates are offset against the related revenue recognised.

Accrued charges represent amounts payable for supplies and services received but not invoiced at the reporting date.

Customer contract liabilities are payments received in advance from customers. The amount of $296,000 recognised in customer contract liabilities at 30 June 2024 was recognised as revenue in the year ended 30 June 2025. Remaining performance obligations at 30 June 2025 have an original expected duration of one year or less.

Employee entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, bonuses, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

For personal use only

C5. Property, plant and equipment

2025	Land $'000	Buildings $'000	Office & computer $'000	Furniture & fittings $'000	Leasehold improvements $'000	Plant & equipment & work in progress $'000	Total $'000
Carrying amount 1 July 2024	8,763	46,356	1,973	709	1,253	172,379	231,433
Additions	–	10	1,169	211	120	2,151	3,661
Transfers	–	1,397	780	–	–	(2,177)	–
Depreciation	–	(1,886)	(895)	(202)	(287)	(14,830)	(18,100)
Net foreign currency exchange differences	–	–	(7)	3	(1)	(145)	(150)
Carrying amount 30 June 2025	8,763	45,877	3,020	721	1,085	157,378	216,844
Cost	8,763	52,837	7,908	2,086	7,276	215,212	294,082
Accumulated depreciation	–	(6,960)	(4,888)	(1,365)	(6,191)	(57,834)	(77,238)
Carrying amount 30 June 2025	8,763	45,877	3,020	721	1,085	157,378	216,844

2024	Land $'000	Buildings $'000	Office & computer $'000	Furniture & fittings $'000	Leasehold improvements $'000	Plant & equipment & work in progress $'000	Total $'000
Carrying amount 1 July 2023	8,763	48,960	1,734	585	2,498	182,676	245,216
Additions	–	3	904	527	1,129	8,032	10,595
Disposals	–	–	(7)	–	–	–	(7)
Depreciation	–	(2,607)	(656)	(417)	(2,359)	(18,393)	(24,432)
Net foreign currency exchange differences	–	–	(2)	14	(15)	64	61
Carrying amount 30 June 2024	8,763	46,356	1,973	709	1,253	172,379	231,433
Cost	8,763	51,430	5,966	1,872	7,157	215,383	290,571
Accumulated depreciation	–	(5,074)	(3,993)	(1,163)	(5,904)	(43,004)	(59,138)
Carrying amount 30 June 2024	8,763	46,356	1,973	709	1,253	172,379	231,433

Operating assets and liabilities

for the year ended 30 June 2025

For personal use only

C5. Property, plant and equipment (continued)

Recognition and measurement

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Work in progress expenditure is capitalised only when the Group can demonstrate the potential for the asset to generate future economic benefits on completion; and the ability to measure reliably the expenditure attributable to the asset during its development. Depreciation commences when the asset is available for use.

Depreciation is calculated on a straight-line basis so as to write off the net cost of the asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Land is not depreciated. The following estimated useful lives are used in the calculation of depreciation:

Buildings	20-90 years
Office and computer equipment	2-25 years
Furniture and fittings	5-10 years
Leasehold improvements	2-10 years
Plant and equipment	2-50 years

The carrying value of an item of property, plant and equipment is derecognised either upon disposal or when no future economic benefits are expected from the asset. Any gain or loss arising from the derecognition (representing the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Key estimates and judgements

Recoverability and determination of useful lives

If indicators of impairment are present, property, plant and equipment will be subject to impairment testing, which involves estimates and judgements made with respect to assessing the recoverability of the carrying amount of property, plant and equipment. Judgement is also involved in determining the useful lives of property, plant and equipment which are reviewed and adjusted, where required, annually.

For personal use only

C6. Investment property

Kyvalley Dairy Group Pty Ltd (Kyvalley) is the Group's long-term fresh milk supplier in Victoria utilising the Group's Kyabram milk processing facility. Kyvalley continues to operate the facility under a long-term operating lease and a long-term supply agreement. Under these agreements the Group has commenced an expansion and upgrade of the facility, to be subsidised by increased rent.

The purchase and upgrade of the Kyabram facility is a strategic investment to ensure quality of products and processing capacity. The related long-term product supply agreement entered into alongside the investment provides ongoing supply from Kyvalley's contracted A1 protein free milk pool.

2025	Land $'000	Buildings $'000	Plant & equipment $'000	Work in progress $'000	Total $'000
Carrying amount 1 July 2024	485	4,014	6,858	19,488	30,845
Additions	–	–	–	5,510	5,510
Transfers	–	12,144	–	(12,144)	–
Depreciation	–	(730)	(989)	–	(1,719)
Net foreign currency exchange differences	(6)	(47)	(73)	(328)	(454)
Carrying amount 30 June 2025	479	15,381	5,796	12,526	34,182
Cost	479	17,403	11,415	12,526	41,823
Accumulated depreciation	–	(2,022)	(5,619)	–	(7,641)
Carrying amount 30 June 2025	479	15,381	5,796	12,526	34,182

2024	Land $'000	Buildings $'000	Plant & equipment $'000	Work in progress $'000	Total $'000
Carrying amount 1 July 2023	483	4,329	8,165	4,950	17,927
Additions	–	–	–	14,405	14,405
Depreciation	–	(330)	(1,327)	–	(1,657)
Net foreign currency exchange differences	2	15	20	133	170
Carrying amount 30 June 2024	485	4,014	6,858	19,488	30,845
Cost	485	5,306	11,488	19,488	36,767
Accumulated depreciation	–	(1,292)	(4,630)	–	(5,922)
Carrying amount 30 June 2024	485	4,014	6,858	19,488	30,845

Profit arising from investment property

	2025 $'000	2024 $'000
Rental income	1,203	1,160

Operating assets and liabilities

for the year ended 30 June 2025

For personal use only

C6. Investment property (continued)

Future minimum rentals receivable under operating lease

	2025 $'000	2024 $'000
Not longer than 1 year	2,117	1,774
Longer than 1 year and not longer than 5 years	10,977	10,084
Longer than 5 years	15,338	17,122
Total undiscounted lease payments to be received	28,432	28,980

Measurement of fair value

The investment property was purchased in September 2020. The Group has not engaged an independent valuer for the current period. At reporting date, the Directors have determined a fair value of $37,500,000 based on a capitalisation of rent valuation approach, adopting a capitalisation rate of 7% (2024: $32,200,000, adopting a capitalisation rate of 7.5%). Directors consider that this calculation represents a reasonable approximation of fair value as at 30 June 2025.

Recognition and measurement

Investment property

Investment property is held primarily to earn rental income and for capital appreciation. It is measured initially at cost, including transaction costs such as transfer taxes and professional fees for legal services. Subsequent to initial recognition, the Group elected to measure investment property using the cost model (carried at historical cost less accumulated depreciation and impairment).

Depreciation is calculated on a straight-line basis so as to write off the net cost of the asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Land is not depreciated. The following estimated useful lives are used in the calculation of depreciation:

Buildings	4-40 years
Plant and equipment	3-25 years

The carrying value of an item of property, plant and equipment is derecognised either upon disposal or when no future economic benefits are expected from the asset. Any gain or loss arising from the derecognition (representing the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Work in progress expenditure is capitalised only when the Group can demonstrate the potential for the asset to generate future economic benefits on completion; and the ability to measure reliably the expenditure attributable to the asset during its development. Depreciation commences when the asset is available for use.

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term, and is included in other revenue in the consolidated statement of comprehensive income.

Key estimates and judgements

Recoverability and determination of useful lives

If indicators of impairment are present, investment property will be subject to impairment testing, which involves estimates and judgements made with respect to assessing the recoverability of the carrying amount of investment property. Judgement is also involved in determining the useful lives of investment property which are reviewed and adjusted, where required, annually.

For personal use only

C7. Intangible assets

2025	Patents & Trade marks $'000	Other $'000	Goodwill $'000	Total $'000
Carrying amount 1 July 2024	4,845	3,865	102,383	111,093
Additions	–	310	–	310
Amortisation	(71)	(313)	–	(384)
Net foreign currency exchange differences	–	4	(104)	(100)
Carrying amount 30 June 2025	4,774	3,866	102,279	110,919
Cost	5,590	8,906	102,279	116,775
Accumulated amortisation and impairment	(816)	(5,040)	–	(5,856)
Carrying amount 30 June 2025	4,774	3,866	102,279	110,919

2024	Patents & Trade marks $'000	Other $'000	Goodwill $'000	Total $'000
Carrying amount 1 July 2023	4,912	1,160	102,347	108,419
Additions	–	3,506	–	3,506
Disposals	–	(60)	–	(60)
Amortisation	(67)	(740)	–	(807)
Net foreign currency exchange differences	–	(1)	36	35
Carrying amount 30 June 2024	4,845	3,865	102,383	111,093
Cost	5,590	8,592	102,383	116,565
Accumulated amortisation and impairment	(745)	(4,727)	–	(5,472)
Carrying amount 30 June 2024	4,845	3,865	102,383	111,093

Trade marks are allocated to the following cash-generating units (CGUs) for the purpose of impairment testing: Australia and New Zealand $318,000 (2024: $318,000); China and Other Asia $3,503,000 (2024: $3,503,000); USA $174,000 (2024: $174,000).

During the year the total value of research and development costs expensed was $5,760,000 (2024: $4,540,000).

Recognition and measurement

The costs of intangible assets other than goodwill are capitalised where there is sufficient evidence to support the probability of the expenditure generating future economic benefits for the Group. Other includes software and product development costs.

Patents

Patents are considered to have a finite life and are amortised on a straight-line basis over the lifetime of the patent.

Trade marks

Trade marks are not subject to amortisation as they are considered to have an indefinite life and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Software

Software is amortised on a straight-line basis over two to three years. The costs of configuring or customising a supplier's application software in a Cloud Computing Software-as-a-Service agreement are expensed as incurred.

Product development costs

Product development costs are capitalised when these costs are expected to generate future economic benefits, the underlying products are technically feasible with adequate resources to complete, there is an intention to complete and use or sell the products and the costs can be measured reliably. Capitalised development costs are amortised over the expected life of the developed product which commences at the point at which the asset is ready for use.

Operating assets and liabilities

for the year ended 30 June 2025

For personal use only

C7. Intangible assets (continued)

Recognition and measurement (continued)

Goodwill

Goodwill is recognised on business acquisitions, representing the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the business recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the date of acquisition, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

Impairment testing for cash-generating units (CGUs) containing goodwill

Goodwill allocation

For the purposes of impairment testing, goodwill is allocated to the Group's CGUs which represent the lowest level within the Group at which goodwill is monitored for internal management purposes as follows:

	2025 $'000	2024 $'000
Australia and New Zealand	50,549	50,653
China	51,730	51,730
	102,279	102,383

Recognition and measurement

Impairment testing of non-financial assets

Assets that have an indefinite useful life, such as goodwill and trade marks, are not amortised but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Impairment losses are recognised in the consolidated statement of comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. Non-financial assets other than goodwill that have been impaired are reviewed for possible reversal at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Key estimates and judgements

Goodwill and intangibles

Judgements are made with respect to identifying and valuing intangible assets on acquisitions of new businesses and the allocation of goodwill to the cash-generating units.

The Group assesses whether goodwill and intangibles with indefinite useful lives are impaired at least annually. These calculations involve judgements to estimate the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

For personal use only

C7. Intangible assets (continued)

Annual impairment testing as at 30 June 2025

The recoverable amount of CGUs containing goodwill and trade marks has been determined on a value in use basis using a discounted cash flow approach, and projections based on financial budgets approved by the Board, and four-year forward looking plans supplied by management.

As at 30 June 2025, the recoverable amount of the Group's CGUs exceeds their carrying amounts. The directors believe that no reasonably possible change in any of the key assumptions relating to current plans would cause the recoverable amount of these CGUs to be less than their carrying values. Based on this assessment, no impairment write-downs are considered necessary.

Key assumptions

Gross margins

Gross margins are based on budgeted margins for FY26, and estimates for future years, adjusted where appropriate to account for expected future trading conditions. Consideration has been given to the growth profile of each CGU when forecasting future margin returns.

Discount rates

Discount rates (post-tax): 9.4% (2024: 9.6%).

Discount rates represent the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying cash flows expected from the CGU being assessed. CGU specific risk is incorporated by applying individual beta factors. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors.

Revenue growth

Revenue projections have been constructed with reference to the FY26 budget and four-year forward-looking plans and adjusted for recent performance trends across the regions (where necessary).

Terminal growth rate

A terminal growth rate of 2.0% (2024: 2.0%) has been used for future cash flow growth beyond the forecast period.

The terminal value (being the total value of expected cash flows beyond the forecast period) is discounted to present values using the discount rate specific to each CGU.

Sensitivity to change in assumptions

The calculation of value in use is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Revenue growth during the forecast period
- Growth rates used to extrapolate cash flows beyond the forecast period (terminal growth rate)

Operating assets and liabilities

for the year ended 30 June 2025

For personal use only

C8. Other financial assets

	2025 $'000	2024 $'000
Current		
Foreign currency forward contracts	10,949	8,739
Non-current		
Foreign currency forward contracts	5,259	255
Listed investment at fair value	74,174	9,754
Unlisted investment at fair value	2,525	3,500
	81,958	13,509

Shareholding in Synlait Milk Limited

The listed investment is a 19.8% holding in shares in Synlait Milk Limited (Synlait). Synlait is a dairy processing company (listed on NZX and the ASX) with which the Group has an ongoing Nutritional Powders Manufacturing and Supply Agreement. No dividends were received from this investment during the year (2024: $nil).

In October 2024, the Group participated in Synlait's recapitalisation via an equity raise, acquiring a further 76,283,104 shares for $32,802,000. For the purposes of ASX quotation requirements in respect of the new shares issued to the Group, it entered into a voluntary escrow deed poll under which it undertook not to sell, assign, or otherwise dispose of, or transfer the effective control of, the 76,283,104 shares acquired under the placement for a period of 12 months from the date of allotment. This restriction is subject to certain exceptions.

There was no change to the Group's total percentage holding in Synlait, which remains at 19.8% (2024: 19.8%).

A fair value gain of $31,618,000 (2024: $62,211,000 loss) was recognised in other comprehensive income for the year.

Movements in the period

	Shares '000	Cost $'000	Share price at report date $	Market value $'000	Mark to market $'000
Balance 30 June 2024	43,353	288,781	0.225	9,754	(279,027)
Placement	76,283	32,802			
Balance 30 June 2025	119,636	321,583	0.62	74,174	(247,409)
Fair value gain in period					31,618

Shareholding in Centre for Climate Action Joint Venture (AgriZero^{NZ})

The unlisted investment relates to the Group's investment in the Centre for Climate Action Joint Venture (trading as AgriZero^{NZ}) which is a public-private partnership between the New Zealand Government and major agribusiness companies. Given this is a strategic long-term investment, the Group made a one-time irrevocable election to measure its 1.83% interest at fair value through other comprehensive income.

A fair value loss of $975,000 (2024: nil) was recognised in other comprehensive income for the year.

Recognition and measurement

These listed and unlisted investments are long-term investments classified as financial assets measured at fair value through other comprehensive income. The Group does not control or have significant influence over the investees.

Unrealised gains or losses arising from changes in fair value are recognised through other comprehensive income in the Fair Value Revaluation Reserve within equity.

Foreign currency forward contracts are stated at fair value, calculated by reference to current forward exchange rates for contracts with similar profiles, adjusted to reflect the credit risk of the various counterparties.

For personal use only

C9. Other financial liabilities

	2025 $'000	2024 $'000
Current		
Foreign currency forward contracts	8,182	6,223
Non-current		
Foreign currency forward contracts	4,262	174

Recognition and measurement

Foreign currency forward contracts are stated at fair value, calculated by reference to current forward exchange rates for contracts with similar profiles, adjusted to reflect the credit risk of the various counterparties.

Key estimates and judgements

Fair value measurement of foreign currency forward contracts

The fair value of foreign currency forward contracts is measured using valuation techniques. 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 values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of these financial instruments.

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D. Financial risk and capital management

This section outlines how the Group manages exposure to financial risk and capital structure, and provides details of its balance sheet liquidity and access to financing facilities.

D1. Financial risk management

Financial risk management objectives

Exposure to credit risk, market risk (including currency risk, commodity price risk, interest rate risk, and equity price risk), and liquidity risk arises in the normal course of the Group's business.

The Group's financial risk management processes and procedures seek to minimise the potential adverse impacts that may arise from the unpredictability of financial markets.

The Group's centralised treasury department (Group Treasury) provides treasury services to the business, co-ordinates access to domestic and international financial markets, and monitors and manages liquidity. The Group's corporate function monitors financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of these risks.

Policies and procedures are reviewed periodically to reflect both changes in market conditions and changes in the nature and volume of Group activities.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Specific risk management objectives and policies are set out below.

The Group uses various methods to measure different types of risk exposures. These methods include ageing analysis for credit risk, and sensitivity analysis in the case of foreign exchange risks and equity price risk.

Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or the counterparty to a financial instrument fails to meet its contractual obligations.

	2025 $'000	2024 $'000
Maximum exposures to credit risk at balance date:		
Cash and term deposits (counterparty risk)	1,100,171	968,943
Trade receivables (customer credit risk)	61,787	50,726
Foreign currency forward contracts (counterparty risk)	16,208	8,994
	1,178,166	1,028,663

Counterparty risk

At balance date, the Group's bank accounts were held with banks with acceptable credit ratings determined by recognised credit agencies, including National Australia Bank, ANZ Bank, Westpac Bank, ASB Bank, Bank of New Zealand, HSBC Bank, Bank of China and JP Morgan Chase Bank.

Counterparties to derivative financial instruments are large banks with which the Group has existing banking relationships, with acceptable credit ratings determined by recognised credit agencies.

The Group does not have any other concentrations of counterparty credit risk.

For personal use only

D1. Financial risk management (continued)

Credit risk management (continued)

Customer credit risk

The Group's exposure to customer credit risk is influenced mainly by the individual characteristics of each customer. The majority of sales on credit are to major retailers and other significant customers with established creditworthiness and minimum levels of default. Other sales are made as cash on delivery.

New customers are analysed individually for creditworthiness, taking into account credit ratings where available, financial position, previous trading experience and other factors.

In monitoring customer credit risk, customers are assessed individually by their debtor ageing profile. Monitoring of receivable balances on an ongoing basis minimises the exposure to bad debts. Historically, bad debt write-offs have been negligible.

There are no significant credit risk concentrations within the Group as at 30 June 2025. There are no other forward-looking indicators to indicate increases in customer credit risk.

The allowance for expected credit losses is recognised based on an assessment of lifetime expected credit losses.

Ageing of trade receivables at reporting date

	2025 $'000	2024 $'000
Not past due	58,031	47,054
Past due up to 90 days	3,413	3,314
Past due 91 to 180 days	143	358
Past due 181 days to one year	200	–
More than one year	–	–
	61,787	50,726
Allowance for expected credit losses	–	–
	61,787	50,726

The average credit period on sales is 11 days (2024: 13 days). No interest is charged on trade receivables outstanding.

Movement in impairment allowance for expected credit loss

	2025 $'000	2024 $'000
Balance at beginning of year	–	45
Amount reversed to the consolidated statement of comprehensive income	–	(43)
Provisions reversed and net foreign exchange differences	–	(2)
Balance at end of year	–	–

Market risk management

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings in financial instruments. The Group's activities expose it primarily to the financial risks of change in foreign currency exchange rates to the NZ dollar, and to interest rate risk. Prices charged by manufacturers (including pricing of whole and skim milk powders) are subject to movements in commodity milk pricing. The Group's holding of a listed and unlisted investment also exposes it to equity price risk.

Market risk exposures are monitored by management on an ongoing basis and there has been no change during the year to the Group's exposure to market risks or the way it manages and measures risk.

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D1. Financial risk management (continued)

Interest risk management

The Group's main interest rate risks arise from term deposits and borrowings. Term deposits and borrowings issued at variable rates expose the Group to cash flow interest rate risk. Term deposits and borrowings at fixed rates expose the Group to fair value interest rate risk. These risks have not been hedged given the limited exposure.

Term deposits and bank borrowings are primarily with New Zealand banks, in New Zealand dollars, at New Zealand market rates.

Fixed and variable rate exposure

	2025 $'000	2024 $'000
Fixed rate instruments		
Financial assets	500,000	500,000
Financial liabilities	(77,764)	(37,890)
	422,236	462,110
Variable rate instruments		
Financial assets	409,514	318,674
	409,514	318,674

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and does not employ derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. A change in interest rates at the reporting date would not affect profit or loss for the Group.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by $4,095,000 (2024: $3,187,000). This analysis assumes all other variables remain the same.

Foreign currency risk management

The Group's exposure to foreign currency risk arises principally from its operations in China, Australia, and USA; and the resultant movements in the currencies of those countries against the NZ dollar.

The Group hedges a portion of this risk using derivative financial instruments such as foreign currency forward contracts, designated as cash flow hedges, to hedge certain highly probable foreign currency transactions. These contracts are executed by Group Treasury in accordance with the Group's Treasury Risk Policy.

The Group may also transfer cash balances from time to time between currencies to reduce exposure or to match underlying liabilities.

For personal use only

D1. Financial risk management (continued)

Foreign currency risk management (continued)

Hedging currency risk

On entering into a hedging relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they were actually highly effective throughout the financial reporting periods for which they are designated.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges, which hedge exposure to variability in cash flows of a highly probable forecasted transaction, are recognised directly in other comprehensive income and accumulated in the hedging reserve. The ineffective portion is recognised in profit or loss within other expenses. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs or until cash flows arising from the transaction are received. The amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. If the forecast transaction is no longer going to occur the item is transferred to profit or loss when hedging is discontinued.

The gross value to be received or paid and the weighted average contracted exchange rates for foreign currency forward contracts outstanding at year end are as follows:

	Carrying amount (asset)/liability			Notional amount NZ dollars		Weighted average exchange rate	
	2025 $'000	2024 $'000	Term	2025 $'000	2024 $'000	2025	2024
RMB							
Buy USD/sell RMB (non-deliverable forward)	174	(7,282)	One year or less	385,497	322,396	0.1417	0.1421
Buy USD/sell RMB (non-deliverable forward)	1,881	(27)	More than one year	166,407	2,353	0.1421	0.1426
Buy RMB/sell NZD	5,698	4,332	One year or less	182,284	167,100	0.2383	0.2337
Buy RMB/sell NZD	1,677	56	More than one year	71,867	2,371	0.2396	0.2371
USD							
Buy NZD/sell USD	(8,639)	512	One year or less	296,557	269,851	0.5960	0.6105
Buy NZD/sell USD	(4,555)	(129)	More than one year	112,814	33,386	0.5850	0.6066
AUD							
Buy NZD/sell AUD	–	(72)	One year or less	–	47,811	–	0.9098
Buy NZD/sell AUD	–	19	More than one year	–	5,480	–	0.9124
Buy EUR/sell AUD	–	(6)	One year or less	–	610	–	1.5941

The carrying amount of foreign currency forward contracts is recognised in Other financial assets (refer to Note C8) and Other financial liabilities (refer to Note C9).

The foreign currency forward contracts are considered to be highly effective hedges. There was no significant cash flow hedge ineffectiveness in the current year.

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D1. Financial risk management (continued)

Foreign currency risk management (continued)

Expressed in NZ dollars, the table below indicates exposure and sensitivity to movements in exchange rates on the pre-tax equity of the Group based on closing exchange rates as at 30 June 2025, applied to the Group's foreign currency forward contracts at 30 June 2025. Exchange rates and foreign currency forward contracts will fluctuate over the course of normal operations.

	Impact on pre-tax equity gain or (loss)	
2025	**$'000**	**$'000**
Movement on exchange rate	**+10%**	**-10%**
Chinese Yuan Renminbi	(33,941)	27,621
US Dollar	(42,636)	34,699

	Impact on pre-tax equity gain or (loss)	
2024	**$'000**	**$'000**
Movement on exchange rate	**+10%**	**-10%**
AU Dollar	(5,842)	4,553
Chinese Yuan Renminbi	(17,210)	13,270
US Dollar	(33,106)	26,276

Expressed in NZ dollars, the table below indicates exposure and sensitivity to movements in exchange rates on the profit or loss of the Group based on closing exchange rates as at 30 June, applied to the Group's unhedged financial assets/(liabilities) at 30 June. Exchange rates and assets and liabilities held in foreign currencies will fluctuate over the course of normal operations.

The analysis is performed consistently from year to year.

	Net exposure on reporting date	Impact on pre-tax profit or (loss)	
2025	**$'000**	**$'000**	**$'000**
Movement on exchange rate v NZ dollar	**–**	**+10%**	**-10%**
AU Dollar	(1,697)	(189)	154
US Dollar	92,617	10,291	(8,420)
Chinese Yuan Renminbi	(162,415)	(18,046)	14,765

	Net exposure on reporting date	Impact on pre-tax profit or (loss)	
2024	**$'000**	**$'000**	**$'000**
Movement on exchange rate v NZ dollar	**–**	**+10%**	**-10%**
AU Dollar	548	61	(50)
US Dollar	3,097	344	(282)
Chinese Yuan Renminbi	(141,485)	(15,721)	12,682

As the unhedged foreign currency denominated monetary financial instruments of the Group consist only of cash, and trade and other receivables and payables, foreign exchange movements do not have any impact on equity, other than the above-mentioned impact on profit or loss.

For personal use only

D1. Financial risk management (continued)

Foreign currency risk management (continued)

Exchange rates

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2025	**2024**	**2025**	**2024**
AU Dollar	0.9121	0.9251	0.9268	0.9152
US Dollar	0.5908	0.6068	0.6064	0.6062
Chinese Yuan Renminbi	4.2623	4.3835	4.3478	4.4059

Equity price risk

The Group is exposed to equity price risk on its listed investment classified and measured at fair value through other comprehensive income (FVOCI). This risk is not hedged.

The Group monitors this risk exposure by comparing the movement in the quoted share price of this long-term investment against movements in the S&P/NZX 50 index over the same period.

As at 30 June 2025, the exposure to the listed investment at FVOCI was $74,174,000 (2024: $9,754,000). A 10% increase or decrease in the share price of this listed investment would result in an increase or decrease of $7,417,000 (2024: $975,000) in the fair value revaluation reserve through other comprehensive income, with no effect on profit or loss.

The Group is exposed to equity price risk on its unlisted investment classified and measured at FVOCI. This risk is not hedged. The Group monitors this risk exposure by reviewing latest financial information for the public-private partnership in relation to the Group's interest.

As at 30 June 2025, the exposure to the unlisted investment at FVOCI was $2,525,000 (2024: $3,500,000). A 10% increase or decrease in the value of this unlisted investment would result in an increase or decrease of $253,000 (2024: $350,000) in the fair value revaluation reserve through other comprehensive income, with no effect on profit or loss.

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its obligations as they fall due. This risk is managed by establishing a target minimum liquidity level, ensuring that ongoing commitments are managed with respect to forecast available cash inflows.

The Group holds significant cash reserves which enable it to meet its obligations as they fall due, and to support operations in the event of unanticipated external events.

Loans and borrowings within the Group are specific to the operations of Mataura Valley Milk Limited (refer to Note D6). No other entities within the Group have borrowings (2024: $nil).

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D1. Financial risk management (continued)

Contractual maturities of financial liabilities

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements, are set out below. No interest is payable on trade and other payables.

		Contractual cash flows					
2025	**Carrying amounts $'000**	**Total $'000**	**6 months or less $'000**	**6 to 12 months $'000**	**1 to 2 years $'000**	**2 to 5 years $'000**	**More than 5 years $'000**
Non-derivative financial liabilities							
Secured bank loans	39,000	39,399	39,399	–	–	–	–
Unsecured loan from MVM's non-controlling shareholder	38,764	40,770	–	–	40,770	–	–
Lease liabilities	22,972	29,270	3,654	3,205	4,376	10,499	7,536
Trade and other payables – excluding employee entitlements and customer contract liabilities	319,205	319,205	319,205	–	–	–	–
Derivative financial liabilities							
FX hedging contracts:							
Carrying amount at fair value	12,444						
Outflow		697,203	164,771	290,600	241,832	–	–
Inflow		(684,759)	(161,532)	(284,953)	(238,274)	–	–
	432,385	441,088	365,497	8,852	48,704	10,499	7,536
2024							
Non-derivative financial liabilities							
Secured bank loans	–	–	–	–	–	–	–
Unsecured loan from MVM's non-controlling shareholder	37,890	40,872	–	–	–	40,872	–
Lease liabilities	28,330	35,532	3,566	3,560	6,687	11,650	10,069
Trade and other payables – excluding employee entitlements and customer contract liabilities	321,935	321,935	321,935	–	–	–	–
Derivative financial liabilities							
FX hedging contracts:							
Carrying amount at fair value	6,397						
Outflow		360,974	190,794	153,640	16,540	–	–
Inflow		(354,577)	(186,977)	(151,235)	(16,365)	–	–
	394,552	404,736	329,318	5,965	6,862	52,522	10,069

For personal use only

D1. Financial risk management (continued)

Change in liabilities arising from financing activities

	30 June 2024 $'000	Cash flow $'000	Non-cash $'000	30 June 2025 $'000
Secured bank loans	–	39,000	–	39,000
Unsecured loan from MVM's non-controlling shareholder	37,890	–	874	38,764
Lease liabilities	28,330	(7,554)	2,196	22,972
	66,220	31,446	3,070	100,736

Carrying amounts versus fair value

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

		2025		2024	
	Hierarchy level	Carrying amount $'000	Fair Value $'000	Carrying amount $'000	Fair Value $'000
Cash and term deposits		1,100,171	1,100,171	968,943	968,943
Trade and other receivables		92,246	92,246	78,070	78,070
Foreign currency forward contract assets	2	16,208	16,208	8,994	8,994
Listed investment	1	74,174	74,174	9,754	9,754
Unlisted investment	3	2,525	2,525	3,500	3,500
Secured bank loans	2	(39,000)	(38,853)	–	–
Unsecured loan from MVM's non-controlling shareholder	2	(38,764)	(37,164)	(37,890)	(33,367)
Trade and other payables – excluding employee entitlements and customer contract liabilities		(319,205)	(319,205)	(321,935)	(321,935)
Foreign currency forward contract liabilities	2	(12,444)	(12,444)	(6,397)	(6,397)
		875,911	877,658	703,039	707,562

Fair value hierarchy

Financial instruments carried at fair value are classified by valuation method based on the following hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within 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).

Carrying amount (equalling fair value) is applied consistently in the current and prior year to assets and liabilities not recognised in the consolidated statement of financial position at fair value.

Estimation of fair value

The following methods and assumptions are used in estimating the fair values of financial instruments:

- Listed investment – closing share price on NZX.
- Unlisted investment – latest financial information from the public-private partnership.
- Foreign currency forward contracts – calculated by reference to current forward exchange rates for contracts with similar maturity profiles, adjusted to reflect the credit risk of the various counterparties.
- Loans and borrowings – present value of future principal and interest cash flow, discounted at the market rate of interest at the reporting date.
- Cash and term deposits, trade and other receivables and payables – carrying amount approximates fair value.

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D2. Capital management

The Group's objective when managing its capital is to safeguard the Group's ability to continue as a going concern and to generate long-term value for stakeholders. The Group is not subject to externally imposed capital requirements, and currently has no debt, other than loans and borrowings specific to Mataura Valley Milk Limited (refer to Note D6).

The Board continuously assesses its capital position in order to deliver the optimum structure to drive shareholder returns in line with the Company's strategy and capital allocation framework.

In November 2024, the Company announced the establishment of a dividend policy that targets a payout ratio range between 60% and 80% of normalised net profit after tax. Subsequently, the Company announced its first interim dividend of 8.5 cents per ordinary share in February 2025 which was paid to shareholders in April 2025. This represented a payout ratio of approximately 67% of net profit after tax, equating to approximately $61.5 million, and was fully imputed and fully franked.

On 18 August 2025, the Company announced a final dividend of 11.5 cents per ordinary share partially imputed at 78.22% and fully franked, representing a payout ratio of approximately 75%, equating to approximately $83.4 million, to be paid on 3 October 2025.

The total dividends announced by the Company relating to the year-ended 30 June 2025 were 20.0 cents per ordinary share representing a total payout ratio of approximately 71% which equates to approximately $145 million being returned to shareholders.

On an ongoing basis, dividends are expected to be paid on a semi-annual basis each year at a level consistent with the payout ratio range.

In determining future dividends, a number of factors will be taken into consideration, including market conditions, current and future earnings, cash flows, capital requirements and the Company's financial position.

The Company intends to impute and frank dividends to the maximum extent possible subject to available credits, noting that imputation credits are limited.

As the Company continues to execute its strategy and risk evolves, the Board will continue to regularly assess the Group's balance sheet position when considering how to deliver the optimum structure to enhance shareholder value in line with the Company's strategy and capital allocation framework.

D3. Cash and term deposits

	2025 $'000	2024 $'000
Cash at banks and on hand	190,657	150,269
Short-term deposits	409,514	368,674
Cash and short-term deposits	600,171	518,943
Other current term deposits	500,000	450,000
Cash and term deposits	1,100,171	968,943

Expressed in NZ dollars, cash and term deposits comprises of the following foreign currencies:

	2025 $'000	2024 $'000
AU dollars	12,115	10,953
US dollars	66,438	38,099
Chinese Yuan Renminbi	95,162	84,498

For personal use only

D3. Cash and term deposits (continued)

Bank balances and cash comprise cash held by the Group. Cash and short-term deposits earn interest at floating rates based on daily bank deposit rates. The carrying value of cash assets and term deposits approximates their fair value.

Other current term deposits comprise term deposits with a maturity greater than three months and less than 12 months, having an average maturity of seven months and a weighted average interest rate of 4.22% per annum.

Term deposits are presented as cash equivalents in the consolidated statement of cash flows if they have a maturity of less than three months and are readily convertible to known amounts of cash with no significant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2025 $'000	2024 $'000
Cash at banks and on hand	190,657	150,269
Short-term deposits	409,514	368,674
Cash and short-term deposits	600,171	518,943

D4. Cash flow information

Reconciliation of after tax profit with net cash flows from operating activities:

	2025 $'000	2024 $'000
Net profit for the year	192,091	153,882
Adjustments for non-cash items:		
Depreciation and amortisation	26,338	32,199
Share-based payments	13,545	10,727
Net foreign exchange (gain)/loss	(2,821)	2,766
Gain on termination of leases	(53)	(229)
Loss on disposal of software	–	60
Changes in working capital:		
Trade and other receivables	(14,176)	1,146
Prepayments	(55,977)	(6,863)
Inventories	40,535	13,792
Trade and other payables	6,542	40,221
Tax balances	(4,547)	8,043
Net cash inflow from operating activities	201,477	255,744

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D5. Leases

Group as lessee

The Group has entered into leases for office and industrial premises, motor vehicles and plant and equipment. There are no financial restrictions placed upon Group entities by entering into these leases. The Group has the option, under some leases, to lease the assets for additional terms. All lease contracts with options to renew contain market review clauses in the event that an option to renew is exercised.

Right-of-use assets

Carrying amounts of right-of-use assets recognised and movements during the period:

2025	Leased property $'000	Office & computer $'000	Plant & equipment $'000	Total $'000
Carrying amount 1 July 2024	15,319	14	10,588	25,921
Additions	2,268	162	326	2,756
Modifications	(1,521)	–	–	(1,521)
Disposals	(436)	–	(392)	(828)
Depreciation	(4,599)	(32)	(1,504)	(6,135)
Net foreign currency exchange differences	40	(4)	(3)	33
Carrying amount 30 June 2025	11,071	140	9,015	20,226
Cost	32,183	346	12,742	45,271
Accumulated depreciation	(21,112)	(206)	(3,727)	(25,045)
Carrying amount 30 June 2025	11,071	140	9,015	20,226

2024	Leased property $'000	Office & computer $'000	Plant & equipment $'000	Total $'000
Carrying amount 1 July 2023	16,471	56	822	17,349
Additions	2,981	–	10,829	13,810
Depreciation	(4,195)	(41)	(1,067)	(5,303)
Net foreign currency exchange differences	62	(1)	4	65
Carrying amount 30 June 2024	15,319	14	10,588	25,921
Cost	31,832	188	12,811	44,831
Accumulated depreciation	(16,513)	(174)	(2,223)	(18,910)
Carrying amount 30 June 2024	15,319	14	10,588	25,921

For personal use only

D5. Leases (continued)

Group as lessee (continued)

Lease liabilities

Carrying amounts of lease liabilities and movements during the period:

	2025 $'000	2024 $'000
Balance at beginning of the year	28,330	19,490
Additions	2,756	13,810
Modifications	(1,521)	–
Disposals	(828)	–
Gain on termination of lease	(53)	(229)
Accretion of interest	1,821	1,493
Payments	(7,554)	(6,302)
Net foreign currency exchange differences	21	68
Balance at end of the year	22,972	28,330
Current	5,369	5,598
Non-current	17,603	22,732
	22,972	28,330

Amounts recognised in profit or loss

	2025 $'000	2024 $'000
Depreciation expense – right-of-use assets	6,135	5,303
Interest expense – lease liabilities	1,821	1,493
Expenses relating to short-term leases (included in administrative and other expenses)	745	772
Expenses relating to low-value assets (included in administrative and other expenses)	17	4
Total amount recognised in profit or loss	8,718	7,572

Cash flows for leases

	2025 $'000	2024 $'000
Total cash outflows:		
Lease interest	1,821	1,493
Payment of lease principal	5,733	4,809
	7,554	6,302
Non-cash additions to right-of-use assets and lease liabilities	2,756	13,810

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D5. Leases (continued)

Recognition and measurement

A right-of-use asset and a lease liability are recognised at the lease commencement date.

The right-of-use asset is initially measured at cost, and subsequently at cost, less accumulated depreciation as the asset is written off over the term of the lease, impairment losses, and any adjustments for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments payable from the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised.

Key estimates and judgements

Determination of the lease term

Judgement is applied to determine the lease term for those lease contracts that include renewal or termination options. This assessment impacts the lease term, which may significantly affect the amount of lease liabilities and right-of-use assets recognised.

In determining the lease term consideration is given to all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Group as lessor

Refer to Note C6: Investment property.

For personal use only

D6. Loans and borrowings

	2025 $'000	2024 $'000
Current		
Secured:		
Bank loans	39,000	–
	39,000	–
Non-current		
Unsecured:		
Loan from MVM's non-controlling shareholder	38,764	37,890
	38,764	37,890

All of the loans and borrowings are specific to Mataura Valley Milk Limited (MVM) and are interest bearing.

The average interest rate applicable at 30 June 2025 for the current bank loans was 4.09%.

Finance facilities available to MVM:

- Total bank debt facilities of $45 million (30 June 2024: $45 million), of which $39 million was drawn as at 30 June 2025 (30 June 2024: undrawn).
- A performance guarantee facility of $10 million, fully drawn as at 30 June 2025 (30 June 2024: $10 million, fully drawn).

The bank loans are secured against MVM's property at Pease Street, Gore, New Zealand, and are subject to compliance with financial covenants requiring the maintenance of specified financial ratios, related solely to MVM. All borrowing covenant ratios and limits have been complied with as at 30 June 2025.

The unsecured subordinated loan is provided by MVM's non-controlling shareholder. The non-current loan has an initial term through to FY27, to be repaid thereafter at a time to be agreed by the shareholder lenders. The interest rate applicable as at 30 June 2025 was 2.56% (30 June 2024: 2.56%).

Other Group entities have access to bank guarantee facilities totalling $1,154,000 of which $907,000 was drawn as at 30 June 2025 (30 June 2024: $1,206,000 of which $457,000 was drawn).

Recognition and measurement

Interest bearing loans and borrowings are initially recognised at fair value at transaction date, less directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D7. Share capital

	2025		2024	
	Number of shares	Share capital $'000	Number of shares	Share capital $'000
Movements in contributed equity:				
Fully paid ordinary shares:				
Balance at beginning of year	722,934,808	100	721,976,214	100
Movements in the period:				
Vesting of performance rights	1,084,310	–	958,594	–
	1,084,310	–	958,594	–
Balance at end of year	724,019,118	100	722,934,808	100

Holders of fully paid ordinary shares are entitled to receive dividends as may be paid from time to time and are entitled to one vote per share at shareholders' meetings.

The Company does not have authorised capital or par value in respect of its issued shares.

For personal use only

D8. Dividends

Dividends paid during the year are as follows:

	2025	2024
Interim dividend		
Total paid $'000	61,542	–
Cents per ordinary share	8.50	–
Imputation		
Imputation percentage	100%	–
Imputation credit – cents per ordinary share	3.31	–
Franking		
Franking percentage	100%	–
Franking credit – cents per ordinary share	3.64	–
Key dates		
Ex-dividend date	20 March 2025	–
Record date	21 March 2025	–
Payment date	4 April 2025	–

Since the end of the year, the Directors have approved the payment of a final dividend amounting to approximately $83.4 million, proposed out of retained earnings, but not recognised as a liability at 30 June 2025.

Final dividend	
Cents per ordinary share	11.50
Imputation	
Imputation percentage	78.22%
Imputation credit – cents per ordinary share	3.50
Franking	
Franking percentage	100%
Franking credit – cents per ordinary share	4.93
Key dates	
Ex-dividend date	18 September 2025
Record date	19 September 2025
Payment date	3 October 2025

Financial risk and capital management

for the year ended 30 June 2025

For personal use only

D9. Nature and purpose of reserves

Employee equity settled payments reserve

The employee equity settled payments reserve is used to record the value of share-based payments provided to employees and contractors, including key management personnel.

Fair value revaluation reserve

The fair value revaluation reserve is used to record movements in the fair value of listed and unlisted investments classified as financial assets measured at fair value through other comprehensive income.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

Treasury shares reserve

The treasury shares reserve comprises the cost, net of any tax effects, of the Company's shares purchased and held by the trustee of the a2MC Group Employee Share Trust to be available solely for participants in Group employee share plans. When treasury shares subsequently vest to employees under employee share plans, the carrying value of the vested shares is transferred to the employee equity settled payments reserve.

	2025		2024	
	Number of shares	$'000	Number of shares	$'000
Movements in treasury shares reserve:				
Balance at beginning of year	1,307,576	8,706	2,042,948	13,602
Movements in the period:				
Vesting of performance rights	(799,528)	(5,323)	(735,372)	(4,896)
	(799,528)	(5,323)	(735,372)	(4,896)
Balance at end of year	508,048	3,383	1,307,576	8,706

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss when the associated hedged transactions are recognised in profit or loss.

Movements on these reserve accounts are set out in the consolidated statement of changes in equity.

For personal use only

D10. Capital expenditure commitments

	2025 $'000	2024 $'000
Contracted but not yet provided for and payable		
Property, plant and equipment	1,747	6,545

D11. Contingent liabilities

The Company is the defendant in a group proceeding in the Supreme Court of Victoria, jointly conducted by Slater & Gordon Lawyers and Shine Lawyers (the Australian Proceedings). The Australian Proceedings, now consolidated, were commenced in October and November 2021 respectively. The Australian Proceedings relate to the period from 19 August 2020 to 9 May 2021 inclusive (Relevant Period) and makes allegations that the Company engaged in misleading and deceptive conduct and breached its disclosure obligations by failing to disclose certain information to the market. The claim is said to be brought on behalf of shareholders who acquired an interest in fully paid ordinary shares in the Company: (1) during the Relevant Period; or (2) prior to 19 August 2020 and retained those shares until a date after 28 September 2020.

The claim makes allegations under both Australian and New Zealand law. On 28 November 2022, the Supreme Court of Victoria ruled that it has jurisdiction to hear and determine the claims brought under New Zealand law.

On 18 May 2022, the Company announced that a representative proceeding had been filed in the High Court of New Zealand which names the Company as the defendant (the New Zealand Proceeding). The New Zealand Proceeding, filed by Thorn Law and funded by CHC Investment Fund III Pty Limited relates to the same period (19 August 2020 to 9 May 2021) and makes allegations under New Zealand law only which are substantially the same as those advanced in the Australian Proceedings. On 28 April 2025 the Company was notified that Hamilton Locke (NZ) Limited became solicitor on the record in the New Zealand Proceedings. The claim is commenced on behalf of group members who acquired an interest in ordinary shares in the Company on the ASX and/or the NZSX: (1) during the Relevant Period; and (2) prior to the Relevant Period and continued to hold some or all of those shares for part or all of the Relevant Period; and (3) those who fall into both categories (1) and (2).

The Company filed an interlocutory application for a stay of the New Zealand Proceeding under the *Trans-Tasman Proceedings Act 2010* (NZ) on 23 June 2022. On 23 January 2023, the Auckland High Court granted the Company's application for a stay of the New Zealand Proceeding, pending judgment on liability or a final settlement of the Australian Proceedings, whichever occurs first.

The Company filed its defence in the Australian Proceedings on 8 November 2022 and, in response to an amended pleading filed on 14 March 2024, an amended defence on 10 April 2024. The Company has not filed a defence in the New Zealand Proceeding, which is stayed.

The plaintiffs and the Company are to file their evidence in the Australian Proceedings during 2025 and early 2026 and the matter has been listed for a further case management conference on 29 August 2025. A trial has been set for a period of seven weeks commencing on 2 June 2026.

The Company considers that it has at all times complied with its disclosure obligations and has no present obligation in relation to this claim, denies any liability and will vigorously defend the proceedings.

The claims of group members have not yet been and are not required to be quantified. Based on the current status of the Australian Proceedings and the New Zealand Proceeding, it is not practicable to provide: (a) an estimate of the financial effect; (b) an indication of the uncertainties relating to the amount or timing of any outflow; or (c) the possibility of any reimbursement.

Group structure

for the year ended 30 June 2025

For personal use only

E. Group structure

This section provides details of the Group structure and the entities included in the consolidated financial statements.

E1. Consolidated entities

Details of the Company's subsidiaries at 30 June 2025 are as follows:

	Parties to Deed of Cross Guarantee (note E2)[1]	Principal place of business	Proportion of ownership interest	
			2025	2024
Parent entity:				
The a2 Milk Company Limited	✓	New Zealand	–	–
Subsidiaries:				
The a2 Milk Company (Export) Limited	–	New Zealand	100%	100%
a2 Holdings UK Limited	–	New Zealand	100%	100%
a2 Infant Nutrition Limited	✓[2]	New Zealand	100%	100%
The a2 Milk Company (New Zealand) Limited	–	New Zealand	100%	100%
Mataura Valley Milk Limited	–	New Zealand	75%	75%
a2 Australian Investments Pty. Limited	✓	Australia	100%	100%
a2 Botany Pty Ltd[3]	–	Australia	100%	100%
The a2 Milk Company (Australia) Pty Ltd	✓	Australia	100%	100%
a2 Exports Australia Pty Limited	✓	Australia	100%	100%
a2 Infant Nutrition Australia Pty Ltd	✓	Australia	100%	100%
The a2 Milk Company (Nutrition) Pty Ltd	✓	Australia	100%	100%
a2MC Group Employee Share Trust	–	Australia	100%	100%
a2 ESS Holdings Pty Limited	–	Australia	100%	100%
The a2 Milk Company LLC	–	USA	100%	100%
The a2 Milk Company	–	USA	100%	100%
The a2 Milk Company Limited	–	Canada	100%	100%
a2 Infant Nutrition (Shanghai) Co., Ltd	–	China	100%	100%
The a2 Milk Company (Shanghai) Limited	–	China	100%	100%
The a2 Milk Company (Singapore) Pte. Ltd	–	Singapore	100%	100%

1 Each party to the Deed of Cross Guarantee is a member of the 'closed group' under the *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.
2 a2 Infant Nutrition Limited is the subject of an ASIC declaration under section 601 CK(7) of the *Corporations Act 2001* (Cth, Australia), providing relief from the requirement to prepare and lodge an audited financial report in Australia.
3 a2 Botany Pty Ltd was deregistered on 2 July 2025.

There were no entities over which the Company gained or lost control during the year.

All subsidiaries have a balance date of 30 June, except for The a2 Milk Company LLC, a2 Infant Nutrition (Shanghai) Co., Ltd and The a2 Milk Company (Shanghai) Limited which have a balance date of 31 December.

For personal use only

E1. Consolidated entities (continued)

Recognition and measurement

Subsidiaries

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

Transactions eliminated on consolidation

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in preparing the consolidated financial statements.

E2. Deed of cross guarantee

Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785,* the Australian-incorporated wholly owned subsidiaries listed in Note E1 as parties to the Deed of Cross Guarantee are eligible for relief from the *Corporations Act 2001* (Cth, Australia) requirements for preparation, audit and lodgement of financial reports and directors' reports in Australia.

It is a condition of the ASIC Corporations Instrument that the Company and each of the subsidiaries listed enter into a Deed of Cross Guarantee. The effect of the Deed is that each party guarantees to each creditor of each other party payment in full of any debt in the event of winding up of the other party under certain provisions of the *Corporations Act 2001* (Cth, Australia). If a winding up occurs under other provisions of the Act, the guarantee will only apply if after six months after a resolution or order for winding up any creditor has not been paid in full.

A consolidated statement of comprehensive income and a consolidated statement of financial position, comprising the Company and controlled entities which are parties to the Deed of Cross Guarantee (each party being a member of the closed group as listed in Note E1), after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2025, are set out as follows:

Consolidated statement of comprehensive income and retained earnings for the year ended 30 June 2025

	2025 $'000	2024 $'000
Revenue	1,655,044	1,493,807
Expenses	(1,382,434)	(1,253,516)
Finance income (net)	54,026	49,469
Profit before tax	326,636	289,760
Income tax expense	(83,614)	(73,868)
Profit after tax	243,022	215,892
Other comprehensive income	(3,860)	(1,415)
Total comprehensive income for the year	239,162	214,477
Retained earnings at beginning of the year	1,633,008	1,417,116
Dividends paid	(61,542)	–
Transfers to and from reserves	3,860	1,415
Retained earnings at end of year	1,814,488	1,633,008

Group structure

for the year ended 30 June 2025

For personal use only

E2. Deed of cross guarantee (continued)

Consolidated statement of financial position as at 30 June 2025

	2025 $'000	2024 $'000
Assets		
Current assets		
Cash and term deposits	989,759	859,293
Trade and other receivables	146,548	137,173
Prepayments	106,985	49,488
Inventories	78,342	148,826
Other financial assets	9,976	8,243
Total current assets	1,331,610	1,203,023
Non-current assets		
Property, plant and equipment	19,378	22,201
Right-of-use assets	8,659	10,540
Investment property	34,182	30,845
Intangible assets	18,961	20,050
Other financial assets	793,828	751,765
Deferred tax assets	15,576	25,986
Total non-current assets	890,584	861,387
Total assets	2,222,194	2,064,410
Liabilities		
Current liabilities		
Trade and other payables	286,742	303,763
Lease liabilities	2,013	2,055
Other financial liabilities	8,145	10,363
Income tax payable	30,763	48,746
Total current liabilities	327,663	364,927
Non-current liabilities		
Trade and other payables	662	532
Lease liabilities	8,165	9,892
Other financial liabilities	4,262	74
Total non-current liabilities	13,089	10,498
Total liabilities	340,752	375,425
Net assets	1,881,442	1,688,985
Equity		
Share capital	100	100
Retained earnings	1,814,488	1,633,008
Reserves	66,854	55,877
Total equity	1,881,442	1,688,985

Other disclosures

for the year ended 30 June 2025

For personal use only

F. Other disclosures

F1. Related party transactions

Ultimate Parent

The a2 Milk Company Limited is the parent of the Group. The Group consists of The a2 Milk Company Limited and its subsidiaries as listed in Note E1.

Key management personnel

Key management personnel are defined as those persons having significant authority and responsibility for planning, directing and controlling the activities of the Group, and includes the directors, and a number of senior executives.

Key management personnel compensation:

	2025 $'000	2024 $'000
Short-term employee benefits	10,811	9,736
Share-based payments	5,848	4,783
	16,659	14,519

Other than non-executive directors, key management personnel in FY25 include the following senior executives:

- Managing Director and CEO
- Chief Financial Officer
- Chief Executive Officer, Greater China

Transactions with key management personnel and their related parties

During the year there were no related party transactions with key management personnel or their related parties (2024: $nil).

Loans to key management personnel and their related parties

No loans were outstanding or made to key management personnel and their related parties at any time during the 2025 and 2024 financial years.

Other disclosures

for the year ended 30 June 2025

For personal use only

F2. Share-based payments

Long-term incentives (LTI)

The LTI plan is designed to retain and motivate senior management to achieve the Group's long-term strategic goals by providing rewards that align the interests of management with shareholders.

During the period the Board authorised the issue of 2,361,975 performance rights to senior management under the LTI plan.

The performance rights vest subject to:

- Continuing employment; and
- Achieving the following performance hurdles over the performance periods:

			Revenue CAGR hurdles		
Performance rights grants:	**Performance period**	**EPS CAGR**	**50% vest**	**85% vest**	**100% vest**
FY25 plan					
2,361,975 rights	3 years to 30 June 2027	10%	4%	6%	8%

Both the minimum EPS CAGR (compound annual growth in diluted earnings per ordinary share) and minimum Revenue CAGR (compound annual growth in total external revenue) must be achieved for any vesting of performance rights. The minimum vesting proportion is 50%; thereafter, vesting is on a straight-line basis between 50% and 85% vesting and between 85% and 100% vesting.

EPS CAGR and Revenue CAGR are derived from the Annual Report of the Company for the relevant financial years and are subject to adjustment to remove the impact of such items as the Board may determine in its absolute discretion to normalise results (up or down) to more appropriately reflect underlying performance. Without limitation, adjustments may be made to exclude the impact of unusual or one-off items, discontinued operations, impairment charges, acquisitions and disposals, and capital management.

No amount is payable upon vesting of the performance rights and conversion to shares. Each exercised right is an entitlement to one fully paid ordinary share in the Company.

Fair value of performance rights

The fair value of services received in return for performance rights granted to employees is measured by reference to the fair value of the rights granted. The estimate of the fair value of the services received is measured by reference to the vesting conditions specific to the grant based on a simplified Black-Scholes option pricing model.

Fair value of performance rights granted during the period and assumptions

Grant date	**4 Oct 24**	**9 Dec 24**	**24 Feb 25**
Fair value at measurement date	$6.90	$5.72	$7.74
Share price at grant date	$6.90	$6.23	$8.39
Performance rights life	2.9 years	2.7 years	2.5 years

For personal use only

F2. Share-based payments (continued)

Performance rights granted in previous years

The performance hurdles of performance rights issued in previous years are set out below.

The performance rights vest subject to:

- Continuing employment; and
- Achieving the following performance hurdles over the performance periods:

			Revenue CAGR hurdles		
Performance rights grants:	**Performance period**	**EPS CAGR**	**50% vest**	**85% vest**	**100% vest**
FY23 plan	3 years to 30 June 2025	10%	6%	8%	10%
FY24 plan	3 years to 30 June 2026	10%	4%	6%	8%

Both the minimum EPS CAGR (compound annual growth in diluted earnings per ordinary share) and minimum Revenue CAGR (compound annual growth in total external revenue) must be achieved for any vesting of performance rights. The minimum vesting proportion is 50%; thereafter, vesting is on a straight-line basis between 50% and 85% vesting and between 85% and 100% vesting.

EPS CAGR and Revenue CAGR are derived from the annual report of the Company for the relevant financial years and are subject to adjustment to remove the impact of such items as the Board may determine in its absolute discretion to normalise results (up or down) to more appropriately reflect underlying performance. Without limitation, adjustments may be made to exclude the impact of unusual or one-off items, discontinued operations, impairment charges, acquisitions and disposals, and capital management.

No amount is payable upon vesting of the performance rights and conversion to shares. Each exercised right is an entitlement to one fully paid ordinary share in the Company.

The weighted average fair value at grant date for current year grants was $6.63 (2024: $4.24) and for previous years' grants was $5.02 (2024: $6.65).

LTI outstanding as at 30 June 2025	**Number**	**Grant Dates**	**Vesting Dates**	**Expiry Dates**
Performance rights – FY23 grants	1,980,299	30 Sep 22 6 Dec 22 13 Jun 23	18 Aug 25	18 May 26
Performance rights – FY24 grants	2,893,461	1 Nov 23 15 Dec 23	17 Aug 26	17 May 27
Performance rights – FY25 grants	2,326,875	4 Oct 24 9 Dec 24 24 Feb 25	16 Aug 27	16 May 28
	7,200,635			

Other disclosures

for the year ended 30 June 2025

For personal use only

F2. Share-based payments (continued)

Performance rights movements:	Number 2025	Number 2024
Outstanding at the beginning of the year	6,884,688	6,094,509
Forfeited during the period	(91,116)	(532,449)
Granted during the period	2,361,975	3,069,769
Vested during the period	(1,954,912)	(1,747,141)
Outstanding at the end of the year	7,200,635	6,884,688

The weighted average remaining contractual life of performance rights is 1.2 years (2024: 1.3 years).

Amounts recognised in the consolidated statement of comprehensive income

During the year ended 30 June 2025, a $13,545,000 expense was recognised in the consolidated statement of comprehensive income for equity–settled share-based payment awards (2024: $10,727,000).

Recognition and measurement

The grant date fair value of share-based payment awards made to employees is recognised as an employee expense with a corresponding increase in the employee equity settled payments reserve, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted over the period to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met but is not adjusted when market performance conditions are not met.

F3. Auditor's remuneration

The auditor of the Company is Ernst & Young Australia.

Amounts received or due and receivable by Ernst & Young for:	2025 $'000	2024 $'000
Fees to Ernst & Young (Australia):		
Fees for auditing the statutory financial statements of the parent covering the Group and auditing the statutory financial statements of any controlled entities	1,580	1,502
Total audit of financial statements	1,580	1,502
Other assurance services and other agreed-upon procedures:		
Fees for other assurance and agreed-upon services	285	224
Total other assurance services and other agreed-upon procedures	285	224
Other services:		
Market research[1]	–	156
Total other services	–	156
Total fees for services other than the audit of financial statements	285	380
Total fees for services provided by Ernst & Young (Australia)	1,865	1,882

1 The market research reports prepared are solely for the Group's internal use and contents of these reports are not subject to Ernst & Young audit.

For personal use only

F4. Subsequent events

Approval of final dividend

The directors approved the payment of a final dividend of 11.5 cents per share, amounting to approximately $83.4 million. Refer to Note D8 for details.

Acquisition of Yashili New Zealand Dairy Co., Limited (YNZ)

On 17 August 2025, the Company entered into a binding agreement to acquire 100% of the shares in YNZ, an integrated nutritional manufacturing facility located in Pokeno, New Zealand. The Company expects the acquisition to provide greater market access to the China Label infant milk formula (IMF) market, strategic control over IMF manufacturing and enhanced product development capability and capacity.

Total expected consideration for the acquisition is $282 million, which is subject to a working capital and net debt adjustment mechanism following completion.

The transaction is unconditional and is expected to complete on 1 September 2025.

Following completion, the Company intends to seek regulatory amendments to YNZ's two existing China label IMF registrations from China's State Administration for Market Regulation (SAMR). If these regulatory amendments are not approved within up to 12 months from submission, the Company has the right (but not the obligation) to unwind the transaction with the purchase consideration returned to the Company subject to working capital and other adjustments.

Disposal of Mataura Valley Milk Limited (MVM)

On 17 August 2025, the Company entered into an agreement to dispose of its 75% controlling interest in MVM, the Group's nutritional products manufacturing facility, which forms the MVM operating segment. As part of the same transaction, China Animal Husbandry Group (CAHG) will also dispose of its 25% minority shareholding in MVM.

The Company's decision to dispose of MVM was contingent on and consequential to the Company's acquisition of YNZ and is expected to optimise the Company's asset base and capacity utilisation.

The disposal of the Company's and CAHG's interests in MVM is conditional on CAHG completing the regulatory filing with China's State-owned Assets Supervision and Administration Commission (SASAC) required in connection with the disposal of its shareholding. The transaction will complete once CAHG has completed the regulatory filing, which needs to be completed by 31 October 2025 unless such timing is extended unilaterally by the purchaser by one month to 30 November 2025.

The Company expects to receive approximately $100 million in purchase consideration for its 75% shareholding, with an expected loss on sale of approximately $130 million. These amounts are provisional and are subject to various working capital and other post-closing adjustments.

Other matters

Other than the events noted above, no other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, the results of these operations or state of affairs of the Group in subsequent periods.

Company disclosures

for the year ended 30 June 2025

For personal use only

1. Principal activities

There were no significant changes to the nature of the business of the Company (or its subsidiaries) or to the classes of business in which the Company (or its subsidiaries) had an interest during the year ended 30 June 2025.

2. Reconciliation of EBITDA to net profit after tax

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure. However, the Company believes that it provides investors with a comprehensive understanding of the underlying performance of the business.

	2025 $'000	2024 $'000
EBITDA	274,348	234,344
Depreciation and amortisation	(26,338)	(32,199)
EBIT	**248,010**	**202,145**
Interest income	45,457	40,396
Interest expense	(4,215)	(4,401)
Income tax expense	(97,161)	(84,258)
Net profit after tax	**192,091**	**153,882**
Attributable to:		
Owners of the Company	202,889	167,577
Non-controlling interests	(10,798)	(13,695)
	192,091	**153,882**

3. Substantial product holders

The shares of the Company are quoted on NZX, ASX and Cboe Australia. According to substantial product holder notices and the Company's records, the following persons were substantial product holders in respect of the ordinary shares of the Company as at 30 June 2025 (such disclosure being required by the Financial Markets Conduct Act 2013 (NZ)) and as at 1 August 2025 (such disclosure being required by the ASX Listing Rules):

	As at 30 June 2025		As at 1 August 2025	
Name	**Number of ordinary shares in the Company in which a Relevant Interest is held**	**% of ordinary shares held[1]**	**Number of ordinary shares in the Company in which a Relevant Interest is held**	**% of ordinary shares held[1]**
Perpetual Limited and subsidiaries	42,242,084	5.834	42,242,084	5.834

1 Based on issue share capital of 724,019,118 as at 30 June 2025 and 1 August 2025.

The total number of voting shares on issue as at 30 June 2025 was 724,019,118 and the total number of voting shares on issue as at 1 August 2025 was 724,019,118.

For personal use only

4. Voting rights

As at 1 August 2025, each fully paid ordinary share of the Company gave the holder the right to cast one vote per shareholder on a show of hands and one vote per share on a poll on any resolution. All votes cast at shareholder meetings are by way of poll.

5. Twenty largest fully paid equity security holders

The names of the 20 largest holders of ordinary shares in the Company as at 1 August 2025 are listed below:

Rank	Investor name	Number of shares	% Issued capital
1	HSBC Custody Nominees (Australia) Limited	169,027,427	23.35
2	Citicorp Nominees Pty Limited	88,042,263	12.16
3	J P Morgan Nominees Australia Pty Limited	87,912,349	12.14
4	Bnp Paribas Nominees NZ Limited Bpss40*	39,982,769	5.52
5	Accident Compensation Corporation*	19,325,269	2.67
6	Tea Custodians Limited*	18,622,668	2.57
7	HSBC Nominees (New Zealand) Limited*	17,837,054	2.46
8	New Zealand Superannuation Fund Nominees Limited*	13,448,326	1.86
9	National Nominees Limited	12,571,092	1.74
10	New Zealand Depository Nominee	11,915,919	1.65
11	Citibank Nominees (Nz) Ltd*	10,629,794	1.47
12	Bnp Paribas Noms Pty Ltd	10,287,073	1.42
13	Bnp Paribas Nominees Pty Ltd	9,139,860	1.26
14	Public Trust*	8,352,117	1.15
15	Premier Nominees Limited*	7,744,463	1.07
16	New Zealand Permanent Trustees Limited*	6,003,926	0.83
17	UBS Nominees Pty Ltd	5,936,820	0.82
18	JBWERE (Nz) Nominees Limited	5,815,699	0.80
19	Pt Booster Investments Nominees Limited	5,688,233	0.79
20	HSBC Custody Nominees (Australia) Limited	5,169,658	0.71
	Total	**553,452,779**	**76.44**

* These shares are held through New Zealand Central Securities Depository Limited (NZCSD), a depository system which allows electronic trading of securities to members.

Company disclosures

for the year ended 30 June 2025

For personal use only

6. Spread of security holders as at 1 August 2025 and number of holders

a) Fully paid ordinary shareholders

Size of Shareholding	Number of holders	%[1]	Number of shares	%
1 – 1,000	38,683	69.55	12,915,001	1.78
1,001 – 5,000	12,764	22.95	30,938,393	4.27
5,001 – 10,000	2,389	4.30	17,806,744	2.46
10,001 – 100,000	1,662	2.99	40,663,975	5.62
100,001 shares or more	124	0.22	621,695,005	85.87
Total	**55,622**	**100**	**724,019,118**	**100**

1 All values subject to rounding.

As at 1 August 2025, and based on the closing market price on that date, the number of holders with 115 or less ordinary shares (being less than a minimum holding of NZ$1,000 under the NZX Listing Rules) was 1,066 and the number of holders with 63 or less ordinary shares (being less than a marketable parcel of A$500 under the ASX Listing Rules) was 4,656.

b) Performance rights (unlisted securities not quoted by the NZX or ASX)

Size of holding	Number of holders	Number of rights	%
1 – 5,000	3	5,824	0.08
5,001 – 10,000	7	54,872	0.76
10,001 – 100,000	40	1,175,756	16.33
100,001 performance rights or more	18	5,964,183	82.83
Total	**68**	**7,200,635**	**100**

For personal use only

7. Directors' relevant interests and share dealings

Directors of the Company reported the following acquisitions and disposals of relevant interests in financial products of the Company during the period 1 July 2024 to 30 June 2025:

Registered holder	Beneficial/ Non-beneficial	Acquired/ (Disposed)	Class of financial product	Date	Consideration paid/(received) NZD
David Bortolussi					
DMZSK Pty Ltd[1]	Beneficial	(490,906)	Performance Rights	30 August 2024	N/A
DMZSK Pty Ltd[1]	Beneficial	490,906	Ordinary shares	30 August 2024	N/A
DMZSK Super Pty Ltd	Beneficial	538,336	Performance Rights	9 December 2024	N/A

1 Reflects the issue of ordinary shares to David Bortolussi following the vesting and automatic exercise of performance rights.

Directors of the Company as at 30 June 2025 held the following relevant interests in the financial products of the Company as at that date:[1]

Registered holder	Beneficial/ Non-beneficial	Balance held No.	Class of financial product
David Bortolussi			
DMZSK Pty Ltd as trustee of D&M Bortolussi Family Trust	Beneficial	1,280,766	Ordinary shares
DMZSK Super Pty Ltd as trustee for D&M Bortolussi Superannuation Fund	Beneficial	1,729,582	Performance rights
Pip Greenwood			
The New Zealand Guardian Trust Company Limited as the supervisor for Craigs KiwiSaver Scheme	Beneficial	30,000	Ordinary shares
Kate Mitchell			
Forsyth Barr Custodian Limited	Beneficial	1,000	Ordinary shares

1 For further information about minimum shareholding requirements for non-executive directors, see page 84.

8. Credit rating status

Not applicable.

Company disclosures

for the year ended 30 June 2025

For personal use only

9. Waivers

9.1 NZX Waivers

On 23 October 2024, NZ RegCo granted the Company a waiver from the requirement under NZX Listing Rule 7.8.5(b) for the Company to include an appraisal report with its Notice of Meeting in respect of resolution 4. The terms of this waiver can be found on the Company's announcement page on the NZX website (www.nzx.com/companies/ATM/announcements).

9.2 ASX Waivers

On 31 March 2015, the Company was granted a waiver from ASX Listing Rule 7.1 (waiver no. WLC150056-005). Condition 1.2 of this waiver requires that the Company certifies to ASX on an annual basis (on or about 30 September each year) that it remains subject to, has complied with, and continues to comply with, the requirements of NZX with respect to the issue of new securities (**Certification Condition**).

On 7 January 2025, ASX advised the Company that ASX will accept for the purposes of compliance with the Certification Condition that the Company's Annual Report includes a disclosure that the Company has the benefit of this waiver, that a condition of the waiver is that the Company certifies on an annual basis that it remains subject to, has complied with, and continues to comply with, the requirements of NZX with respect to the issue of new securities, and that for the purposes of this condition, the Company has complied with and continues to comply with the requirements of NZX with respect to the issue of new securities for the year.

The Company confirms that it remains subject to, has complied with and continues to comply with the requirements of NZX with respect to the issue of new securities for FY25.

For personal use only

10. Particulars of notices or statements given to or approved by the Board

10.1 Interests register

The Company is required to maintain an interests register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests register for the Company is available for inspection on request by shareholders.

Directors have declared interests during the reporting period ended 30 June 2025 as follows:

- The Company has arranged and paid for policies for directors' liability insurance which ensure that the directors are protected against liabilities and costs for acts or omissions by them in their capacity as directors of the Company and its subsidiaries.
- The Company has provided Deeds of Indemnity to all directors for potential liabilities and costs they may incur for acts or omissions in their capacity as directors of the Company and its subsidiaries.
- Directors' relevant interests and share dealings as outlined in section 7, above.

During the reporting period ended 30 June 2025, directors advised the Company of the following initial disclosures, changes or additional entries in the Company's interests register:

Name of Director	Entity	Position
Kate Mitchell	MyRaceLab Limited	Appointed as director
Kate Mitchell	Link Engine Management International (NZ) Limited	Director
Kate Mitchell	Link Engine Management UK Limited	Appointed as director
Kate Mitchell	Link Engine Management USA Inc	Director
Kate Mitchell	Link Engine Management EU Bv	Director
Lain Jager	Tree Quest NZ Limited	Director and indirect shareholder
Lain Jager	Eastern Gold Limited	Director and indirect shareholder
Lain Jager	Olive Hill Limited	Director and shareholder
Lain Jager	Spring Sheep Dairy NZ Management Limited	Ceased as director; indirect shareholder
Lain Jager	DMS Progrowers Limited	Director
Lain Jager	Willows Rd Gold Limited	Director and indirect shareholder
Lain Jager	Origin Capital Partners GP Limited	Director and shareholder
Lain Jager	Origin Capital Partners Management Limited	Director and indirect shareholder
Lain Jager	Origin Capital Fund 2 GP Limited	Director and shareholder
Lain Jager	Alphagen NZ Limited	Director
Lain Jager	Arepa Holdings Limited	Director and indirect shareholder
Lain Jager	OC1 Limited	Director and indirect shareholder
Lain Jager	Greener Pastures Diversified Fund GP Limited	Director and shareholder
Lain Jager	Greener Pastures New Zealand Limited	Director
Lain Jager	Greener Pastures Nominee Limited	Director
Lain Jager	Nibblish GP Limited	Director and indirect shareholder
Lain Jager	Avocado Oil New Zealand Limited	Director
Lain Jager	NZNF Holdings Limited	Director
Lain Jager	Rotorua Glowworm Limited	Director
Lain Jager	Redwoods Outdoor Activities NZ Limited	Director
Lain Jager	Rubisco Limited	Director
Tonet Rivera	Yello X Supply Chain Solutions, Inc.	Director

No other entries were made in the interests registers of the Company's subsidiaries during the reporting period.

Company disclosures

for the year ended 30 June 2025

For personal use only

10.2 Directors of subsidiary companies

The following persons held office as directors of subsidiary companies during the year ended 30 June 2025.

Subsidiary	Jurisdiction	Directors (or equivalent)
The a2 Milk Company (Export) Limited	New Zealand	David Bortolussi David Muscat
a2 Infant Nutrition Limited	New Zealand	David Bortolussi Ping (Chopin) Zhang
a2 Holdings UK Limited	New Zealand	David Bortolussi David Muscat
The a2 Milk Company (New Zealand) Limited	New Zealand	David Bortolussi
Mataura Valley Milk Limited	New Zealand	David Muscat Ping (Chopin) Zhang Cao Siyuan Qingchun Yang
a2 Australian Investments Pty. Limited.	Australia	David Bortolussi David Muscat
a2 Botany Pty Ltd[1]	Australia	David Bortolussi David Muscat
The a2 Milk Company (Australia) Pty Ltd	Australia	David Bortolussi David Muscat
a2 Infant Nutrition Australia Pty Ltd	Australia	David Bortolussi David Muscat
a2 Exports Australia Pty Limited	Australia	David Bortolussi David Muscat
The a2 Milk Company (Nutrition) Pty Ltd	Australia	David Bortolussi David Muscat
a2 ESS Holdings Pty Limited	Australia	David Bortolussi David Muscat
The a2 Milk Company Limited	British Columbia, Canada	David Bortolussi David Muscat
The a2 Milk Company	Delaware, USA	David Bortolussi David Muscat
The a2 Milk Company LLC	Delaware, USA	David Bortolussi David Muscat
a2 Infant Nutrition (Shanghai) Co., Ltd.	China	Xiao Li
The a2 Milk Company (Shanghai) Ltd	China	Xiao Li
The a2 Milk Company (Singapore) Pte. Ltd.	Singapore	David Bortolussi David Muscat Shaun Singh

1 a2 Botany Pty Ltd was voluntarily deregistered with effect from 2 July 2025.

No employee of the Company appointed as a director of the Company or its subsidiaries receives remuneration or other benefits in their role as a director. The remuneration and other benefits of such employees, received as employees, are included in the relevant bandings for remuneration disclosed under Employee remuneration range in section 16.

10.3 Use of company information

The Board received no notices during the reporting period ended 30 June 2025 from directors requesting to use Company information received in their capacity as directors which would not have been otherwise available to them.

For personal use only

11. Limitations on the acquisition of securities

The Company is not subject to chapters 6, 6A, 6B and 6C of the *Corporations Act 2001* (Cth, Australia) dealing with the acquisition of its shares (including substantial holdings and takeovers).

Limitations on the acquisition of the securities imposed by New Zealand law are as follows:

(i) In general, fully paid ordinary shares in the Company are freely transferable, and the only significant restrictions or limitations in relation to the acquisition of fully paid ordinary shares in the Company are those imposed by New Zealand laws relating to takeovers, overseas investment and competition.

(ii) The New Zealand Takeovers Code creates a general rule under which the acquisition of more than 20% of the voting rights in the Company, or the increase of an existing holding of 20% or more of the voting rights in the Company, can only occur in certain permitted ways. These include a full takeover offer, a partial takeover offer, an acquisition approved by an ordinary resolution, an allotment approved by an ordinary resolution, a creeping acquisition (in certain circumstances) or compulsory acquisition if a shareholder holds 90% or more shares in the Company, in each case in accordance with the New Zealand Takeovers Code.

(iii) The New Zealand Overseas Investment Act 2005 regulates certain investments in New Zealand by overseas persons. In general terms, the consent of the New Zealand Overseas Investment Office will likely be required where an 'overseas person' acquires shares or an interest in shares in the Company that amount to more than 25% of the shares issued by the Company or, if the overseas person already holds 25% or more, the acquisition increases that holding.

(iv) The New Zealand Commerce Act 1986 is likely to prevent a person from acquiring shares in the Company if the acquisition would have, or would be likely to have, the effect of substantially lessening competition in a market.

The Company has complied with, and continues to comply with, the requirements of the NZX Listing Rules with respect to the issue of new securities.

12. On-market buy-back

There is no current on-market buy-back of the Company's securities.

13. On-market purchases

During the reporting period ended 30 June 2025, no shares of the Company were purchased on-market.

14. Donations

The Company and its subsidiaries have made donations of cash and products totalling $1,750,369 during the year ended 30 June 2025 (2024: $2,972,076).

15. Directors and officers

For the purposes of NZX Listing Rule 3.8.1(c), the quantitative breakdown as to the gender composition of the Company's directors and officers as at 30 June 2025 and 30 June 2024 is as follows:

	At 30 June 2025	At 30 June 2024
Directors	6	6
Females	3	3
Males	3	3
Gender diverse	–	–
Officers	10	10
Females	3	3
Males	7	7
Gender diverse	–	–

Company disclosures

for the year ended 30 June 2025

For personal use only

16. Employee remuneration range

The following table shows the number of employees and former employees of the Company and its subsidiaries (not being directors or former directors of the Company) who, in their capacity as employees, received remuneration and other benefits valued at or in excess of $100,000 during the year to 30 June 2025.

The remuneration bands are expressed in New Zealand Dollars.

Remuneration Range $ (Gross)	Number of employees in the year ended 30 June 2025 (based on actual payments)	Value of exercised rights included in remuneration range $
$100,000 – $109,999	41	–
$110,000 – $119,999	30	–
$120,000 – $129,999	29	–
$130,000 – $139,999	24	130,015
$140,000 – $149,999	28	146,388
$150,000 – $159,999	23	–
$160,000 – $169,999	14	–
$170,000 – $179,999	11	–
$180,000 – $189,999	17	–
$190,000 – $199,999	18	–
$200,000 – $209,999	16	–
$210,000 – $219,999	16	175,536
$220,000 – $229,999	6	–
$230,000 – $239,999	10	112,687
$240,000 – $249,999	7	–
$250,000 – $259,999	6	121,539
$260,000 – $269,999	2	–
$270,000 – $279,999	7	278,154
$280,000 – $289,999	5	–
$290,000 – $299,999	2	–
$310,000 – $319,999	2	–
$320,000 – $329,999	2	–
$330,000 – $339,999	1	–
$340,000 – $349,999	6	53,449
$350,000 – $359,999	4	62,788
$360,000 – $369,999	2	–
$370,000 – $379,999	2	37,246
$380,000 – $389,999	1	–
$390,000 – $399,999	6	97,505
$400,000 – $409,999	2	–
$410,000 – $419,999	2	44,335
$420,000 – $429,999	2	–
$430,000 – $439,999	4	42,931
$450,000 – $459,999	1	69,829
$460,000 – $469,999	2	194,821
$470,000 – $479,999	1	143,135
$530,000 – $539,999	1	–
$540,000 – $549,999	2	152,474
$550,000 – $559,999	1	103,001
$570,000 – $579,999	1	86,458
$680,000 – $689,999	1	64,898
$720,000 – $729,999	1	725,423
$740,000 – $749,999	1	183,932
$770,000 – $779,999	1	373,829
$790,000 – $799,999	1	166,270
$820,000 – $829,999	1	215,135
$840,000 – $849,999	1	169,602
$920,000 – $929,999	1	205,419
$940,000 – $949,999	1	–
$1,040,000 – $1,049,999	1	206,921
$1,100,000 – $1,109,999	1	311,758
$1,170,000 – $1,179,999	1	237,698
$1,230,000 – $1,239,999	1	394,890
$1,240,000 – $1,249,999	1	–
$1,380,000 – $1,389,999	1	375,665
$1,470,000 – $1,479,999	1	354,884
$1,690,000 – $1,699,999	1	-
$1,790,000 – $1,799,999	1	554,235
$2,440,000 – $2,449,999	1	554,235
$4,080,000 – $4,089,999	1	1,345,942
Total	**377**	**8,493,027**

The table includes base salaries, short-term incentives, contributions paid to an individual's superannuation fund, or, if an individual is a KiwiSaver member, contributions of 3% of gross earnings towards that individual's KiwiSaver scheme, and exercised performance rights. The table does not include amounts paid after 30 June 2025 relating to FY26, and long-term incentives that have been granted and have not yet vested or been exercised (as applicable).

Corporate directory

For personal use only

Company	The a2 Milk Company Limited
New Zealand share registry	MUFG Pension & Market Services Limited PO Box 91976 Victoria Street West Auckland 1142 New Zealand Telephone: +64 9 375 5998
Australian share registry	MUFG Corporate Markets (AU) Limited Locked Bag A14 Sydney South NSW 1235 Australia Telephone: +61 1300 554 474
Registered offices	Level 17 51 Shortland Street Auckland 1010 New Zealand Level 4 182 Blues Point Road McMahons Point NSW 2060 Australia Telephone: +61 2 9697 7000
Auditor	Ernst & Young 200 George Street Sydney NSW 2000 Australia
Company Secretary	Jaron McVicar
Corporate website	**www.thea2milkcompany.com**

For personal use only

thea2milkcompany.com

Australian Registered Body Number 158 331 965 – Incorporated in New Zealand