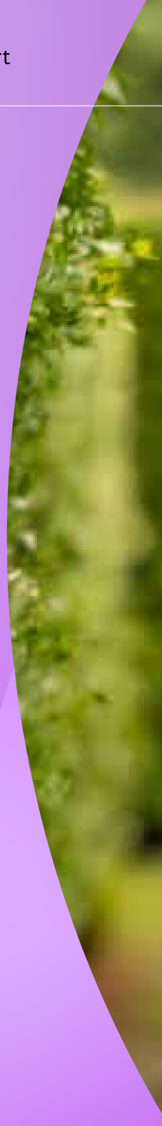
The a2 Milk Company

2026
Annual Report

We pioneer the future of Dairy for good



Strengthening our core and expanding our future

We are a company defined by our purpose, vision and strategic priorities.

Our purpose is to pioneer the future of Dairy for good, and our vision is to create an A1-free world where Dairy nourishes all people and our planet.

Our strategy is focused on investing in people and planet leadership, capturing the full potential of our business in China infant milk formula, ramping up innovation, entering new markets and transforming our supply chain.

We have made great strides in strengthening our supply chain and operational platform through the acquisition of a2 Pōkeno, a world-class integrated nutritional manufacturing facility in New Zealand, adding two approved China label registrations to our infant milk formula portfolio to support future growth.

As we look ahead, we remain committed to disciplined execution, continued innovation and long-term value creation for consumers, partners and shareholders.

Key dates

2026 Annual Meeting
Thursday 19 November 2026

1H27 Results
Monday 22 February 2027

FY27 Results
Monday 16 August 2027

In this report

Supply chain transformation substantially progressed at a2 Pōkeno

→ Read more on page 18

USA IMF Growth Monitoring Study

→ Read more on page 33


a2
Full Cream 2L

FY26 highlights

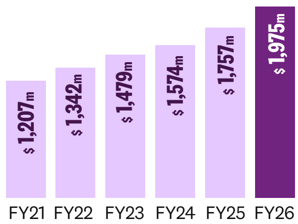
FY26 was another successful year for a2MC, driven by the strength of our growth strategy and the quality of execution by our team.

Group performance[1]

Revenue

$1,975m

▲ 12.4% from FY25



Net cash

$784m

▼ 26.1% from FY25

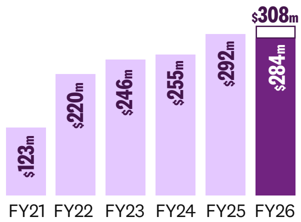
EBITDA

$284m

▼ 2.5% from FY25

Underlying EBITDA[2]

$308m ▲ 5.4% from FY25



Operating cash flow

$133m

▼ 33.9% from FY25

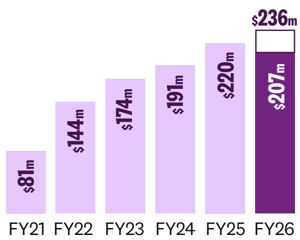
NPAT

$207m

▼ 5.8% from FY25

Underlying NPAT[2]

$236m ▲ 7.0% from FY25



Earnings per share (basic)

28.6c

▼ 6.0% from FY25

Underlying EPS[2] (basic)

32.5c ▲ 6.8% from FY25

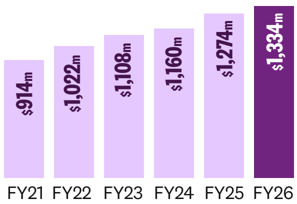
1. All references to financials and related metrics are on a continuing operations basis (i.e. excluding Mataura Valley Milk), unless otherwise stated; FY21–FY24 continuing operations numbers are unaudited.
2. Underlying results represent the Group's reported results excluding a2 Pōkeno losses which reflect temporarily low production volumes ahead of the *a2 Platinum*™ transition in 1H27 and one-off transformation costs associated with the transaction, separation, integration and transition. a2 Pōkeno's FY26 losses are as follows: EBITDA loss of $23.2 million and NPAT loss of $28.3 million.

Product segment revenue

Infant Milk Formula (IMF)

$1,334m

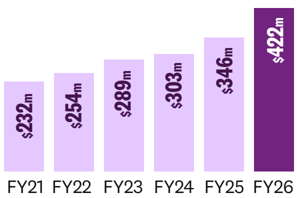
▲ 4.7% from FY25



Liquid Milk[1]

$422m

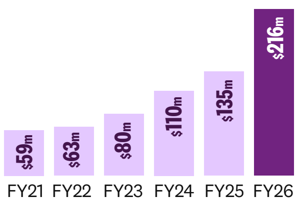
▲ 21.8% from FY25



Other Nutritionals[2]

$216m

▲ 59.9% from FY25



Operating segment revenue

● China and Other Asia

$1,448m

▲ 11.2% from FY25

● Australia and New Zealand

$348m

▲ 10.2% from FY25

● USA

$179m

▲ 28.6% from FY25

1. Excludes liquid milk products (plain and fortified) exported to China and Other Asia markets.
2. Comprises powdered milk products (plain and fortified), a2 Pōkeno external ingredient sales, and liquid milk products (plain and fortified) exported to China and Other Asia markets.

Chair's letter

"FY26 was a landmark year for The a2 Milk Company as we made significant progress against our China growth strategy and supply chain transformation through the acquisition of a2 Pōkeno."

Pip Greenwood
Chair

FY26 was a landmark year for The a2 Milk Company (the "Company") as we made significant progress against our China growth strategy and supply chain transformation through the acquisition of a2 Pōkeno — an advanced nutritional manufacturing facility located in the North Island of New Zealand, with two existing China label infant milk formula (IMF) registrations.

This acquisition increases capacity and resilience in our supply chain while enhancing access to the attractive China label IMF market. The recent approval by the State Administration for Market Regulation (SAMR) of amendments to the two existing a2 Pōkeno China label IMF registrations for use under the *a2*™ brand is expected to support future growth through portfolio expansion, innovation and increased participation in the China label market, strengthening the Company's foundations and supporting long-term shareholder value.

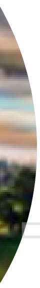
Following the acquisition of a2 Pōkeno we have advanced our transformation and capital investment programme to support the planned insourcing of English label IMF production from our partner Synlait in the first half of FY27 in line with plan. With the acquisition completed, regulatory approvals secured and manufacturing ramp up progressing to plan, the Company enters FY27 having achieved a number of milestones that will support the next phase of its manufacturing transition and future growth.

From a trading perspective, we entered the year with strong momentum and delivered a positive first half result, with the Company trading ahead of plan and achieving growth across all product categories and markets. However, as we entered the fourth quarter we experienced supply chain challenges, largely outside the Company's control, that significantly affected product availability in China. During this period, we also managed a limited product recall in the USA. While this was disappointing after such a strong start to the year, these impacts were temporary and do not change our long-term strategy, the confidence in the strength of our brand or the opportunities ahead.

Despite the fourth quarter challenges, the Company delivered a solid result for the year with revenue of $1.97 billion (up 12.4%), an EBITDA margin of 14.4% and reported NPAT of $207.5 million. Excluding a2 Pōkeno, underlying NPAT was $235.8 million (up 7.0%) demonstrating the resilience and strength of the business.

Throughout the year, we continued to invest for sustainable growth through brand marketing, product innovation, A1 protein free science and supply chain transformation, while progressing important operational priorities across the business.

Our IMF business remained central to our strategy, with encouraging progress from *a2 Genesis*™ and in emerging markets. We also advanced our broader innovation pipeline across all life stages as we continued to extend the brand into attractive adjacent categories. Sales accelerated for recent Other Nutritionals product launches, including kids and seniors fortified milk powders and our China label kids UHT product. We also entered a new category through the launch of a China label paediatric supplements range *a2 至奕*™.



In liquid milk, the business performed strongly in both ANZ and the USA, reflecting the growing relevance of our A1 protein free proposition with consumers. We were also pleased to build brand visibility through initiatives including becoming the first ever dairy milk partner of the Australian Open.

Turning to sustainability, we continued to advance our agenda recognising that performance depends on operating responsibly across our value chain. During the year, we made further progress embedding sustainability into the way we work with an ongoing focus on climate and nature, thriving farms, sustainable packaging, responsible sourcing and supporting the communities connected to our business. While there is more to do, we remain focused on practical action that strengthens our position and demonstrates the Company's commitment to doing its part to support the planet and the communities in which we operate.

From a capital management perspective, the Board remains focused on delivering returns to shareholders over time, while maintaining balance sheet flexibility to manage risk and fund potential future investment.

"The Board declared a special dividend totalling $300 million in June 2026 equating to 41.36 cents per share. In total, the Company declared $453 million in ordinary and special dividends in FY26, providing a significant cash return to shareholders."

In FY26, the Company paid an interim ordinary dividend of 11.5 cents per share and has declared a final ordinary dividend of 9.5 cents per share to be paid on 2 October 2026, resulting in total ordinary dividends for the year of 21.0 cents per share and a payout ratio of ~74% of NPAT from continuing operations, representing an increase on FY25 dividends. In addition, and as foreshadowed in August 2025, the Board declared a special dividend totalling $300 million in June 2026, equating to 41.36 cents per share. In total, the Company declared $453 million in ordinary and special dividends in FY26, providing a significant cash return to shareholders.

Looking ahead, FY27 will be an important year for the Company as we rebuild momentum in our China label *a2 至初*™ range, advance our supply chain transformation programme, including the insourcing of our English label *a2 Platinum*™, and launch two new China label IMF products. The Board believes the business is well placed to build on its underlying strengths, with a clear focus on disciplined execution, recovery in the China IMF business and operational priorities that will support long-term growth and value creation.

Before closing, I would like to acknowledge the hard work, resilience and commitment of our teams across Australia, China, New Zealand, USA and Vietnam. FY26 has been another significant year for the business and I thank all our teams for the focus, dedication and care they have shown in continuing to deliver for customers, partners and shareholders.

On behalf of the Board, I thank our shareholders for their continued support and investment in The a2 Milk Company.

Pip Greenwood
Chair

16 August 2026

CEO's year in review

"FY26 was another year of strong execution by our team, we delivered revenue growth of 12% with all markets and categories in growth."

David Bortolussi
CEO

Group financial performance[1,2,3,4]

The a2 Milk Company ("the Company", "a2MC") announces full year financial and operational results for the 12 months ended 30 June 2026. Key results are as follows:

Continuing operations (NZ$ million)	**FY26**	**FY25**	**Variance (%)**
Revenue	1,974.9	1,757.2	12.4%
EBITDA[5]	284.4	291.7	(2.5%)
Underlying[6] EBITDA	*307.6*	*291.7*	*5.4%*
Net profit after tax (NPAT)	207.5	220.3	(5.8%)
Underlying[6] NPAT	*235.8*	*220.3*	*7.0%*
Basic earnings per share (cents)	28.6	30.4	(6.0%)
Underlying[6] basic EPS (cents)	*32.5*	*30.4*	*6.8%*
Net cash[7] (total reported)	784.5	1,061.2	(26.1%)
Ordinary dividends (NZ cents per share)	21.0	20.0	1.0cps
Special dividend (NZ cents per share)	41.355	–	n/a

1. All references to financials and related metrics are on a continuing operations basis (ie exclude Mataura Valley Milk), unless otherwise stated.
2. All references to full year (FY), halves (H) and quarters (Q) relate to the Company's financial year, ending 30 June.
3. All figures are in New Zealand Dollars (NZ$), unless otherwise stated.
4. All comparisons are with the 12 months ended 30 June 2025 (FY25), unless otherwise stated.
5. Earnings before interest, tax, depreciation and amortisation. 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 FY26 Results Investor Presentation dated 17 August 2026.
6. Underlying results represent the Group's reported results excluding a2 Pōkeno losses which reflect temporarily low production volumes ahead of the *a2 Platinum*™ transition in 1H27 and one-off transformation costs associated with the transaction, separation, integration and transition. a2 Pōkeno's FY26 losses, including transformation costs are as follows: EBITDA loss of $23.2 million and NPAT loss of $28.3 million.
7. Including term deposits.

FY26 Revenue grew 12.4% to $1,974.9 million, driven by growth in English label Infant Milk Formula (IMF), Other Nutritionals and Liquid Milk. Revenue growth was partially offset by a reduction in China label IMF sales driven by supply chain disruption in 4Q26, with the contributing factors now resolved and product availability significantly improved. Refer to *4Q26 Supply chain disruption* section below for further detail.

The China & Other Asia segment was up 11.2%, led by English label IMF and Other Nutritionals growth. USA segment revenue was up 28.6% due to core and grassfed liquid milk growth, whilst ANZ segment revenue was up 10.2% driven by Australian liquid milk growth from both core and lactose free.

From a product category perspective, total IMF sales grew 4.7%, with English label sales up 23.2% driven by cross border e-commerce (CBEC) and offline to online (O2O) channel growth, plus increasing contribution from other markets, particularly Vietnam. China label sales were down 14.0%, with growth impacted by 4Q26 supply chain disruption.

Liquid Milk sales grew 21.8%, with ANZ up 17.2% and USA up 28.9%. Other Nutritionals[8] sales were up 59.9% (42.3% excluding a2 Pōkeno external ingredient sales), driven by growth in kids and seniors fortified milk powder products and supported by the launch of a new kids fortified UHT product and the *a2 至奕*™ (*a2 Zhi Yi*™) paediatric supplements range.

Gross margin percentage[9] of 47.7% was down 3.4ppts due to expected a2 Pōkeno losses while the facility was under-utilised (ahead of the planned *a2 Platinum*™ transition from Synlait in 1H27 that will significantly increase production levels and improve financial results), lower share of China label IMF sales, one-off supply chain costs related to 4Q26 supply chain disruption, and an increase in underlying COGS due to higher milk and other ingredient prices, particularly in 2H26.

Distribution costs were marginally higher as a percentage of net sales revenue at 3.5% due to higher freight rates primarily related to Liquid Milk.

Marketing investment of $325 million was higher in support of the China growth strategy and innovation, focused on new user recruitment. China marketing continues to make up the vast majority of the Group's investment.

Administrative and other expenses (SG&A) were higher as a percentage of revenue at 14.3% due to investment in capability to support China growth and supply chain initiatives, including planned a2 Pōkeno transformation costs (transaction, separation of Mataura Valley Milk (MVM), integration and transition costs), plus higher FX losses due to the weakening of the NZD, partly offset by cost reduction initiatives. Excluding FX losses, SG&A as a percentage of revenue was lower than prior year.

EBITDA was down 2.5% to $284.4 million, with EBITDA % margin of 14.4% in line with previous guidance. Excluding a2 Pōkeno operating losses and transformation costs, underlying[6] EBITDA of $307.6 million was up 5.4% with underlying[6] EBITDA % margin of 15.6%.

Depreciation and amortisation of $16.9 million was higher than FY25, reflecting the a2 Pōkeno acquisition impact. Net interest income was lower due to lower market rates and net transaction cash outflows. The effective tax rate improved to 30.0% due to partial utilisation of a2 Pōkeno and USA tax losses.

NPAT from continuing operations decreased by 5.8% to $207.5 million. On an underlying[6] basis, NPAT was up 7.0% to $235.8 million. Basic earnings per share (EPS) from continuing operations was 28.6 cents, and 32.5 cents on an underlying[6] basis. Total reported NPAT was $111.1 million including losses from discontinued operations of $96.4 million that was mostly due to the MVM non-cash divestment loss recognised in 1H26.

The Company's balance sheet remains strong with closing net cash of $784.5 million with operating cash conversion of 68%[10] for the year in line with guidance and impacted by an expected increase in inventory outlined further below. Total capital expenditure was $86.4 million, reflecting significant investment of $51.6 million in the a2 Pōkeno transformation programme as part of the previously announced ~$100 million multi-year capital investment programme.

With regard to working capital, inventory increased by $151.5 million as expected due to the acquisition of a2 Pōkeno and subsequent raw material and base powder build ahead of *a2 Platinum*™ in-sourcing from Synlait and production of the two new China labels, and normalisation of China label IMF stock that was low in FY25 due to Synlait manufacturing challenges. Trade and other receivables increased by $80.0 million due to the recognition of insurance proceeds recoverable related to the Australian securities class action[11], with trade and other payables up $130.3 million due to the recognition of class action settlement payable (fully offset by the receivable) and an increase for higher inventory related payables.

8. The Other Nutritionals portfolio consists of non-IMF powdered *a2 Milk*™ products, China & Other Asia liquid milk products and a2 Pōkeno external ingredient sales.
9. Gross margin percentage is gross margin as a percentage of net sales revenue.
10. Operating cash conversion defined as net cash flow from operating activities before interest and tax divided by EBITDA.
11. Refer announcement *a2MC reaches in principle agreement to settle shareholder class action (7 April 2026)* and note C4 of the financial statements for further detail.

CEO's year in review (continued)

Regional and product performance

1. China & Other Asia

The overall China IMF market value grew by 0.7%[12] in FY26, as premiumisation offset low single digit volume declines. Stage 1 value was in low single digit percentage growth, Stage 2 in mid single digit percentage growth and Stage 3 stabilised during the period. CY25 newborns of 7.9 million[13] declined 17%, cycling a peak CY24 birth year boosted by the Dragon Year and deferred COVID births.

CY26 newborns are expected to be supported by a recovery in marriage rates seen in CY25[14] and by a greater focus on birth rate stabilisation which is listed as a China Central Government priority in 2026[15].

a2MC's China & Other Asia segment revenue grew by 11.2% to $1,447.6 million driven primarily by IMF sales growth of 5.6% and Other Nutritionals[16] sales growth of 71.0%, with segment EBITDA of $307.3 million, down 7.5% with margins impacted by the 4Q26 supply chain disruption as outlined below.

4Q26 supply chain disruption[17]

As previously announced, the Company was impacted by shortfalls of China label IMF product at distributors and retailers that materially impacted in-market product availability during 4Q26 and necessitated a large proportion of existing users to switch to alternative brands as they ran out of pantry stock mainly in June.

These product shortfalls were due to a number of factors, including strong demand in the preceding quarter, freight challenges, Synlait production backlog, extended product release times, and additional customs clearance requirements and testing measures. The contributing factors have now been resolved with product availability significantly improved.

The product availability impact on English label IMF product was limited on *a2 Platinum*™ and largely concentrated on *a2 Genesis*™, which was affected by planned production downtime at a2 Pōkeno and a change in China importation requirements.

In addition, *a2 Platinum*™ offtake in China has been indirectly impacted by the USA label IMF recall announced in May 2026. The recall was isolated to the USA label product, which has a different formulation and relevant ingredient to the English label *a2 Platinum*™ IMF sold in Australia, New Zealand, South Korea, Vietnam and through cross border channels into China.

The Company is now focused on various sales and marketing initiatives to encourage previous China label IMF users to return while accelerating new user recruitment with its retail and distribution partners as well as actions to improve offtake momentum in English label. Refer to the *Outlook* section below for further commentary on FY27.

China label IMF

The total China label IMF market stabilised in FY26 with value down 0.2%[12], as low single digit volume declines were offset by increased contribution from higher priced early stage products and continued premiumisation trend. The trend towards online channels also continued with increased pressure on offline channels resulting in further store closures.

Brand concentration stabilised, with share of top-10 brands (including a2MC) in the China label market flat at 78%[12] and divergent performance among top brands.

a2MC China label IMF revenue declined by 14.0% to $544.3 million (1H26: up 6.5% vs pcp, 2H26 down 33.0% vs pcp). After a positive first three quarters of the year, with market share reaching record levels, China label IMF sales were materially impacted by 4Q26 supply chain disruption outlined above.

12. Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities) for the 52 weeks ended 12 June 2026 and similar for prior periods. Kantar restated 2025 market data in March 2026 based on actual number of newborns released by China National Bureau of Statistics.
13. China National Bureau of Statistics.
14. China Ministry of Civil Affairs. Number of marriage registrations grew by 11% in 2025 vs 2024.
15. China Central Economic Work Conference for 2026.
16. Includes $23.8 million of a2 Pōkeno external ingredient sales, largely consisting of milk powder and cream.
17. Supply chain disruption refers to the temporary shortfall in *a2*™ IMF product availability in China in 4Q26, resulting from strong demand in the preceding quarter, air and sea freight constraints, Synlait production backlog, extended product release times due to enhanced testing, and additional customs clearance requirements and testing measures. Refer to separate announcements *Trading, Supply Chain and Outlook Update (13 April 2026) and Supply chain and FY26 results update (7 July 2026).*

"Our infant milk formula business was resilient in FY26 delivering 5% growth despite a flat China market and supply chain disruption in the fourth quarter."

On a MAT basis the Company maintained its MBS[18] market share across Key&A and BCD cities with 7.0% and 3.2% market share[19] respectively. DOL market share of 3.9%[20] was down 0.3ppts. However, on a quarterly basis, MBS 4Q26 market share was 2.1% and DOL 4Q26 market share was 1.8%, impacted by 4Q26 supply chain disruption. As stock levels have now significantly improved, the Company is focusing its resources on regaining past users and accelerating new user recruitment.

During the year the Company received regulatory approval for the use of two new China label products to be produced at a2 Pōkeno. These products are targeted at under penetrated and new segments for a2MC, including lower tier cities and the Organic segment, that will support China label market share recovery in FY27 and further growth beyond that.

English label IMF[21]

The total English label IMF market maintained growth for the year, increasing 5.7%[22]. Market conditions softened considerably in the second half, with growth moderating to 0.8% in 2H26 and 4Q26 down 4.7% on pcp, driven by a decline in early stage volumes as the market responded to industry recalls, with affected brands progressively recovering.

English label share of the total China IMF market further increased to 20%[22], up from a low of 14% in FY22, but still below pre-COVID levels of 28% in FY19 and higher levels prior to that.

a2MC English label IMF grew with English label sales in the China & Other Asia segment of $714.6 million, up 27.8%. a2MC's English label performance was driven by CBEC and O2O channel performance over the first three quarters of the year, increasing contribution from *a2 Genesis*™ and from other markets, particularly Vietnam.

On a MAT basis, a2MC was the leading CBEC share gainer[23] and *a2 Genesis*™ achieved 1.8% share on CBEC with over 60% of offtake coming from early-stage products. a2MC remains the second largest brand in the China English label market with 19.5%[22] market share.

Whilst the product availability impact on a2 *Platinum*™ from supply chain disruption was limited, 4Q26 offtake was indirectly impacted by the USA label IMF recall announced in May 2026 despite the recall being isolated to the USA label product which uses a different relevant ingredient to the *a2 Platinum*™ product sold in China and other countries. *a2 Genesis*™ sales continued to grow and now make up 6% of total a2MC English label sales, noting there was some product availability impact in 2H26 due to the planned production downtime at a2 Pōkeno and a change in China importation requirements.

Throughout FY26, the Company continued to advance its emerging markets strategy, executing in Vietnam and South Korea while assessing expansion opportunities in other markets in Southeast Asia and the Middle East.

Vietnam English label IMF sales grew 200% due to continued investment in consumer marketing and distribution expansion for both *a2 Platinum™* and *a2 Gentle Gold™*. Distribution expanded to over 3,500 MBS stores, including broader *a2 Platinum*™ distribution in major retailer, Concung, and *a2 Gentle Gold*™ expansion into lower tier cities.

"We delivered strong double digit growth in English label infant milk formula led by *a2 Platinum*™, with high growth in our recently launched *a2 Genesis*™ product and successful expansion into Vietnam."

18. MBS = Mother & Baby Stores (Nielsen MBS retail measurement service). DOL = Domestic online channel (Smart Path China IMF online market tracking: DOL platform sales by value).
19. Nielsen MBS retail measurement service: mother and baby stores only retail sales (MAT by value).
20. Smart Path China IMF online market tracking: DOL platform sales (MAT by value).
21. Excludes USA label IMF sales.
22. Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities) for the 52 weeks ended 12 June 2026.
23. Smart Path China IMF online market tracking: CBEC sales (MAT by value).

CEO's year in review (continued)

Other Nutritionals

Other Nutritionals revenue in the China & Other Asia segment increased 71.0% to $188.6[24] million, driven by recent innovation launches. In FY25, the Company introduced three China label seniors fortified milk powder products targeting key health needs including immunity, bone, gut and heart health and a new kids fortified milk powder product for ages 3+, supporting immunity, eye health and brain development. In FY26, these products showed positive momentum, resonating well with consumers and creating incremental growth opportunities beyond IMF, with the kids fortified milk powder providing a substitute product for Stage 3 and Stage 4 China label IMF users during 4Q26 supply chain disruption.

The Company continued to progress its innovation pipeline in FY26 launching a new China label kids fortified UHT product and entered the paediatric supplements market with its *a2 至奕™* (*a2 Zhi Yi™*) range in 3Q26. The kids UHT product features a height-support formulation and was launched through Costco as lead offline partner supported by selective online distribution. The paediatric supplements range has products focused on immunity, gut health, brain and eye health and anti-allergy, and was launched across MBS and DOL channels. Near term supplement sales are not expected to be material, however the longer-term potential of the category and growth platform for a2MC could be significant.

Other Nutritionals sales also includes $23.8 million of a2 Pōkeno external ingredient sales, largely consisting of whole milk powder and cream.

"Other Nutritionals is emerging as an increasingly important growth platform, with revenue up 42% as recent innovation across kids, seniors and UHT continue to scale and leverage the strength of the *a2™* brand."

2. Australia and New Zealand

The Australia and New Zealand (ANZ) segment reported revenue of $348.2 million, up 10.2% and EBITDA of $60.7 million, up 5.5%. The result was primarily driven by growth in the Australian liquid milk business, with English label IMF sales declining 8.6% due to lower Daigou sales.

Liquid Milk

Australian liquid milk sales increased by 17.2% to $244.9 million, with growth from both the core *a2 Milk™* range and *a2 Milk™ Lactose Free*, and foreign currency translation benefits. *a2 Milk™* outperformed the category, delivering further market share gains with liquid milk value share up 0.5ppts to 11.7%[25]. *a2 Milk™ Lactose Free* achieved a record high MAT value share of 22.6%[25] with a2MC proud to be the first national lactose free brand, with the launch of *a2 Milk™ Lactose Free* in Coles in WA.

During the year, the Company also delivered premium brand exposure in China and Australia and selectively in other emerging markets as the first ever dairy milk partner of the Australian Open with strong results from its AO26 campaign providing significant brand exposure and product trial opportunities for the 1.3 million+ venue audience including through mass sampling.

"Our Liquid Milk performance highlights the increasing relevance of the *a2 Milk™* proposition, with growth and share gains across our ANZ and USA markets."

English label IMF and Other Nutritionals

ANZ IMF sales declined 8.6% to $73.7 million as a result of lower Daigou channel sales with *a2 Gentle Gold™* continuing to drive sales growth in Australian retail channels. English label IMF focus remains on the China CBEC and O2O channels, however the Company continues to support the Daigou channel through marketing support and trade activations. Other Nutritionals sales were up 10.7% with growth across all product categories.

24. Includes a2 Pōkeno external ingredient sales of $23.8 million.
25. IRI Australian Grocery Weighted Scan, MAT basis to 30 June 2026.

3. USA

USA grew revenue by 28.6% to $179.0 million and delivered ongoing profitability improvement, with an improved EBITDA loss of $3.4 million (improvement from a loss of $9.3 million in FY25), and achieved breakeven in 2H26. Revenue growth was underpinned by double digit growth in both the *a2 Milk*™ core range and *a2 Milk*™ *Grassfed* with increased household penetration, additional distribution points and higher average velocity per distribution point.

a2MC's market value share in the premium milk category for the Grocery channel increased to 2.8%[26], up from 2.2% in FY25. Brand equity strengthened materially, with aided awareness increasing from 15%[27] to 27% and spontaneous awareness more than doubling from 2.1% to 4.5%. Net Promoter Score increased 3 points to 66, achieving the highest score in the premium milk category.

The Company also established an exclusive partnership with Steak 'n Shake, a classic American restaurant chain, creating a new brand experience and growth platform for *a2 Milk*™ core, grassfed and kids chocolate milk in foodservice. Grassfed milk growth was further supported by new ranging in customers, including Publix and HEB, and the establishment of a new grassfed milk farm in the Southeast to support year round supply.

From an IMF perspective, the Company completed a voluntary recall of limited USA label IMF batches in 4Q26. a2MC's long-term U.S. Food and Drug Administration IMF submission remains under review with a final factory inspection completed recently.

Innovation and portfolio expansion

Innovation and portfolio expansion are an important part of the Company's growth strategy and are increasingly contributing to performance, with recent innovation contributing over 50% of FY26 revenue growth. This includes growth from products such as *a2 Genesis*™, *a2 Gentle Gold*™, fortified kids and seniors milk powders, fortified kids UHT and Liquid Milk range extensions.

Looking ahead to FY27, there is a pipeline of product launches planned across key categories, including two new China label IMF products (increasing the portfolio from one to three products), meaningful updates to *a2 Platinum*™ and *a2 Genesis*™, further expansion of the kids milk powder range, English label paediatric supplements and lactose free liquid milk in the USA. These initiatives are supported by the Company's internal innovation and product development capability, investment in a2 Pōkeno and a growing manufacturing partner network.

"Our focus on product innovation over recent years is paying off, contributing over 50% of the Group's sales growth with more new products being launched in FY27."

26. SPINS data for MULO Channel, L52 weeks as of 14 June 2026.
27. a2MC brand health tracking July 2026.

CEO's year in review (continued)

Supply chain transformation

The Company successfully completed the acquisition of a2 Pōkeno, a world class nutritional facility, and divestment of MVM, as announced in August 2025[28]. The acquisition significantly increases control over a2MC's supply chain, expands capacity and capability, and is expected to deliver strong financial returns over time.

Post acquisition, the Company has made significant progress on its supply chain transformation strategy. During the year, the Company secured additional experienced manufacturing talent more than doubling the a2 Pōkeno team since acquisition, delivered against its capital investment programme which remains on time and on budget, invested in enhancing the site's world class IMF capabilities, and secured regulatory approval for registration amendments to enable the launch of two new China label products.

Looking ahead to FY27 the Company has commenced the planned insourcing of its English label *a2 Platinum*™ product from Synlait, including formulation and packaging updates, and has commenced production of its two new China label products, bringing vertical margin capture benefits to the Group.

"The successful acquisition and transformation of a2 Pōkeno is a significant step in strengthening our supply chain and enabling growth with the launch of two new China label IMF products planned for the first half of FY27."

Sustainability

The Company continued to invest in its *a2*™ Farm Sustainability Fund across ANZ, supporting sustainability projects that demonstrate an integrated approach to deliver a meaningful impact across climate, nature, cows, and community.

During FY26, the Company progressed its emissions reduction implementation plan, supported by the collection of real on-farm data. With the integration of the a2 Pōkeno manufacturing facility, the Company has taken initial steps to transition the site's gas-fired boiler to a renewable energy source, and more broadly commenced work on an Environmental Management System to track relevant metrics across its owned manufacturing facilities.

To support delivery against its packaging targets, the Company has developed a comprehensive packaging database and continued to support Extended Producer Responsibility schemes in the markets where its products are sold.

"The payment of a $300 million special dividend and increased ordinary dividends this year demonstrates effective capital management and our commitment to shareholder returns."

Dividends

The Board has declared a final dividend of 9.5 cents per share (unimputed and fully franked). The record date for the final dividend is 18 September 2026 and the payment date is 2 October 2026.

Including the interim dividend of 11.5 cents per share, total FY26 ordinary dividends of 21.0 cents per share represents an improved payout ratio for the full year of ~74% of continuing operations NPAT, versus FY25 of approximately 71% of reported NPAT.

In addition to the ordinary dividends announced for FY26, and as foreshadowed in August 2025, the Board declared and paid a $300 million special dividend, following regulatory approvals received in connection with amendments to the two a2 Pōkeno China label registrations for use under the *a2*™ brand. The special dividend equated to 41.36[29] cents per share and was paid on 24 July 2026. The special dividend was unimputed and fully franked.

28. Refer to a2MC's market announcements on 18 August 2025.
29. The dividend quoted has been rounded to 2 decimal places for ease of communication.

FY27 Outlook

a2MC's revenue and EBITDA are expected to grow in FY27, supported by increased contribution from product innovation and new markets, continued momentum in Other Nutritionals and Liquid Milk, and a2 Pōkeno profitability improvement.

IMF sales are expected to be impacted by the flow-on effects of supply chain disruption in 4Q26. At this stage, the Company expects IMF sales to be broadly similar to FY26, with China label to gradually recover over the course of FY27 and English label offtake momentum to improve during the first half, supported by an increase in marketing particularly in 1H27. As a result, Group revenue and EBITDA are expected to be materially weighted to 2H27.

Whilst a range of outcomes is possible depending on the rate of recovery in IMF, the Company currently expects the following in FY27 compared to FY26 (on a continuing operations basis):

- Revenue growth of mid single digit percent, with 1H27 revenue broadly in line with 1H26
- EBITDA margin percent to be approximately 15%, with 1H27 to be materially down on 1H26
- Depreciation and amortisation to be approximately $20 million
- Cash conversion to be approximately 70-80%
- Capital expenditure to be approximately $70 million

The Company will provide an update on the progress of its IMF recovery plan at the Annual Meeting on 19 November 2026.

Key risks

A range of risks could materially impact expected revenue and earnings outcomes including, but are not limited to, extent and rate of recovery in China IMF, trading upside and downside, macroeconomic conditions, 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, regulatory risk, export and import requirements, the Middle East conflict, a2 Pōkeno transformation and transition risks and geopolitical risks.

David Bortolussi
Managing Director and Chief Executive Officer

16 August 2026

Building a sustainable growth business

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 produced milk containing 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.

The Company 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 products built on a foundation of *a2 Milk*™, 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 treated (UHT) milk, extended shelf life (ESL) milk, infant milk formula (IMF), plain milk powders (including instant whole and skim milk powder), fortified milk powders for children and seniors, paediatric supplements 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 Nutritionals (including paediatric supplements) products in offline stores and domestic and cross-border e-commerce channels in China. IMF, UHT and some Other Nutritionals products are also sold in South Korea and parts of SE Asia, such as Vietnam.
- **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 through retail channels in Australia. In New Zealand, our nutritionals facility, a2 Pōkeno, currently manufactures select English label IMF products. In FY27, it will expand production to include all English label IMF products and two new China label IMF products.
- **North America:** Sales of various liquid milk products in the USA, including grass fed, flavoured and "half and half" milk, and liquid milk in Canada.

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

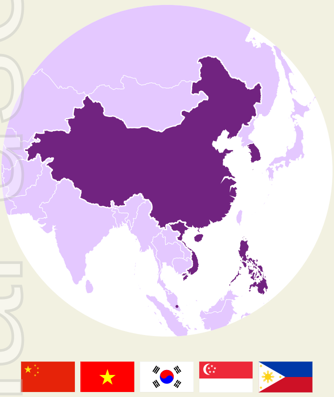
We think big, creatively and logically to maximise impact.

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

We challenge existing ways of working to achieve better solutions.

What we do

a2MC continues to build on its strong presence across key markets, ranking amongst the top-4 IMF brands in China, being the leading branded milk in Australia and a top-10 milk brand in the USA. a2MC is also focused on expanding its reach into new markets and adjacent categories. This is thanks to our talented and dedicated global team and the support of our strategic partners.



China and Other Asia

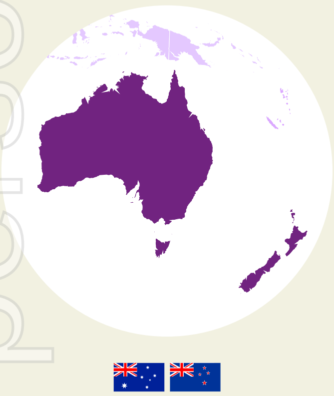
Revenue
$1,448m

EBITDA
$307m

Estimated market size
NZ$27b[1]
China IMF market

NZ$2b[2]
Vietnam IMF market

Our people
179
headcount



Australia and New Zealand

Revenue
$348m

EBITDA
$61m

Estimated market size
NZ$3b[3]
Australia dairy milk market

NZ$0.4b[4]
Australia IMF market

Our people
485
headcount

North America

Revenue
$179m

EBITDA
$(3)m

Estimated market size
NZ$5b[5]
USA premium liquid milk market

NZ$12b[6]
USA IMF market

Our people
24
headcount

1. Kantar, internal a2MC analysis.
2. Euromonitor, internal a2MC analysis.
3. Circana - Australia Grocery Weighted.
4. Circana IRI including Grocery and Pharmacy.
5. SPINS data including MULO.
6. SPINS data including MULO, estimated DTC and other channels.

Product mix (% share of a2MC sales)

63.8%

IMF

9.6%

Other Nutritionals

China and Other Asia product portfolio[7]

Product mix (% share of a2MC sales)

12.4%

Liquid milk

3.7%

IMF

1.4%

Other Nutritionals

Australia and New Zealand product portfolio[7]

Product mix (% share of a2MC sales)

9.0%

Liquid milk

0.1%

IMF

North America product portfolio[7]

7. Product portfolio shown is not exhaustive.

Supply chain transformation substantially progressed at a2 Pōkeno

A significant milestone during FY26 was the acquisition and successful integration of the a2 Pōkeno nutritional manufacturing facility. The facility was acquired in 2025 for $281 million as part of the Company's supply chain transformation programme. a2 Pōkeno is located in the highly productive and fertile Waikato region, in the North Island of New Zealand, providing advantages in milk sourcing, import/export logistics and talent access.

Through the acquisition, the Company obtained a world-class fully integrated nutrition manufacturing facility and two China label infant milk formula registrations (with the potential for a third registration).

The acquisition is a major step towards transforming the Company's supply chain. In addition to securing additional China label market access, the acquisition will also provide strategic and operational control over the manufacturing of the majority of the Company's IMF portfolio, enhance supply chain resilience, support future innovation and generate attractive financial returns through incremental China label IMF sales and vertical manufacturing margin capture.

Throughout the year, we focused on integrating the facility into the Company's operations and investing in increasing capability and capacity, making substantial progress in executing the previously announced multi-year capital investment programme of ~$100 million ($51.6 million invested in FY26). In addition, we also strengthened quality processes and progressed plans to insource our *a2 Platinum*™ product from our partner Synlait in 1H27. The facility continued to produce our premium English label infant nutrition products, including *a2 Genesis*™ and *a2 Gentle Gold*™, while providing a platform to further develop advanced nutritional manufacturing capability in New Zealand.

A major achievement was the receipt of approval from China's State Administration for Market Regulation (SAMR) to transition the two acquired China label infant milk formula registrations to *a2*™ branded products. This represented the final regulatory milestone associated with the acquisition and enables the launch of *a2*™ branded China label infant nutrition products manufactured at a2 Pōkeno in 1H27.



Key supply chain assets and strategic partners

Region	Strategic and distribution partners

China and Other Asia

- China State Farm Agribusiness Development Group Co., Ltd. (CSFA) import agent and master distributor for China label, and English label *a2 Genesis*™ for sale via cross-border e-commerce (CBEC) into China.
- The vast majority of products are sourced from New Zealand and Australia.

Master distributor (China label and English label *a2 Genesis*™)

CNADC

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 positions it as a strong strategic partner for the Company for the long-term.

中国农垦 CSFA

CSFA is a Chinese SOE and offers comprehensive agricultural services in China, and is the exclusive import agent and master distributor for the Company's China label IMF products, and English label *a2 Genesis*™ via the CBEC channel into China, with 99 active IMF distributors and approximately 80 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 cooperation agreement. CSFA's China expertise is of significant value to the Company in managing its operations effectively.

Distributor (China, O2O)

YUOU 渝欧数智

Distributor (South Korea)

YUHAN CARE

Distributor (Vietnam)

Livewell

Australia and New Zealand

Infant Milk Formula
- a2 Pōkeno, NZ – 100% owned
- Synlait, Dunsandel, NZ – 19.8% ownership interest
- 154 farmer suppliers

Liquid Milk
- Smeaton Grange, NSW – liquid milk processing (leased site operated by a2MC)
- Kyabram, Victoria – liquid milk processing (owned site leased to third-party manufacturer)
- 14 farmer suppliers

Main IMF production partner

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. The production of *a2 Platinum*™ will move to a2 Pōkeno in 1H27. a2MC holds a 19.8% equity interest in Synlait, making it the second largest shareholder after 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.

A1 protein free milk pool partner

Fonterra

Fonterra Co-operative Group Limited (Fonterra) is New Zealand's largest dairy processor. The Company has a strategic relationship with Fonterra including a long-term agreement for the supply of A1 protein free raw milk from the North Island, New Zealand for use at a2 Pōkeno.

North America

- 3 third-party processing relationships
- 9 farmer suppliers

Licensee fresh milk (Canada)

agrifoods

How we create value

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 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

The Company made significant progress to transform its supply chain through the acquisition of a2 Pōkeno. We continue to complement our 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 network 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

Our 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
- Enter new markets
- Transform our supply chain

Risks and opportunities

→ Read more on page 57

- The supply of nutritional food products
- People and culture
- Supply chain
- Competitive intensity
- Doing business in international markets
- Technology and cyber security
- Climate and nature
- Social licence to operate

Our vision

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

Values

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

Our key stakeholder groups

Consumers

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

→ Read more on page 26

People

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

→ Read more on page 34

Planet

Protect our planet and cows, rethink packaging, accelerate our transition to near zero emissions and contribute to nature positive.

→ Read more on page 44

Shareholders

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

→ Read more on page 54

Our growth strategy

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

The Company has clear goals across four stakeholder groups – Consumers, People, Planet 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.

Purpose

We pioneer the future of Dairy for good

Vision

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

Goals

Consumers	People	Planet	Shareholders
Bring the unique benefits of pure and natural *a2 Milk*™ to as many consumers as possible	Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities	Protect our planet and cows, rethink packaging, accelerate our transition to near zero emissions and contribute to nature positive	Create long-term, enduring value for shareholders and maintain a trusted, transparent relationship

Strategic priorities

Invest in people and planet leadership	Capture full potential in China IMF	Ramp up product innovation	Enter new markets	Transform supply chain
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	Leverage expanded portfolio across more price points Expand in lower tier cities Accelerate online growth Invest in brand strength and leverage across two labels and wider portfolio	Expand EL and CL IMF product portfolio Develop Other Nutritionals for kids, adults and seniors Innovate in liquid milk Explore other adjacencies	Leverage IMF and other products into new markets Develop Asia region (esp. SE Asia) plus other markets over time Adopt in-market distributor/partner model approach	Execute transformation programme at a2 Pōkeno facility in New Zealand Develop supply capability and capacity to support innovation and growth, directly and with 3PMs

Enablers

Quality & safety | Brand strength | Science & innovation | Strategic relationships

Values

B Bold passion

O Ownership & agility

L Leading constructively

D Disruptive thinking

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

- **Invest in people and planet leadership:** Critical to a2MC achieving its commercial objectives is ensuring it has thriving, high performing teams to execute its strategy. a2MC has continued to invest in people leadership, including through its constructive leadership programmes. It continues to focus on taking direct action in GHG emissions reduction and sustainable packaging. a2MC 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. a2MC 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 a2MC leverages across its growing English label and China label IMF product portfolios.
- **Ramp up product innovation:** In recent years, a2MC has invested in building internal product development capability and continues to leverage third party supply partners to accelerate innovation and expand the product portfolio and reach of the *a2*™ brand. In FY27 a2MC will launch a number of strategically important new products and upgrades to existing products, including the launch of two new China label IMF products and updates to *a2 Platinum*™ and *a2 Genesis*™.
- **Enter new markets:** Continuing to expand presence in new markets and leveraging existing range of products across IMF and Other Nutritionals. Initial focus has been across the broader SE Asia region, with expansion into Singapore and Vietnam well progressed. a2MC will continue leveraging an in-market distributor/partner model for initial expansion to build scale.
- **Transform supply chain:** Supply chain transformation remains a top strategic priority for a2MC as we continue the integration of a2 Pōkeno. Increasing control over our supply chain enables increased control over quality, supply and innovation.

Financial measures of success

a2MC has remained firmly focused on executing against its growth strategy that was introduced in 2021. Meaningful progress has been made against a2MC's strategic medium-term financial and non-financial ambitions which are reflected in a2MC's FY26 Group STI Performance Scorecard (refer to page 77).

a2MC's strong brand, underpinned by sustained marketing investment, has driven significant market share gains. a2MC's share of the total China IMF market has increased from 4.9% in FY21 to 8.0% in FY26, with a2MC being the fourth-largest brand in the market.

a2MC has achieved strong growth in Group revenue and EBITDA from FY21 to FY26 of 64% and 130% respectively. For the same period, China label IMF sales have grown 40% and English label IMF sales have seen a recovery, up 51%.

This year a2MC delivered record sales of $1.975 billion, with double-digit growth in revenue, consistent with ongoing execution of our growth strategy. EBITDA and EPS were up 5.4% and 7.0%, respectively, in FY26 on an underlying basis (i.e. excluding a2 Pōkeno trading losses and transformation costs).

FY26 results were impacted by supply chain disruption in 4Q26 which impacted in-market product availability, mainly for China label IMF, and led to a large proportion of users to switch brands during this period. The contributing factors were resolved with a2MC focused on regaining users and driving new user recruitment.

Despite 4Q26 supply chain disruption, FY26 performance has moved a2MC closer to its medium-term revenue ambition of ~$2 billion by FY27 or later.

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, with two new China label products being launched in FY27, as well as important updates to *a2 Platinum*™ and *a2 Genesis*™.
- Growing other nutritional products in China through innovation and expanded distribution with positive sales growth momentum for kids nutrition, seniors nutrition and paediatric supplements leading into FY27, in addition to further expansion of the Other Nutritionals portfolio.
- Growing in existing and new emerging markets outside of China (e.g. SE Asia). a2MC has already established a strong presence in Vietnam and is exploring opportunities across other markets.
- Expanding in milk and adjacent categories in ANZ and the USA, leveraging a2MC's strong brand positions in both of these regions.

a2MC 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.

The recent acquisition of a2 Pōkeno will help expand margins over time through increased China label profit contribution as well as vertical manufacturing profit margin capture.

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 a2MC's priorities around its supply chain transformation, and achieving profitability in the USA.

There are also key macro uncertainties that may impact future performance, 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 a2MC's ambition.

Our growth strategy (continued)

Medium-term measure of success goals

On track · Work in progress

Consumers

Brand Health
- China brand health
- AU brand health
- USA brand health

Market Share
- MBS share
- DOL share
- CBEC share
- O2O + Daigou share
- Australian fresh milk share
- USA premium milk share

Innovation
- IMF sales from new products
- China Other Nutritionals growth
- Emerging markets development
- ANZ sales from new products
- USA sales from new products

Supply Chain
- Access to ≥3 CL registrations
- a2 Pōkeno transformation
- CL inventory management
- EL inventory management
- Quality and service
- Supply chain efficiency

→ Page 26

People

- Safety
- Engagement
- Diversity and inclusion
- Gender pay gap

→ Page 34

Planet

- GHG emissions reduction
- Sustainable farming practices
- Support animal welfare outcomes
- Sustainable packaging

→ Page 44

Shareholders

- Sales ambition of $2.0b (≥FY27)
- EBITDA margin in the 'teens', targeting year-on-year improvement
- a2 Pōkeno profitability by FY28
- USA profitability by FY27

→ Page 54

Non-financial measures of success

a2MC is also focused on several medium-term non-financial measures of success, as summarised in the table above.

Consumers: a2MC has set brand health, market share, innovation and supply chain targets to deliver on its Consumer goals.

For brand health, it is targeting year-on-year improvements in awareness, trial, loyalty and net promoter scores in China IMF, Australian fresh milk and USA premium milk.

For market share, a2MC is working to become a top-five China label IMF brand with greater than 5% market share. a2MC is also targeting to have the leading English label IMF range and market share of greater than 25%. For its liquid milk business, a2MC 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, a2MC is looking to drive significant growth in Other Nutritionals in China, building a business in excess of $200 million in incremental revenue from Other Nutritionals, while also driving 15% of sales from new products in Australia and the USA.

For supply chain, importantly, in FY26 a2MC received regulatory approval for two additional China label registrations to be produced at a2 Pōkeno, with potential for a third. a2MC remains focused on finalising the integration and capital investment programme at a2 Pōkeno, including scaling volumes produced.

The acquisition of a2 Pōkeno in FY26 substantially progressed a2MC's supply chain transformation and provides for more strategic control to support its 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.

People: a2MC is committed to promoting a safe, diverse, inclusive and engaging environment for its people. Its 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, a2MC 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 a2MC's Australian gender pay gap by 2ppts per annum.

Planet: a2MC 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 GHG emissions, a2MC seeks to make meaningful progress each year towards its target of achieving net zero for Scope 1 and 2 by 2030 and near zero Scope 3 emissions by 2040, with an interim target to reduce Scope 3 emissions by 30% (per kilogram of fat and protein corrected milk) by 2030, from a FY21 base year.

a2MC also seeks to continuously improve the sustainability of its packaging against key measures of recyclability and recycled content.

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 and transparent relationship.

This FY26 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's FY26 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), 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 FY26, the Company has received from Ernst and Young (EY) reasonable assurance for Scope 1 and 2 emissions, and limited assurance for Scope 3 emissions, re-baselining over FY21 emissions, operational environmental management, people, community investment and sustainable packaging metrics included in this report and the Company's FY26 Climate Statement, along with reference to the GRI Standards.

→ For further information, refer to the EY Independent Auditor's Report on pages 156–159.

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.

In line with industry best practice, the Company will refresh its materiality assessment in FY27.

Top 12 material issues from materiality assessment

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

Consumers

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

In this section

Consumers

Consumer engagement

a2MC has been dedicated to sharing the finest quality A1 protein free dairy nutrition with the world since its inception. A focus on innovation has seen the Company's portfolio expand significantly over the past few years 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 premium *a2*™ products.

The Company has continued to prioritise investment in marketing and innovation, leading to significant volume and share gains in the majority of its key categories and markets.

Medium-term consumer targets

China label IMF market share in China

>5%

FY26: 5.2%[1]
FY25: 5.5%

English label IMF market share in China

≥25%

FY26: 19.5%
FY25: 19.2%

Sale of Other Nutritionals in China

>$200m

FY26: $192m
FY25: $135m

SAMR registered China label products

≥3

FY26: 3[2]
FY25: 1

US premium milk category market share

>3%

FY26: 2.8%
FY25: 2.2%

Australian dairy milk market share

13%

FY26: 11.7%
FY25: 11.2%

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 is focused on the responsible marketing of safe, high-quality dairy products to consumers.

We continue to grow the *a2*™ brand across product categories, building consumer awareness, penetration and loyalty in 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 continue to underpin the Company's future product innovation, with the aim of welcoming more people into dairy, and enabling a broader audience to enjoy the natural goodness of *a2 Milk*™.

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

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

1. Source: Kantar. Based on MAT. Decline in 4Q26 is due to supply chain disruption.
2. The acquisition of a2 Pōkeno and subsequent SAMR registration have secured two additional China label IMF products.

Consumers

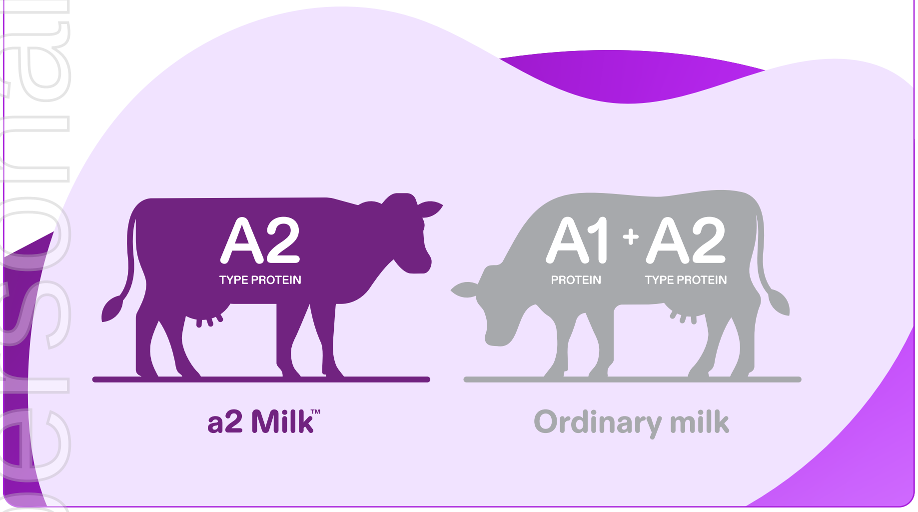
A differentiated proposition

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.

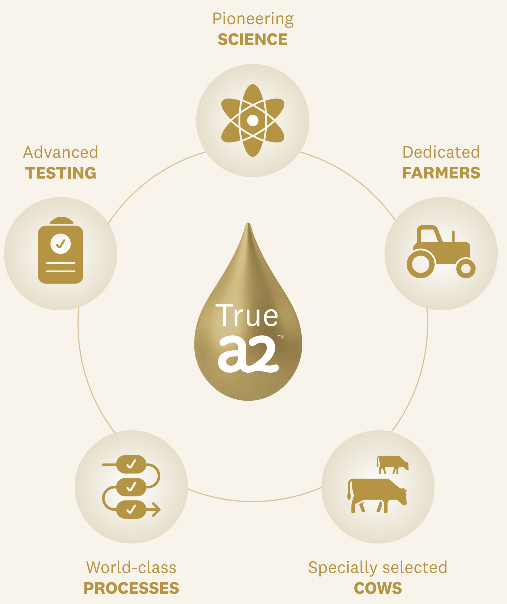


A commitment to quality

The Company is committed to the highest standards of product quality and food safety, especially important given a large proportion of its products are consumed by infants, young children and pregnant women. The Company has significant proprietary knowledge and rigorous quality processes, as well as strict compliance with additional 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.
- 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.
- 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 over 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.

Consumers

Building brand equity

Investment in brand

The Company is committed to marketing investment that continues to improve brand equity in its key markets of China, Australia and the USA. The Company is focused on progressive and health-conscious consumers, as well as those who experience digestive discomfort when consuming products that contain A1 beta-casein protein. Both sets of consumers are drawn to the differentiated proposition that a2MC delivers.

The Company's marketing approach communicates the premium quality brand proposition, highlighting the potential health and wellbeing benefits of its branded products, built on a foundation of the natural goodness of *a2 Milk*™.

For those who would otherwise limit their consumption of dairy products or avoid them altogether, the Company aims to welcome these consumers back to the category. 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 has continued to expand over the past few years, with the introduction of a number of new product ranges aimed at bringing new users into the brand. These include fortified milk powders for seniors, kids' fortified milk and milk powder, a range of premium paediatric supplements as well as expanding the *a2*™ IMF portfolio with *a2 Gentle Gold*™ and *a2 Genesis*™.

There has also been a continued focus on emerging markets. Increased presence and growth across both IMF and Other Nutritionals milk in Vietnam has been a particular highlight. Growth of *a2*™ products in the South Korea and Singapore markets, as well as entry into the Philippines, continues to establish the brand in the broader SE Asia region.

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.

Consumers

Regional marketing highlights

China

a2™ is a top-4 IMF brand in China. Since launching *a2 Platinum*™ in 2013, the *a2*™ portfolio has expanded to include both China label and English label products across a range of categories including infant milk formula, paediatric supplements, fortified milk powders and fresh milk. The *a2*™ range can be accessed via multiple sales channels including domestic and cross-border e-commerce platforms, reseller (Daigou) networks and retail stores.

Key highlights

- Collaborated with Dr. Cui Yutao, a renowned parenting expert, to launch the 'Maternal Affinity – Healthy Mum, Healthy Baby' brand campaign. Integrating authoritative scientific evidence with emotional communication has grown penetration and top of mind awareness of *a2*™ products among key target audiences.
- A partnership with globally renowned brand 'My Little Pony'[1] saw the launch of an exclusive Chinese Year of the Horse gift box tailored for expectant mothers. The campaign significantly boosted awareness among pregnant women, increasing total awareness by +7pts and top-of-mind awareness by +6pts[2].
- Activated an exclusive partnership with kids' cartoon franchise 'The Octonauts'[1] in FY26. The integrated campaign included on-pack integration of iconic characters, brand integration into the cartoon's official storyline, social and digital activity, and 4,700 in-store activations, fuelling impact and growth across *a2*™'s kids powder and UHT portfolios.
- a2MC's Australian Open (AO) partnership was leveraged in China to elevate brand visibility and premium brand equity. By aligning AO event exposure with Chinese New Year gifting, the campaign was extended beyond tennis fan communities, pushing market share for both adult and senior milk powder ranges to an all-time high during the period.

International

a2MC has been focused on continuing to expand distribution of *a2*™ branded products into new markets.

FY26 saw continued growth of English label IMF and other products into China and the *a2*™ brand in Vietnam. a2MC also continued to build the distribution and presence of *a2*™ branded products in Singapore and South Korea and other emerging markets across SE Asia.

Key highlights

- Grew Vietnam revenue +128% vs prior year, driven by IMF portfolio expansion (*a2 Platinum*™ and *a2 Gentle Gold*™) and strong distribution gains.
- Expanded distribution to >3,500 MBS stores across Vietnam, including distribution of *a2 Platinum*™ in ConCung (National Key Account) and *a2 Gentle Gold*™ into lower-tier cities.
- Further broadened portfolio with launch of *a2*™ Organic Milk Powder in FY26, with launch of *a2 Genesis*™ into the ultra-premium IMF segment scheduled for 1H27 in Vietnam.
- Delivered a 10% year-on-year growth in South Korea driven by key online ranging on Coupang.
- Continued to reinforce brand presence in Singapore with a focus on *a2 Milk*™.
- Entered the Philippines market with *a2 Milk™* UHT in the premium modern trade channel.

1. Copyright reserved exclusively in Mainland China.
2. a2MC brand health tracking January 2026.

Australia and New Zealand

a2 Milk™ is a leading fresh milk brand in Australia, available in a range of variants and formats, with _a2 Milk_™ Lactose Free driving significant growth in recent years. IMF brands _a2 Platinum_™ and _a2 Gentle Gold_™ are widely available through both grocery and pharmacy channels.

Whilst the Company is actively exploring options to recommence supply of fresh _a2 Milk_™ in New Zealand, its milk powders, UHT milk and IMF products remain available to New Zealand consumers.

Key highlights

- *a2 Milk*™ value grew at 1.8 times the rate of the dairy milk category in Australia, driven by both Core and Lactose Free which outperformed their respective fresh milk categories.[3]
- Became the first ever dairy milk partner of the Australian Open (AO). The partnership drove significant brand impact nationally with >66 million impressions over 3 weeks and supported growth in 2H26.
- Improved IMF market share position from No.4 to No.3, driven by strong performance of *a2 Gentle Gold*™, which delivered significant year-on-year growth supported by the "*Every Win Counts*" integrated campaign.[4]
- *a2 Platinum*™ Toddler Milk received the ProductReview.com.au Top Rated Toddler Milk Drink award for the fourth consecutive year, while *a2 Gentle Gold*™ also received this award for the first time.

North America

Performance remained strong in FY26 with core _a2 Milk_™ products and _a2 Milk_™ Grassfed continuing to drive consistent growth, reaching $100M in retail sales for the first time this year.

The Company has submitted its FDA New Infant Formula Notification (NIFN), with a decision on long-term approval pending.

Key highlights

- *a2 Milk*™ became a top 10 milk brand in the United States and the fastest-growing brand in the category.[5]
- Achieved approximately 2.8% share of the Specialty & Premium milk segment, a 26% increase vs. July 2025.[6]
- *a2 Milk*™ Grassfed continued to outperform the grassfed milk category with sales up significantly year-on-year, reflecting strong consumer preference for high-quality, differentiated dairy offerings.[7]
- Strengthened a2MC's engagement with the healthcare community through a successful debut at the American Academy of Pediatrics Conference, generating more than 2,300 direct interactions with healthcare professionals. This activity increased brand visibility, drove meaningful engagement, and supported education on the A1 protein free difference.
- *a2 Milk*™ licensed brand sales in Canada continued to deliver strong, double-digit growth for a fourth consecutive year, with increased distribution in mass merchandise channel and a trial in the club channel.

3. IRI Circana, Australian Grocery Weighted, Dollars ('000) Growth %YA, Fin YTD to 31/05/2026.
4. IRI Circana, Australian Grocery & Pharmacy, $ value, MTD to 31 May 2026.
5. Dairy Foods Reporter, February 6, 2026; Circana, 52 weeks ending November 30, 2025, Total Refrigerated White Dairy Milk.
6. SPINS – FOOD channel, Spec & Prem Milk segment, pack count = 1, 52 weeks ending 5/17/26.
7. SPINS – MULO & Natural channels, 52 weeks ending 5/17/26.

Consumers

Research and development

Investment in science and A1 protein free understanding

As original pioneers and creators of the A1 protein free dairy category, the Company has invested in more than 25 years of scientific research to establish and advance the evidence base underpinning the category, laying the foundation for ongoing scientific exploration, product innovation and category development.

Driven by consumer needs, a2MC's science priorities have consistently informed and shaped its business strategy. The Company's science and nutrition functions play a key role in driving growth, accelerating strategic priorities, strengthening competitive advantage and reducing business risk.

a2MC continues to reinforce its global leadership in A1 and A2-type beta-casein protein research through collaborations with leading research institutions and partners, but the Company's commitment to scientific leadership extends beyond research. More than 20 years ago, the Company developed the first commercially viable beta-casein testing capability, an innovation that enabled the verification of A1 protein free dairy products at scale and helped establish the foundations of the category. Since then, a2MC has continued to advance beta-casein testing methodologies and quality assurance systems, strengthening its ability to verify product integrity throughout the supply chain.

Expanding the evidence base

The scientific evidence supporting A1 protein free dairy continues to strengthen through both Company-funded and independent research. The recent publication of three studies[1, 2, 3] funded by a2MC have enhanced scientific credibility, broadened access to the findings across the global research community and supported further independent investigation.

More than a dozen clinical studies conducted by both a2MC and independent researchers have been published over the past two years. This includes research from independent groups in the United States[4], Korea[5], China[6] and Switzerland[7] which have contributed further insights into gastrointestinal function, healthy microbiome composition, and the potential role of beta-casein proteins in specific immune responses. Collectively, this growing body of evidence reflects increasing global scientific interest in A1 protein free dairy, strengthens the category's scientific foundation, and advances understanding of its potential benefits.

Commitment to ongoing discovery

During FY26, a2MC continued to develop a pipeline of new clinical research. These studies aim to build on recently completed studies, to further strengthen the evidence supporting established benefits of A1 protein free dairy, as well as exploring emerging areas of scientific interest. Through this ongoing investment, a2MC seeks to expand scientific understanding, support future innovation and reinforce its leadership in A1 protein free dairy science.

1. Zhang et al. J Nutr Health Aging. 2025;29(7):100579.
2. Li et al. Food Sci Nutr. 2025;13(7):e70606.
3. Yang et al. Chin J Perinat Med. 2025;28(7):542–557.
4. Robinson et al. Nutrients. 2025;17(12):1946.
5. Song et al. PLoS One. 2025;20(5):e0323016.
6. Wang et al. J Funct Foods. 2026;139:107222.
7. Straumann et al. Gut. 2026. doi:10.1136/gutjnl-2025-337596.

USA IMF Growth Monitoring Study

As part of the a2MC's NIFN submission to the U.S. Food and Drug Administration (FDA), a Growth Monitoring Study (GMS) was completed in the USA to evaluate whether infant formula made with *a2 Milk™* supports normal growth and is safe for healthy term infants. Growth monitoring studies are a key component of the FDA assessment process for new infant formulas and are designed to demonstrate that infants achieve growth outcomes comparable to those of infants consuming an established commercially available formula.

The clinical study followed successful completion of a preclinical protein quality assessment, which demonstrated superior protein utilisation efficiency relative to the prescribed reference protein, providing evidence that the protein source effectively supports growth and development.

In the randomised, double-blind, controlled trial involving 156 healthy full-term infants, formula made with *a2 Milk™* met the study's pre-defined non-inferiority criteria for growth compared with a commercially available FDA-approved conventional infant formula. Infants consuming the formula demonstrated appropriate growth through 16 weeks of age, with no significant differences in adverse events between study groups, confirming an equivalent safety profile.

Beyond achieving the primary study objective, secondary analyses identified statistically significant growth advantages for infants consuming formula made with *a2 Milk™*. **Over the 16-week study period, infants receiving the a2MC formula achieved 6.6% greater length gain and 6.0% greater weight gain than infants receiving conventional formula.**[1] These differences were observed despite similar formula intake between groups, suggesting an 11% more efficient conversion of protein to weight and warranting further scientific investigation.

The study findings were presented at the American Society for Nutrition Annual Meeting, Washington, D.C., from 25–28 July 2026 in the abstract, *"Growth and Safety of Infant Formula Made with Milk Free from A1 Beta-Casein: A Randomized, Double-Blind, Controlled Trial in Term Infants"*.

1. Length 12.88 vs 12.08 cm, one-sided p-value < 0.05; Weight 3,577.78 vs 3,376.50 grams, one-sided p-value < 0.05.

People

Our people are at the heart of our success. We are committed to creating a safe, inclusive and high performing workplace where everyone can contribute, grow and do their best work. By investing in our people and empowering them to make decisions, we build a stronger business that delivers sustainable value for our customers, communities and shareholders.

In this section

People

Passionate and thriving team

The Company is committed to a safe, inclusive and high performing environment where our people can do their best work and deliver impact. We empower team members to take ownership and make decisions that matter, working together to achieve shared outcomes. We invest in capability and leadership to build a workforce that is ready for the future. This focus strengthens performance and ensures we continue to deliver for our stakeholders and the communities we serve.

Medium-term people targets

Gender pay gap

2ppts reduction

for Australia per annum

FY26: Decreased Australian and global total average gender pay gaps by 3.5ppt and 6ppt respectively

Engagement

>75%

Company-wide engagement survey

March 2026: 74%
March 2025: 71%

Safety

<5 TRIFR

with continuous improvement

FY26: 1.6
FY25: 3.3

During FY26, the Company launched various initiatives, which are further detailed in this section, to deliver on its ambition and to achieve engaged and effective teams who create long-term value for the Company and its shareholders.

FY26 progress

Health, safety and wellbeing

- Evolved the health, safety and wellbeing roadmap to reflect our prioritisation of supply chain transformation.
- Critical risk panels formed for our critical risk assurance programme.
- Launched our global monthly 'Safety Spotlight' at company-wide townhall meetings.
- Delivered mental toughness and resilience training to people leaders in Australia and New Zealand.
- Strengthened wellbeing awareness and education through a dedicated month of activations promoting mental and physical health across all sites.
- Enhanced the workplace experience in China by expanding office floor space to create the opportunity to co-locate multiple teams and enhance collaboration and one-team culture.

Reward, recognition and learning

- Continued to embed the link between pay and performance during annual salary review in each region and 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 the Company's strategic priorities.
- Recognised team members through the annual *a2*™ Legend of the Year award and four individual recipients of the annual B O L D values awards.
- Introduced a purchased leave program for ANZ team members to provide further flexibility.
- Launched LinkedIn Learning career hub to support continuous learning and development.
- Launched a dedicated intranet page to better support new team members throughout their onboarding journey.

People
Passionate and thriving team (continued)

Investment in leadership

- Invested in existing and future leadership capability through a new cohort of the 'B O L D leadership programme', focused on self-leadership and leading others.
- Enhanced resources and support for leaders to effectively onboard and integrate new team members.

Talent Acquisition

- Developed and launched a new online corporate induction and onboarding experience, providing a more consistent and scalable introduction to a2MC's culture, values, systems and ways of working for new team members globally.
- Increased focus on direct sourcing and proactive talent pipelining across specialist and hard-to-fill roles, reducing reliance on external agencies and building stronger long-term talent networks.
- 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.
- Initiated the build and integration of our recruitment workflows with our Human Resources Information System (HRIS) which streamlines processes and data management.
- Strengthened recruitment governance and candidate experience through consistent recruitment processes, tools and frameworks, supporting hiring quality, fairness and scalability across the Company.

Supporting a diverse and inclusive workplace

- Continued to advance diversity and inclusion through the partnership with Parents at Work, delivering education and support initiatives to promote a more inclusive and supportive workplace.
- Commenced a data driven gender action plan in partnership with Diversity Partners to evolve Company initiatives focused on reducing the Australian gender pay gap.
- Delivered Inclusive Leadership Training and Unconscious Bias Training to people leaders.
- Gender pay gap metrics (Australia and global) have remained in the Company scorecard as a key performance indicator.
- Launched an enhanced global Diversity, Equity, Inclusion and Belonging (DEIB) policy.

Next steps

- Review and enhance current benefits to strengthen the Company's value proposition for team members and 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.
- Enhance people leader capability in leading diverse teams inclusively through people leader education sessions.

Key metrics data

Gender (as at 30 June 2026)	Cohort	Male	%[3]	Female	%[3]	Variance to last year[3,4] (% of females)
Directors[1]	7	4	57%	3	43%	-7%
Executive Leadership Team[1]	10	7	70%	3	30%	0%
People Leaders[2]	120	55	46%	65	54%	5%
Remaining Team Members	558	272	49%	286	51%	-3%
Total	**694**	**337**	**49%**	**357**	**51%**	**-1%**

Age (as at 30 June 2026)	Number	%[3]	Variance to last year (%)[3,4]
Under 30	75	11%	1%
30 to 50	492	71%	2%
Over 50	127	18%	-3%
Total	**694**	**100%**	**–**

Tenure (as at 30 June 2026)	Number	%[3]	Variance to last year (%)[3,4]
0–2 Years	353	51%	16%
2–5 Years	189	27%	-11%
5+ Years	152	22%	-5%
Total	**694**	**100%**	**–**

1. David Bortolussi has been included in both the Director and ELT calculations.
2. People Leaders are defined as any Team Member with direct reports.
3. All values subject to rounding.
4. The year-on-year comparison is not directly comparable due to the acquisition of a2 Pōkeno and the divestment of MVM in FY26.

People

Our ongoing commitment to gender pay equality

The Company continues to strengthen its policies, benefits and practices, underpinned by a data-driven Diversity Equity Inclusion & Belonging (DEIB) approach and a belief that a holistic focus on diversity and inclusion drives better business and team member outcomes.

The Company is pleased to report a reduction in each of its gender pay gap metrics, while recognising that sustained and consistent effort is required to deliver long-term improvement.

Across FY26, the Company has continued to strengthen its focus on reducing the gender pay gap through a coordinated, enterprise-wide approach spanning attraction, recruitment, benefits, flexibility and culture. The Company partnered with external consultancy Diversity Partners to develop a data-driven gender action plan. A gender pay gap objective is included in the group performance scorecard to ensure a clear link to leadership accountability.

The Company maintains its 'Family Friendly Workplace' certification, awarded by Parents at Work and UNICEF, recognising its ongoing commitment to supporting team members and their families.

Board representation of women remained at 43%, led by a female Chair. Female representation on the Executive Leadership Team (ELT) is 30%, including a female internal promotion in FY26. Management continues to work towards its target of at least 40% representation of men and women across all organisational levels.

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 remain key areas of focus in the attraction, development and retention of talent. a2MC continues to review and evolve its recruitment and talent practices to support fair, equitable and inclusive outcomes in this area, including:

- All roles are advertised internally to broaden the pool of candidates and to provide development and career 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.
- Structured interview templates are provided to hiring leaders to support consistent interview practices, reduce unconscious bias and promote an equitable candidate experience.
- Unconscious bias training is provided to all hiring leaders to reduce unintended bias in the recruitment process.
- Talent management processes continue to incorporate gender balance and diversity considerations.
- The CEO and Chief People & Culture Officer review all senior leadership appointments to ensure that a fair and gender-neutral approach has been adopted.

2. Flexible and supportive work practices

The Company continued to strengthen its commitment to flexible, inclusive and family-friendly work practices during the reporting period. Building on the achievement of the 'Family Friendly Workplace Certification' awarded by Parents at Work in partnership with UNICEF, the Company remains focused on maintaining leading policies, practices and benefits that support 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 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).
- Ability for ANZ team members to purchase additional annual leave (up to two weeks).

3. Remuneration framework

The gender pay gap reflects differences in workforce composition rather than like-for-like pay. The Company currently has a higher proportion of men in higher graded roles and a higher proportion of women in lower graded roles. Addressing this distribution over time remains a key focus.

The Company actively monitors both its gender pay gap and pay equity outcomes, including through the annual remuneration review process, and takes targeted action where appropriate.

A gender pay gap strategic goal has been embedded into the Group short-term incentive (STI) performance scorecard, linking a portion of variable remuneration to measurable progress and strengthening leadership accountability.

Gender pay gap calculations

Australian gender pay gap data[1]

Due to the relatively low number of total team members 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 STI performance scorecard.

While averages can be influenced by outliers, the median measures provide a more representative view of typical pay of females and males at a2MC.

		FY26	FY25
Base salary	Average	23.4%	24.0%
	Median	13.4%	17.8%
Total remuneration	Average	36.3%	39.8%
	Median	12.6%	21.4%

1. WGEA methodology used to calculate gender pay gap based on data as at 31 March of each year. 169 and 167 employees as at 31 March 2025 and 31 March 2026 respectively in line with WGEA reporting dates.

Global gender pay gap data[1,2]

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.

		FY26	FY25
Base salary	Average	13.1%	20.4%
	Median	0.4%	13.5%
Total remuneration	Average	25.8%	31.8%
	Median	6.5%	10.2%

1. WGEA methodology used to calculate gender pay gap based on data as at 31 March of each year.
2. The year-on-year comparison is not directly comparable due to the divestment of MVM and the acquisition of a2 Pōkeno in FY26.

People

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 businesses play 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 the same.

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 a Modern Slavery programme through a cross-functional working group with participation across sustainability, supply chain, legal, risk and procurement functions.

→ The Company publishes a dedicated annual Modern Slavery Statement. The FY25 Modern Slavery Statement is available at thea2milkcompany.com/ESG-reporting.

FY26 progress

- Enhanced supplier due diligence processes by introducing a third-party ethical sourcing platform (Sedex) and commencing strategic partner site reviews utilising information on the platform.
- Commenced the Sedex Self-Assessment Questionnaire process for a2MC wholly owned manufacturing sites.
- Commenced a review of our engagement with China based brand ambassadors to improve visibility of potential human rights risks and identify areas requiring focus.
- Worked closely with our regional milk pools to express a commitment to respecting human rights and the UN Guiding Principles on Business and Human Rights.
- Introduced modern slavery considerations into our RFP process for a2MC suppliers.

Next steps

- Expand utilisation of third-party ethical sourcing platform to increase visibility over our supply chain.
- Complete Self-Assessment Questionnaires for all a2MC wholly owned manufacturing sites.
- Map inherent risks beyond tier one suppliers for high-risk procurement categories.

Promoting diversity and inclusion

As a business with team members across five countries, we recognise that diversity is inherent in our business. We prioritise building a culture that promotes inclusion, authenticity and ensuring that every team member can contribute fully regardless of background or location.

FY26 progress

- Continued to include gender pay gap metrics into Group STI performance scorecard.
- Quantitative and qualitative data obtained through diversity surveys and diversity and inclusion focussed questions within the annual company-wide engagement survey to inform focus areas.
- Educated people on inclusive leadership, psychological safety and workplace behaviour.
- Approved the Diversity Equity Inclusion and Belonging (DEIB) policy (replacing the previous Diversity & Inclusion policy).

Next steps

- Utilise data-based insights to evolve the diversity and inclusion focused initiatives for FY27.
- Enhance people capability through education sessions focused on leading diverse teams, wellbeing support and constructive leadership behaviours.
- Re-launch remuneration learning modules to reinforce pay transparency.

People

Enriching communities

The Company proudly supports organisations 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.

FY26 progress

Total of $1.89m[1] in product and cash donations.

FY26 community investment

$1.89m

invested in community initiatives (cash and in-kind)

194

organisations supported through community investment

7,814

direct beneficiaries supported through key partnerships

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

FY26 contributions

Key community partners in FY26 included:

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

Event-based (or reactive) support

Additional farming community specific programmes and support:

- a2™ Farm Sustainability Fund.
- Surfing for Farmers support.
- Farmer flood relief donation in NSW, Australia.

1. Donations figure includes the cost value of donated products and any donation of cash (NZD) to communities, organisations, farmers and individuals.

People
Enriching communities (continued)

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, funding surgeries and providing nutrition products for 88 patients in FY26 to support 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

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 helped to support more than 60 early childhood education centres in FY26, 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, providing practical support can help to remove some of these barriers, creating an opportunity for a better future.

KidsCan

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 FY26, the Company donated funds to provide food and supplies for school children, ensuring they have what they need to grow and thrive with joy.

FEED THE CHILDREN

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.

The Company also supports Foodbank's School Breakfast Program through a cash donation, which provides a nutritious breakfast to children who might otherwise go without. The Program delivers important benefits for students across a broad range of physical and mental health outcomes, helping to support energy levels, concentration and readiness to learn.

In FY26, a2MC helped to extend the reach of the School Breakfast Program across Australia. This includes support to 91 schools in remote Indigenous communities in the Northern Territory and South Australia.

a2MC's support also contributed to over 680 School Breakfast Programs across Western Australia. This is a 20% increase in the number of schools registered for the program in the last year.

FOOD BANK | SCHOOL FEEDING PROGRAM

Planet

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

In this section

Planet

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. In turn, dairy farming can have direct impacts on the climate through operational and animal emissions. Therefore, the Company is committed to taking action to reduce our value chain emissions and to manage the risks and opportunities associated with climate change to build a stronger, more resilient business.

Climate Targets

The Company has set a net zero greenhouse gas (GHG) emissions target for Scope 1 and 2 emissions by 2030, and a near zero target for Scope 3 emissions by 2040[1], with an interim target of 30% Scope 3 emissions intensity reduction by 2030 (per kilogram of fat and protein corrected milk, from a FY21 base year).[2] As the Company is committed to reducing emissions whilst also growing the business, emissions intensity is a critical indicator for assessing progress. To support these targets, a detailed Emissions Reduction Roadmap and Climate Transition Plan have been developed.

Net Zero

GHG emissions for Scope 1 and 2

by 2030

Near Zero

GHG emissions for Scope 3

by 2040

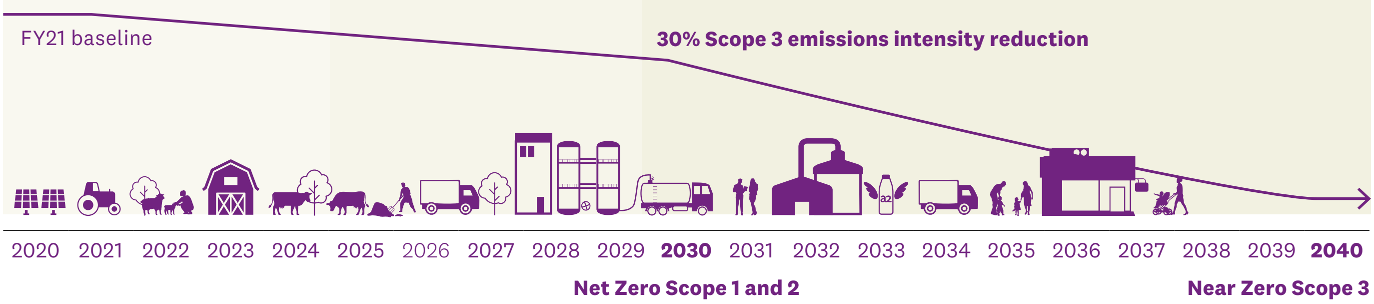
30%

emissions intensity reduction for Scope 3

by 2030 (per kilogram of fat and protein corrected milk, from a FY21 baseline year)[2]

Emissions Reduction Roadmap to 2040

Actions to date	Actions to 2030	Actions to 2040
• Smeaton Grange solar panels • Synlait biomass boiler • Scope 3 on-farm reduction • Farmer grant programme • Renewable electricity agreements • Developed insetting and incentive programme • Invest in on-farm GHG reduction innovation	• Electrification of infrastructure and vehicles • Enhance supplier engagement and support • Implement insetting and incentive programme • Continue to invest in on-farm GHG reduction innovation • Expand retailer and co-financing partnerships	• Continue supplier engagement and support, with increased focus on adaptation and resilience • Collaboration with Industry to drive emissions reduction through the value chain • Scale insetting and incentive programme • Deploy new GHG solutions on-farm and accelerate uptake



1. In line with key members of our agricultural value chain, the Company has revised its 'net zero' Scope 3 target to a 'near zero' target. This does not change the ambition to reduce greenhouse gas emissions as near to zero as possible over time.
2. In accordance with the GHG Protocol Corporate Standard, in FY26 the Company recalculated its FY21 baseline emissions to account for the acquisition of a2 Pōkeno and divestment of MVM. See page 46 for more detail.

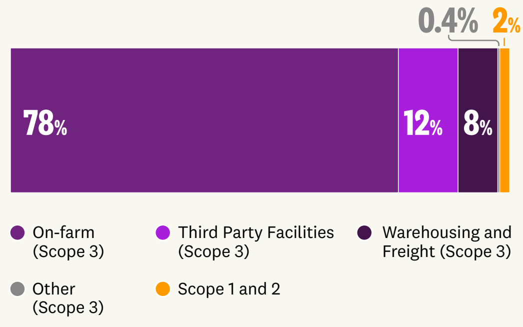
Planet
Climate (continued)

GHG emissions profile[1]

The greenhouse gas emissions profile provides a visual representation of a2MC's Scope 1 (direct), Scope 2 (indirect) and Scope 3 (value chain) emissions. Scope 3 accounts for approximately 98% of a2MC's total emissions, with on-farm activities contributing to approximately 78% of those emissions. Enteric methane from cows is the largest source of on-farm emissions, representing approximately 51% of total emissions.

On-farm GHG emissions
78% of total GHG emissions

Methane	65%
Nitrous oxide	20%
Carbon dioxide	15%



GHG Emissions – Updated FY21 baseline and comparative years

In accordance with the GHG Protocol Corporate Standard, Chapter 5 (Tracking Emissions Over Time), a2MC has recalculated its emissions base year (FY21) and historical emissions inventories prior to FY26, to reflect significant structural change that has occurred during the year, with the divestment of the MVM manufacturing site and the acquisition of a2 Pōkeno. The baseline now reflects the inclusion of a2 Pōkeno back to FY21 and the revised treatment of MVM under the operational control approach. FY26 is a transitional year and reflects actual performance during the reporting period, including MVM for the four months to 31 October 2025 prior to divestment, and a2 Pōkeno from the date of acquisition.

→ For more information on this baseline update, please refer to page 31 of the Company's FY26 Climate Statement.

GHG Emissions[2]	FY26[6] tCO_2e	FY25 tCO_2e[7]	FY24 tCO_2e[7]	FY21 tCO_2e[7]	% change FY21–26
Total GHG Emissions[3]	**594,183**	**432,203**	**468,488**	**550,711**	**7.89%**
Scope 1	10,512	7,218	8,212	10,916	-3.70%
Scope 2 (Location-based)[4]	4,448	2,640	2,621	3,644	22.09%
Scope 2 (Market-based)[4,5]	448	1,232	1,285	–	–
Total Scope 3	583,222	423,753	458,991	536,151	8.78%
On-farm Scope 3	462,008	329,793	355,874	435,141	6.17%
Scope 1, 2 and 3 Emissions Intensity (tCO_2e per kg of fat and protein corrected milk)	1.20	1.27	1.33	1.43	-16.06%
Scope 3 Emissions Intensity (tCO_2e per kg of fat and protein corrected milk)	1.18	1.24	1.31	1.39	-15.37%

FY26 emissions increased following the acquisition of a2 Pōkeno, which expanded a2MC's operational footprint and introduced Scope 1 and 2 emissions sources. The increase in Scope 1 and 2 emissions is considered transitional, with renewable electricity arrangements now in place and electrification projects planned to support delivery of a2MC's FY30 net zero Scope 1 and 2 target. While absolute Scope 3 emissions increased in line with an increase in operational activity, Scope 3 emissions intensity was 15% below the FY21 baseline, achieving over half of the 30% reduction targeted by FY30. This reflects ongoing improvements in farm efficiency, energy management and productivity across the value chain, demonstrating continued progress against a2MC's climate targets.

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 local distribution networks on which energy consumption occurs (using mostly local distribution network-average emission factor data). A market-based method reflects emissions from electricity that companies (in this case, the Company) have purposefully chosen. It derives emission factors from contractual instruments, such as renewable electricity agreements, and PPAs with renewable attributes.
5. Renewable energy certificates (RECs) have been procured from Meridian for the a2 Pōkeno site in New Zealand.
6. Data reflects the emissions from sources under our operational control throughout the year. As such, MVM is included within the reporting boundary for the 4 months until 31 October 2025.
7. Comparative years have been recalculated during the year on a like-for-like basis (re-baselined) as if the current organisational structure had applied across all comparative periods presented.

FY26 progress

Scope 1: GHG emissions from direct operations

- Planned work underway to convert the a2 Pōkeno gas-fired boiler to an electrode boiler.
- 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

- Continued with renewable electricity agreements at a2MC's offices and manufacturing sites where available, with renewable energy certificates[1] being contracted to cover all electricity use at the a2 Pōkeno site.

Scope 3: Indirect GHG emissions

- Established on-farm data approaches and tools for New Zealand, Australian and USA farms.
- Continued as a shareholder of AgriZero^{NZ}, a partnership between the New Zealand Government and major agribusiness companies to fund and develop potential on-farm biogenic methane and nitrous oxide emissions reduction solutions.
- Funded emissions reduction initiatives on-farm through the *a2*™ Farm Sustainability Fund (see page 50).

Disclosures and GHG inventory

The Company is a climate-reporting entity under the Aotearoa New Zealand Financial Markets Conduct Act 2013. In FY26, the Company has continued to evolve its alignment to external reporting requirements and has released its third 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 FY26 Climate Statement and GHG inventory report is available at thea2milkcompany.com/ESG-reporting.

The Company's FY26 Climate Statement contains an ESG assurance report relating to the disclosures in the Statement.

Next steps

- Implementation of a Scope 3 Emissions Reduction Incentivisation and Implementation Plan.
- Gas-fired boiler conversion at a2 Pōkeno in FY27, with further plans in development to eliminate residual gas consumption before FY30.
- 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 became an investor in 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. a2 Pōkeno purchases Meridian's Certified Renewable Energy product to enable it to 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.

Planet

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 global decline in biodiversity, driven by factors such as land-use change, deforestation and pressures on natural resources, presents both a risk and an opportunity for the dairy sector. The Company recognises the critical role that dairy farming and production must play in both protecting and contributing to nature.

Nature targets

Halt biodiversity loss in our value chain (FY24 baseline)

Contribute to nature positive in our value chain

Nature targets

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 increase soil carbon and nitrogen sequestration.
- Improve surface water quality.

Unlike carbon, nature impacts are place-based, meaning a tailored approach needs to be taken across our value chain to drive positive nature outcomes. Given there is no globally recognised approach to measuring and reporting nature-related impacts, we are working with our farmer suppliers to deliver on these priorities through establishing baseline data, developing key nature indicators relevant to our business operations, supporting farmers to enhance operational practices and investing in projects that drive positive nature outcomes through the *a2*™ Farm Sustainability Fund.

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. Achieving this target will require both net zero loss, plus positive contributions to deliver meaningful positive outcomes.

While the Company has a mature dairy value chain, it recognises certain upstream inputs may present indirect exposure to deforestation impacts over time. Within the agricultural sector, understanding the interconnected relationship between nature, climate, and supply chain impacts is essential to effectively contribute to a sustainable future.

FY26 progress

- Completed two pilot biodiversity baseline assessments on farm.
- Contributed over $260,000 to nature positive projects through the *a2*™ Farm Sustainability Fund[1], enabling successful supplier farms to implement and measure nature positive initiatives on-farm, improving soil health, water quality and biodiversity.
- Commenced the development of a Nature Positive guide for our supplier farmers.

Next steps

- Determine nature metrics for biodiversity, soil health and water quality.
- Measure the positive impacts of nature initiatives on biodiversity, soil and water.
- Develop a more detailed understanding of potential deforestation and biodiversity impacts within the value chain to support supplier engagement, improved traceability and responsible sourcing decisions.

Biodiversity Assessment

In FY26, in partnership with Landcare Australia, a2MC piloted a biodiversity assessment across two of its supplier farms in Australia. As part of the project, Nature Conservation Margaret River Region completed expert field assessments of the vegetation, fauna and habitat condition, to identify key species, ecological assets and risks such as invasive weeds. Data insights informed tailored Biodiversity Management Plans for each farm, highlighting priority restoration actions and on-farm improvement opportunities. The pilot supports a2MC's Nature Strategy while equipping farmers with practical, science-based recommendations to enhance environmental outcomes.

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

Planet

Thriving farms

The cows and farmers who produce and supply A1 protein free milk are central to the Company's long-term success. Supporting resilient, productive and sustainable farming systems is therefore a top priority.

Farms sit at the centre of the Company's climate, nature and supply chain objectives, playing a critical role in reducing environmental impacts while maintaining the consistent supply of high-quality milk required to support growth.

Thriving farm commitments

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

This approach contributes directly to:

- **Supply chain resilience:** Supporting reliable milk supply through stronger, more productive farm systems.
- **Emissions reduction:** Enabling progress against Scope 3 emissions targets through on-farm initiatives.
- **Product quality and brand trust:** Maintaining high standards across animal welfare and milk production.
- **Risk management:** Reducing exposure to climate, environmental and regulatory risks.

This integrated model supports both environmental outcomes and long-term value.

Farm environmental plans

Where applicable, we support farms to develop Farm Environmental Plans (FEPs) that identify practical opportunities to manage environmental risks and build on farm resilience.

Farm Environmental Plans follow a practical framework focused on:

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

While not every farm currently has an FEP, we encourage and support farms to adopt these plans as part of a continuous improvement journey.

Animal welfare

a2MC is committed to upholding industry leading standards of animal welfare within its value chain, acknowledging the high expectations for animal welfare from our consumers and other stakeholders.

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

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

a2MC assists farmers to implement its animal welfare programme through on and off-farm support, milk monitoring, and comprehensive independent third party and internal audits.

In addition, the requirements and governance of the programme are reviewed annually by independent external experts in conjunction with the a2MC team, with a view to continuously advance the programme over time. Cattle welfare is therefore continually evolving on farms supplying a2MC, with the goal of aligning measurable scientifically validated welfare advancements and our social licence to operate.

Sustainable farming support

a2MC offers farmers supplying the Company direct support to improve farming sustainability both practically and financially. While the approach may differ across different farming systems, the sustainable farming principles remain the same:

- Healthy land and water.
- Biodiversity and nature protection.
- Strong animal welfare outcomes.
- Responsible and efficient farm practices.
- Healthy, supported people and farming communities.

Our Farm Services and Sustainability teams offer personalised support to our supplier farmers across each of these areas. A practical on-farm data strategy enables the collection and use of emissions and environmental management data, helping our supplier farmers, partner processors and the Company track progress, identify opportunities, and focus efforts where they have the greatest impact.

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

FY26 progress

- Implemented an on-farm data strategy to collect emissions and environmental management data.
- Increased focus on physical indicators to validate and track animal's quality of life across the animal welfare programme in Australia and New Zealand.
- Successful advocacy and awareness raising with farmers and processors to improve calf rearing systems and proactive pain management programmes.

Next steps

- Implement initiatives in collaboration with a2MC farmer suppliers and processors that deliver long-term sustainable dairy systems.

Planet

a2™ FARM SUSTAINABILITY FUND

Supporting a more resilient and sustainable dairy supply chain across Australia and New Zealand since 2017

The a2™ Farm Sustainability Fund supports farmer-led projects within the Company's farming supply chain that demonstrate an integrated approach to a sustainable future, partnering on projects that benefit climate, nature, cows and communities.

Each year, the Fund invites applications from dairy farmers supplying A1 protein free milk across Australia and New Zealand, helping to accelerate the delivery of sustainability projects on farm.

By collaborating with industry experts, the Fund aims to advance sustainable on-farm practices across Company identified key priority areas. These initiatives contribute to emissions reduction, improved soil health, biodiversity and water management, enhanced animal welfare and stronger farm resilience, directly contributing to the Company's sustainability objectives.

The Fund remains a key enabler for delivering measurable improvements across the Company's supply chain, supporting emissions reduction, farm resilience and sustainable growth over the long-term.

Impact snapshot

Total projects funded[1]

>140

Total investment[1]

>$3.7m

FY26 projects awarded

27

FY26 project investment

>$800k

Overview of successful projects awarded in FY26

Key focus areas	Projects awarded	Types of projects awarded
Climate	4	• Biological solution trials to reduce synthetic nitrogen use • Milking shed energy efficiency upgrades
Nature	10	• Invasive species management to protect habitat areas • Riparian planting and wetland restoration to improve biodiversity
Cows	12	• Shade and shelter enhancements • Enhanced milk feeding systems for calves
Community	1	• Supporting local water security

1. Total projects funded since the launch of the farmer grants programme in 2017.

On farm sustainability in action

Transitioning from a diesel-operated water pump to a renewable solar energy system

Duggan farm, Western Australia, Australia

FY26 Project: The Duggan family have received five grants from the Fund since the programme began in 2017, delivering a series of projects to strengthen water efficiency and climate outcomes on farm.

As a family-run operation, Duggan farm had historically relied on diesel-powered water pumps to support water distribution across the property. Through the *a2*™ Farm Sustainability Fund, the farm was able to reduce its reliance on fossil fuels through a transition to solar power, a more sustainable energy source.

The project delivered an estimated emissions reduction of more than **29,000 kg CO_2** per year. The Duggan family partnered with local experts to design and install the system, with the project progressing from installation to operation in under six months.

In addition to reducing emissions, the solar system has improved energy security and lowered operating costs, enhancing farm resilience and long-term profitability. This project demonstrates how targeted investment supports farmers to adopt practical climate solutions that deliver both environmental and economic benefits.

Lowering fertiliser use while maintaining pasture productivity

Wairepo Green, Canterbury, New Zealand

FY26 Project: With support from the *a2*™ Farm Sustainability Fund, Dion Gordon from Wairepo Green farm trialled Agraforum BioN across 180 hectares of the dairy farm, replacing selected urea applications and benchmarking performance against paddocks utilising standard nitrogen fertiliser applications.

Agraforum BioN works by supporting natural soil processes that help plants access nitrogen from the air. This reduces the need for synthetic fertiliser while maintaining pasture growth and performance.

The trial demonstrated comparable pasture growth rates between BioN-treated paddocks and those receiving urea, enabling reductions in fertiliser inputs without compromising performance. Dion has since expanded the use of the product across additional farms, highlighting positive outcomes for both farm performance and input costs.

By lowering fertiliser requirements, the project supports reducing greenhouse gas emissions and improved water quality outcomes through lower nutrient leaching.

Planet

Operational environmental management

The Company has an ongoing focus on reducing the environmental impacts of our operated manufacturing facilities: Smeaton Grange in Australia and a2 Pōkeno in New Zealand.

FY26 progress

Governance

- Environment Policy developed and approved.
- Work commenced to establish an Environmental Management System across manufacturing facilities.

Water usage and efficiency

- Water efficiency is a top priority for a2MC's manufacturing facilities. During FY26, water use intensity was 3.2 litres of water per litre of milk processed.

Waste, wastewater and waste diversion

- Waste reduction is a key focus across the a2MC's manufacturing operations. During FY26, 91.6% of waste was diverted from landfill, while ~1.2 million litres of wastewater was diverted to beneficial land application.

Electricity consumption

- Electricity consumption is monitored across manufacturing operations to identify efficiency opportunities and support a2MC's sustainability objectives. During FY26, total electricity consumption was 31 million kWh.[3,4]

Next steps

- Develop an Environmental Management System for operated manufacturing facilities.
- Convert from existing gas-fired boiler to an electrode boiler at a2 Pōkeno.

Environment management metrics

Metric	FY26
Manufacturing Facilities[1,2]	
Total water usage ('000 litres)	429,070
Water use intensity (litres/litre of milk)	3.2
Waste water diverted to beneficial land application (litres)	1,191,500
Waste to landfill (tonnes)	121
Recycling waste (tonnes)	1,316
Total waste (tonnes)	1,437
Waste diversion (recycled waste/total waste)	91.6%
Electricity consumption (kWh)[3]	31,000,000

a2 Pōkeno

In FY26 the Company acquired an integrated nutritional manufacturing facility located in Pōkeno, New Zealand.

During the period, a significant amount of work has already commenced to integrate a2 Pōkeno into a2MC's sustainability strategy, aiming to better manage environmental impacts across the Company's owned manufacturing facilities:

- Successfully incorporated a2 Pōkeno into a2MC's GHG boundary, re-establishing the Company's emissions baseline back to FY21.
- Updated the Company's climate scenario analysis to include a2 Pōkeno, using proxy data where required, as an interim step.
- Engaged consultants to undertake assessment of on-site energy use and emissions profiling to inform future decision making.
- Committed to replacing the current gas-fired boiler used at a2 Pōkeno, to an electrode boiler.
- Extended the *a2*™ Farm Sustainability Fund to farms supplying A1 protein free milk to a2 Pōkeno.
- Commenced development of an Environmental Management System for use across the Company's manufacturing facilities.

1. The table reflects environmental data from manufacturing operations under the Company's operational control during FY26. This includes Smeaton Grange, a2 Pōkeno from the date of acquisition, and MVM for the four months to 31 October 2025.
2. Changes in the Company's manufacturing footprint in FY26, including the acquisition of a2 Pōkeno and divestment of MVM, have impacted the comparability of environmental performance metrics with prior periods so information about prior periods has not been included.
3. This number has been rounded.
4. a2 Pōkeno purchases Meridian's Certified Renewable Energy product to enable it to 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.

Planet

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 target

The Company aims to increase its packaging sustainability as measured by recyclability and recycled content.

The Company's primary packaging includes steel cans, high density polyethylene (HDPE) plastic milk bottles, liquid paperboard milk cartons, PET pouches and cardboard shipping boxes.

Steel cans are the most significant primary packaging material used by the Company, including for all infant milk formula products. Steel cans provide excellent product safety and shelf-life, and they are also highly recyclable as a valuable material in our consumer markets. The strong demand for recovered steel results in supply challenges in increasing the recycled content of our steel packaging, but results in strong sustainability outcomes via very high recovery rates.

The Company utilises 20% locally sourced recycled HDPE in the 2, 3 and 3.5L bottles at its Smeaton Grange fresh milk processing facility.

Where plastic (HDPE) bottles and liquid paperboard cartons are used, we seek to support recycling programmes and effective consumer labelling to drive recovery through these programmes and recycling systems.

FY26 sustainable packaging metrics

Recyclable packaging (by weight)[1]

99%

FY25: 98%

Recycled content (by weight)[2]

28%

FY25: 8%

FY26 progress

- Included sustainable packaging considerations in new product development process.
- Joined the NZ Packaging Forum.
- Continued to utilise 20% recycled content HDPE in 2, 3 and 3.5 litre fresh milk bottles at the Smeaton Grange facility.
- Achieved a 'leading' rating in Australia by the Australian Packaging Covenant.
- Increased recycled content in tertiary (freight) packaging.
- Conducted external review of Extended Producer Responsibility (EPR) schemes in a2MC's operating markets, with several new schemes joined in the USA, New Zealand and in the Northern Territory in Australia.
- Developed readiness plan for Northern Territory Container Deposit Scheme (CDS) and potential future CDS requirements.

Next steps

- Continue implementation of sustainable packaging action plan.
- Implement opportunities to increase recycled content of packaging materials.
- Continue to monitor and join EPR schemes in a2MC end sales markets.

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.

Shareholders

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

Shareholders

Our shareholders

The a2 Milk Company has approximately 50,000 shareholders, many of whom are Australian and New Zealand individuals and companies, including KiwiSaver and superannuation funds.

Medium-term shareholder targets

Revenue

$2b

by FY27 or later

FY21 to FY26 10.4% CAGR

EBITDA[1] % margin

in the teens

with year-on-year increases

FY25: 16.6%, FY26 14.4%, FY26 underlying 15.6%

Earnings per share (EPS)

>10%

growth per annum

FY21 to FY26 21.2% CAGR

Other metrics

Total shareholder return[2]

8.4%

Return on capital employed (ROCE)[3]

42.0%

The Company has an investor relations programme and is committed to timely and transparent market communications, guided by its 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.
- Annual modern slavery statement.
- Semi-annual earnings announcements via webcast and audio conference.
- Semi-annual post-results briefings with analysts and investors in Australia and New Zealand.
- Regular engagement with global investors in-person and/or virtually.
- Ad hoc one-on-one and group investor and analyst meetings.
- Annual General Meeting including virtual participation via webcast.
- Regular disclosures on Company performance and news.
- Investor strategy briefings and market visits.

1. On a continuing operations basis.
2. Calculated on a reinvestment basis. Based on NZX share prices and assuming all dividends paid during the period are reinvested in additional shares.
3. Defined as EBIT/Capital Employed. Capital Employed is calculated as total assets less current liabilities (excluding special dividend payable) and cash and term deposits.

Shareholders
Our shareholders (continued)

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.

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

The Company has a dividend policy which targets a payout ratio range between 60% and 80% of normalised Net Profit After Tax (NPAT).

The Company paid an interim ordinary dividend of 11.5 cents per share in April 2026. This represented a payout ratio of ~74% of NPAT, equating to approximately $83.4 million, and was unimputed and fully franked.

In August 2026, as part of the Company's FY26 results announcement, a final dividend of 9.5 cents per share unimputed and fully franked was announced, representing a payout ratio of ~74%, equating to approximately $69.2 million, to be paid on 2 October 2026.

In addition, and as foreshadowed in August 2025, the Company paid a special dividend of $300 million on 24 July 2026 to shareholders following the approval of China label registrations in connection with amendments to the two existing a2 Pōkeno China label registrations for use under the a2MC brand.

On an ongoing basis, dividends are expected to be announced semi-annually 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 ongoing 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.

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

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 manage material business risks within the risk appetite set by the Board.

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

Management reports regularly to the Audit and Risk Management Committee 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 eight 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.

The eight sources of key risk and opportunity

- The supply of nutritional food products
- People and culture
- Supply chain
- Competitive intensity
- Doing business in international markets
- Technology and cyber security
- Climate and nature
- Social licence to operate

Risks and opportunities (continued)

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

Genuine, perceived or alleged food safety and/or quality concerns.

Key responses

- Priority focus on food safety and quality management with significant investment to expand internal resourcing and capability in FY26.
- Food safety and quality systems audited by accredited third-party verification agencies.
- Investment in refining the Group's quality management system including reporting enhancements and consistent monitoring of key performance indicators.
- The Company is ISO 9001 certified.
- Investment in world-class owned manufacturing facilities.
- Reliance on high-quality third-party manufacturing partners.
- Rigorous positive release protocols prior to the release of finished product.
- Expanded product portfolio to reduce reliance on individual products.
- Continuing to enhance traceability systems across the product portfolio.
- 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.

People 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.	• Safety management system with a critical control and assurance programme. • Training, hazard reporting, leadership accountabilities, and proactive wellbeing programmes. • Investment in workplace health, safety and wellbeing risk management technology to support real time identification of data-based insights to inform mitigation strategies. • Data-driven monitoring and early intervention processes.
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 and with the People and Remuneration Committee. • 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. • 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 and highly engaged culture.

Risks and opportunities (continued)

Supply chain

The Company's success has been underpinned by relationships with key strategic partners, 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. In FY26, the Company made a significant step in addressing this risk by announcing the acquisition of a2 Pōkeno, providing greater control over the manufacture and supply of infant nutrition products and reducing reliance on third party manufacturers over time.

Key risks	Key responses
Disruption to owned site operations impacting timely supply of products with optimal shelf life to meet demand.	• Significant progress with supply chain transformation through the a2 Pōkeno acquisition reducing reliance on third party single supply partners over time. • Continuing to strengthen business continuity arrangements across our portfolio including broadening relationships with other trusted, reliable New Zealand based IMF manufacturers to provide continuity support, and securing capacity at trusted liquid milk processors. • Continuing to strengthen dual sourcing supply for key ingredients. • Structured asset monitoring, maintenance and replacement programme for owned/operated sites, including dedicated plant shut down programme for thorough maintenance. • Ongoing access to milk pools that exceed the Company's current usage requirements. • Safety stock held throughout the value chain to provide buffer against supply disruptions.
Failure in or non-performance of strategic partners including third party manufacturers/suppliers, distributors and logistics providers reprioritising their support for a2MC, or failing to act ethically or in line with a2MC's values.	• Preferential terms within key manufacturer agreements prioritising a2MC product over competitors. • Contractual obligations with key manufacturing partners to procure and hold raw material safety stocks. • Safety stock held throughout the value chain to provide buffer against market disruptions. • Strong inventory surveillance and reporting to maintain stock control and availability through the supply chain. • Close monitoring of performance of key strategic partners through procurement and supply chain teams. • Rigorous quality assurance audit programme of third party manufacturers. • Continued to maintain shareholding in Synlait including financial and operational support. • Focused engagement with experienced and reliable distribution partners in the key markets in which we operate. • Continuing to develop China based manufacturing for adult powder, follow-on formulas and some UHT products, de-risking some route-to-market risks. • Commercial supply chain partnerships with trusted and reliable New Zealand manufacturers to provide broader support to insure against disruptive events. • Multiple milk processors contracted in Australia and the USA, mitigating reliance on a single processor in these regions.

Key Opportunities

The Company's vertical integration of a2 Pōkeno while maintaining strategic partnerships with third party manufacturers provides significant opportunities including:

- Greater control over procurement and manufacturing.
- Greater access to the China IMF market through additional China label 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.

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

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; or
e. infringements of the Company's intellectual property (IP) rights resulting from third party conduct or claims against such IP rights.

Key responses

- The Company substantially advanced its supply chain transformation programme with the acquisition of a2 Pōkeno, securing access to two China label registrations, which is expected to support future growth in the Company's core IMF business and allow the Company to compete in different market segments.
- 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.
- Use of consumer and health care professional education to ensure clear understanding of the unique A2-type beta-casein protein proposition and benefits.
- Successful market share capture of the 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 innovation to update existing top performing products as well as new products in untapped segments.
- 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.
- Monitoring infringement of the Company's IP and taking action to protect.
- Mandatory tailored training programme to educate business about IP and trade marks.

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.

Risks and opportunities (continued)

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. Accordingly, the Company is inherently exposed to rapid changes in consumer preferences and trends, changes in birth rates and government policy, overseas regulation changes, shipping and customs clearance delays, over-land distribution interruptions, and fluctuations in currency.

Key risks	Key responses
Changing macro trends (including government policy, 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. • Successfully grown 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 market share. • Agile approach to the execution of sales and marketing programmes, adjusting where appropriate to reflect shifts in consumer and channel dynamics. • The Company's approach to emerging markets (e.g. Vietnam and South Korea) is through local distributors who have an intimate knowledge of the local market and local consumer preferences with limited up-front capital investment. • 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.	• Strategic intent to engage with highly experienced and reputable local distributors to promote and drive growth in international markets. • The acquisition of a2 Pōkeno secures greater market access to the China label market and greater control of IMF portfolio development. • Strengthened the long-term strategic cooperation arrangements with China State Farm Agribusiness to include English label infant milk formula products in the cross-border e-commerce channel, starting initially with *a2 Genesis*™ from early CY26, with the intention of further expanding the scope of the arrangements to include other English label IMF products over time, particularly *a2 Platinum*™. • Strong understanding of local standards, regulations and guidelines supported by expert in-market advice. • A multi-product, multi-channel route-to-market strategy for the sale of IMF into China.
Foreign currency exchange rate volatility.	• Treasury management activities and systems, providing oversight and monitoring of foreign currency exposures with some cash flow hedging.
Concentration risk in China.	• Strategic priority to explore new market opportunities including across SE Asia and North America, and potentially the Middle East. • Continuing to grow IMF sales outside of China (including *a2 Platinum*™ and *a2 Gentle Gold*™ into Vietnam).

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 adjacent categories in China, the largest and most attractive market for infant nutrition globally.
- Exposure and potential entry into attractive new markets (e.g. SE 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.

Technology and cyber security

Technology continues to be used by the Company as a key enabler to build awareness of the benefits of A1 protein free milk, 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.	• Conducting IT and OT maturity assessments against established Cyber Security frameworks, including the National Institute of Standards and Technology (NIST). • Continually expanding the use of sophisticated cyber tracking and monitoring tools covering areas including network access, data sensitivity labelling, and Data Loss Prevention (DLP). • Regular penetration testing of IT and OT environments. • Mandatory annual cyber security training for all employees, including regular phishing simulation emails to maintain awareness. • Enhanced Cyber Incident Response Plan (CIRP); disaster recovery and contingency plans; including regular simulation and testing of plans. • Partnering with specialised third parties to assist with 24/7 digital security Managed Detection and Response (MDR) across IT and OT platforms. • Continuing to conduct thorough third party risk assessments when considering the introduction of new IT or OT platforms. • Ongoing strategy of deploying Software as a Service (SaaS), and Platform as a Service (PaaS) solutions, which significantly reduces the risk associated with on premise applications, data and hardware. • Regular access control monitoring and review across key IT and OT platforms. • Reviewing data privacy practices including the management, security and retention of sensitive data. • Regular reporting to Audit and Risk Management Committee on cyber security risk management strategy and execution.
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.
- Embracing AI to increase efficiency, effectivity and accuracy through the automation of existing systems, processes and procedures.
- Expanding the use of product technologies including QR codes and supply chain traceability systems.
- Increased automation of quality, warehousing, sales and distribution processes over time.

Risks and opportunities (continued)

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.	Scope 1: Direct GHG emissions • Planned work underway to convert the a2 Pōkeno gas-fired boiler to an electrode boiler. • 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 • Continued with renewable electricity agreements at a2MC's offices and manufacturing sites where available, with renewable energy certificates being contracted to cover all electricity use at the a2 Pōkeno site.[1] Scope 3: Indirect GHG emissions • Added on-farm data approaches and tools for New Zealand, Australian and USA farms. • Continued as a shareholder in AgriZeroNZ, a partnership between the New Zealand Government and major agribusiness companies to fund and develop potential on-farm biogenic methane and nitrous oxide emissions reduction solutions. • Funded emissions reduction initiatives on-farm through the *a2*™ Farm Sustainability Fund (see page 50). • Developed an approach to on-farm emissions reduction incentives and support. Nature • Completed two pilot biodiversity baseline assessments on farm. • Contributed over NZ$260,000 to nature positive projects through the *a2*™ Farm Sustainability Fund[2], 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. • Commenced the development of a Nature Positive guide for our supplier farmers.
Risk of natural disasters (e.g. flooding, drought, earthquake), particularly in areas surrounding the Dunsandel and Pōkeno sites, given the China label can only be made at those specific sites.	• 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. • Insurance coverage to reduce financial impact to a2MC in the event the risk materialises. • Identification of farming regions at risk to support future adaptation planning.
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. • A regulatory review was undertaken to understand packaging regulations and compliance in new markets and developments in existing markets.

1. a2 Pōkeno purchases Meridian's Certified Renewable Energy product to enable it to 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). Nature positive projects include activities related to soil improvement, water quality and environmental plantings. Actual electricity received on location is from mixed renewable and fossil fuel sources, due to the nature of the electricity transmission and distribution system.
2. Nature positive projects include activities related to soil improvement, water quality and environmental plantings.

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:

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

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.	• a2MC is committed to upholding industry leading animal welfare standards within its value chain. These standards are guided by the internationally recognised Five Domains model, a science-based framework for assessing animal welfare that addresses nutrition, health, comfort, environment, and natural behaviours. • The welfare standards are reviewed annually by independent external experts in conjunction with the a2MC team, with a view to continuously advance the programme over time.
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 40).	• Continued tracking against the Company's action plan for modern slavery and published our FY25 Modern Slavery Statement. • Took practical steps to enhance human rights visibility in our supply chain, especially through the implementation of Sedex (a supplier ethical sourcing platform). • Working closely with our regional milk pools to express a commitment to respecting human rights and the UN Guiding Principles on Business and Human Rights.
Potential bribery and corruption allegations.	• Corporate values and a suite of corporate codes and policies and related training developed and embedded (including an Anti-Bribery and Anti-Corruption Policy and Gifts and Hospitality Policy).
Water usage, waste-water and water pollution.	• Where applicable, we support farms to develop Farm Environmental Plans (FEPs) that identify practical opportunities to manage environmental risks and build on farm resilience. Farm Environmental Plans follow a practical framework focused on reducing greenhouse gas emissions, water quality and use, managing soil quality, biodiversity and nutrient and effluent management. While not every farm currently has an FEP, we encourage and support farms to adopt these plans as part of a continuous improvement journey. • Water use monitoring systems in place at Pōkeno and Smeaton Grange milk processing sites. • Water usage reduction projects and utilisation of a waste-water treatment system on-site at Smeaton Grange. • Farmer grant programme to support farmer-led sustainable dairy farming projects, including riparian planting, water treatment improvements and water use reduction technologies to reduce waterways pollution from farms, through the *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 strengthen 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.
- Strengthening 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

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 March 2026 (NZX Corporate Governance Code); and
- the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition (ASX Principles).

For FY26, 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 2026 and approved by the Board, can be found at www.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 www.thea2milkcompany.com/corporate-governance.

The Board's roles and responsibilities 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)

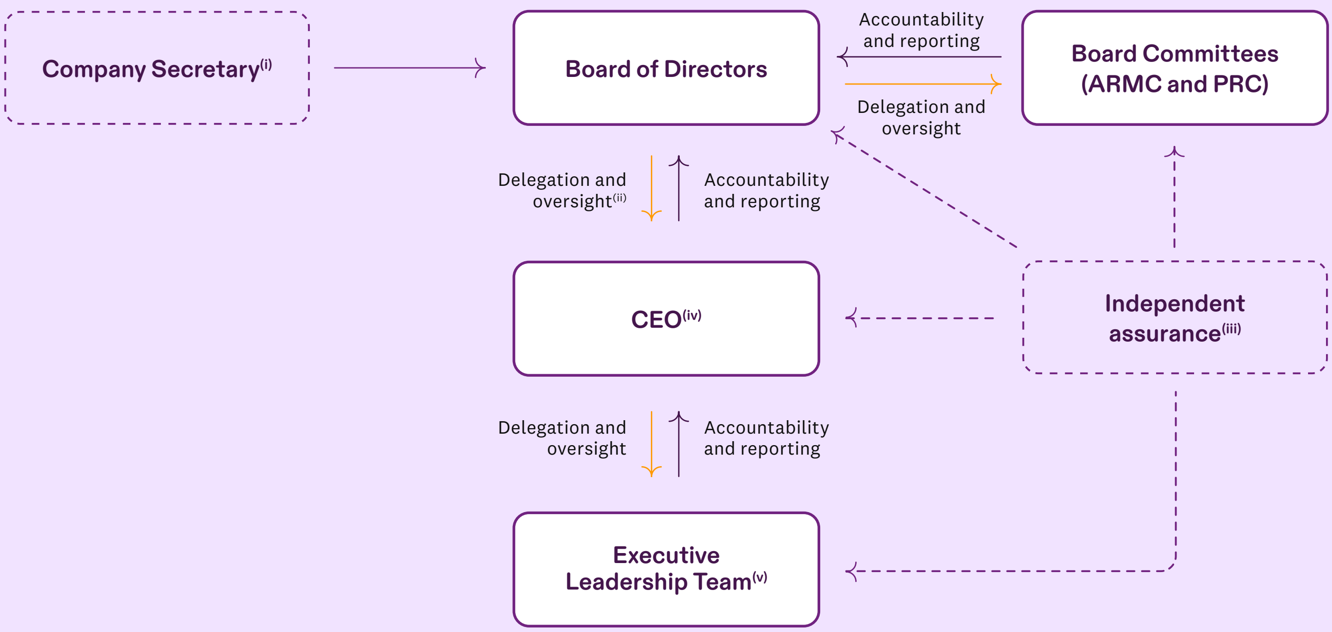
The principal purpose of this Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Group's risk management and internal control systems, accounting policies and practices, sustainability and climate risk management and strategy implementation, internal and external audit functions, and corporate reporting, including sustainability reporting. The ARMC meets regularly throughout the year, holding meetings (FY26: 4 total) and workshops as needed. 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 (FY26: 3 total) and workshops as needed. 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 www.thea2milkcompany.com/corporate-governance.

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. Grant Dempsey was appointed to the Board with effect from 1 September 2025. 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 is 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.

Corporate governance (continued)

Capability	No. of Directors (total of 7) 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	2
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	2
Financial acumen – understanding of financial statements and reporting, key drivers of financial performance, corporate finance and internal controls	3	2
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	1
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	3	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	3	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	4	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	4
Strategy and M&A – development of corporate and business unit strategy and/or mergers, acquisitions and alliance structuring and execution	3	3
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 a2MC'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 and updates on regulatory context regularly, 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. In FY26, the Board worked with an external consultant to review the Board's composition and capability, ways of working, culture and dynamics and Board-management relationship, with a range of priorities identified for FY27.

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 2026 was as follows:

Committee	Members	Independent	Non-executive
Audit and Risk Management Committee	Kate Mitchell (Chair)	✓	✓
	Grant Dempsey[1]	✓	✓
	Tonet Rivera	✓	✓
	Sandra Yu[2]	✓	✓
People and Remuneration Committee	Sandra Yu (Chair)	✓	✓
	Pip Greenwood	✓	✓
	Lain Jager	✓	✓

1. Grant Dempsey was appointed as a director and member of the Audit and Risk Management Committee with effect from 1 September 2025.
2. Sandra Yu ceased being a member of the Audit and Risk Management Committee from 1 September 2025.

Attendance at Board and Committee meetings

Director attendance at Board and Committee meetings during FY26 is set out below.

	Meetings of the Board		Audit and Risk Management Committee		People and Remuneration Committee	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Pip Greenwood (Chair)	12	12	–	–	3	3
David Bortolussi (Managing Director & CEO)	12	12	–	–	–	–
Grant Dempsey[1]	11	11	3	3	–	–
Lain Jager	12	12	–	–	3	3
Kate Mitchell	12	12	4	4	–	–
Tonet Rivera	12	12	4	4	–	–
Sandra Yu	12	11	1	1	3	3

Held: meetings held during the period for which the person was a director or Committee member.
1. Grant Dempsey: appointed 1 September 2025.

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 www.thea2milkcompany.com/corporate-governance:

- Code of Ethics
- Shareholder Communication Policy
- Continuous Disclosure Policy
- Global Whistleblower Policy
- Diversity, Equity, Inclusion and Belonging Policy
- Global Anti-Bribery and Anti-Corruption Policy
- Risk Management Policy. Refer to the discussion of this policy commencing on page 57.
- Securities Trading Policy
- Responsible Sourcing Policy
- Environment 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

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 is also a member of the People and Remuneration Committee.

Currently Pip is also the Chair of Westpac New Zealand and a director of Westpac Banking Corporation. She was previously a director of Spark New Zealand, Fisher & Paykel Healthcare, 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 a2MC 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, reinvested significantly more in brand marketing, 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 was the CEO of Pacific Brands. In 2016, HanesBrands acquired Pacific Brands and expanded David's role to cover global 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, Middle East and the USA. David also has an interest in private equity and growth-phase businesses.

David resides in Australia.

Grant Dempsey

Independent, Non-executive Director

Bachelor of Commerce (University of Melbourne)

Grant has been a director of the Company since 1 September 2025. He also sits on the Audit and Risk Management Committee. Grant brings extensive financial, strategic and commercial experience to the Board through his career in investment banking and CFO roles held at ASX50 listed companies.

Grant commenced his career as an auditor before spending time in business development at Bank of Melbourne and General Electric. Grant then gained significant experience in investment banking, initially at UBS and Citi, then at JP Morgan for 10 years, including as its Head of Banking, where he led a number of high value transactions in Australia for ASX20 companies. Following this, Grant held CFO roles at Alumina and TPG Telecom.

Grant retired as an executive in 2024 and is now a professional director. He has been a director of Industry Funds Management (IFM) Investors since 2018 and chairs its board investment committee. More recently, he has been appointed as the Chair of Firmus Technologies, Chair of Housing Hub, and a director and Chair of the audit and risk committee of Sims Metals, an ASX listed company.

Grant 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 around NZ$5 billion. 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. Lain joined the Zespri board in 2025.

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.

Kate Mitchell

Independent, Non-executive Director

Bachelor of Arts Honours (Modern Languages) (Oxford University, United Kingdom)
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 Link Engine Management. She is also a director of Heartland Group Holdings, where she chairs the Sustainability Committee, Christchurch International Airport, where she chairs the Property and Infrastructure Committee, and Zentera (formerly The New Zealand Merino Company).

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

Kate resides in New Zealand.

Antonio (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.

Sandra is an experienced director and executive in consumer goods industries, particularly in the infant formula market in China, with a proven track record of driving transformation, leveraging opportunities for growth, and building organisational capabilities across Asia and the USA. She is currently a director of 91AAP Inc, a retail Software as a Service provider. She is also engaged as an advisor, an executive coach and has served as the non-executive chair of the RB China Advisory Board.

Sandra has held various senior executive positions at Mead Johnson Nutrition, including president of the Greater China division and Global Marketing Vice President. She played a pivotal role in enhancing global brand equity, developing a sustainable innovation pipeline, and transitioning the company towards new digital media and e-commerce platforms. Prior to Mead Johnson, Sandra had 13 years' experience at Unilever in senior executive roles, leading skin care and personal care categories across multiple Asian markets.

Sandra resides in Greater China.

Executive leadership

David Bortolussi
Managing Director and CEO

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

Refer to page 70.

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. From April 2026, David is also responsible for leading the Company's strategy function.

David is an experienced finance and people leader with a demonstrated history working in listed companies across Australia and New Zealand.

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 the consumer goods and retail sectors in various international markets, including China, the USA and Europe.

Kevin Bush
Managing Director – USA

B. Comm Marketing (Monash University), Graduate Certificate Data Analytics (UNSW), MAICD

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

Previously, Kevin served as Executive General Manager – ANZ from July 2021, leading the Company's Australia and New Zealand business and the successful launch of *a2 Milk*™ Lactose Free. Before this, as Sales Director – ANZ from July 2016, he played a pivotal role in growing the *a2 Milk*™ liquid milk brand, increasing market share, and supporting the establishment of the *a2 Platinum*™ IMF brand in South Korea and other business development initiatives across the Group.

Kevin is an experienced sales and marketing professional with extensive FMCG experience across Australia, the UK and USA, and has held senior roles with Mars, Nestlé and McCain Foods.

Amanda Hart
Chief People and Culture Officer

Bachelor of Business Administration (University of South Australia)

Amanda joined the Group in September 2021 as Chief People and Culture Officer. She is responsible for leading the Company's global people strategy, including organisational capability, leadership development, diversity and inclusion, culture, remuneration and performance, and health, safety and wellbeing.

Prior to joining the Company, Amanda was Head of Human Resources for Australia and New Zealand at Dyson Appliances. Earlier in her career, Amanda held senior human resources roles across a range of industries, including with Cotton On Group, Global Radio, Virgin Pulse and Singtel Optus.

Helena He
Chief Marketing Officer

Executive Master of Business Administration (Guanghua Management Institute of Peking University, China)

Helena joined the Group in February 2026 as the Chief Marketing Officer where she is responsible for leading the strategic and creative direction of the *a2*™ brand, developing integrated marketing programmes, leading consumer insights, science and the innovation process to drive brand health, market share and growth.

Helena has both CMO and general management experience with leading global nutrition and FMCG companies across China and Australia. In her most recent role as General Manager, VMS at Haleon, she spent five years in Shanghai leading the vitamins, minerals and supplements (VMS) category. Previously CMO for FrieslandCampina in China and then Managing Director – Hong Kong, China, Helena also spent 14 years at Kimberly-Clark in China and Australia including eight years leading the Baby and Child Care business.

Xiao Li

Chief Executive Officer – Greater China

Bachelor of Arts in Business Admin, English (Heilongjiang University), Executive Master of Business Administration (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.

Jaron McVicar

Managing Director – ANZ and Sustainability

Bachelor of Laws (University of Otago)

Jaron joined the Group in 2016 and leads our ANZ business unit and also has executive responsibility for our Sustainability strategy and function. Jaron has had extensive involvement in a wide range of commercial, operational and corporate matters across the group, including in his previous role as Chief Legal & Sustainability Officer, while he also previously worked closely with the Board as Company Secretary.

In his ANZ leadership role, Jaron is focused on realising the full potential of the *a2 Milk™* brand primarily in the liquid milk category and evolving the Company's supply chain in ANZ.

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

Yohan Senaratne

Managing Director – International

Master of Business Administration (Kellogg School of Management, Northwestern University), Bachelor of Commerce / Bachelor of Business Systems (Monash University), MAICD

Yohan leads the Group'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. He oversees products sold across all channels, principally via the daigou/reseller/O2O and cross-border e-commerce (CBEC) channels, and leads the development of the Company's business in emerging markets.

Yohan brings expertise in strategy, marketing, sales and e-commerce, with experience in infant milk nutrition and adjacent categories in China. He joined the Group in 2021 from Bellamy's Organic, where he was Sales and Marketing Director. He previously held multiple roles at Mondelez International, ANZ Bank and with strategy consultancy LEK.

Kate Tidbury

Chief Legal Officer and Company Secretary

Bachelor of Laws (Hons)/Bachelor of Science (University of Auckland)

Kate joined the Group in May 2021, having already provided legal advice to the Group over a number of years in her previous role with a leading New Zealand law firm.

Kate was appointed Chief Legal Officer and Company Secretary in April 2026 and is responsible for the Group's legal function. In her role as Company Secretary, she works closely with the Board on governance matters.

Prior to joining the Group, Kate worked in private practice for nine years, with a focus on commercial and intellectual property law. Kate is a qualified solicitor in New Zealand.

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 planning, procurement, manufacturing, quality, cross-border trade, distribution, regulatory affairs, and government relations. Chopin has extensive experience in the China infant milk formula (IMF) market, having held senior executive and supply chain leadership roles with Yashili and Danone.

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 infant milk formula industry and experience across New Zealand and China are essential as he leads the transformation of a2MC's supply chain to enable further market access, innovation and growth.

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 2026 (FY26). This report sets out our remuneration strategy and framework, which align with the Group's strategic objectives and financial performance, and the interests of our shareholders. Along with covering the performance and remuneration outcomes for the CEO for FY26.

Year in review: STI and LTI outcomes

In FY26, the Group delivered strong financial results and made solid progress against non-financial measures, despite having to manage significant supply chain challenges.

Revenue grew double digits and exceeded the target set for the STI. At the same time, EBITDA performance was materially impacted by supply chain disruption in 4Q26, resulting in above threshold level performance on the STI scorecard.

Non-financial performance demonstrated continued progress across strategic priorities including innovation, supply chain transformation, people and sustainability.

Overall, the FY26 Group STI Performance Scorecard outcome was slightly below target at 90%. No normalisation adjustments were made to the FY26 STI metrics (financial or non-financial) which were based on continuing operations.

At the conclusion of the financial year, our long-term incentive (LTI) for the three year period FY24 to FY26 was tested. The EPS CAGR hurdle was met and revenue CAGR was above maximum, resulting in a vesting outcome of 100%. For the FY24 LTI vest, the FY26 EPS CAGR was normalised for the Mataura Valley Milk non-cash loss on sale and the revenue CAGR was based on continuing operations.

CEO remuneration outcomes and framework

Following no increase in FY25, the Board approved a 3.5% increase to David's base salary in FY26. For FY26, the CEO will receive 108% of his target STI due to the Group STI Performance Scorecard outcome being assessed as 90% and an individual performance modifier of 120%. Refer to page 77 for details of the Group STI 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.

Non-executive directors' fees

Non-executive director remuneration was reviewed during FY26, with a resolution passed at the 2025 Annual General Meeting to increase the total available fee pool from $1,365,000 to $1,675,000 per annum, reflecting a total increase to the maximum fee pool of 22.7%. The last adjustment to the non-executive director fee pool was approved by shareholders in November 2018, with no changes made to individual non-executive director, Committee Chair or Committee Member fees since that date.

The increase to the fee pool enables the Board to ensure fees remain market competitive and approve payments to directors for assuming additional responsibilities above and beyond the normal duties of either the Board or any committee, as well as allowing for inflationary adjustments to the fee schedule as required.

I would like to sincerely thank our team members for their commitment and continued focus through a challenging year. Their collective efforts supported the Group's resilient performance and continued progress against our strategic priorities. I invite you to review our remuneration disclosures.

Sandra Yu
Chair of People and Remuneration Committee

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 team members.

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 FY26, 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 may also receive variable remuneration in the form of a short-term incentive (STI) as part of their remuneration package. ELT members and selected other senior leaders are also invited to participate in 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 FY26, each ELT member who was an employee for the duration of the reporting period had a formal, annual performance discussion documented.

Remuneration (continued)

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 comprises 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%–49%
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]	29%–33%
LTI	Aligns reward with the creation of sustainable, longer-term shareholder value.	Aligns executives' remuneration with the Company's strategy and ambition, designed to create long-term shareholder value through sustained growth in revenue and earnings.	41%	29%–43%

1. 25% of the CEO's Actual FY26 STI is deferred as cash for one year.
2. Excluding the CEO.

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 the FY26 STI metrics, which were based on continuing operations. For the FY24 LTI vest, the FY26 EPS CAGR was normalised for the Mataura Valley Milk non-cash loss on sale and Revenue CAGR was based on continuing operations.

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 with a value 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 or have achieved the Executive MSR within this timeline.

FY26 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 FY26, the CEO's STI will continue to be 75% cash and 25% deferred as cash for one year. In FY26, the amount awarded under the STI plan was determined by reference to:

Opportunity				Group Performance Scorecard Outcome[1]		Individual performance modifier[1]		Outcome
FAR $	×	Target STI opportunity %	×	FY26 Group performance scorecard outcome % (detailed below)	×	Individual performance modifier %	=	STI award $

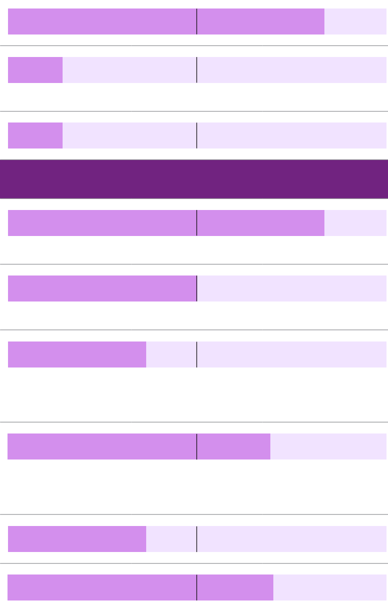
1. For the CEO, the maximum combined impact of the Group Performance Scorecard outcome and Individual Performance Modifier to apply to target STI opportunity was capped at 130%.

The STI plan incorporates a comprehensive assessment of Group performance, encompassing both financial and non-financial measures. The FY26 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).

FY26 Group Performance Scorecard

FY26 strategic objectives		Metric (continuing operations)	Outcome	Weighting at target
Financial measures				**65%**
			Threshold 50% / Target 100% / Maximum 130%	
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, progress on packaging and Scope 3 GHG emissions goals		**5%**
Consumers	**Brand health and market share**	China brand health, China label and English label IMF market share (MBS, DOL and CBEC), Australian fresh milk and USA premium milk brand health and market share		**5%**
	Innovation	Progress on innovation pipeline for IMF, Other Nutritionals and Liquid Milk, sales from new products and US IMF FDA long-term approval		**10%**
	Supply chain	Quality outcomes and service levels		**5%**
	Transformation	Acquisition and divestment completed, SAMR approval, CAPEX programme and ERP implementation		**5%**
Scorecard outcome (% of target)			**90%**	



The outcome of the FY26 Group Performance Scorecard, as determined by the Board (excluding the CEO), for all ELT members (including the CEO) was 90%, reflecting that an outcome of 54% was achieved against financial measures and an outcome of 36% was achieved against non-financial measures. No normalisation adjustments were made to any of the outcomes which were based on continuing operations.

Remuneration (continued)

FY24 Long-term incentive (LTI) vesting

The FY24 LTI grant vested in full (100%) based on FY26 results, specifically:

- Revenue CAGR of 10.1% exceeded the 8% performance hurdle
- EPS CAGR of 12.0% exceeded the 10% performance hurdle

The Revenue CAGR of 10.1% was calculated using revenue from continuing operations of $1,974.9 million in FY26 compared to $1,478.9 million in FY23.

The EPS CAGR of 12.0% was calculated using normalised reported FY26 EPS of 29.7c compared to reported FY23 EPS of 21.1c. The Board determined to normalise FY26 EPS to exclude the non-cash loss on sale of Mataura Valley Milk (MVM) to more appropriately reflect underlying performance.

FY26 Long-term incentive (LTI) grant

The table below outlines the key features of the FY26 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 FY26, 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 2025 to 30 June 2028. • 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 was calculated as follows: **Grant opportunity**: FAR $ × Maximum LTI opportunity % ÷ **Share price**: Share price[1] (no discount applied) = **Numbers of rights**: Number of performance rights granted 1. 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 12 September 2025, measured in accordance with the ASX Listing Rules.
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.

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 2025 to 30 June 2028.

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 and are subject to adjustments to remove the impact of material 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. EPS CAGR is based on reported results and Revenue CAGR is based on continuing operations external revenue.

The EPS CAGR and Revenue CAGR performance hurdles have been determined having regard to the Company's growth strategy and financial ambition. 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. Achieving such performance hurdles would require significant market share gains in the Company's core infant milk formula business in the China market which is in decline, as well as a significant improvement in Group operating profitability driven by the Company's supply chain transformation strategy and mitigating a significant decline in interest income due to a decline in market interest rates. The EPS CAGR is above the high end of the Revenue CAGR range to incentivise and promote margin accretion over the term of the plan.

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 cause, 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 FY26

The Board authorised the grant of 1,464,230 performance rights under the LTI plan in respect of FY26. Further details on current and previous grants under the LTI plan can be found at Note F2 to the financial statements.

Remuneration (continued)

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$2,003,597 per annum (inclusive of superannuation) in FY26. David's fixed annual remuneration is reviewed annually.

STI

On an annual basis, David participates in the Company's STI plan. For FY26, his STI 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 FY26 is determined in accordance with the following:

FAR $ × Target STI opportunity 120% × FY26 Group Performance Scorecard outcome %[1] (detailed above) × Individual performance modifier %[1] = STI award $

1. The maximum combined impact of David's Group Performance Scorecard outcome and Individual Performance Modifier to apply to his target STI opportunity is capped at 130%.

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 FY27 to shareholders, on an advisory basis and for the purposes of ASX Listing Rule 10.14, at the 2026 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).

Total CEO remuneration earned

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

Statutory remuneration accounting expense	FY26 A$	FY25 A$
FAR[1]	2,003,597	1,936,789
STI[2]	2,596,662	2,556,561
Allowance[3]	226,416	226,416
LTI[4]	2,552,052	2,900,230
Total remuneration	**7,378,727**	**7,619,996**

1. **FAR**: For FY26, the Board increased David's base salary by 3.5% (following no increase for FY25), with an incremental change in superannuation in line with the change in statutory limits.
2. **STI**: No change to CEO STI target levels in FY25 and FY26; 110% and 108% of target awarded in each year respectively, including accrued deferred component (25%).
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. FY25 was higher due to an increase in expected vesting percentage from FY24 resulting in a catch-up impact. FY26 was also impacted by the appreciating AUD resulting in a lower AUD denominated number as the LTI expense is calculated in NZD.

As noted on page 80, for FY26, David is entitled to receive an STI payment at target of 120% of his FAR modified for Group and individual performance. The Board has determined that the Group Performance Scorecard outcome is 90% and David's individual performance multiplier is 120%. As a result, a payment in the amount of A$2,596,662 is to be made to David under the FY26 STI plan representing 108% of target, with 25% to be paid as cash after one year.

Total CEO remuneration received

The remuneration received by David 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	FY26 A$	FY25 A$
FAR[1]	2,003,597	1,936,789
STI paid[2]	2,474,487	2,203,483
Allowance[3]	226,416	226,416
LTI[4]	3,989,007	2,798,164
Total remuneration received	**8,693,507**	**7,164,852**

Cash payments

1. **FAR**: For FY26, the Board increased David's base salary by 3.5% (following no increase for FY25), with an incremental change in superannuation in line with the change in statutory limits.
2. **STI paid**: The FY25 figure reflects 75% of the FY24 STI payment which was made in September 2024, as well as 25% of the FY23 STI that was deferred. The FY26 figure reflects 75% of the FY25 STI payment which was made in September 2025, as well as 25% of the FY24 STI that was deferred.
3. **Allowance**: No change to relocation allowance. Amount is inclusive of tax gross-up.

Vesting of prior year awards (equity)

4. **LTI**: FY22 LTI grant vested in FY25 (August 2024) at 100% and FY23 LTI grant vested in FY26 (August 2025) at 96.7%. The year-on-year increase is mainly driven by the increase in the share price.

LTI granted in FY26

In FY26, 324,606 performance rights vesting in or around August 2028 (subject to satisfaction of conditions including performance hurdles) were granted to David under the Company's LTI Plan. The CEO's FY26 LTI Grant was included as a resolution on an advisory basis and for the purposes of ASX Listing Rule 10.14, at the 2025 Annual Meeting (and received a 'for' vote of 99.68%).

Other than to meet any tax obligations, no shares held by David can be sold unless he holds sufficient shares to meet the Company's minimum shareholding requirement under the MSR Policy. David currently holds a2MC shares well in excess of his Executive MSR.

Remuneration (continued)

Non-executive directors' remuneration policy and structure

Effective 1 December 2025, non-executive director fees are paid from an aggregate annual fee pool of $1,675,000, as approved by shareholders at the 2025 Annual Meeting. Non-executive directors do not receive variable pay.

In addition to the fees below, effective 1 December 2025, a travel allowance is payable to overseas non-executive directors annually out of the total available fee pool in acknowledgement of the travel commitments and time investment ($10,000 per annum for Australian and $25,000 per annum for International non-executive directors).

The table below provides a summary of FY26 Board and committee fees:

	Position	Fees per annum 1 July 2025 – 30 November 2025 $	Fees per annum Effective 1 December 2025[2] $
Board of Directors	Chair[1]	375,000	410,000
	Member	165,000	175,000
Audit and Risk Management Committee	Chair	35,000	40,000
	Member	16,500	20,000
People and Remuneration Committee	Chair	35,000	40,000
	Member	16,500	20,000

1. No additional fees are paid to the Board Chair for Committee roles.
2. Effective 1 December 2025 (as approved at the 2025 Annual General Meeting), the non-executive director fees were increased.

Remuneration paid to non-executive directors of the Company for FY26 was as follows:

		Committee fees			
	Board fees $	Audit and Risk Management $	People and Remuneration $	Non-monetary benefits[1] $	Total $
Pip Greenwood (Chair)	395,417	–	–	–	395,417
Grant Dempsey[2]	143,333	15,792	–	5,833	164,958
Lain Jager	170,833	–	18,542	–	189,375
Kate Mitchell	170,833	37,917	–	–	208,750
Tonet Rivera	170,833	–	18,542	14,583	203,958
Sandra Yu	170,833	2,750	37,917	14,583	226,083
Total	**1,222,083**	**56,458**	**75,000**	**35,000**	**1,388,542**

1. Relates to travel allowance (as approved at the 2025 Annual General Meeting).
2. Grant Dempsey was appointed with effect from 1 September 2025.

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.

The non-executive directors fee pool includes a small pool to allow for a gradual increase of non-executive director remuneration over time as appropriate, and to fairly compensate some or all directors for significant non-routine workloads resulting in increased time commitment and responsibilities beyond those director's usual scope of responsibilities (for example, one-off projects or transactions).

While increases are not guaranteed and may vary depending on these factors, they are expected to generally align with movements in the Consumer Price Index (CPI), with any adjustments anticipated to be in the low single digit range.

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.

Financial statements

In this section

Directors' approval of the financial statements

for the year ended 30 June 2026

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 2026.

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 2026 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*.

Signed on behalf of the Board by:

Pip Greenwood
Chair

David Bortolussi
Managing Director and CEO

16 August 2026

Independent auditor's report

for the year ended 30 June 2026

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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"), which comprise the consolidated statement of financial position of the Group as at 30 June 2026, 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 present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026 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 as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1.

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

Ernst & Young provided sustainability reporting 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.

Independent auditor's report (continued)

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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.

Accounting for the a2 Pokeno acquisition

Why significant	How our audit addressed the key audit matter
On 1 September 2025, the Group completed the acquisition of 100% of the shares in Yashili New Zealand Dairy Company Limited ("a2 Pokeno") for a total purchase consideration of $281.1 million. As detailed in Note E2 of the financial statements, the Group's share of identifiable net assets acquired was assessed as $178.8 million. Goodwill on acquisition amounted to $102.3 million. This goodwill was allocated to existing cash generating units ("CGUs") of the Group. Acquisition accounting, including determining the value of purchase consideration, identifying and estimating the fair value of identifiable net assets and the allocation of goodwill on acquisition to CGUs requires significant judgment and estimation. The Group engaged specialists to determine the fair value of land and buildings and property, plant and equipment. We consider this a key audit matter due to the size of the acquisition and its resulting impact on the Group's financial position.	Our audit procedures included the following: ▶ Inspected the terms and conditions of the acquisition agreement to assess whether the business acquisition met the business combination requirements of NZ IFRS 3. ▶ Evaluated the Group's determination of the purchase consideration transferred, including consideration of the terms and conditions of the acquisition agreement, settlement adjustments and related disbursements. ▶ Understood the Group's process for performing the purchase price allocation, including the identification and valuation of acquired assets and assumed liabilities. ▶ Assessed the Group's identification and recognition of acquired assets and assumed liabilities as part of the purchase price allocation, including considering whether all material identifiable assets and liabilities had been appropriately recognised. ▶ Assessed the valuation assumptions used in the determination of the fair value of the acquired assets and liabilities. ▶ Assessed the competence, capabilities and objectivity of the Group's valuation specialists. ▶ Involved our in-house valuation specialists to assess the valuation methodologies and key assumptions used in determining the fair value of land and buildings and property, plant and equipment acquired. ▶ Recalculated the goodwill on acquisition and assessed the Group's allocation of goodwill to its identified CGUs. ▶ Assessed the adequacy of the financial report disclosures contained in Note E2.

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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 accrued amount 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, including appropriate accruals at year end where applicable, 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.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon.

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.

Independent auditor's report (continued)

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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/assurance-standards/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
16 August 2026

Consolidated statement of comprehensive income

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Continuing operations			
Sales	B1	1,972,235	1,755,327
Cost of sales		(1,031,855)	(859,038)
Gross margin		940,380	896,289
Other revenue	B1	2,648	1,913
Distribution expenses		(68,832)	(56,451)
Marketing expenses		(324,971)	(318,374)
Administrative and other expenses		(281,628)	(243,346)
Operating profit		267,597	280,031
Interest income		29,968	45,348
Finance costs	B4	(995)	(898)
Net finance income		28,973	44,450
Profit before tax		296,570	324,481
Income tax expense	B6	(89,077)	(104,168)
Profit for the year from continuing operations		207,493	220,313
Discontinued operations			
Loss from discontinued operation, net of tax	E3	(96,375)	(28,222)
Profit for the year		111,118	192,091
Profit/(loss) for the year attributable to:			
Owners of the Company		113,584	202,889
Non-controlling interests		(2,466)	(10,798)
		111,118	192,091
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation profit/(loss)		21,102	(3,205)
Cash flow hedges fair value (loss)/profit		(26,270)	1,143
Items not to be reclassified to profit or loss:			
Listed and unlisted investment fair value (loss)/gain	C8	(31,404)	30,643
Total other comprehensive (loss)/income, net of tax		(36,572)	28,581
Total other comprehensive (loss)/income attributable to:			
Owners of the Company		(36,209)	28,311
Non-controlling interests		(363)	270
		(36,572)	28,581
Total comprehensive income		74,546	220,672
Total comprehensive income/(loss) attributable to:			
Owners of the Company		77,375	231,200
Non-controlling interests		(2,829)	(10,528)
		74,546	220,672
Earnings per share – continuing operations			
Basic (cents per share)	B5	28.61	30.44
Diluted (cents per share)	B5	28.43	30.26
Earnings per share (including discontinued operations)			
Basic (cents per share)	B5	15.66	28.03
Diluted (cents per share)	B5	15.56	27.87

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2026

	Attributable to owners of the Company										
Year ended 30 June 2026	**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 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
Profit after tax for the period	–	–	–	–	–	–	113,584	–	113,584	(2,466)	111,118
Foreign currency translation differences – foreign operations	19,415	–	–	–	–	19,415	–	–	19,415	–	19,415
Changes in cash flow hedges taken to equity	–	–	–	–	(38,093)	(38,093)	–	–	(38,093)	(893)	(38,986)
Cash flow hedges reclassified to profit or loss	–	–	–	–	2,536	2,536	–	–	2,536	530	3,066
Listed and unlisted investment – fair value movement	–	(31,404)	–	–	–	(31,404)	–	–	(31,404)	–	(31,404)
Income tax	1,687	–	–	–	9,650	11,337	–	–	11,337	–	11,337
Total comprehensive income for the period	21,102	(31,404)	–	–	(25,907)	(36,209)	113,584	–	77,375	(2,829)	74,546
Transactions with owners in their capacity as owners:											
Dividends paid	–	–	–	–	–	–	(166,848)	–	(166,848)	–	(166,848)
Special dividend declared	–	–	–	–	–	–	(300,000)	–	(300,000)	–	(300,000)
Employee withholding tax payments	–	–	(463)	–	–	(463)	–	–	(463)	–	(463)
Treasury shares transferred	–	–	(3,383)	3,383	–	–	–	–	–	–	–
Share-based payments	–	–	11,294	–	–	11,294	–	–	11,294	–	11,294
Income tax	–	–	787	–	–	787	–	–	787	–	787
Discontinued operation	–	–	–	–	–	–	–	–	–	23,060	23,060
Total transactions with owners	–	–	8,235	3,383	–	11,618	(466,848)	–	(455,230)	23,060	(432,170)
Balance 30 June 2026	12,056	(279,788)	85,041	–	(23,152)	(205,843)	1,278,859	100	1,073,116	–	1,073,116

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2026

	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 financial position
as at 30 June 2026

	Note	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and term deposits	D3	784,472	1,100,171
Trade and other receivables	C1	172,226	92,246
Prepayments	C2	89,909	108,522
Inventories	C3	290,570	139,113
Other financial assets	C8	13,218	10,949
Total current assets		1,350,395	1,451,001
Non-current assets			
Property, plant and equipment	C5	238,543	216,844
Right-of-use assets	D5	21,800	20,226
Investment property	C6	39,050	34,182
Intangible assets	C7	224,240	110,919
Other financial assets	C8	54,216	81,958
Deferred tax assets	B6	32,862	26,981
Total non-current assets		610,711	491,110
Total assets		1,961,106	1,942,111
Liabilities			
Current liabilities			
Trade and other payables	C4	483,847	353,537
Dividend payable	D8	300,000	–
Lease liabilities	D5	5,834	5,369
Loans and borrowings	D6	–	39,000
Income tax payable		24,715	43,992
Other financial liabilities	C9	25,433	8,182
Total current liabilities		839,829	450,080
Non-current liabilities			
Trade and other payables	C4	821	662
Lease liabilities	D5	18,479	17,603
Loans and borrowings	D6	–	38,764
Other financial liabilities	C9	28,861	4,262
Total non-current liabilities		48,161	61,291
Total liabilities		887,990	511,371
Net assets		1,073,116	1,430,740
Equity			
Share capital	D7	100	100
Retained earnings		1,278,859	1,632,123
Reserves	D9	(205,843)	(181,252)
Total equity attributable to owners of the Company		1,073,116	1,450,971
Non-controlling interests		–	(20,231)
Total equity		1,073,116	1,430,740

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows
for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers		1,907,626	1,889,810
Payments to suppliers and employees		(1,715,121)	(1,630,547)
Interest received		33,945	45,934
Interest paid		(2,001)	(2,692)
Taxes paid		(91,305)	(101,028)
Net cash inflow from operating activities	D4	133,144	201,477
Cash flows from investing activities			
Payments for property, plant and equipment	C5	(73,477)	(3,661)
Payments for investment property	C6	(2,133)	(5,510)
Payments for intangible assets	C7	(10,829)	(310)
Investment in listed and unlisted shares		–	(32,802)
Acquisition of subsidiary net of cash acquired	E2	(274,986)	–
Disposal of subsidiary net of cash disposed	E3	110,269	–
Payments for term deposits		(435,000)	(750,000)
Receipts from term deposits		835,000	700,000
Net cash inflow/(outflow) from investing activities		148,844	(92,283)
Cash flows from financing activities			
Payments of lease principal	D5	(5,659)	(5,733)
Dividends paid	D8	(166,848)	(61,542)
Net (repayments of)/proceeds from borrowings		(39,000)	39,000
Net cash outflow from financing activities		(211,507)	(28,275)
Net increase in cash and short-term deposits		70,481	80,919
Cash and short-term deposits at the beginning of the year		600,171	518,943
Effect of exchange rate changes on cash		13,820	309
Cash and short-term deposits at the end of the year	D3	684,472	600,171

The accompanying notes form part of these financial statements.

Notes to the financial statements

Contents

Basis of preparation

for the year ended 30 June 2026

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 2026 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 16 August 2026.

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.

Basis of preparation
for the year ended 30 June 2026

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 intangible assets
  - Note C7: Intangible assets – Allocation of goodwill
  - Note C7: Intangible assets – Recognition, recoverability and determination of useful lives of capitalised product development costs
  - Note C8 and C9: Other financial assets and liabilities – Fair value measurement of foreign currency forward contracts
  - Note D5: Leases – Determination of lease term
  - Note E2: Acquisition of subsidiary – Fair value measurement of identifiable assets and liabilities
- 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 affect 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 (XRB) 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 2026.

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 2026, 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 2026

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 three reportable operating segments as follows:

- The *China and Other Asia* segment receives external revenue from the sale of infant milk formula, other nutritional products (including all a2 Pōkeno (Refer to Note E2) external sales) and liquid milk sales to China.
- 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, which was reported as a segment in the prior year, has been reported as a discontinued operation. Refer to Note E3 for details of the discontinued operation.

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.

Group performance
for the year ended 30 June 2026

B1. Operating segments (continued)

2026	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Total $'000
Consolidated sales	1,447,398	346,166	178,671	1,972,235
Other revenue	199	2,076	373	2,648
Reportable segment revenue from continuing operations	1,447,597	348,242	179,044	1,974,883
Reportable segment results (Segment EBITDA) from continuing operations	307,345	60,674	(3,386)	364,633
Corporate EBITDA				(80,231)
Group EBITDA from continuing operations				284,402
Other items from continuing operations				
Interest income				29,968
Interest expense				(905)
Depreciation and amortisation				(16,895)
Income tax expense				(89,077)
Consolidated profit after tax from continuing operations				207,493
Loss after tax from discontinued operation				(96,375)
Consolidated profit after tax				111,118

2025	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Total $'000
Consolidated sales	1,301,959	314,458	138,910	1,755,327
Other revenue	–	1,556	357	1,913
Reportable segment revenue from continuing operations	1,301,959	316,014	139,267	1,757,240
Reportable segment results (Segment EBITDA) from continuing operations	332,417	57,484	(9,306)	380,595
Corporate EBITDA				(88,883)
Group EBITDA from continuing operations				291,712
Other items from continuing operations				
Interest income				45,348
Interest expense				(850)
Depreciation and amortisation				(11,729)
Income tax expense				(104,168)
Consolidated profit after tax from continuing operations				220,313
Loss after tax from discontinued operation				(28,222)
Consolidated profit after tax				192,091

B1. Operating segments (continued)

Other segment information – continuing operations

2026	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Corporate $'000	Total $'000
Additions to non-current assets[1]	79,704	4,984	48	14,674	99,410
Depreciation and amortisation	7,716	5,136	563	3,480	16,895
2025					
Additions to non-current assets[1]	269	6,321	86	3,554	10,230
Depreciation and amortisation	2,619	4,859	505	3,746	11,729

Geographical information

	2026 $'000	2025 $'000
Revenue from external customers based on the location of the customer[2]		
China	1,381,804	1,277,049
Australia	337,737	305,880
USA	179,044	139,267
Other	76,298	35,044
	1,974,883	1,757,240
Non-current assets based on the geographical location of assets[1]		
New Zealand[3]	243,046	221,721
Australia	60,834	54,044
China	13,041	2,642
USA	1,062	1,485
	317,983	279,892

1. Non-current assets exclude goodwill, financial instruments and deferred tax assets.
2. Revenue from continuing operations.
3. 2025 includes non-current assets of the Mataura Valley Milk segment.

Group performance
for the year ended 30 June 2026

B2. Revenue

Disaggregation of revenue

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

2026	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Total $'000
Infant milk formula:				
China label	544,250	–	–	544,250
English and other labels[1]	714,574	73,738	1,664	789,976
Liquid milk[2]	–	244,939	177,007	421,946
Other nutritionals[3]	188,574	27,489	–	216,063
Other revenue	199	2,076	373	2,648
	1,447,597	348,242	179,044	1,974,883

2025	China and Other Asia $'000	Australia and New Zealand $'000	USA $'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
Other revenue	–	1,556	357	1,913
	1,301,959	316,014	139,267	1,757,240

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), a2 Pōkeno external ingredient sales, and liquid milk products (plain and fortified) exported to China and Other Asia markets.

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

	2026 $'000	2025 $'000
Profit before income tax from continuing operations includes the following significant items:		
Salary and wage costs	127,387	105,759
Equity settled share-based payments (refer to Note F2)	11,294	13,545
Depreciation and amortisation	16,895	11,729
Net foreign exchange losses	20,629	2,554

Group performance
for the year ended 30 June 2026

B4. Finance costs

	2026 $'000	2025 $'000
Interest expense – lease liabilities	835	797
Interest expense	70	53
Finance costs	90	48
	995	898

B5. Earnings per share (EPS)

	2026	2025
Profit after tax from continuing operations attributable to members of the Company ($'000)	207,493	220,313
Loss after tax from discontinued operation attributable to members of the Company ($'000)	(93,909)	(17,424)
Profit attributable to members of the Company used in calculating basic and diluted EPS ($'000)	113,584	202,889
Weighted average number of ordinary shares ('000) for basic EPS	725,206	723,840
Effect of dilution due to performance rights ('000)	4,580	4,151
Weighted average number of ordinary shares ('000) for diluted EPS	729,786	727,991
Earnings per share – continuing operations		
Basic EPS (cents)	28.61	30.44
Diluted EPS (cents)	28.43	30.26
Earnings per share (including discontinued operations)		
Basic EPS (cents)	15.66	28.03
Diluted EPS (cents)	15.56	27.87

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

	2026 $'000	2025 $'000
Income tax recognised in profit or loss		
Current:		
Current year	94,712	106,928
Adjustment for prior years	(11,878)	(11,719)
Deferred:		
Temporary differences	(4,398)	(2,905)
Adjustment for prior years	10,641	11,864
Total tax expense	89,077	104,168
The prima facie income tax on pre-tax accounting profit from operations reconciles to:		
Accounting profit before income tax	296,570	324,481
Income tax expense calculated at 28% (2025: 28%)	83,039	90,855
Difference in income tax rates: Australia 30% (2025: 30%), USA 23% (2025: 25%), and China 25% (2025: 25%)	2,082	3,520
Non-deductible expenses and non-assessable income	(9,039)	5,792
Prior period adjustment to tax expense	(1,237)	144
Utilisation of tax losses	(2,323)	–
Unutilised foreign tax credits	7,607	3,815
Deferred tax asset not recognised	8,948	42
Total tax expense	89,077	104,168
Income tax recognised directly in equity		
Current tax	–	–
Deferred tax	(787)	(1,722)
Tax expense in equity	(787)	(1,722)

Group performance
for the year ended 30 June 2026

B6. Income taxes (continued)
Deferred tax balances

2026	Opening balance $'000	Acquired in a business combination $'000	Charge to comprehensive income $'000	Charge to equity $'000	Closing balance $'000
Gross deferred tax assets					
Patents	65	–	156	–	221
Provisions and accrued expenses	21,836	1,648	(3,341)	–	20,143
Tax losses	–	4,947	4,860	–	9,807
Property, plant and equipment	725	(12,096)	(3,055)	–	(14,426)
Employee share scheme	5,975	–	(1,199)	787	5,563
Hedging instruments	(646)	–	9,650	–	9,004
Other	(974)	5,501	(1,977)	–	2,550
Net deferred tax	26,981	–	5,094	787	32,862
Charge to profit or loss			(6,243)		
Charge to other comprehensive income			11,337		
			5,094		

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	(8,870)	1,722	26,981
Charge to profit or loss		(8,959)		
Charge to other comprehensive income		89		
		(8,870)		

B6. Income taxes (continued)

Tax losses

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

	2026 $'000	2025 $'000
USA	98,875	98,390
China	2,002	–
New Zealand	209,249	249,852
	310,126	348,242

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 declare 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:

	2026 $'000	2025 $'000
Imputation credits	8	26,240
Franking credits (stated in Australian dollars)	614,212	598,965

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 recognised on the 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 2026

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 OECD Pillar Two Model Rules. Certain jurisdictions in which the Group operates, including New Zealand, Australia and Canada, have enacted legislation implementing the Pillar Two Model Rules, including qualified domestic minimum top-up taxes, which apply to the Group for the year ended 30 June 2026.

The Pillar Two Model Rules introduce a minimum effective tax rate of 15% on a jurisdictional basis. The Group undertook a transitional country-by-country reporting safe harbour assessment based on the financial information for the year ended 30 June 2025 and did not have any exposure to Pillar Two top-up taxes for that year. The Group has performed an indicative assessment for the year ended 30 June 2026 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 applied the mandatory temporary exception under NZ IAS 12 Income Taxes from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. Accordingly, no deferred tax amounts have been recognised or disclosed in respect of Pillar Two income taxes.

As no material Pillar Two top-up taxes have been identified for the year ended 30 June 2026, no current tax expense relating to Pillar Two income taxes has been recognised in these financial statements. Any future Pillar Two top-up taxes will be recognised as current tax expense in the period in which they arise.

Operating assets and liabilities

for the year ended 30 June 2026

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

	2026 $'000	2025 $'000
Trade receivables from contracts with customers	58,789	61,787
Class action insurance proceeds receivable (refer to Note C4)	75,646	–
Goods and services tax	13,793	18,153
Other receivables	23,998	12,306
	172,226	92,246

The Group's exposure to credit risks and impairment losses related to trade and other receivables are 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.

The class action insurance proceeds receivable has been recognised as a current asset given it has become virtually certain, at the balance date, that the inflow of economic benefits will arise. Consequently, the full amount was received on 4 August 2026.

C2. Prepayments

	2026 $'000	2025 $'000
Prepayments	89,909	108,522

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

	2026 $'000	2025 $'000
Raw materials	129,041	36,304
Finished goods	161,529	102,809
Total inventories at the lower of cost and net realisable value	290,570	139,113

Raw materials include inventories at various stages of production.

At year end, $6,100,000 (2025: $7,566,000) was recognised as an expense in cost of sales for inventories written down or written off.

The inventory balance at 30 June 2026 includes $94,393,000 of inventory held by the acquired entity a2 Pōkeno (refer Note E2 for details on the acquisition), while $50,939,000 of inventory was disposed as part of the Mataura Valley Milk Limited divestment.

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.

Operating assets and liabilities
for the year ended 30 June 2026

C3. Inventories (continued)

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.

C4. Trade and other payables

	2026 $'000	2025 $'000
Current		
Trade payables	100,789	75,967
Rebates and promotional allowances	97,318	112,429
Accrued charges	174,691	130,809
Class action settlement payable	75,646	–
Employee entitlements	34,408	31,598
Customer contract liabilities	995	2,734
	483,847	353,537
Non-current		
Employee entitlements	821	662

Class action settlement payable
The Company is the defendant in a group proceeding in the Supreme Court of Victoria (the Australian Proceedings), which are jointly conducted by Slater & Gordon Lawyers and Shine Lawyers. 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 7 April 2026, the Company announced that it reached an in-principle agreement to settle the Australian Proceedings, for AUD 62,000,000 (NZD 75,646,000) inclusive of interest and costs and with no admission of liability. The full settlement amount will be met by available insurance proceeds. The in-principle settlement is subject to approval by the Supreme Court of Victoria. A settlement approval hearing has been scheduled for Tuesday 24 November 2026.

Given an in-principle settlement has been reached but not yet paid, the settlement cost has been recognised as a current liability, and the corresponding insurance proceeds receivable has been recognised as a current asset.

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 $2,734,000 recognised in customer contract liabilities at 30 June 2025 was recognised as revenue in the year ended 30 June 2026. Remaining performance obligations at 30 June 2026 have an original expected duration of one year or less.

C4. Trade and other payables (continued)

Recognition and measurement (continued)

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.

C5. Property, plant and equipment

2026	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 2025	8,763	45,877	3,020	721	1,085	157,378	216,844
Acquisition of subsidiary	32,373	60,373	128	209	–	58,423	151,506
Disposal of subsidiary	(8,763)	(45,675)	(1,681)	–	–	(138,987)	(195,106)
Additions	15,005	597	1,094	174	932	55,675	73,477
Depreciation	–	(1,652)	(889)	(187)	(385)	(6,942)	(10,055)
Net foreign currency exchange differences	–	–	114	28	180	1,555	1,877
Carrying amount 30 June 2026	47,378	59,520	1,786	945	1,812	127,102	238,543
Cost	47,378	68,132	7,563	2,497	8,388	191,878	325,836
Accumulated depreciation	–	(8,612)	(5,777)	(1,552)	(6,576)	(64,776)	(87,293)
Carrying amount 30 June 2026	47,378	59,520	1,786	945	1,812	127,102	238,543

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

Operating assets and liabilities

for the year ended 30 June 2026

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	20-50 years
Office and computer equipment	2-20 years
Furniture and fittings	5-20 years
Leasehold improvements	2-10 years
Plant and equipment	2-30 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.

C6. Investment property

The Kyvalley Dairy Group (Kyvalley) is the Group's long-term fresh milk supplier in Victoria. Kyvalley continues to operate the facility under a long-term operating lease and a long-term supply agreement. Under the agreement, the Group completed the expansion and upgrade of the facility during the year. The investment was supported by increased rental income.

The purchase and upgrade of the Kyabram site 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.

2026	Land $'000	Buildings $'000	Plant & equipment $'000	Work in progress $'000	Total $'000
Carrying amount 1 July 2025	479	15,381	5,796	12,526	34,182
Additions	–	–	–	2,133	2,133
Transfers	–	5,178	9,615	(14,793)	–
Disposals	–	(15)	(18)	–	(33)
Depreciation	–	(710)	(1,080)	–	(1,790)
Net foreign currency exchange differences	63	2,326	1,363	806	4,558
Carrying amount 30 June 2026	542	22,160	15,676	672	39,050
Cost	542	24,892	22,375	672	48,481
Accumulated depreciation	–	(2,732)	(6,699)	–	(9,431)
Carrying amount 30 June 2026	542	22,160	15,676	672	39,050

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

Profit arising from investment property

	2026 $'000	2025 $'000
Rental income	2,093	1,203

Operating assets and liabilities

for the year ended 30 June 2026

C6. Investment property (continued)

Future minimum rentals receivable under operating lease

	2026 $'000	2025 $'000
Not longer than 1 year	2,979	2,117
Longer than 1 year and not longer than 5 years	12,681	10,977
Longer than 5 years	13,998	15,338
Total undiscounted lease payments to be received	29,658	28,432

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 $45,100,000 based on a capitalisation of rent valuation approach, adopting a capitalisation rate of 7% (2025: $37,500,000, adopting a capitalisation rate of 7%). Directors consider that this calculation represents a reasonable approximation of fair value as at 30 June 2026.

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 investment property 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.

C7. Intangible assets

2026	Patents & Trade marks $'000	Product development costs & Other $'000	Goodwill $'000	Total $'000
Carrying amount 1 July 2025	4,774	3,866	102,279	110,919
Acquisition of subsidiary	–	214	102,298	102,512
Disposal of subsidiary	–	(211)	–	(211)
Additions	–	10,829	–	10,829
Amortisation	(66)	(846)	–	(912)
Net foreign currency exchange differences	–	30	1,073	1,103
Carrying amount 30 June 2026	4,708	13,882	205,650	224,240
Cost	5,590	19,768	205,650	231,008
Accumulated amortisation and impairment	(882)	(5,886)	–	(6,768)
Carrying amount 30 June 2026	4,708	13,882	205,650	224,240

2025	Patents & Trade marks $'000	Product development costs & 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

Trade marks are allocated to the following cash-generating units (CGUs) for the purpose of impairment testing: Australia and New Zealand $318,000 (2025: $318,000); China and Other Asia $3,503,000 (2025: $3,503,000); USA $174,000 (2025: $174,000).

During the year the total value of research and development costs expensed was $4,186,000 (2025: $5,760,000).

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.

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 2 to 3 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.

Operating assets and liabilities
for the year ended 30 June 2026

C7. Intangible assets (continued)
Recognition and measurement (continued)
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, generally over 3 to 10 years.

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:

	2026 $'000	**2025 $'000**
Australia and New Zealand	51,622	50,549
China	154,028	51,730
	205,650	102,279

Annual impairment testing as at 30 June 2026
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 2026, 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 FY27, 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): 8.7% (2025: 9.4%)

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 FY27 budget and four-year forward-looking plans and adjusted for recent performance trends across the regions (where necessary).

C7. Intangible assets (continued)

Key assumptions (continued)

Terminal growth rate

A terminal growth rate of 2.0% (2025: 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)

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 profit or loss 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.

Recognition, recoverability and determination of useful lives of capitalised product development costs

Judgement is required in determining whether product development expenditure meets the criteria for recognition as an internally generated intangible asset under NZ IAS 38. This includes assessing whether products have progressed beyond the research phase and whether the asset is expected to generate probable future economic benefits.

The Group also applies judgement in assessing the recoverability of capitalised development costs and determining the useful lives over which they are amortised. These assessments involve estimates and assumptions regarding future economic benefits, including expected sales volumes, product profitability, regulatory approvals, market demand and the expected commercial life of the underlying products. Useful lives are reviewed annually and adjusted prospectively where expectations differ from previous estimates.

Operating assets and liabilities
for the year ended 30 June 2026

C8. Other financial assets

	2026 $'000	2025 $'000
Current		
Foreign currency forward contracts	13,218	10,949
Non-current		
Foreign currency forward contracts	8,921	5,259
Listed investment at fair value	43,069	74,174
Unlisted investment at fair value	2,226	2,525
	54,216	81,958

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 (2025: $nil).

A fair value loss of $31,105,000 (2025: $31,618,000 gain) 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 2025	119,636	321,583	0.62	74,174	(247,409)
Balance 30 June 2026	119,636	321,583	0.36	43,069	(278,514)
Fair value loss in period					(31,105)

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.

A fair value loss of $299,000 (2025: $975,000 loss) was recognised in other comprehensive income for the year.

Recognition and measurement

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.

C9. Other financial liabilities

	2026 $'000	2025 $'000
Current		
Foreign currency forward contracts	25,433	8,182
Non-current		
Foreign currency forward contracts	28,861	4,262

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 2026

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.

	2026 $'000	2025 $'000
Maximum exposures to credit risk at balance date:		
Cash and term deposits (counterparty risk)	784,472	1,100,171
Trade receivables (customer credit risk)	58,789	61,787
Foreign currency forward contracts (counterparty risk)	22,139	16,208
Class action insurance proceeds receivable (counterparty risk)	75,646	–
	941,046	1,178,166

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.

Counterparties to the class action insurance proceeds receivable are the insurers responding under the relevant insurance policy, reducing concentration risk. The participating insurers are established insurance providers and are assessed as having strong financial capacity to meet their obligations. The full $75,646,000 balance was received on 4 August 2026.

The Group does not have any other concentrations of counterparty credit risk.

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 2026 (2025: nil). 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

	2026 $'000	**2025 $'000**
Not past due	54,771	58,031
Past due up to 90 days	3,148	3,413
Past due 91 to 180 days	661	143
Past due 181 days to one year	67	200
More than one year	142	–
	58,789	61,787
Allowance for expected credit losses	–	–
	58,789	61,787

The average credit period on sales is 11 days (2025: 11 days). No interest is charged on trade receivables outstanding.

Impairment allowance for expected credit loss

The Group assessed the expected credit losses associated with its trade receivables as at 30 June 2026 and concluded that no impairment allowance was required (2025: nil). Consequently, no impairment loss expense was recognised during the current or comparative reporting period.

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 2026

D1. Financial risk management (continued)

Interest risk management

The Group's main interest rate risks arise from term deposits. Term deposits issued at variable rates expose the Group to cash flow interest rate risk. Term deposits at fixed rates expose the Group to fair value interest rate risk. These risks have not been hedged given the limited exposure.

Term deposits are primarily with New Zealand banks, in New Zealand dollars, at New Zealand market rates.

Fixed and variable rate exposure

	2026 $'000	2025 $'000
Fixed rate instruments		
Financial assets	100,000	500,000
Financial liabilities	–	(77,764)
	100,000	422,236
Variable rate instruments		
Financial assets	502,974	409,514
	502,974	409,514

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 $5,030,000 (2025: $4,095,000). 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.

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	
	2026 $'000	**2025 $'000**	**Term**	**2026 $'000**	**2025 $'000**	**2026**	**2025**
RMB							
Buy USD/sell RMB (non-deliverable forward)	15,529	174	One year or less	384,154	385,497	0.1433	0.1417
Buy USD/sell RMB (non-deliverable forward)	22,249	1,881	More than one year	616,434	166,407	0.1486	0.1421
Buy RMB/sell NZD	(13,083)	5,698	One year or less	177,480	182,284	0.2431	0.2383
Buy RMB/sell NZD	(8,686)	1,677	More than one year	188,296	71,867	0.2545	0.2396
USD							
Buy NZD/sell USD	9,770	(8,639)	One year or less	324,670	296,557	0.5883	0.5960
Buy NZD/sell USD	6,376	(4,555)	More than one year	399,967	112,814	0.5850	0.5850

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 2026

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, applied to the Group's foreign currency forward contracts at 30 June. Exchange rates and foreign currency forward contracts will fluctuate over the course of normal operations.

	Impact on pre-tax equity gain or (loss)	
2026	**$'000**	**$'000**
Movement on exchange rate	**+10%**	**-10%**
Chinese Yuan Renminbi	(71,648)	58,105
US Dollar	(78,504)	64,358

	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

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)	
2026	**$'000**	**$'000**	**$'000**
Movement on exchange rate v NZ dollar	**–**	**+10%**	**-10%**
AU Dollar	1,290	143	(117)
US Dollar	20,273	2,253	(1,843)
Chinese Yuan Renminbi	(103,986)	(11,554)	9,453
Euro	206	23	(19)

	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

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.

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	
	2026	2025	2026	2025
AU Dollar	0.8633	0.9121	0.8196	0.9268
US Dollar	0.5851	0.5908	0.5652	0.6064
Chinese Yuan Renminbi	4.0933	4.2623	3.8412	4.3478

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 2026, the exposure to the listed investment at FVOCI was $43,069,000 (2025: $74,174,000). A 10% increase or decrease in the share price of this listed investment would result in an increase or decrease of $4,307,000 (2025: $7,417,000) 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 fair value through 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 2026, the exposure to the unlisted investment at FVOCI was $2,226,000 (2025: $2,525,000). A 10% increase or decrease in the value of this unlisted investment would result in an increase or decrease of $223,000 (2025: $253,000) 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. The Group does not have any loans and borrowings as at 30 June 2026 (refer to Note D6).

Financial risk and capital management

for the year ended 30 June 2026

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					
2026	**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							
Lease liabilities	24,313	26,815	3,668	3,099	5,798	12,970	1,280
Trade and other payables – excluding employee entitlements and customer contract liabilities	448,444	448,444	448,444	–	–	–	–
Dividend payable	300,000	300,000	300,000	–	–	–	–
Derivative financial liabilities							
FX hedging contracts:							
Carrying amount at fair value	54,294						
Outflow		698,402	185,032	121,273	276,593	115,504	–
Inflow		(644,108)	(171,816)	(109,056)	(256,281)	(106,955)	–
	827,051	829,553	765,328	15,316	26,110	21,519	1,280
2025							
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

D1. Financial risk management (continued)

Change in liabilities arising from financing activities

	30 June 2025 $'000	Cash flow $'000	Non-cash $'000	30 June 2026 $'000
Secured bank loans	39,000	(39,000)	–	–
Unsecured loan from MVM's non-controlling shareholder	38,764	–	(38,764)	–
Lease liabilities	22,972	(6,820)	8,161	24,313
Dividend payable	–	–	300,000	300,000
	100,736	(45,820)	269,397	324,313

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:

		2026		2025	
	Hierarchy level	Carrying amount $'000	Fair Value $'000	Carrying amount $'000	Fair Value $'000
Cash and term deposits		784,472	784,472	1,100,171	1,100,171
Trade and other receivables		172,226	172,226	92,246	92,246
Foreign currency forward contract assets	2	22,139	22,139	16,208	16,208
Listed investment	1	43,069	43,069	74,174	74,174
Unlisted investment	3	2,226	2,226	2,525	2,525
Secured bank loans	2	–	–	(39,000)	(38,853)
Unsecured loan from MVM's non-controlling shareholder	2	–	–	(38,764)	(37,164)
Trade and other payables - excluding employee entitlements and customer contract liabilities		(448,444)	(448,444)	(319,205)	(319,205)
Dividend payable		(300,000)	(300,000)	–	–
Foreign currency forward contract liabilities	2	(54,294)	(54,294)	(12,444)	(12,444)
		221,394	221,394	875,911	877,658

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.

Financial risk and capital management
for the year ended 30 June 2026

D1. Financial risk management (continued)

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 and dividend payable – carrying amount approximates fair value.

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 had no debt as at 30 June 2026.

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.

The Company has a dividend policy that targets a payout ratio range between 60% and 80% of normalised net profit after tax. The FY25 final dividend of 11.50 cents per ordinary share, was declared in August 2025 and paid to shareholders in October 2025. This equated to approximately $83.4 million, represented an annual payout ratio of approximately 71% of net profit after tax, and was fully franked and partially imputed.

The FY26 interim dividend of 11.50 cents per ordinary share, was declared in February 2026 and paid to shareholders in April 2026. This equated to approximately $83.4 million, and was fully franked and unimputed.

Since the end of the year, the Company announced a final dividend for FY26 of 9.50 cents per ordinary share, fully franked and unimputed, equating to approximately $69.2 million, to be paid on 2 October 2026.

Accordingly, the total ordinary dividends related to FY26 were 21.00 cents per ordinary share representing a total annual payout ratio of approximately 74% which equates to approximately $153 million being returned to shareholders through ordinary dividends.

During the year, the Company also declared a special dividend of $300.0 million, equating to 41.36 cents per ordinary share. The special dividend reflected the Board's assessment of the Group's capital position following the completion of the MVM divestment and the receipt of regulatory approval to transition the two existing a2 Pōkeno China label infant milk formula registrations to *a2*™ branded products. This was paid to shareholders on 24 July 2026 and was fully franked and unimputed.

On an ongoing basis, dividends are expected to be paid on a semi-annual basis 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.

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

	2026 $'000	2025 $'000
Cash at banks and on hand	181,498	190,657
Short-term deposits	502,974	409,514
Cash and short-term deposits	684,472	600,171
Other current term deposits	100,000	500,000
Cash and term deposits	784,472	1,100,171

D3. Cash and term deposits (continued)

Expressed in NZ dollars, cash and term deposits comprises of the following foreign currencies:

	2026 $'000	2025 $'000
AU dollars	7,691	12,115
US dollars	28,005	66,438
Chinese Yuan Renminbi	85,251	95,162

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 twelve months, having an average maturity of ten months and a weighted average interest rate of 3.51% per annum.

Term deposits are presented as cash equivalents in the consolidated statement of cash flows if they have a maturity of three months or less 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:

	2026 $'000	2025 $'000
Cash at banks and on hand	181,498	190,657
Short-term deposits	502,974	409,514
Cash and short-term deposits	684,472	600,171

D4. Cash flow information

Reconciliation of after tax profit with net cash flows from operating activities:

	2026 $'000	2025 $'000
Net profit for the year	111,118	192,091
Adjustments for non-cash items:		
Depreciation and amortisation	18,472	26,338
Share-based payments	11,294	13,545
Net foreign exchange gain	(3,992)	(2,821)
Loss on disposal of investment property	33	–
Gain on termination of leases	–	(53)
Loss on disposal of subsidiary	100,291	–
Changes in working capital:		
Trade and other receivables	(90,992)	(14,176)
Prepayments	17,802	(55,977)
Inventories	(181,303)	40,535
Trade and other payables	165,142	6,542
Tax balances	(14,721)	(4,547)
Net cash inflow from operating activities	133,144	201,477

Financial risk and capital management
for the year ended 30 June 2026

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:

2026	Leased property $'000	Office & computer $'000	Plant & equipment $'000	Total $'000
Carrying amount 1 July 2025	11,071	140	9,015	20,226
Acquisition of subsidiary	–	–	1,290	1,290
Disposal of subsidiary	–	–	(8,513)	(8,513)
Additions	11,982	–	1,066	13,048
Disposals	–	–	(99)	(99)
Depreciation	(4,959)	(36)	(721)	(5,716)
Net foreign currency exchange differences	1,509	14	41	1,564
Carrying amount 30 June 2026	19,603	118	2,079	21,800
Cost	45,674	360	6,527	52,561
Accumulated depreciation	(26,071)	(242)	(4,448)	(30,761)
Carrying amount 30 June 2026	19,603	118	2,079	21,800

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

D5. Leases (continued)

Group as lessee (continued)

Lease liabilities

Carrying amounts of lease liabilities and movements during the period

	2026 $'000	2025 $'000
Balance at beginning of the year	22,972	28,330
Acquisition of subsidiary	1,337	–
Disposal of subsidiary	(9,101)	–
Additions	13,048	2,756
Modifications	–	(1,521)
Disposals	(99)	(828)
Gain on termination of lease	–	(53)
Accretion of interest	1,161	1,821
Payments	(6,820)	(7,554)
Net foreign currency exchange differences	1,815	21
Balance at end of the year	24,313	22,972
Current	5,834	5,369
Non-current	18,479	17,603
	24,313	22,972

Amounts recognised in profit or loss

	2026 $'000	2025 $'000
Depreciation expense – right-of-use assets	5,716	6,135
Interest expense – lease liabilities	1,161	1,821
Expenses relating to short-term leases (included in administrative and other expenses)	1,387	745
Expenses relating to low-value assets (included in administrative and other expenses)	19	17
Total amount recognised in profit or loss	8,283	8,718

Cash flows for leases

	2026 $'000	2025 $'000
Total cash outflows:		
Lease interest	1,161	1,821
Payment of lease principal	5,659	5,733
	6,820	7,554
Non-cash additions to right-of-use assets and lease liabilities	13,048	2,756

Financial risk and capital management

for the year ended 30 June 2026

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

D6. Loans and borrowings

	2026 $'000	2025 $'000
Current		
Secured:		
Bank loans	–	39,000
	–	39,000
Non-current		
Unsecured:		
Loan from MVM's non-controlling shareholder	–	38,764
	–	38,764

All of the loans and borrowings at 30 June 2025 were specific to MVM and were interest bearing. These were repaid or disposed of as part of the disposal of MVM.

Other Group entities have access to bank guarantee facilities totalling $1,295,000 of which $1,049,000 was drawn as at 30 June 2026 (30 June 2025: $1,154,000 of which $907,000 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.

D7. Share capital

	2026		2025	
	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	724,019,118	100	722,934,808	100
Movements in the period:				
Vesting of performance rights	1,407,076	–	1,084,310	–
Balance at end of year	725,426,194	100	724,019,118	100

Holders of fully paid ordinary shares are entitled to receive dividends as may be declared 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.

Financial risk and capital management

for the year ended 30 June 2026

D8. Dividends

Dividends paid during the year are as follows:

	2026	2025
FY25 final dividend		
Total paid $'000	83,424	–
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	–
Interim dividend		
Total paid $'000	83,424	61,542
Cents per ordinary share	11.50	8.50
Imputation		
Imputation percentage	0%	100%
Imputation credit – cents per ordinary share	–	3.31
Franking		
Franking percentage	100%	100%
Franking credit – cents per ordinary share	4.93	3.64
Key dates		
Ex-dividend date	19 March 2026	20 March 2025
Record date	20 March 2026	21 March 2025
Payment date	2 April 2026	4 April 2025

Following the approval received in June 2026 from the Chinese State Administration for Market Regulation to transition the two China label infant milk formula product registrations acquired in connection with the a2 Pōkeno facility (refer to Note E2) to the Company's branded products, the Directors declared a $300 million special dividend. This has been recorded as a liability at 30 June 2026.

Special dividend	
Total payable $'000	300,000
Cents per ordinary share	41.36
Imputation	
Imputation percentage	0%
Imputation credit – cents per ordinary share	–
Franking	
Franking percentage	100%
Franking credit – cents per ordinary share	17.72
Key dates	
Ex-dividend date	8 July 2026
Record date	9 July 2026
Payment date	24 July 2026

D8. Dividends (continued)

Since the end of the year, the Directors have approved the payment of a final dividend amounting to approximately $69.2 million, proposed out of retained earnings, but not recognised as a liability at 30 June 2026.

Final dividend	
Cents per ordinary share	9.50
Imputation	
Imputation percentage	0%
Imputation credit – cents per ordinary share	–
Franking	
Franking percentage	100%
Franking credit – cents per ordinary share	4.07
Key dates	
Ex-dividend date	17 September 2026
Record date	18 September 2026
Payment date	2 October 2026

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.

	2026		2025	
	Number of shares	$'000	Number of shares	$'000
Movements in treasury shares reserve:				
Balance at beginning of year	508,048	3,383	1,307,576	8,706
Movements in the period:				
Vesting of performance rights	(1,615,458)	(3,383)	(799,528)	(5,323)
Shares issued	1,157,923	–	–	–
Balance at end of year	50,513	–	508,048	3,383

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.

Financial risk and capital management

for the year ended 30 June 2026

D10. Capital expenditure commitments

Contracted but not yet provided for and payable	2026 $'000	2025 $'000
Property, plant and equipment	32,167	1,747

D11. Contingent liabilities

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 (refer to Note C4 for further details). On 28 April 2025 the Company was notified that Hamilton Locke (NZ) Limited became solicitor on the record in the New Zealand Proceeding. 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 considers that it has at all times complied with its disclosure obligations and has no present obligation in relation to the New Zealand Proceeding, denies any liability and will vigorously defend the proceeding.

Based on the current status of 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 2026

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 2026 are as follows:

	Parties to Deed of Cross Guarantee (note E4)[1]	Principal place of business	2026	2025
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%
a2 Nutritionals NZ Limited	–[3]	New Zealand	100%	–
Mataura Valley Milk Limited	–[3]	New Zealand	–	75%
a2 Australian Investments Pty. Limited	✔	Australia	100%	100%
a2 Botany Pty Ltd	–[3]	Australia	–	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. During the year, the Group deregistered a2 Botany Pty Ltd on 2 July 2025, acquired a2 Nutritionals NZ Limited (a2 Pōkeno) on 1 September 2025 (refer to Note E2) and disposed of its 75% controlling interest in Mataura Valley Milk Limited on 31 October 2025 (refer to Note E3). No other changes occurred 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.

Group structure
for the year ended 30 June 2026

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. Acquisition of subsidiary

Acquisition of Yashili New Zealand Dairy Co., Limited (a2 Pōkeno)

On 1 September 2025, the Company completed the acquisition of 100% of the shares in a2 Pōkeno, an advanced dairy nutrition business, located in Pōkeno, in the Waikato region of New Zealand.

The transaction consists of the acquisition of a fully integrated nutritional manufacturing site with drying, blending and canning capabilities. The facility currently holds two registrations with the Chinese State Administration for Market Regulation (SAMR) which were approved for transition in June 2026 to enable the Company to sell *a2™* branded China Label infant milk formula (IMF) products. With the regulatory approvals now obtained, the Company no longer has the right to unwind the transaction.

The acquisition forms part of the Group's broader supply chain transformation strategy and provides greater market access to the China Label IMF market, strategic control over IMF manufacturing and enhances product development capability and capacity.

The transaction was completed on a debt and cash-free basis for a total gross consideration of $281.1 million, with $144.8 million paid on closing and the balance of $136.3 million (subsequent to completion, working capital and net debt adjustments) paid upon receipt of the necessary regulatory amendment approvals. The final net consideration net of cash acquired was $275.0 million.

Fair value of identifiable assets and (liabilities) acquired

	Fair value recognition on acquisition $'000
Cash and cash equivalents	6,145
Trade and other receivables	11,603
Prepayments	937
Inventories	21,094
Property, plant and equipment	151,506
Right-of-use assets	1,290
Intangible assets	214
Trade and other payables	(12,619)
Lease liabilities	(1,337)
Net identifiable assets acquired	178,833

Assets and liabilities are measured on a provisional basis. If new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition that would require adjustment to assets and liabilities, the accounting for the acquisition may be revised.

E2. Acquisition of subsidiary (continued)

Purchase consideration and goodwill on consolidation

	$'000
Purchase consideration	281,131
Less: Net identifiable assets acquired	(178,833)
Goodwill	102,298

The net outflow of cash of $274,986,000 as noted on the consolidated statement of cash flows consisted of the cash outflow of $281,131,000, less cash balances acquired of $6,145,000.

Goodwill comprises the value of expected synergies arising from the acquisition including access to the China label IMF market, access to manufacturing margins and the ability to provide capability for product development and supply.

Goodwill is allocated to the cash generating units (CGUs) that are expected to benefit from the synergies of the business combination. Therefore, total goodwill of $102,298,000 has been allocated to the China and Other Asia CGU as substantially all of the synergies from this acquisition will benefit this CGU.

For the ten months ended 30 June 2026, a2 Pōkeno contributed revenue of $24,039,000 and an after-tax loss of $28,338,000.

Recognition and measurement

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Acquisition-related costs are expensed as incurred and included in profit or loss as Other expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Key estimates and judgements

Fair value measurement of identifiable assets and liabilities

Judgements are made in identifying and determining the fair value of identifiable assets acquired and liabilities assumed in a business combination. This includes assessing whether acquired assets meet the criteria for separate recognition from goodwill and determining the appropriate valuation methodologies and assumptions.

The fair value measurement of identifiable assets and liabilities involves estimates and assumptions, including future cash flows, discount rates, market conditions and the determination of useful lives of acquired assets. Changes in these assumptions may impact the values assigned to acquired assets and liabilities and the amount of goodwill recognised.

Group structure
for the year ended 30 June 2026

E3. Disposal of subsidiary and discontinued operation

On 31 October 2025, the Company disposed of its 75% controlling interest in MVM, a dairy nutrition business, located in Southland, New Zealand. The disposal was consequential to the Company's acquisition of a2 Pōkeno, and follows the Group's broader supply chain transformation which has been noted in Note E2.

As part of the same transaction, China Animal Husbandry Group disposed of its 25% minority shareholding in MVM.

The transaction was completed on a debt and cash-free basis for a net consideration of $110.3 million for the Group's 75% share of MVM, including initial working capital adjustments and net of cash disposed. The final consideration will be determined after adjusting for milk payables based on the 2025/2026 final farmgate milk price which is expected to be announced around September 2026. This adjustment is not expected to be material.

Accordingly, MVM was classified as a discontinued operation on the consolidated statement of comprehensive income and is no longer presented as a separate segment in Note B1 Operating segments.

Loss from discontinued operation

MVM's results, which have been included as part of the loss from the discontinued operation were as follows:

	2026 $'000	2025 $'000
Sales	29,275	143,946
Cost of sales	(29,966)	(165,080)
Gross margin	(691)	(21,134)
Other revenue	–	797
Distribution expenses	(223)	(760)
Marketing expenses	(2)	(22)
Administrative and other expenses	(4,829)	(10,821)
Operating loss	(5,745)	(31,940)
Interest income	70	110
Finance costs	(1,224)	(3,398)
Net finance costs	(1,154)	(3,288)
Loss before tax	(6,899)	(35,229)
Income tax benefit	13,639	7,006
Profit/(loss) for the period from discontinued operation	6,740	(28,222)
Cash flow hedges fair value (loss)/gain	(1,457)	1,083
Other comprehensive (loss)/income for the period from discontinued operation	(1,457)	1,083

Net cash flows of discontinued operation

	2026 $'000	2025 $'000
Net cash outflow from operating activities	(2,968)	(28,394)
Net cash outflow from investing activities	(108)	(1,749)
Net cash (outflow)/inflow from financing activities	(39,302)	38,065
Total net cash (outflow)/inflow of discontinued operation	(42,378)	7,922

E3. Disposal of subsidiary and discontinued operation (continued)

Earnings per share of discontinued operation

	2026	2025
Basic (cents per share)	(12.95)	(2.41)
Diluted (cents per share)	(12.95)	(2.41)

Net loss on the disposal of discontinued operation

Details of the net loss on the disposal of MVM are as follows:

	2026 $'000
Consideration received	115,245
Less: cash disposed	(4,976)
Cash consideration per the consolidated statement of cash flows	110,269
Less: other net assets disposed	(187,500)
Less: non-controlling interests disposed	(23,060)
Less: incremental disposal costs	(2,824)
Loss on disposal	(103,115)

Reconciliation of total loss on discontinued operation to the consolidated statement of comprehensive income

	2026 $'000	2025 $'000
Profit/(loss) for the period from discontinued operation	6,740	(28,222)
Loss on disposal of discontinued operation	(103,115)	–
Total loss from discontinued operation	(96,375)	(28,222)

Group structure

for the year ended 30 June 2026

E4. 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 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 2026 are set out as follows:

Consolidated statement of comprehensive income and retained earnings for the year ended 30 June 2026

	2026 $'000	2025 $'000
Revenue	1,797,370	1,655,044
Expenses	(1,854,456)	(1,382,434)
Finance income (net)	33,143	54,026
(Loss)/profit before tax	(23,943)	326,636
Income tax expense	(63,828)	(83,614)
(Loss)/profit after tax	(87,771)	243,022
Other comprehensive loss	(11,418)	(3,860)
Total comprehensive (loss)/income for the year	(99,189)	239,162
Retained earnings at beginning of the year	1,814,488	1,633,008
Dividends paid	(166,848)	(61,542)
Special dividend declared	(300,000)	–
Transfers to and from reserves	11,418	3,860
Retained earnings at end of year	1,259,869	1,814,488

E4. Deed of cross guarantee (continued)

Consolidated statement of financial position as at 30 June 2026

	2026 $'000	2025 $'000
Assets		
Current assets		
Cash and term deposits	721,040	989,759
Trade and other receivables	191,809	146,548
Prepayments	85,343	106,985
Inventories	169,991	78,342
Other financial assets	13,218	9,976
Total current assets	1,181,401	1,331,610
Non-current assets		
Property, plant and equipment	22,563	19,378
Right-of-use assets	8,620	8,659
Investment property	39,050	34,182
Intangible assets	29,761	18,961
Other financial assets	842,056	793,828
Deferred tax assets	23,366	15,576
Total non-current assets	965,416	890,584
Total assets	2,146,817	2,222,194
Liabilities		
Current liabilities		
Trade and other payables	439,168	286,742
Dividend payable	300,000	–
Lease liabilities	2,417	2,013
Other financial liabilities	25,530	8,145
Income tax payable	15,121	30,763
Total current liabilities	782,236	327,663
Non-current liabilities		
Trade and other payables	819	662
Lease liabilities	7,881	8,165
Other financial liabilities	28,861	4,262
Total non-current liabilities	37,561	13,089
Total liabilities	819,797	340,752
Net assets	1,327,020	1,881,442
Equity		
Share capital	100	100
Retained earnings	1,259,869	1,814,488
Reserves	67,051	66,854
Total equity	1,327,020	1,881,442

Other disclosures
for the year ended 30 June 2026

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:

	2026 $'000	2025 $'000
Short-term employee benefits	11,129	10,811
Share-based payments	5,447	5,848
	16,576	16,659

Other than non-executive directors, key management personnel in FY26 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 (2025: $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 2026 and 2025 financial years.

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 1,464,230 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 period:

			Revenue CAGR hurdles		
Performance rights grant:	**Performance period**	**EPS CAGR**	**50% vest**	**85% vest**	**100% vest**
FY26 plan					
1,464,230 rights	3 years to 30 June 2028	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 material 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	**9 Oct 25**	**8 Dec 25**	**9 Mar 26**
Fair value at measurement date	$9.20	$9.44	$10.42
Share price at grant date	$10.15	$10.42	$11.42
Performance rights life	2.9 years	2.7 years	2.5 years

Other disclosures
for the year ended 30 June 2026

F2. Share-based payments (continued)
Long-term incentives (LTI) (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**
FY24 plan	3 years to 30 June 2026	10%	4%	6%	8%
FY25 plan	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 material 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 $9.28 (2025: $6.63) and previous years' grants were $5.29 (2025: $5.02).

LTI outstanding as at 30 June 2026	**Number**	**Grant Dates**	**Vesting Dates**	**Expiry Dates**
Performance rights – FY24 grants	2,680,169	1 Nov 23 15 Dec 23	17 Aug 26	17 May 27
Performance rights – FY25 grants	2,118,442	4 Oct 24 9 Dec 24 24 Feb 25	16 Aug 27	16 May 28
Performance rights – FY26 grants	1,338,623	9 Oct 25 8 Dec 25 9 Mar 26	21 Aug 28	21 May 29
	6,137,234			

F2. Share-based payments (continued)

Long-term incentives (LTI) (continued)

Performance rights movements:	Number 2026	Number 2025
Outstanding at the beginning of the year	7,200,635	6,884,688
Forfeited during the period	(612,507)	(91,116)
Granted during the period	1,464,230	2,361,975
Vested during the period	(1,915,124)	(1,954,912)
Outstanding at the end of the year	6,137,234	7,200,635

The weighted average remaining contractual life of performance rights is 0.9 years (2025: 1.2 years).

Amounts recognised in the consolidated statement of comprehensive income

During the year ended 30 June 2026, a $11,294,000 expense was recognised in the consolidated statement of comprehensive income for equity settled share-based payment awards (2025: $13,545,000).

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 benefit 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.

Other disclosures
for the year ended 30 June 2026

F3. Auditor's remuneration

The auditor of the Company is Ernst & Young Australia.

Amounts received or due and receivable by Ernst & Young for:	**2026 $'000**	**2025 $'000**
Fees to Ernst & Young:		
Fees for auditing the statutory financial statements of the parent covering the Group and auditing the statutory financial statements of any controlled entities	1,575	1,580
Total audit of financial statements	1,575	1,580
Other assurance services and other agreed-upon procedures		
Fees for other assurance and agreed-upon services	315	285
Total other assurance services and other agreed-upon procedures	315	285
Total fees for services other than the audit of financial statements	315	285
Total fees for services provided by Ernst & Young	1,890	1,865

F4. Subsequent events

Since the end of the year, the Directors have approved the payment of a final dividend amounting to approximately $69.2 million. Refer to Note D8 for details.

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 2026

1. Principal activities

Other than the acquisition of a2 Pōkeno in September 2025 and the divestment of Mataura Valley Milk Limited in October 2025, 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 2026.

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.

	2026 $'000	2025 $'000
Continuing operations		
EBITDA	284,402	291,712
Depreciation & amortisation	(16,895)	(11,729)
EBIT	**267,507**	**279,983**
Interest income	29,968	45,348
Interest expense	(905)	(850)
Income tax expense	(89,077)	(104,168)
Profit for the year from continuing operations	**207,493**	**220,313**
Discontinued operations		
Loss from discontinued operation, net of tax	(96,375)	(28,222)
Profit for the year	**111,118**	**192,091**
Attributable to:		
Owners of the Company	113,584	202,889
Non-controlling interests	(2,466)	(10,798)
	111,118	**192,091**

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 2026 (such disclosure being required by the Financial Markets Conduct Act 2013 (NZ)) and as at 1 August 2026 (such disclosure being required by the ASX Listing Rules):

	As at 30 June 2026		As at 1 August 2026	
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]**
Paradice Investment Management	47,372,502	6.530	47,372,502	6.530
The Vanguard Group, Inc	45,934,205	6.332	45,934,205	6.332
J.P. Morgan Chase & Co.	45,159,220	6.225	45,159,220	6.225
Ausbil Investment Management Limited	43,911,239	6.053	43,911,239	6.053
UBS Group AG	38,649,243	5.328	39,755,118	5.480
FirstCape Group Limited	36,893,667	5.086	36,893,667	5.086

1. Based on issued share capital of 725,426,194 as at 30 June 2026 and 1 August 2026.

The total number of voting shares on issue as at 30 June 2026 was 725,426,194 and the total number of voting shares on issue as at 1 August 2026 was 725,426,194.

Company disclosures (continued)

4. Voting rights

During the period 1 July 2025 to 30 June 2026, 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 2026 are listed below:

Rank	Investor name	Number of shares	% Issued capital
1	HSBC Custody Nominees (Australia) Limited	153,588,306	21.17
2	Citicorp Nominees Pty Limited	94,627,237	13.04
3	J P Morgan Nominees Australia Pty Limited	80,745,476	11.13
4	BNP Paribas Nominees NZ Limited*	60,666,463	8.36
5	BNP Paribas Noms Pty Ltd	27,362,447	3.77
6	Apex Custodian Nominees*	23,465,276	3.23
7	New Zealand Superannuation Fund Nominees Limited*	20,907,525	2.88
8	Accident Compensation Corporation*	19,577,707	2.70
9	HSBC Nominees (New Zealand) Limited*	15,151,820	2.09
10	New Zealand Depository Nominee	11,582,605	1.60
11	Citibank Nominees (NZ) Ltd*	10,788,698	1.49
12	BNP Paribas Nominees Pty Ltd	10,666,684	1.47
13	Public Trust*	9,614,714	1.33
14	New Zealand Permanent Trustees Limited*	7,393,657	1.02
15	HSBC Custody Nominees (Australia) Limited	7,135,715	0.98
16	PT Booster Investments Nominees Limited	6,706,633	0.92
17	Custodial Services Limited	6,401,023	0.88
18	JBWERE (NZ) Nominees Limited	5,942,472	0.82
19	UBS Nominees Pty Ltd	5,148,317	0.71
20	JBWERE (NZ) Nominees Limited	4,423,020	0.61
	Total	**581,895,795**	**80.21**

* These shares are held through New Zealand Central Securities Depository Limited (NZCSD), a depository system which allows electronic trading of securities to members.

6. Spread of security holders as at 1 August 2026 and number of holders

a. Fully paid ordinary shareholders

Size of Shareholding	Number of holders	%[1]	Number of shares	%
1 – 1,000	35,039	70.34	11,489,238	1.58
1,001 – 5,000	11,068	22.22	26,934,080	3.71
5,001 – 10,000	2,067	4.15	15,459,596	2.13
10,001 – 100,000	1,533	3.08	37,405,005	5.16
100,001 shares or more	108	0.22	634,138,275	87.42
Total	**49,815**	**100**	**725,426,194**	**100**

1. All values subject to rounding.

As at 1 August 2026, and based on the closing market price on that date, the number of holders with 121 or less ordinary shares (being less than a minimum holding of NZ$1,000 under the NZX Listing Rules) was 1,001 and the number of holders with 72 or less ordinary shares (being less than a marketable parcel of A$500 under the ASX Listing Rules) was 5,416.

b. Performance rights (unlisted securities not quoted by the NZX or ASX)

Size of holding	Number of holders	Number of rights	%
1 – 5,000	8	29,960	0.49
5,001 – 10,000	4	27,804	0.45
10,001 – 100,000	40	1,523,154	24.82
100,001 performance rights or more	16	4,556,316	74.24
Total	**68**	**6,137,234**	**100**

Company disclosures (continued)

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 2025 to 30 June 2026:

Registered holder	Beneficial/ Non-beneficial	Acquired / (Disposed)	Class of financial product	Date	Consideration paid / (received) NZD[3]
Pip Greenwood					
The New Zealand Guardian Trust Company Limited as the supervisor for Craigs KiwiSaver Scheme	Beneficial	(287)	Ordinary Shares	5 March 2026	(3,385)
Kate Mitchell					
Forsyth Barr Custodian Limited	Beneficial	5,500	Ordinary Shares	20 August 2025	51,755
Forsyth Barr Custodian Limited	Beneficial	2,500	Ordinary Shares	21 August 2025	24,050
Forsyth Barr Custodian Limited	Beneficial	3,000	Ordinary Shares	23 September 2025	28,350
Forsyth Barr Custodian Limited	Beneficial	816	Ordinary Shares	24 September 2025	7,752
Forsyth Barr Custodian Limited	Beneficial	2,184	Ordinary Shares	26 September 2025	20,748
Sandra Yu					
Sandra Yu	Beneficial	6,000	Ordinary Shares	23 September 2025	56,760
David Bortolussi					
DMZSK Super Pty Ltd[1]	Beneficial	(484,691)	Performance Rights	26 August 2025	N/A
DMZSK Super Pty Ltd[1]	Beneficial	484,691	Ordinary Shares	26 August 2025	N/A
DMZSK Super Pty Ltd[2]	Beneficial	(16,489)	Performance Rights	26 August 2025	N/A
DMZSK Super Pty Ltd	Beneficial	(67,345)	Ordinary Shares	15 September 2025	(689,046)
DMZSK Super Pty Ltd	Beneficial	(175,000)	Ordinary Shares	16 September 2025	(1,793,996)
DMZSK Pty Ltd	Beneficial	(245,453)	Ordinary Shares	26 November 2025	(2,672,156)
DMZSK Super Pty Ltd	Beneficial	324,606	Performance Rights	8 December 2025	N/A
DMZSK Pty Ltd	Beneficial	(134,930)	Ordinary Shares	23 February 2026	(1,494,489)
DMZSK Pty Ltd	Beneficial	(210,000)	Ordinary Shares	24 February 2026	(2,348,211)
DMZSK Pty Ltd	Beneficial	(40,000)	Ordinary Shares	25 February 2026	(449,080)
DMZSK Pty Ltd	Beneficial	(10,000)	Ordinary Shares	26 February 2026	(114,334)

1. Reflects the issue of ordinary shares to David Bortolussi following the vesting and automatic exercise of performance rights.
2. Reflects the lapse of unvested performance rights.
3. All figures subject to rounding.

Directors of the Company as at 30 June 2026 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	324,606	Performance rights
DMZSK Pty Ltd as trustee of D&M Bortolussi Family Trust	Beneficial	640,383	Ordinary shares
DMZSK Super Pty Ltd as trustee for D&M Bortolussi Superannuation Fund	Beneficial	1,228,402	Performance rights
DMZSK Super Pty Ltd as trustee for D&M Bortolussi Superannuation Fund	Beneficial	242,346	Ordinary shares
Pip Greenwood			
The New Zealand Guardian Trust Company Limited as the supervisor for Craigs KiwiSaver Scheme	Beneficial	29,713	Ordinary shares
Kate Mitchell			
Forsyth Barr Custodian Limited	Beneficial	15,000	Ordinary shares
Sandra Yu			
Sandra Yu	Beneficial	6,000	Ordinary shares

1. For further information about minimum shareholding requirements for non-executive directors, see page 82.

8. Credit rating status

Not applicable.

9. Waivers

a. NZX Waivers

On 29 July 2025, NZ RegCo granted the Company a standing waiver from Listing Rule 7.8.5(b) to the extent that the Listing Rule requires the Company to provide an independent appraisal report to accompany a notice of meeting to consider a resolution to approve granting performance rights, under the Company's Long-Term Incentive Plan (LTI Plan), to a managing director or to an associated person of a managing director (CEO Performance Rights). The waiver is subject to the following conditions:

- the information provided by the Company to NZ RegCo is complete and accurate in all material respects;
- the issuance of equity securities under the LTI Plan to the Company's managing director is made in accordance with Listing Rule 4.6.1; and
- the terms of the CEO Performance Rights are negotiated by the Company's non-interested directors.

The terms of this waiver can be found on the Company's announcement page on the NZX website (www.nzx.com/companies/ATM/announcements).

b. 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 NZSX 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 NZSX 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 NZSX with respect to the issue of new securities for the year.

The Company confirms that it has complied with and continues to comply with the requirements of NZSX with respect to the issue of new securities for FY26.

Company disclosures (continued)

10. Particulars of notices or statements given to or approved by the Board

a. 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 2026 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 2026, directors advised the Company of the following initial disclosures, changes or additional entries in the Company's interests register:

Name of Director	Entity	Position
Pip Greenwood	Westpac Banking Corporation	Appointed as Director
Pip Greenwood	Fisher & Paykel Healthcare Corporation Limited	Ceased as Director
Lain Jager	Zespri International Limited	Appointed as Director
Lain Jager	Zespri Group Limited	Appointed as Director
Lain Jager	DMS Progrowers Limited	Ceased as Director
Grant Dempsey	Firmus Technologies	Appointed as Director and Chair
Grant Dempsey	MegaPort Ltd	Ceased as Director
Kate Mitchell	Zentera Wool Company Limited	Ceased as Chair
David Bortolussi	SkinKandy Limited	Ceased as Director and Chair
David Bortolussi	Whiteoak Pty Ltd	Ceased as member of Advisory Board

No other entries were made in the interests registers of the Company's subsidiaries during the reporting period.

b. Directors of subsidiary companies

The following persons held office as directors of subsidiary companies during the year ended 30 June 2026.

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[1]	New Zealand	David Muscat Ping (Chopin) Zhang Cao Siyuan Qingchun Yang
a2 Nutritionals NZ Limited[2]	New Zealand	David Muscat Ping (Chopin) Zhang Wei (David) Song
a2 Botany Pty Ltd[3]	Australia	David Bortolussi David Muscat
a2 Australian Investments Pty. Limited	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 Ltd	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. Mataura Valley Milk Limited was divested on 31 October 2025.
2. a2 Nutritionals NZ Limited (previously known as Yashili New Zealand Dairy Co., Ltd) was acquired on 1 September 2025.
3. 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.

c. Use of company information

The Board received no notices during the reporting period ended 30 June 2026 from directors requesting to use Company information received in their capacity as directors which would not have been otherwise available to them.

Company disclosures (continued)

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 2026, no shares of the Company were purchased on-market.

14. Donations

The Company and its subsidiaries have made donations of cash and products totalling $1,890,385 during the year ended 30 June 2026. The Company does not make political donations.

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 2026 and 30 June 2025 is as follows:

	At 30 June 2026	At 30 June 2025
Directors	**7**	6
Females	3	3
Males	4	3
Gender diverse	–	–
Officers	**10**	10
Females	3	3
Males	7	7
Gender diverse	–	–

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 2026. The remuneration bands are expressed in New Zealand Dollars.

Remuneration Range $ (Gross)	# of employees in the year ended 30 June 2026 (Based on actual payments)	Value of exercised rights included in remuneration range $
$100,000 – $109,999	27	107,311
$110,000 – $119,999	40	–
$120,000 – $129,999	37	–
$130,000 – $139,999	31	–
$140,000 – $149,999	26	219,714
$150,000 – $159,999	25	78,984
$160,000 – $169,999	17	82,358
$170,000 – $179,999	20	87,755
$180,000 – $189,999	17	299,852
$190,000 – $199,999	15	–
$200,000 – $209,999	16	202,351
$210,000 – $219,999	10	–
$220,000 – $229,999	15	–
$230,000 – $239,999	10	–
$240,000 – $249,999	8	–
$250,000 – $259,999	13	–
$260,000 – $269,999	8	–
$270,000 – $279,999	7	–
$280,000 – $289,999	6	–
$290,000 – $299,999	2	–
$300,000 – $309,999	6	152,043
$310,000 – $319,999	5	–
$320,000 – $329,999	2	46,907
$330,000 – $339,999	4	–
$340,000 – $349,999	3	–
$350,000 – $359,999	2	–
$360,000 – $369,999	2	–
$370,000 – $379,999	1	–
$380,000 – $389,999	2	–
$390,000 – $399,999	4	–
$400,000 – $409,999	4	109,163
$410,000 – $419,999	5	84,810
$420,000 – $429,999	1	–
$430,000 – $439,999	2	–
$440,000 – $449,999	1	–
$450,000 – $459,999	2	–
$460,000 – $469,999	2	148,346
$470,000 – $479,999	2	–
$480,000 – $489,999	3	120,261
$490,000 – $499,999	2	245,704
$500,000 – $509,999	2	–
$510,000 – $519,999	2	154,835
$520,000 – $529,999	1	88,256
$530,000 – $539,999	2	–
$540,000 – $549,999	1	–
$550,000 – $559,999	2	78,336
$570,000 – $579,999	1	–
$580,000 – $589,999	2	–
$650,000 – $659,999	1	–
$670,000 – $679,999	1	125,971
$690,000 – $699,999	1	234,580
$770,000 – $779,999	1	320,159
$950,000 – $959,999	1	200,820
$960,000 – $969,999	1	267,820
$990,000 – $999,999	1	313,152
$1,030,000 – $1,039,999	1	242,151
$1,040,000 – $1,049,999	1	257,635
$1,090,000 – $1,099,999	1	–
$1,130,000 – $1,139,999	1	297,596
$1,170,000 – $1,179,999	1	–
$1,380,000 – $1,389,999	2	822,272
$1,530,000 – $1,539,999	1	574,599
$1,940,000 – $1,949,999	1	546,675
$2,000,000 – $2,009,999	1	542,916
$2,020,000 – $2,029,999	1	421,635
$2,320,000 – $2,329,999	1	890,346
$3,060,000 – $3,069,999	1	806,395
$3,140,000 – $3,149,999	1	1,083,908
$5,420,000 – $5,429,999	1	2,271,814
Total	**440**	**12,527,431**

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 gross earnings towards that individual's KiwiSaver scheme, and exercised performance rights. The table does not include amounts paid after 30 June 2026 relating to FY27, and long-term incentives that have been granted and have not yet vested or been exercised (as applicable).

Independent ESG Assurance Report

For the year ended 30 June 2026

Shape the future with confidence

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

Review conclusion

We have conducted a review of the following information in the Annual Report (the 'Report') of The a2 Milk Company Limited ('a2MC') and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'review subject matter'):

Review subject matter	Criteria	Location in the 2026 Annual Report
Planet		
Total Scope 3 emissions: 583,222 tCO_2-e	a2MC's own publicly disclosed criteria (as outlined on page 46 of the Report)	Planet: page 46
Re-baseline for the year ended 30 June 2021: 550,711 tCO_2-e	a2MC's own publicly disclosed criteria (as outlined on page 46 of the Report)	
Environment		
Total water usage: 429,070 ('000) litres	a2MC's own publicly disclosed criteria as informed by the Global Reporting Initiative (GRI) Standards	Planet: page 52
Water use intensity: 3.2 litres/litre of milk		
Waste water diverted to beneficial land application: 1,191,500 litres		
Waste to landfill: 121 tonnes		
Waste diversion (recycled waste/total waste): 91.6%		
Electricity consumption: 31,000,000 kWh		
Proportion of packaging that is recyclable: 99%		Planet: page 53
People		
Gender diversity - total workforce that are female: 51%	a2MC's own publicly disclosed criteria as informed by the Global Reporting Initiative (GRI) Standards	People: page 37
Community		
Cash and stock donations: $1.89m NZD	a2MC's own publicly disclosed criteria as informed by the Global Reporting Initiative (GRI) Standards	People: page 41

Based on the procedures we have performed and the evidence we have obtained, we have not become aware of any matter in the course of our review that makes us believe that the review subject matter outlined above for the Group is not prepared, in all material respects, in accordance with the criteria defined above for the year ended 30 June 2026.

Audit opinion

We have conducted an audit of the following information in the Annual Report of The a2 Milk Company Limited and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'audit subject matter'):

Audit subject matter	Criteria	Location in the 2026 Annual Report
Planet		
Total Scope 1 emissions: 10,512 tCO_2-e	a2MC's own publicly disclosed criteria (as outlined on page 46 of the Report)	Planet: page 46
Total Scope 2 emissions (location-based method): 4,448 tCO_2-e		
Total Scope 2 emissions (market-based method): 448 tCO_2-e		

In our opinion, the audit subject matter outlined above for the Group is prepared, in all material respects, in accordance with the criteria defined above for the year ended 30 June 2026.

The review subject matter and audit subject matter are collectively referred to as the 'subject matter'.

Basis for conclusion and opinion

Basis for conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the Auditing and Assurance Standards Board. Our review includes obtaining limited assurance about whether the review subject matter is free from material misstatement.

The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the work performed for our review engagement* section of our report.

Basis for opinion

Our audit has been conducted in accordance with ASSA 5000. Our audit includes obtaining reasonable assurance that the audit subject matter is free from material misstatement.

Basis for conclusion and opinion

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), that is relevant to reviews and audits of the subject matter of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management 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 and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The management of a2MC are responsible for the other information. The other information comprises the Annual Report, but does not include the subject matter, and our review and audit report thereon.

Our conclusion and opinion on the subject matter does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review and audit of the subject matter, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the subject matter, or our knowledge obtained when conducting the review and audit, or otherwise appears to be materially misstated. If, based on 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.

Independent ESG Assurance Report (continued)

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Responsibilities for the subject matter

The management of a2MC are responsible for:

- The identification, selection and development of suitable criteria;
- The preparation of the subject matter in accordance with the criteria; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the subject matter, in accordance with the criteria that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

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 Annual Report .

Auditor's responsibilities

Our objectives are to:

- Plan and perform the review to obtain limited assurance about whether the review subject matter, defined in the Review conclusion section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion.
- Plan and perform the audit to obtain reasonable assurance about whether the audit subject matter, defined in the Audit opinion section of our report, is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the subject matter.

As part of our audit and review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- For a review engagement:
    - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
    - Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- For an audit engagement:
    - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the assertion level for the disclosures but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
    - Design and perform procedures responsive to assessed risks of material misstatement at the assertion level for the disclosures. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the work performed for our review engagement

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the review subject matter. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed 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).

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

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the directors of a2MC, or for any purpose other than that for which it was prepared.

Ernst & Young

Ernst & Young

N Landsbergen

Nicky Landsbergen
Partner
Sydney
16 August 2026

Corporate directory

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 Pension & Market Services 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	Kate Tidbury
Corporate website	**www.thea2milkcompany.com**

thea2milkcompany.com

Australian Registered Body Number 158 331 965
Incorporated in New Zealand