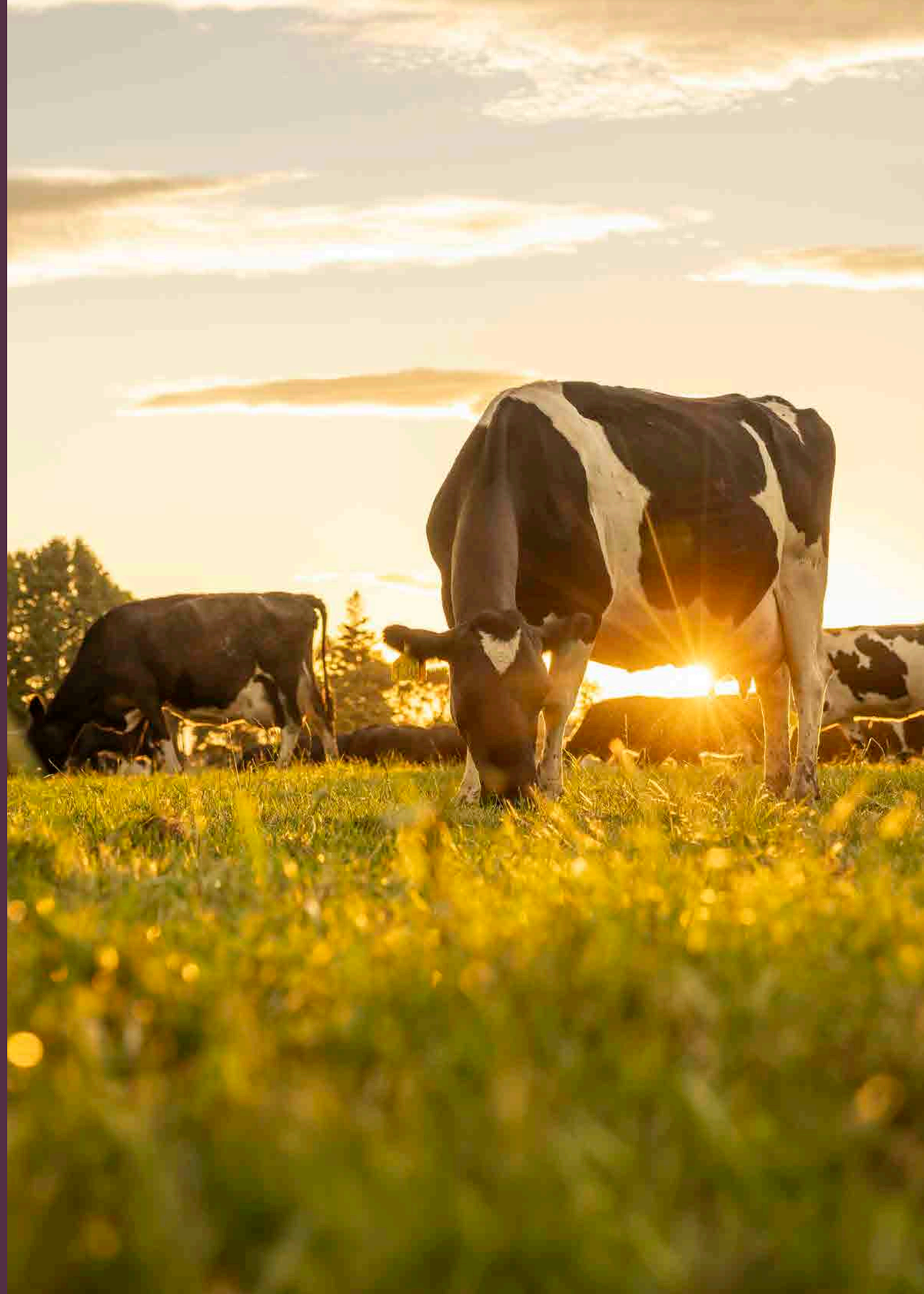
TATUA

ANNUAL REPORT 2026

Consumers around the world continue to seek products that deliver enhanced nutrition, indulgence and performance, driving demand for specialised dairy proteins and fats. In FY26 this supported another year of steady growth across Tatua's portfolio.

Our success reflects a commitment to solving complex formulation challenges and working closely with customers to create value. Backed by teams in New Zealand, Japan, China and the United States, we strengthened our position as a trusted partner for high-value dairy ingredients in global markets.

Proudly New Zealand made



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2026 Highlights

$576m

Total underlying revenue

$330m

Specialised products revenue

15.2m

Kilograms of qualifying milksolids received from shareholders

$13.93

Total earnings per kilogram of qualifying milksolids

$12.42

Cash payout to shareholders per kilogram of qualifying milksolids

$1.51

Reinvestment per kilogram of qualifying milksolids

+24%

Growth in specialised products revenue

55%

Revenue via subsidiary offices

86%

Proportion of products exported

25%

Gearing ratio

Report from the Chair and Chief Executive

The 2025/26 financial year was another positive year for Tatua, characterised by strong milk supply, continued growth of our specialised product businesses, and the successful commissioning of our second UHT cream products plant, Foods II.

Over the dairy season, we processed a record volume of shareholder-supplied milksolids. Combined with milk and cream purchased from other processors, and other ingredients utilised in manufacturing, this provided a solid platform for a year of strong production and sales activity across the business.

While overall dairy markets remained relatively stable, conditions varied considerably between products, markets and customers. Global economic uncertainty, changing trade flows, and ongoing geopolitical tensions created challenges in some areas. Pleasingly though, our diversified product mix, broad customer base and established in-market teams helped us navigate these conditions well.

Revenue from our specialised Foods, Nutritionals and Flavours businesses continued to grow during the year. These remain central to Tatua's long-term strategy, benefiting from the efforts made over many years to develop specialised products, strong customer relationships and technical capability.

Our Ingredients business, once again, made an important contribution to overall performance. While this part of the business is inherently more exposed to commodity market influences than our specialised product categories, it remains an important component of our product portfolio and overall earnings.

Foods II plant

A significant milestone during the year was the completion and commissioning of Foods II. This was the largest capital project in Tatua's history and one that required a substantial commitment from many people across the business.

The project was completed safely, ahead of schedule and below budget, and we are extremely pleased with the outcome. We would like to acknowledge everyone involved, including contractors, consultants, project teams and our own employees, for the commitment and professionalism they brought to the project.

Foods II substantially increased our manufacturing capacity for specialised cream products, providing an important platform for future growth. The investment reflects our confidence in the opportunities available to Tatua and our commitment to building long-term value for shareholders.

Alongside Foods II, progress continued across a wide range of initiatives intended to strengthen the business for the future. These included sustainability projects, systems and process improvements, capability development, succession planning, and ongoing investment in manufacturing infrastructure and reliability.

We continue to make progress in understanding and managing our environmental footprint, both within our manufacturing operations and more broadly across our supply chain. While there remains much work ahead, we believe it is important that we take a measured approach that delivers genuine long-term outcomes.



"Foods II, combined with continued growth across our value-added product portfolio, enhances our ability to partner with customers and support their success."

Looking ahead, we are optimistic about the opportunities available to Tatua.

Demand for many of our specialised products remains encouraging and Foods II provides additional capacity to support growth in areas where customer demand has exceeded our ability to supply. At the same time, we recognise the importance of maintaining financial discipline and remaining adaptable in what continues to be an uncertain global environment.

As a Co-operative, we focus on making decisions that support long-term success, rather than short-term outcomes. This requires careful balancing of shareholder returns, reinvestment, financial resilience and future growth opportunities.

Finally, we would like to thank everyone who has contributed to our year.

To our employees, thank you for the energy, commitment and professionalism you bring to the business every day.

To our shareholder suppliers, thank you for your continued support of the Co-operative and commitment to producing high-quality milk.

To our customers, distributors and business partners around the world, thank you for your ongoing support and confidence in Tatua.

Through the combined efforts of you all, Tatua continues to grow, evolve and strengthen. We look forward to the opportunities that lie ahead, and working together in support of a business that remains strong, resilient and well placed for the future.



Stephen Allen
Chair



Brendhan Greaney
Chief Executive



Farewell Stephen Allen

After 30 years of service, including 23 years as Chair, Stephen Allen will retire from the Tatua Board at the Annual General Meeting on 3 December 2026.

Steve was elected as a Director in 1996, appointed Deputy Chair the following year, and became Chair in 2003. His time on the Board has spanned a defining period in Tatua's history, including dairy industry deregulation, the development of Tatua's international businesses and significant investment in the specialised products, processing capability and infrastructure that support the Co-operative today. During this time Steve, worked alongside three Chief Executives and many Directors, shareholders, and senior executives.

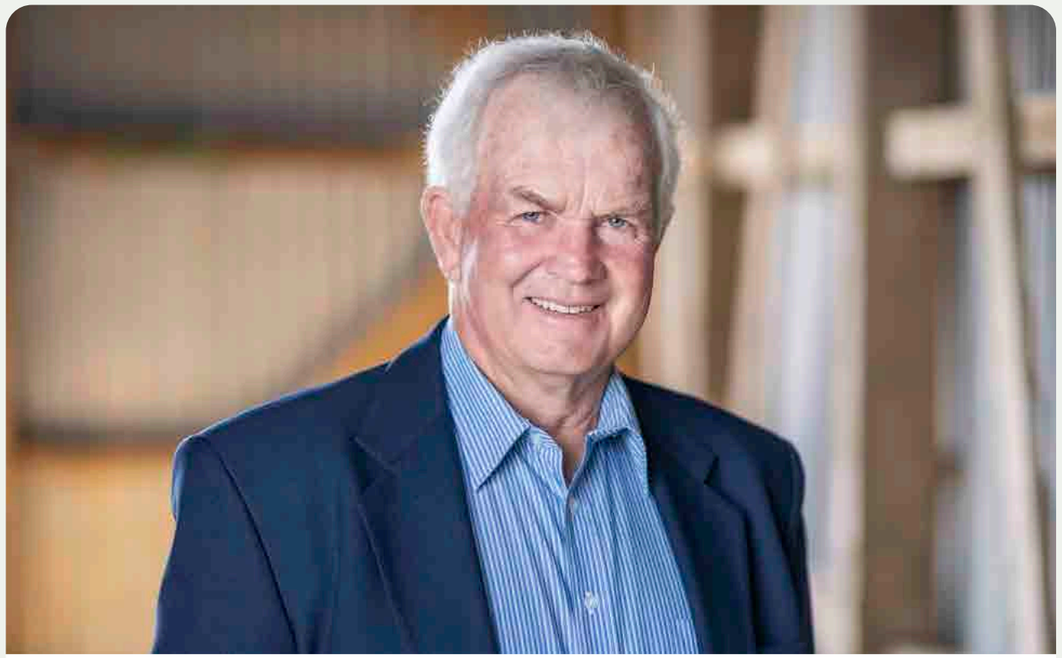
During Steve's time as Chair, Tatua has grown and evolved considerably while remaining firmly grounded in its co-operative purpose. Steve has supported the business through major investment decisions, the expansion of Tatua's international presence and the continued development of its specialised products and capabilities. Throughout this progress, he has remained clear that growth should strengthen the Co-operative, rather than be an end in itself.

Throughout that time, Steve has provided calm, thoughtful and steady leadership. He has always kept Tatua's long-term interests firmly in view, while recognising that sustainable success ultimately depends on people, trusted relationships, careful stewardship, and disciplined decision-making. He has led with humility, given others room to contribute, and maintained a clear focus on what matters most for the Co-operative and its people.

Steve's contribution has also extended beyond Tatua. Over many years, Steve has contributed to wider dairy industry discussions and initiatives, representing Tatua with a thoughtful, constructive and long-term perspective.

He has been very well regarded across the sector as someone who listens, looks for the practical path forward, and keeps the long-term interests of dairy farmers firmly in mind.

On behalf of the Board, shareholders and people of Tatua, we sincerely thank Steve for his exceptional service and commitment. Tatua is in good heart, and Steve's leadership has played a very significant part in that. We wish Steve and his family every happiness for the years ahead.



Farewell David Muggeridge

After 27 years of service, David Muggeridge will retire from the Tatua Board at the Annual General Meeting on 3 December 2026.

Dave has brought a deeply practical farming perspective to the Board throughout his tenure. His contribution has always been grounded in a clear understanding of where Tatua comes from, who the Co-operative exists for, and the responsibility of leaving it in good shape for those who follow. He has consistently brought a practical and grounded perspective to Board discussions, supported by his close connection to Tatua's shareholders and farming community.

Dave's commitment to Tatua has extended well beyond the Board table. He has taken particular pride in the evolution of Tatua's corporate farm and the significant investment made in Tatua's wastewater treatment infrastructure over recent years. Both initiatives reflect his interest in continuous improvement, and his belief that Tatua should continue to develop in ways that support both the business and future generations of shareholders. It is not uncommon to hear shareholders refer to the corporate farm as "Dave's farm" – a reflection of the close connection he has maintained with the property and the pride he has taken in its ongoing development.

Over many years, Dave and his family have also generously welcomed Tatua's international customers, visitors and partners onto their farm. For many, this has provided their first genuine understanding of Tatua as a farmer-owned co-operative. These visits have always been authentic, personal and distinctly Tatua.

Dave has also been someone people could turn to for practical advice or a helping hand. He has shared his experience freely, without ceremony and without ever looking for recognition. His care for Tatua, his common sense, humour and willingness to contribute have been greatly valued by Directors, management and the wider Tatua family.

On behalf of the Board, shareholders and people of Tatua, we sincerely thank Dave for his long and loyal service. His contribution has helped keep Tatua connected to its farming foundations while the business has continued to evolve. We wish Dave and his family all the very best for the future.



Welcome Mark Dewdney

After 14 years on the Tatua Board, Mark Dewdney will take on the role of Chair following Steve Allen's retirement at the Annual General Meeting on 3 December 2026.

Tatua has been part of Mark's life from an early age. His father, Neil, served the Co-operative for 37 years as Chief Executive Officer, Managing Director and Director. Mark grew up in a factory house on the Tatua site before beginning his own career with the Co-operative in finance and marketing roles.

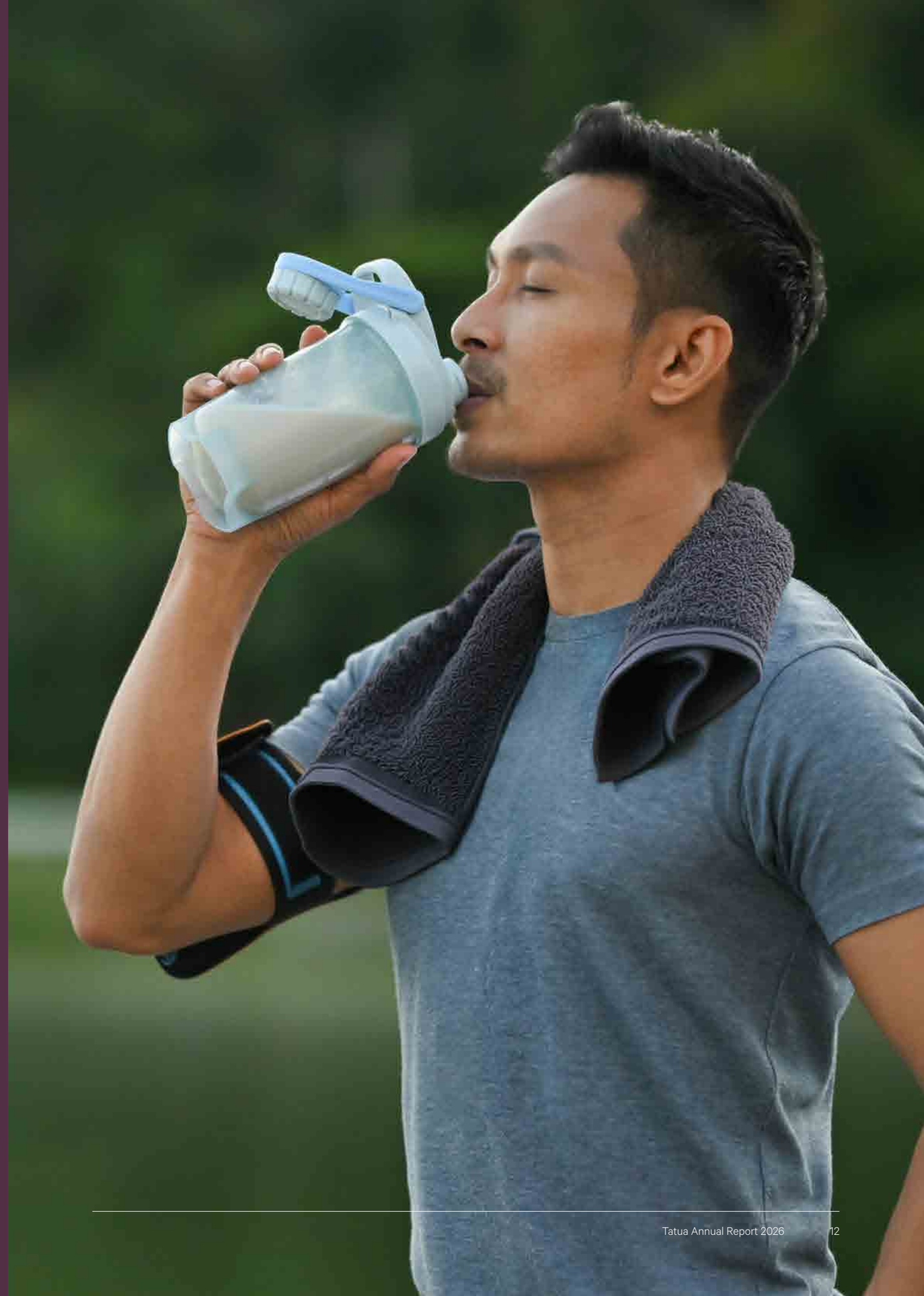
Alongside his long-standing connection to Tatua, Mark brings extensive executive and governance experience gained across the dairy, genetics and agribusiness sectors in New Zealand and internationally. His executive career has included serving as Chief Executive of both LIC and PGG Wrightson, while his current governance roles include being Chair of both New Zealand King Salmon and Seeka Corporation. He and his family farm within the Tatuanui area, where he remains actively involved in supporting the farms and their staff.

These experiences have given Mark a deep respect for Tatua and a strong appreciation of the qualities that have underpinned its success, including its focus on people, customers, innovation and creating the greatest possible value from shareholders' milk.

As Chair, he will be committed to supporting the Board, the Chief Executive, and the wider Tatua team as they continue to protect, strengthen and advance the Co-operative for current shareholders and future generations.

On behalf of the Board, shareholders and our people at Tatua, we warmly congratulate Mark on his pending appointment and look forward to his Board leadership as Tatua enters its next chapter.

Delivering specialised dairy ingredients to customers worldwide



HEALTH AND NUTRITION

Building momentum in protein ingredients

Specialty proteins remain a key pillar of our growth strategy and a growing contributor to the long-term success of the Co-operative.

Throughout the year, Tatua's specialty proteins portfolio delivered a solid performance across nutrition, beverage and food applications. These specialised ingredients play an increasingly important role in helping customers develop premium products that deliver targeted nutritional benefits, while reinforcing Tatua's position in high-value nutrition markets. Demand for protein hydrolysates, whey protein concentrate and caseinates continued throughout the year.



+17%

Record protein ingredients portfolio revenue



+93%

Whey protein concentrate revenue



+25%

Whey hydrolysates revenue



+7%

Specialty proteins revenue



+22%

Casein hydrolysates revenue

Delivering growth through expanded capacity

Demand for premium dairy ingredients continued to strengthen across foodservice, industrial and retail markets, supporting another year of strong growth for Tatua's specialty creams and flavours portfolio.

Specialty cream products, flavour pastes and flavour powders all achieved record growth, reflecting the breadth of applications and sectors served by the portfolio. Whether supporting indulgent desserts, ready-to-use foodservice solutions or innovative dairy-based products, Tatua's ingredients continue to meet demand for quality, functionality and taste.

A significant milestone during the year was the successful commissioning of our expanded cream production facilities. The Foods II project doubled our cream manufacturing capacity, increasing our ability to support customers across existing and emerging markets while providing a platform for future growth.

This investment strengthens our ability to deliver innovative, high-value food and flavour solutions and reinforces our commitment to helping customers succeed in competitive global markets.





+27%

Record specialty creams and flavours revenue



+30%

Specialty cream products retail revenue



+13%

Flavour pastes revenue



+38%

Specialty cream products foodservice and industrial revenue



+9%

Flavour powders revenue

Growing stronger together in key markets

Tatua's three international subsidiaries play an important role in supporting customer relationships and market development across key regions.

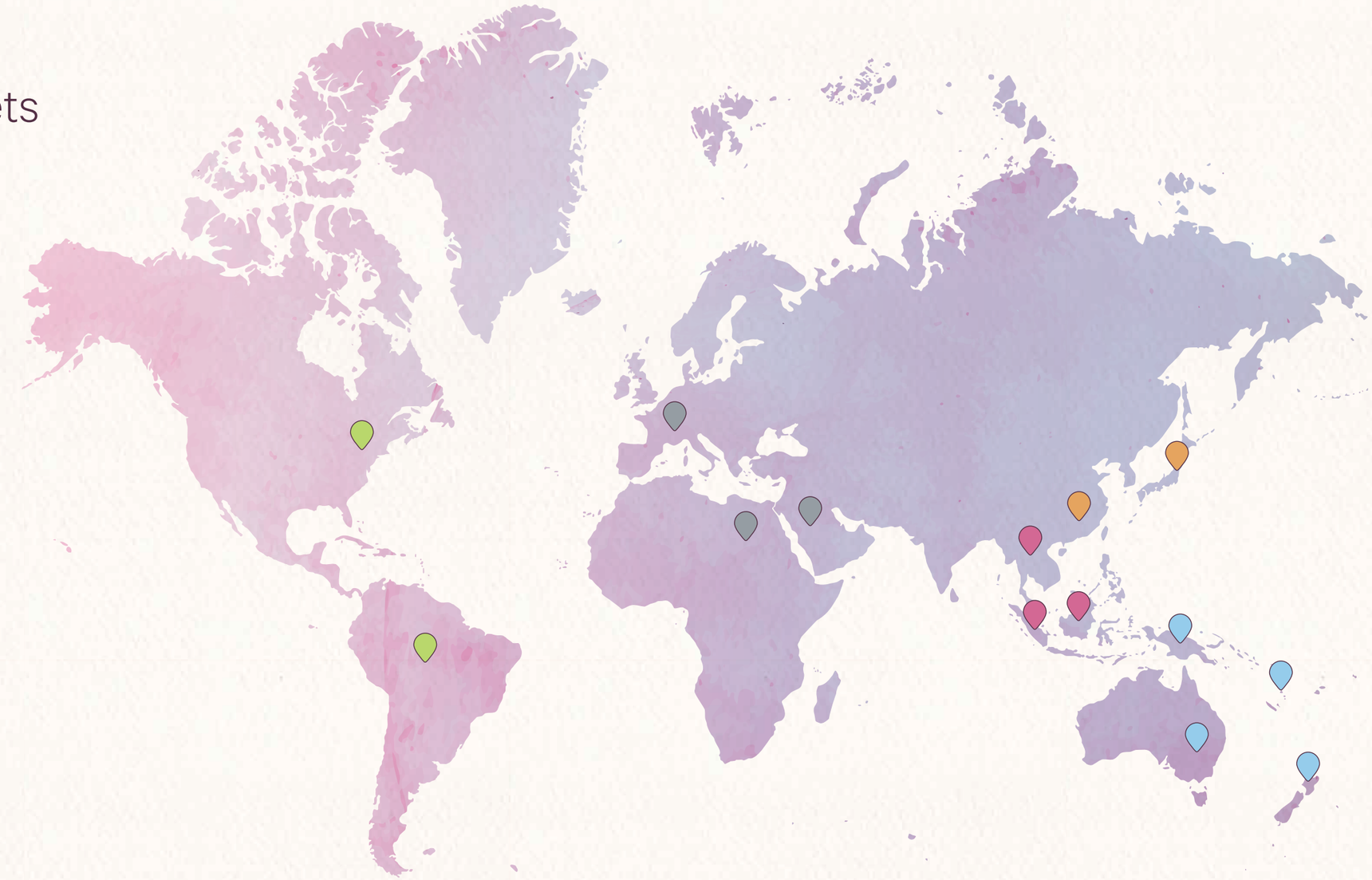
Combined revenue across our operations in China, Japan and the USA increased 20% during the year, supported by continued demand for our specialty protein ingredients and cream products range.

Tatua USA achieved 46% revenue growth across North America and Europe, driven by increased sales of hydrolysates (+152%) and specialty proteins (+137%), with growth in caseinates (+38%) also contributing positively to the result.

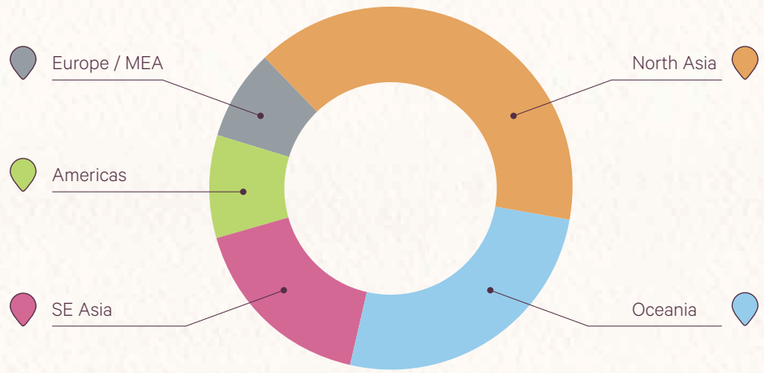
Tatua Shanghai recorded 19% revenue growth during the year, reflecting continued demand for its specialty creams and flavours portfolio, which grew 64%, alongside growth in traded ingredients. Key contributors included aerosol cream, specialty creams, flavour pastes and powders, and protein ingredients, such as caseinate and whey protein concentrate.

In Japan, total revenue growth was recorded at 5% across several key product categories, including specialty creams (+40%), hydrolysates (+36%), whey protein concentrate (+308%). These gains supported continued progress in the market's nutrition and foodservice segments.

Alongside this success, our New Zealand-based sales team continued to support growth across a diverse portfolio of international markets. Positive results were achieved across Southeast Asia, where demand for specialised nutrition and food ingredient solutions remained strong, while Australia delivered further growth through both existing and new customer partnerships. The local New Zealand market also recorded solid growth, reflecting the strength of the Tatua brand and increasing demand for our premium ingredients and consumer and foodservice product range.



Revenue by geographic region



Building sustainable growth through innovation, efficiency and responsible stewardship





Advancing our sustainability and impact commitments

Tatua's sustainability framework provides a structured approach to creating long-term benefits through the integration of environmental, social and commercial priorities.

ENVIRONMENTAL RESPONSIBILITY

Carbon emissions

We measure our scope 1, 2 and 3 emissions to support our reduction commitment

Waste & water

We measure our waste, water quality and water usage, and work to achieve ongoing reductions, improvements and savings year-on-year

Renewable energy

We leverage renewable energy through our solar farm, demonstrating our commitment to sustainability

On-farm environment

We work with farmers to support process efficiency, environmental stewardship and animal welfare across all our milk supply farms

SOCIAL RESPONSIBILITY

Health & Safety

We continuously monitor risk to ensure a healthy and safe workplace

Employee wellbeing

We support the mental, physical and emotional wellbeing of our employees

Equal opportunities

We are a proud equal opportunities employer, where opportunities to succeed are available to all

Community engagement

We regularly engage with our community to support local initiatives and foster positive relationships

COMMERCIAL RESPONSIBILITY

Core milk processing

We reliably process shareholder milk to consistently deliver value for our Co-operative

Specialty added value development

We invest in the development of our specialist capability, so we can continue to offer innovative and high-quality solutions to our customers

Business solutions

We invest in business solutions to provide robust infrastructure that allows for innovative growth

Business resilience

We build business resilience through strategic planning and adaptability to changing market conditions

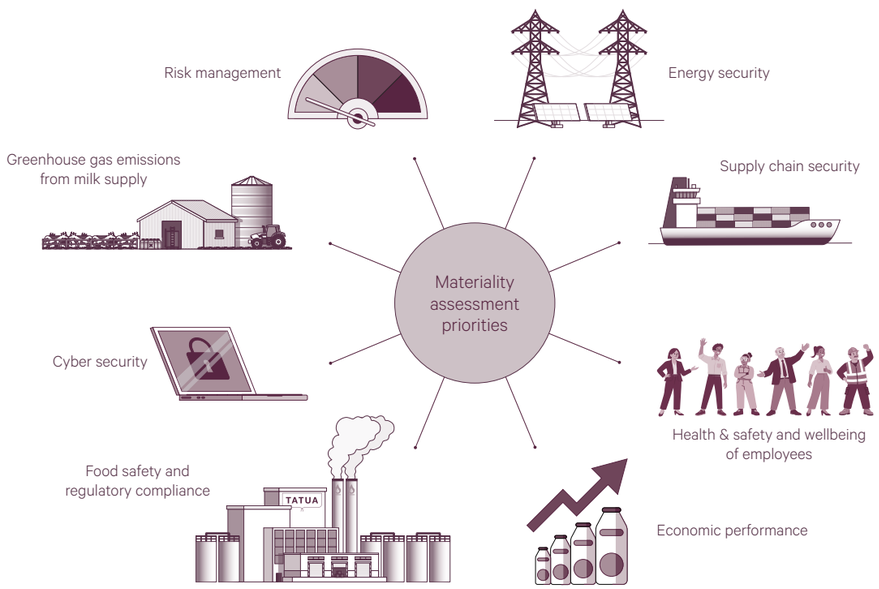
Understanding the issues that matter most to our stakeholders is an important part of shaping our sustainability journey. We completed our first materiality assessment this year, engaging with shareholders, employees, customers, suppliers, financial institutions, regulators and board members through surveys and interviews.

Materiality assessment

Our materiality assessment has strengthened our understanding of the ESG topics most relevant to ourstakeholders and the long-term success of the Co-operative.

This provides a clear foundation for our sustainability efforts, helping us focus on the areas of greatest impact, risk and opportunity, while continuing to enhance the measurement and reporting of our sustainability performance.

Key focus areas identified through our materiality assessment process



Managing our emissions footprint

Reducing emissions is an important part of building a resilient and sustainable future for our Co-operative. It supports our commitment to responsible business practices, responds to evolving stakeholder expectations, and helps ensure Tatua remains well positioned in a changing global economy.

This year marks Tatua's fourth year of measuring and reporting greenhouse gas emissions, providing greater insight into the sources of our emissions and the opportunities to reduce them. Our emissions footprint is primarily driven by three areas: Scope 1 emissions from natural gas used in manufacturing, Scope 2 emissions from purchased electricity, and Scope 3 emissions associated with milk supply.

Investing in a lower emissions future



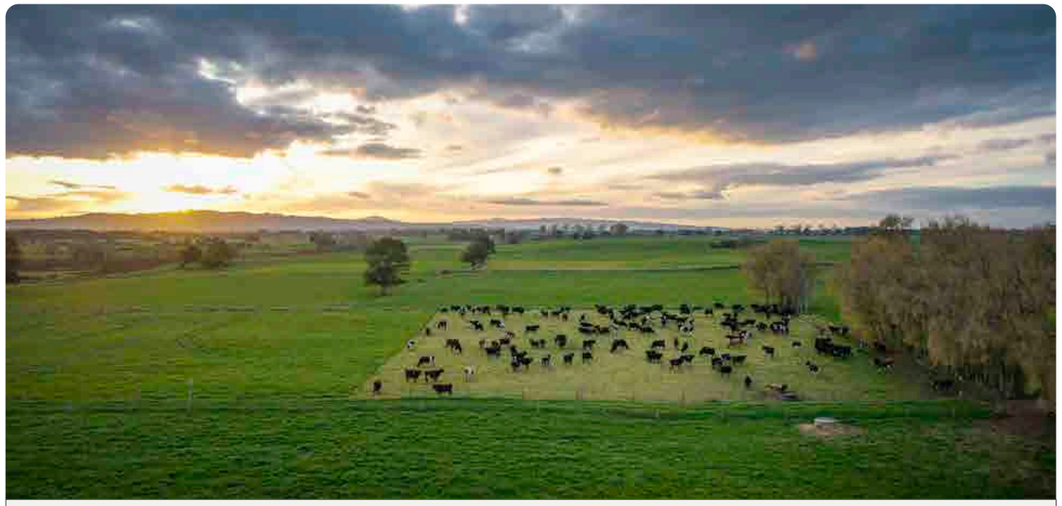




Clean energy

During the year, our solar farm became fully operational and now supplies approximately one-third of Tatua's annual electricity requirements, supporting both emissions reductions and energy resilience. While Tatua has emissions reduction commitments across Scope 1, 2 and 3 emissions, our greatest opportunity to achieve meaningful long-term reductions lies within Scope 3 emissions.

Our emissions reduction journey focuses on delivering practical improvements across both our operations and supply chain. Initiatives include improving energy and operational efficiency, investigating alternative fuel sources, increasing renewable energy generation, reducing waste, and working with suppliers to identify opportunities for improvement.



Our on-farm emissions 2026

CH_4

70%

Methane emissions from cows digestion

N_2O

14%

Nitrous Oxide from manure, excreta and fertiliser

CO_2

16%

Carbon Dioxide from supplements, energy and transport

On-farm emissions

Through Tatua 360, our on-farm responsible farming programme, we continue to support farmer suppliers to improve productivity, resource efficiency and environmental performance. During the year, this included supplier efficiency workshops, enhanced farm emissions reporting and benchmarking, updated Farm Environment Plans, and collaboration with DairyNZ, LIC, AgResearch and QCONZ to evaluate emissions tools and farmer support approaches.

Alongside emissions reduction, we continue to focus on the responsible management of water and waste across our operations, recognising the important role these resources play in the long-term sustainability and resilience of our business.

By taking a practical, collaborative and long-term approach, we aim to reduce our environmental impact while strengthening the resilience of both the Co-operative and our farming community.

Sustainable procurement

Sustainable procurement is important to ensure we build a resilient and responsible supply chain. By working closely with our suppliers of goods and services, we seek to promote environmental, social and ethical standards while managing risks and strengthening long-term value across our supply network.

During the year, we continued to strengthen our Sustainable Procurement Framework and progressed supplier audits aligned with our Supplier Code of Conduct. These activities support greater visibility across our supply chain, reinforce responsible business practices, and help build a more resilient value chain.

As our approach continues to evolve, we will work collaboratively with suppliers to enhance sustainability performance, strengthen transparency, and identify opportunities for continuous improvement across our value chain.

Supporting people and communities

The long-term success of our business depends on the wellbeing of our people and the vitality of our communities. Through ongoing investment in both, we are helping build a stronger and more resilient future for those connected to Tatua.







Employee wellbeing and development

Our people are fundamental to the ongoing success of Tatua, and we continue to invest in initiatives that support their wellbeing, development and engagement. During the year, we reviewed and redesigned Tatua's talent framework, strengthening succession planning, leadership development and future capability planning across the business. We also piloted frontline and mid-level leadership programmes aimed at building leadership capability and strengthening succession pathways across the organisation.

In addition, we conducted our first organisation-wide employee engagement survey, achieving an 81% participation rate. The resulting engagement score of 81 was nine points above the New Zealand benchmark, and provided valuable feedback that reinforced the strong levels of engagement across our workforce in New Zealand, Japan, China and the USA. The insights gained will help inform future initiatives as we continue to build a positive, inclusive and high-performing culture.







Supporting our communities

As a co-operative, supporting our local communities is an important part of who we are. We contribute through long-standing partnerships with local schools, educational programmes, product donations, sponsorships, and support for community organisations and rural initiatives.

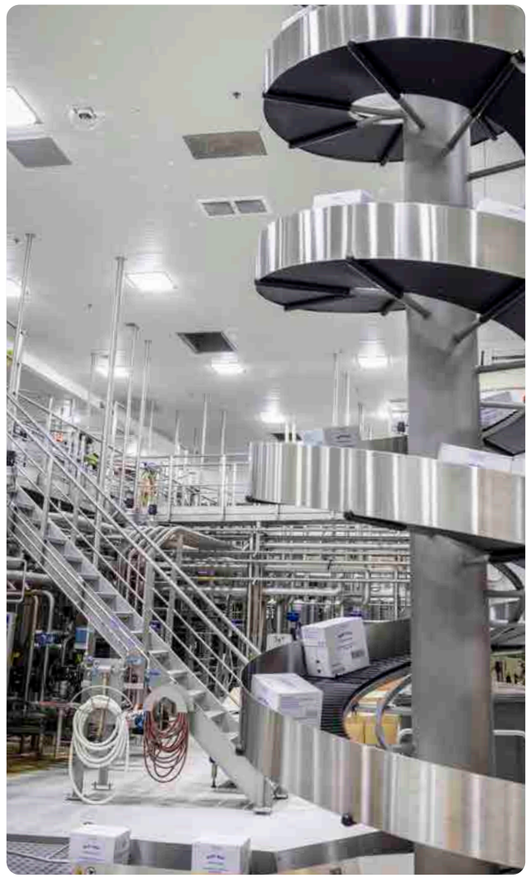
During the year, this included supporting local schools through our school sponsorship programme, hosting educational visits for students and tertiary groups to provide insight into the dairy industry and career opportunities at Tatua, and continuing our support of the native plant nursery at Tatuanui School. The nursery provides students with hands-on learning experiences while supplying native plants for local environmental restoration projects, strengthening connections between schools, farmers and the wider community.

We also donated Tatua products to a range of community organisations, events and charitable initiatives, supported local emergency response organisations, and contributed to activities that help bring our communities together.

Alongside this, our employees, leadership team and farmer suppliers regularly share their time, knowledge and expertise to support learning, community development and industry engagement. Through these activities, we seek to make a positive and lasting contribution to the communities that support our Co-operative.

Sustainable growth







Investing in capability

Tatua continued to invest in the capability and resilience required to support future growth. During the year, we completed our new specialty cream production facility (Foods II), providing greater flexibility to meet customer demand and support future expansion. We have also been reviewing and enhancing business systems and processes and have advanced our Sales and Operations Planning (S&OP) capability, strengthening operational efficiency and supporting improved decision-making across the business.

As part of our ongoing digital progress, we developed a new website designed to enhance customer engagement, improve access to product and technical information, and support future growth opportunities. Incorporating AI-enabled functionality, the platform aims to deliver a more personalised and responsive user experience while strengthening Tatua's digital presence.









Driving innovation

Innovation remains a key driver of growth and value creation for the business. During the year, we developed new specialised protein ingredients for active lifestyle and longevity nutrition, as well as continuing to work on enhancing our existing products. We also successfully relaunched Crème Custard and Cheese Sauce in retail and foodservice channels. These initiatives reflect our commitment to delivering differentiated dairy solutions that meet evolving customer needs and create new growth opportunities.

Growing global markets

We continued to strengthen our presence in international markets through increased participation in trade shows and customer engagement activities across Asia, Europe and the United States. These interactions provide valuable market insights, strengthen customer partnerships and help identify emerging opportunities. Together, they support Tatua's ability to expand its reach, build long-term relationships and create sustainable value for our shareholders.

Financial performance summary

2025/26 In review

Total Underlying Revenue

$576m

Group Surplus

$13.93

per kilogram of qualifying milksolids

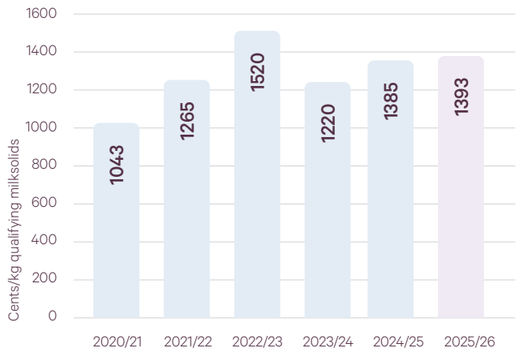
Payout to Shareholders

$12.42

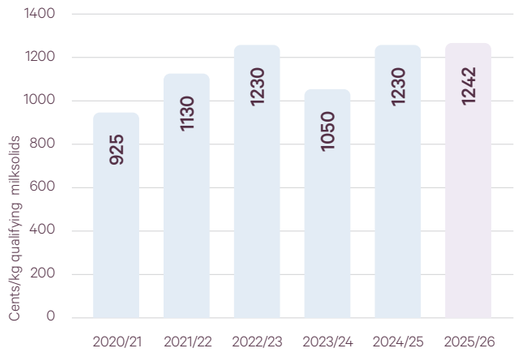
per kilogram of qualifying milksolids

Summary	2025/26	2024/25
Total Milk Received from Shareholders (litres)	175,988,750	169,877,002
Qualifying Milksolids Received from Shareholders (kilograms)	15,206,259	15,199,286
Total Underlying Revenue ($)	576,244,799	578,300,906
Group Profit Before Payout & Tax (dollars/kilogram qualifying Milksolids)	13.93	13.85
Cash Payout to Shareholders (dollars/kilogram qualifying Milksolids)	12.42	12.30
Group Depreciation (dollars/kilogram qualifying Milksolids)	1.33	1.22
Capital Expenditure ($)	23,465,883	69,147,841
Group Assets ($)	498,700,238	477,288,192
Year-End Gearing Ratio: (% Debt to debt plus members funds)	25	31

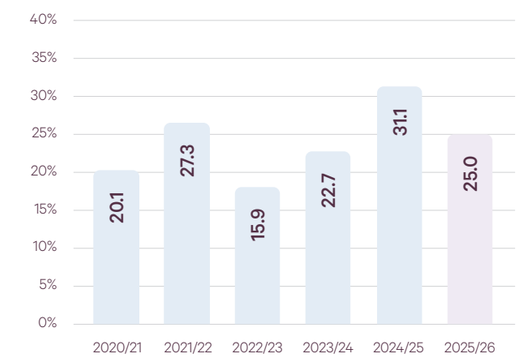
Group Surplus before Payout and Tax



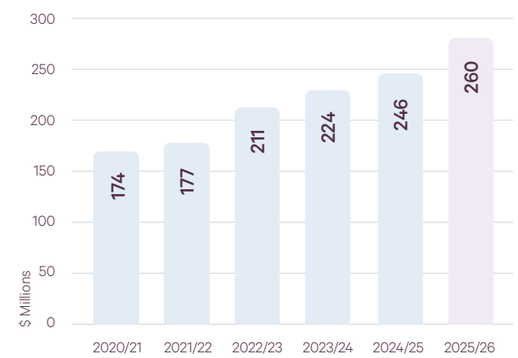
Payout – Income Equivalent



Gearing (% debt to debt plus members funds)



Members Funds



Statutory information

for the year ended 31 July 2026

Principal Activities

The principal activity of the Group is the collection of milk from shareholders and processing this milk into a diverse range of products for sale in domestic and international markets.

Co-operative Group

The Board of Directors resolved on 31 July 2026 that, in the opinion of the Board, the Group has been a co-operative company during the year ended 31 July 2026 because its principal activity has been processing and marketing products derived from milk supplied by its shareholders and because 100% of the voting rights in the Group are held by those shareholders.

Role of the Board

Tatua's Board of Directors is committed to managing the Group in an ethical and professional manner, and in the best interests of the Group and its shareholders.

Key responsibilities of the Board include:

- Setting strategic direction and establishing policies to support the effective management of the Group;
- Appointing and reviewing the performance of the CE;
- Setting the terms of CE and executive management employment;
- Monitoring the financial performance of the Group, and Tatua's risk management;
- Ensuring that Tatua has robust corporate governance practices;
- Ensuring Tatua's regulatory and legislative compliance; and
- Ensuring Tatua has robust health, safety and wellbeing processes which protect all people associated with the Group.

The Board and Management are committed to continuous improvement and achieving governance practices which meet best practice.

Framework

The Board delegates the day-to-day operations of the Group to the CE through a framework of formal delegations.

The Group's corporate governance framework includes the Company's Constitution, Charter, Terms of Reference for the Board's Committees and a range of policies including Ethics, Risk Management, Food Safety, Environment, Health and Safety, and policies and procedures for employees.

Board Composition

Pursuant to clause 20.1 of the Constitution of the Company, the number of Directors, including any Appointed Director(s), shall be not less than six nor more than nine. One third of elected directors retire by rotation each year and are eligible for re-election, while appointed directors are appointed for a term not longer than three years, after which they may be re-appointed for a further three year term. Elected directors Louise Cullen and Julie Langley were re-elected during the year.

Board Meetings Held During the Year

Board Members	Meetings Attended	Meetings Eligible
Stephen Allen (Chair)	7	7
Louise Cullen	7	7
Mark Dewdney	6	7
Julie Langley	7	7
Richard Luxton	7	7
David Muggeridge	7	7
Sarah Stevenson	7	7
David Walsh	6	7
Jackie Lloyd	7	7

Board Committees

People and Remuneration Committee: Membership comprises Louise Cullen (Chair), Stephen Allen, Julie Langley, Richard Luxton and Jackie Lloyd. The function of the Committee is to assist the Board in ensuring the organisation fulfils its remuneration, performance management and organisational development needs. It also assists with senior management appointments.

Audit, Risk and Compliance Committee: Membership comprises David Walsh (Chair), Mark Dewdney, David Muggeridge, Sarah Stevenson and Jackie Lloyd. The function of the Committee is to assist the Board in ensuring the organisation fulfils its audit, legal, financial and risk management obligations and responsibilities. Approval of the annual accounts is undertaken by the full Board.

Responsible Farming Committee: Membership comprises Richard Luxton (Chair), Louise Cullen, Julie Langley, David Muggeridge and Sarah Stevenson. The function of the Committee is to assist the Board in ensuring the Group fulfils its governance and related responsibilities in regard to the farming activities of the Group and its supplying shareholders.

Directors' Remuneration

Directors' remuneration is approved by shareholder resolution at the Annual General Meeting based upon a recommendation from the Directors' Remuneration Committee, which is comprised of non-Director shareholders. The following persons held office as Director during the year and received the following remuneration:

Stephen Allen	$140,800
Louise Cullen	$87,400
Mark Dewdney	$77,408
Julie Langley	$75,575
Richard Luxton	$87,400
David Muggeridge	$75,400
Sarah Stevenson	$71,400
David Walsh	$87,400
Jackie Lloyd	$71,400
	$774,183

Directors' Shareholdings

At 31 July 2026 Directors held the following shares in the Group:

	Beneficially Held	Non-Beneficially Held	Held By Associated Persons
Stephen Allen	3,549,700	-	-
Louise Cullen	3,185,770	-	-
Mark Dewdney	2,445,150	-	-
Julie Langley	911,700	-	-
Richard Luxton	4,186,220	-	-
David Muggeridge	1,277,840	-	-
Sarah Stevenson	1,403,900	-	-

Directors' Insurance

The Group paid insurance premiums during the year for Directors and Officers Liability Insurance as permitted by the Constitution and the Companies Act 1993. This insurance provides cover against costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Group or related body corporate) incurred in their capacity as Director or executive employee unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

Employees' Remuneration

During the year to 31 July 2026 the following number of employees of the Group received total remuneration of at least $100,000 NZD. Total remuneration includes salaries, bonus payments, and other benefits received in the capacity as an employee during the year, e.g. company vehicles, insurance and superannuation. Bonus payments may relate to multiple years.

Remuneration	Number of Employees
$100,000 - $109,999	19
$110,000 - $119,999	26
$120,000 - $129,999	43
$130,000 - $139,999	45
$140,000 - $149,999	49
$150,000 - $159,999	63
$160,000 - $169,999	38
$170,000 - $179,999	24
$180,000 - $189,999	14
$190,000 - $199,999	9
$200,000 - $209,999	6
$210,000 - $219,999	5
$220,000 - $229,999	1
$230,000 - $239,999	1
$240,000 - $249,999	5
$260,000 - $269,999	1
$270,000 - $279,999	3
$280,000 - $289,999	2
$290,000 - $299,999	3
$310,000 - $319,999	1
$320,000 - $329,999	1
$330,000 - $339,999	2
$350,000 - $359,999	1
$360,000 - $369,999	1
$420,000 - $429,999	1
$430,000 - $439,999	1
$490,000 - $499,999	1
$620,000 - $629,999	1
$810,000 - $819,999	1
$1,350,000 - $1,359,999	1
	369

Donations & Grants

Donations and grants for the year ended 31 July 2026 were $98,000 (Community and Educational Support) (2025: $70,000).

DISCLOSURE OF INTERESTS

Directors have declared that they are to be regarded as having an interest in any contract that may be made with entities below by virtue of their directorship or membership of those entities.

All elected Directors, in their capacity as Supplying Shareholders, conduct business with the Group. Directors who hold shares in the Group do so on the basis that they are Supplying Shareholders.

Director	Position	Company
Stephen Allen	Director	Rangitata GP Ltd
	Partner	Rangitata Dairies LP
	Director, Shareholder	Claybrook Farms Ltd
	Director, Shareholder	Claybrook No 7 Ltd
	Director, Shareholder	Claybrook South Ltd
	Director, Shareholder	Cheadle Farms Ltd
	Director, Shareholder	Allen Children Ltd
	Trustee	Sarah Ethne Allen Trust
	Trustee	SB & BL Allen Family Trust
	Trustee	David Johnstone Charitable Trust
	Trustee	JES Allen Estate
	Trustee	JR Allen Estate
	Trustee	Annandale Trust
	Beneficiary	Allen Children Trust
Louise Cullen	Director	OSPRI New Zealand Ltd & Subsidiaries
	Director, Shareholder	Cookson Trust Farms Ltd
	Director, Shareholder	Balachraggan Farms Ltd
	Director, Shareholder	Capra Farming Ltd
	Director, Shareholder	Acorn Goats Ltd
	Trustee	Acorn Trust
	Investment Advisory Panel Member	Primary Sector Growth Fund
Mark Dewdney	Independent Chair	New Zealand King Salmon Ltd & Subsidiaries
	Independent Chair	Seeka Ltd
	Director	Marire General Partner Ltd
	Director, Shareholder	MDLP General Partner Ltd
	Partner	Matangi Dairies LP
	Director, Shareholder	Marvic Farms Ltd
	Trustee/Beneficiary	Dewdney Family Trust
	Trustee	Marvic Family Trust
	Trustee	Mark Dewdney Family Trust
	Trustee	Vicki Dewdney Trust
Julie Langley	Director, Shareholder	KM & JL Langley Limited
	Shareholder	Langley Foods Ltd
	Beneficiary	BA & SM Townsend Family Trust

Director	Position	Company
Jackie Lloyd	Chair	Naylor Love Enterprises Ltd
	Deputy Chair	The Museum of New Zealand Te Papa Tongarewa
	Deputy Chair	The Lion Foundation
	Director	Centreport Ltd
	Director	Centreport Investment Holdings Ltd
	Trustee	Black Diamond Trust
	Trustee	HA Lloyd Family Trust
Richard Luxton	Director, Shareholder	Aslan Farms Ltd
	Director	MDLP General Partner Ltd
	Partner	Matangi Dairies LP
	Director	Marire General Partner Ltd
	Partner	Marire LP
	Shareholder	Luxschol Corporate Trustee Limited
	Director	Ballance Agri-nutrients Limited
David Muggeridge	Director, Shareholder	Muggeridge Farms Ltd
	Trustee	DP & MA Muggeridge Family Trust
Sarah Stevenson	Director, Shareholder	Sue Williams Farming Ltd
	Director, Shareholder	Stevenson Farming Ltd
	Director, Shareholder	Waimata Dairies Ltd
	Director, Shareholder	Waimata Lands Ltd
	Trustee, Beneficiary	SA Williams Trust
	Trustee, Beneficiary	KB Williams Estate
David Walsh	Director	Datam Ltd
	Director	Fliway Group Ltd
	Director	Fliway Holdings Ltd
	Director	Fliway International Ltd
	Director	Fliway Logistics Ltd
	Director	Fliway Transport Ltd
	Director	Supply Chain Solutions Ltd
	Director	New Zealand Post Finance Ltd
	Director	New Zealand Post Australia Holdings Pty Ltd
	Director	International Post Corporation Board

Balance Sheet

as at 31 July 2026

	Note	GROUP 2026 ($)	GROUP 2025 ($)
Current Assets			
Cash and Cash Equivalents	14	67,031,684	40,450,575
Derivatives	18	5,056,707	4,256,151
Receivables and Prepayments	13	76,796,172	75,914,009
Tax Receivable		2,260,577	156,175
Inventories	12	127,689,863	134,629,674
Biological Assets		1,299,217	1,201,155
Total Current Assets		**280,134,220**	**256,607,739**
Non Current Assets			
Property, Plant and Equipment	9	211,826,951	211,291,404
Investment Property	11	1,600,000	1,500,000
Intangible Assets	10	2,471,404	1,671,797
Derivatives	18	1,380,698	2,546,567
Deferred Tax Asset	8	–	2,709,761
Equity Accounted Investments		1,286,965	960,924
Total Non Current Assets		**218,566,018**	**220,680,453**
Total Assets		**498,700,238**	**477,288,192**
Current Liabilities			
Loans and Borrowings	16	150,696,463	78,910,255
Derivatives	18	5,660,243	1,875,545
Accounts Payable and Accruals	17	38,675,559	39,403,178
Tax Payable		–	1,641,234
Owing to Suppliers		37,053,417	35,844,701
Total Current Liabilities		**232,085,682**	**157,674,913**
Non Current Liabilities			
Loans and Borrowings	16	3,316,452	72,485,444
Derivatives	18	2,459,828	938,170
Deferred Tax Liability	8	570,403	–
Total Non Current Liabilities		**6,346,683**	**73,423,614**
Total Liabilities Excluding Co-operative Shares Classified as a Liability		**238,432,365**	**231,098,527**
PLUS Co-operative Shares	15	76,031,095	75,879,345
Total Liabilities		**314,463,460**	**306,977,872**
Net Assets		**184,236,778**	**170,310,320**
Retained Earnings		174,162,320	157,717,125
Reserves		10,074,458	12,593,195
Equity		**184,236,778**	**170,310,320**
Members Funds Memorandum Account:			
Co-operative Shares Classified as a Liability	15	76,031,095	75,879,345
Retained Earnings		174,162,320	157,717,125
Reserves		10,074,458	12,593,195
Total Members Funds		**260,267,873**	**246,189,665**

For and on behalf of the Board:

SB Allen Chair of Board
1 October 2026

DJ Walsh Chair of Audit, Risk and Compliance Committee
1 October 2026

Statement of Comprehensive Income

for the Year Ended 31 July 2026

	Note	GROUP Year Ended 31 July 2026 ($)	GROUP Year Ended 31 July 2025 ($)
Profit or Loss Items			
Revenue from Contracts with Customers	3	575,284,852	572,689,313
less Payments for Milk Supplied		(199,205,958)	(190,408,485)
less Other Cost of Sales		(284,196,405)	(299,673,772)
Gross Profit		**91,882,489**	**82,607,056**
plus Other Income	3	1,700,893	1,168,086
less Sales and Marketing Expenses		(40,979,895)	(37,660,910)
less Administration Expenses	4	(19,264,720)	(18,160,084)
Profit from Operating Activities		**33,338,767**	**27,954,148**
Finance Income	6	802,351	1,136,844
less Finance Expenses	6	(11,233,774)	(5,571,530)
Net Finance Income/(Expense)		**(10,431,423)**	**(4,434,686)**
Profit before Income Tax		22,907,344	23,519,462
less Income Tax Expense	7	(6,462,149)	(6,732,335)
Net Profit		**16,445,195**	**16,787,127**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
Movement in Land Revaluation Reserve		434,886	–
Items that may be reclassified subsequently to profit or loss:			
Change in Fair Value of Cash Flow Hedges		(4,446,114)	6,406,135
Movement in Foreign Exchange Reserve		247,579	351,365
Income Tax relating to items that may be reclassified	8	1,244,912	(1,793,718)
Other Comprehensive Income for the Year		**(2,518,737)**	**4,963,782**
Total Comprehensive Income		**13,926,458**	**21,750,909**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Changes in Equity

for the Year Ended 31 July 2026

GROUP	Translation Reserve ($)	Hedging Reserve ($)	Revaluation Reserve ($)	Retained Earnings ($)	Total Equity ($)
Balance at 1 August 2024	**28,489**	**(2,426,076)**	**10,027,000**	**140,929,998**	**148,559,411**
Other Comprehensive Income					
Movement in Foreign Exchange Reserve	351,365	–	–	–	351,365
Movement in Land Revaluation Reserve	–	–	–	–	–
Movement in Hedging Reserve, Net of Tax	–	4,612,417	–	–	4,612,417
Total Other Comprehensive Income	**351,365**	**4,612,417**	**–**	**–**	**4,963,782**
Profit for the Period	–	–	–	16,787,127	16,787,127
Total Comprehensive Income	**351,365**	**4,612,417**	**–**	**16,787,127**	**21,750,909**
Balance at 31 July 2025	**379,854**	**2,186,341**	**10,027,000**	**157,717,125**	**170,310,320**
Balance at 1 August 2025	**379,854**	**2,186,341**	**10,027,000**	**157,717,125**	**170,310,320**
Other Comprehensive Income					
Movement in Foreign Exchange Reserve	247,579	–	–	–	247,579
Movement in Land Revaluation Reserve	–	–	434,886	–	434,886
Movement in Hedging Reserve, Net of Tax	–	(3,201,202)	–	–	(3,201,202)
Total Other Comprehensive Income	**247,579**	**(3,201,202)**	**434,886**	**–**	**(2,518,737)**
Profit for the Period	–	–	–	16,445,195	16,445,195
Total Comprehensive Income	**247,579**	**(3,201,202)**	**434,886**	**16,445,195**	**13,926,458**
Balance at 31 July 2026	**627,433**	**(1,014,861)**	**10,461,886**	**174,162,320**	**184,236,778**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Cash Flows

for the Year Ended 31 July 2026

	Note	GROUP Year Ended 31 July 2026 ($)	GROUP Year Ended 31 July 2025 ($)
Cash Flows From Operating Activities			
Cash was provided from:			
Receipts from Customers		574,472,298	563,409,217
Interest Received		802,351	1,098,486
		575,274,649	564,507,703
Cash was applied to:			
Payments for Milk		(197,997,242)	(184,842,352)
Payments to Creditors and Employees		(316,930,345)	(344,290,641)
Interest Paid		(7,657,074)	(8,032,762)
Taxation Paid		(5,682,709)	(5,766,574)
		(528,267,370)	(542,932,329)
Net Cash Flows From / (Applied To) Operating Activities	20	**47,007,279**	**21,575,374**
Cash Flows From Investing Activities			
Cash was provided from:			
Proceeds From Sale of Property, Plant and Equipment		30,141	74,830
Proceeds From Sale of Investments		-	190,000
		30,141	264,830
Cash was applied to:			
Acquisition of Property, Plant and Equipment		(21,245,759)	(66,707,349)
Acquisition of Intangible Assets		(1,979,518)	(231,707)
		(23,225,277)	(66,939,056)
Net Cash Flows From / (Applied To) Investing Activities		**(23,195,136)**	**(66,674,226)**
Cash Flows From Financing Activities			
Cash was provided from:			
Increase in Co-operative Shares	15	2,101,125	2,221,075
Proceeds from Borrowings		3,491,206	56,130,360
		5,592,331	58,351,435
Cash was applied to:			
Decrease in Co-operative Shares	15	(1,949,375)	(2,276,865)
Repayment of Borrowings		(873,990)	(413,617)
		(2,823,365)	(2,690,482)
Net Cash Flows From / (Applied To) Financing Activities		**2,768,966**	**55,660,953**
Net Increase / (Decrease) in Cash and Cash Equivalents		26,581,109	10,562,101
Add: Opening Cash and Cash Equivalents Balance		40,450,575	29,888,474
Closing Cash and Cash Equivalents Balance	14	**67,031,684**	**40,450,575**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

1	Reporting Entity
2	Basis of Preparation
3	Operating Revenue & Other Income
4	Administration Expenses
5	Personnel Expenses
6	Finance Income & Expense
7	Income Tax Expense
8	Deferred Tax Assets & Liabilities
9	Property, Plant & Equipment
10	Intangible Assets
11	Investment Property
12	Inventories
13	Receivables & Prepayments
14	Cash & Cash Equivalents
15	Members Funds
16	Loans & Borrowings
17	Accounts Payable & Accruals
18	Derivatives
19	Financial Risk Management
20	Reconciliation of Cash Flows from Operating Activities
21	Related Party Transactions
22	Group Entities
23	Subsequent Events



1 — REPORTING ENTITY

The Tatua Co-operative Dairy Company Limited ("Tatua") is a co-operative company domiciled and incorporated in New Zealand, and registered under the Co-operative Companies Act 1996 and the Companies Act 1993. Tatua is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013.

These financial statements set out the performance, position and cash flows of Tatua and its subsidiaries (the "Group") for the year ended 31 July 2026. At 31 July 2026 the Group consists of The Tatua Co-operative Dairy Company Ltd and its subsidiaries Tatua Japan Co. Ltd, Tatua Dairy Products (Shanghai) Co., Ltd and Tatua USA Ltd. The Group is a producer and marketer of dairy products with sales to both domestic and export markets.

2 — BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis.

(a) Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) as appropriate for Tier 1, for-profit entities, NZIFRS and IFRS. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements were approved by the Board of Directors on 1 October 2026.

(b) Basis of Measurement

The financial statements are prepared on the historical cost basis except for the following:

- Land is measured at fair value. Refer to Note 9.
- Biological assets are measured at fair value less point-of-sale costs.
- Investment property is measured at fair value. Refer to Note 11.
- Derivative financial instruments are measured at fair value. Refer to Note 18.

(c) Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (NZD), which is the Group's functional currency. Monetary assets and liabilities denominated in foreign currencies at the reporting dates are retranslated to the functional currency at the exchange rate at that date. All financial information presented has been rounded to the nearest dollar.

(d) Use of Estimates and Judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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. In particular, 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 12. – Milk cost included in inventory.

(e) Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis, except for Accounts Receivable and Accounts Payable which are stated inclusive of GST.

(f) New Standards and Interpretations

(i) New and amended standards adopted by the Group

No new or amended standards were adopted that had a material impact on the Group's financial statements.

(ii) New and amended standards issued but not yet effective

NZ IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and will replace NZ IAS 1 Presentation of Financial Statements. The standard introduces new requirements relating to the presentation of the statement of profit or loss, including specified categories and subtotals, as well as enhanced disclosure requirements. The Group intends to adopt NZ IFRS 18 from its mandatory effective date for the financial year ending 31 July 2027. The Group is currently assessing the impact of adopting NZ IFRS 18 on the presentation and disclosure of information in its financial statements. As at the date these financial statements were authorised for issue, the Group has not completed its assessment and the quantitative impact of the initial application of NZ IFRS 18 has not yet been determined. There are no other new standards or interpretations that have a material impact on the Group for the year ended 31 July 2026.

3 — OPERATING REVENUE & OTHER INCOME

	GROUP	
	2026 ($)	**2025 ($)**
Revenue from contracts with customers	575,284,852	572,689,313
Other Income		
Rental Income from Investment Property	82,500	82,500
Rental Income from Residential Property	65,520	65,780
Fair Value movement in Investment Property	100,000	-
Insurance Claim Proceeds	–	-
MilkTest NZ LP Income	327,856	221,844
Waste Water Disposal Revenue	203,498	290,042
Sundry Income	921,519	507,920
Total Other Income	**1,700,893**	**1,168,086**
Total Revenue	**576,985,745**	**573,857,399**

	GROUP	
Analysis of revenue from contracts with customers	**2026 ($)**	**2025 ($)**
Nature of Revenue		
Sale of goods	575,192,797	572,643,964
Royalties/Commissions	92,055	45,349
	575,284,852	**572,689,313**
Timing of revenue recognition		
At a point in time	548,257,350	555,521,239
Over time	27,027,502	17,168,074
	575,284,852	**572,689,313**
Disaggregation of Revenue		
Australasia (NZ and AUS)	156,754,373	156,723,815
Asia / Pacific	325,436,559	327,085,848
Americas / Europe	87,614,334	82,975,826
Other	5,479,586	5,903,824
	575,284,852	**572,689,313**

POLICY

(a) Revenue from contracts with customers

Revenue from the sale of goods is measured based on the consideration specified in a contract with customers, net of returns.

Revenue recognised at a point in time

The Group has assessed that its contracts include two performance obligations, being the supply of goods and the arrangement of and payment for shipping on behalf of the customer. The amount of revenue recorded excludes the amount attributable to shipping costs incurred on behalf of the customer that constitute an agency arrangement.

Revenue is recognised when the performance obligation, being the supply of goods, has been satisfied and control has passed to the customer. Transfer of control varies depending on the individual terms of the contract of sale but for the majority of the Group's export sales, revenue is recognised at the point in time when the goods have been loaded onto a ship at the port of departure. In respect of the majority of domestic sales within New Zealand, control is considered to be transferred to the customer when the goods have been dispatched the Tatua warehouse.

Revenue recognised over time

Revenue relating to contract manufacturing is recognised over time. Under these contracts the product is made to a customer's specifications using customer's intellectual property, and if the contract is terminated by the customer then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin.

Revenue is recognised using an output method, when the performance obligation, the production of the contracted goods and acceptance of samples from produced batches, has been satisfied. Revenue is recognised on qualified contract manufacturing stock with predetermined sales prices. Tatua has a right to consideration from contract manufacturing customers for such stock on hand, regardless of the timing of the physical transfer of the goods.

(b) Other Income

Sundry income is measured at the fair value of consideration received or receivable.

(c) Non-GAAP Measure: Total Underlying Revenue

The Group uses a non-GAAP measure when discussing total revenue. This measure is not prepared in accordance with NZ IFRS.

Management believes that this measure provides useful information as it provides valuable insight on the underlying performance of the business as a whole. It may be used internally to evaluate the underlying performance of individual business units and to analyse trends. This measure is not uniformly defined or utilised by all companies and accordingly may not be comparable with similarly titled measures used by other companies. Non-GAAP measures should not be viewed in isolation nor considered as a substitute for measures in accordance with NZ IFRS.

A reconciliation from the NZ IFRS measure of revenue to the Group's non-GAAP measure is detailed below:

	Note	2026 ($)	2025 ($)
Revenue from Contracts with Customers	3	575,284,852	572,689,313
Other Income	3	1,700,893	1,168,086
Net Foreign Exchange Gain/(Loss)	6	(4,199,554)	38,358
Agency Shipping costs offset		3,458,608	4,405,149
Total Underlying Revenue		**576,244,799**	**578,300,906**

4 — ADMINISTRATION EXPENSES

	GROUP	
	2026 ($)	2025 ($)
The following items are included in administration expenses:		
Directors' Fees	774,183	725,944
Directors' Expenses*	99,392	106,038
Auditors Remuneration (KPMG)		
Audit of Financial Statements	23,959	334,242
Other Services**	107,290	39,735
Auditors Remuneration (Deloitte)		
Audit of Financial Statements	263,000	–
Other Services**	3,500	–

* Directors expenses include costs incurred by the Group on behalf of directors, in the course of carrying out their duties and obligations as directors. The expenses include development, industry and customer meetings and associated travel cost.

** Other services are in relation to advice on operational tax matters such as transfer pricing, as well as a share registry assurance engagement.

5 — PERSONNEL EXPENSES

	GROUP	
	2026 ($)	2025 ($)
Wages and Salaries	67,393,226	61,660,904
Superannuation Contributions and Other Employee Related Expenses	6,878,482	6,076,110
Change in Liability for Short-term Employee Benefits (Annual Leave and Days in Lieu)	902,473	1,033,435
	75,174,181	**68,770,449**

Personnel expenses are included in cost of sales, sales and marketing expenses and administration expenses.

POLICY — Employee Benefits

Defined Contribution Plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

6 — FINANCE INCOME & EXPENSE

	GROUP	
Recognised in Profit or Loss	2026 ($)	2025 ($)
Interest Income	802,351	1,098,486
Net Foreign Exchange Gain	–	38,358
Total Finance Income	**802,351**	**1,136,844**
Net Foreign Exchange Loss	(4,199,554)	–
Financial Overheads	(21,289)	(26,133)
Interest Expense on External Borrowings	(7,012,931)	(5,545,397)
Total Finance Expense	**(11,233,774)**	**(5,571,530)**
Net Finance Income / (Expense)	**(10,431,423)**	**(4,434,686)**

POLICY

(a) Finance Income and Expense

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in profit or loss using the effective interest method, except for those that are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

(b) Foreign Currency Transactions

Transactions in foreign currencies are translated to NZD at exchange rates at the dates of the transactions. Foreign currency differences arising on translation are recognised in profit or loss.

7 — INCOME TAX EXPENSE

Income Tax Recognised in Profit or Loss	GROUP 2026 ($)	2025 ($)
Current Tax Expense		
Current Period	2,340,230	6,665,107
Adjustment for Prior Periods	(403,157)	(138,415)
	1,937,073	6,526,692
Deferred Tax Expense		
Origination and Reversal of Temporary Differences	4,119,419	83,478
Adjustment for Prior Periods	405,657	122,165
	4,525,076	205,643
Total Income Tax Expense	**6,462,149**	**6,732,335**

Reconciliation of Effective Tax Rate	2026 (%)	GROUP 2026 ($)	2025 (%)	2025 ($)
Profit for the Period	–	16,445,195	–	16,787,127
Total Income Tax Expense	–	6,462,149	–	6,732,335
Profit Excluding Income Tax	**–**	**22,907,344**	**–**	**23,519,462**
Income Tax Using the Group's Domestic Tax Rate	28.0	6,414,057	28.0	6,585,449
Impact of Tax Rate in Foreign Countries	(0.2)	(48,340)	(0.1)	(30,742)
Investment Property Revaluation	(0.1)	(28,000)	0.0	–
Non-deductible Expenses	(0.1)	(33,545)	0.8	194,882
Legislative Change of Depreciation on Buildings	0.7	155,477	(0.0)	(1,005)
Under/(Over) Provided in Prior Periods	0.0	2,500	(0.1)	(16,250)
	28.3	**6,462,149**	**28.6**	**6,732,335**

Income Tax Recognised Directly in Other Comprehensive Income	GROUP 2026 ($)	2025 ($)
Income Tax on Derivatives	1,244,912	(1,793,718)

Imputation Credits	GROUP 2026 ($)	2025 ($)
Imputation Credits Available for use in Subsequent Reporting Periods	65,162,669	61,430,856

POLICY

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

8 — DEFERRED TAX ASSETS & LIABILITIES

Recognised Deferred Tax Assets and Liabilities – Group	Assets 2026 ($)	Assets 2025 ($)	Liabilities 2026 ($)	Liabilities 2025 ($)	Net 2026 ($)	Net 2025 ($)
Deferred tax assets (liabilities) are attributable to the following:						
Property, Plant and Equipment	13,250	10,939	(6,058,990)	(661,906)	(6,045,740)	(650,967)
Investment Property	–	–	(96,275)	(96,275)	(96,275)	(96,275)
Derivatives	400,636	–	–	(844,276)	400,636	(844,276)
Inventory	3,635,473	1,763,613	–	–	3,635,473	1,763,613
Provisions and Accruals	1,472,019	2,488,404	–	–	1,472,019	2,488,404
Other items	63,484	49,262	–	–	63,484	49,262
Deferred Tax Assets/(Liabilities)	**5,584,862**	**4,312,218**	**(6,155,265)**	**(1,602,457)**	**(570,403)**	**2,709,761**

Movement in Temporary Differences During The Year	Balance 31 July 2024 ($)	Recognised in Profit or Loss ($)	Recognised in OCI (may be reclassified subsequently to P&L) ($)	Balance 31 July 2025 ($)	Recognised in Profit or Loss ($)	Recognised in OCI (may be reclassified subsequently to P&L) ($)	Balance 31 July 2026 ($)
Deferred tax assets and liabilities are attributable to the following:							
Property, Plant and Equipment	(720,445)	69,478	–	(650,967)	(5,394,773)	–	(6,045,740)
Investment Property	(77,199)	(19,076)	–	(96,275)	–	–	(96,275)
Derivatives	949,442	–	(1,793,718)	(844,276)	–	1,244,912	400,636
Inventory	2,381,643	(618,030)	–	1,763,613	1,871,860	–	3,635,473
Provisions and Accruals	2,175,683	312,721	–	2,488,404	(1,016,385)	–	1,472,019
Other items	0	49,262	–	49,262	14,222	–	63,484
Deferred Tax Assets/(Liabilities)	**4,709,124**	**(205,645)**	**(1,793,718)**	**2,709,761**	**(4,525,076)**	**1,244,912**	**(570,403)**

P&L = Profit and Loss, OCI = Other Comprehensive Income

POLICY

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised based on the ability of the Group to record taxable profits through retentions or through the reclassification of payout. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

9 — PROPERTY, PLANT & EQUIPMENT

GROUP	Land ($)	Land Improve-ments ($)	Buildings ($)	Plant & Equipment ($)	Vehicles ($)	Capital Work in Progress ($)	Right-of-use assets ($)	Total ($)
COST OR DEEMED COST								
Balance at 1 August 2024	14,424,051	4,013,820	69,888,510	264,249,332	4,059,231	32,208,404	2,107,183	390,950,531
Additions	–	135,778	841,753	17,747,661	550,684	69,304,334	(156,493)	88,423,717
Revaluation of Land to Fair Value	–	–	–	–	–	–	–	–
Disposals	–	–	(517,062)	(15,013,189)	(467,919)	–	–	(15,998,170)
Capitalisation of Work in Progress	–	–	–	–	–	(19,588,010)	–	(19,588,010)
Effect of Movement in Exchange Rates	–	–	–	9,918	–	–	9,340	19,258
Balance at 31 July 2025	**14,424,051**	**4,149,598**	**70,213,201**	**266,993,722**	**4,141,996**	**81,924,728**	**1,960,030**	**443,807,326**
Balance at 1 August 2025	14,424,051	4,149,598	70,213,201	266,993,722	4,141,996	81,924,728	1,960,030	443,807,326
Additions	–	1,390,224	31,882,104	62,354,453	401,201	20,386,511	3,079,372	119,493,865
Revaluation of Land to Fair Value	434,886	–	–	–	–	–	–	434,886
Disposals	–	–	(22,905)	(827,341)	(80,286)	–	(452,763)	(1,383,295)
Capitalisation of Work in Progress	–	–	–	–	–	(97,990,006)	–	(97,990,006)
Effect of Movement in Exchange Rates	–	–	–	9,146	–	–	25,932	35,078
Balance at 31 July 2026	**14,858,937**	**5,539,822**	**102,072,400**	**328,529,980**	**4,462,911**	**4,321,233**	**4,612,571**	**464,397,854**
DEPRECIATION AND IMPAIRMENTS								
Balance at 1 August 2024	–	2,626,187	25,629,174	197,899,095	2,680,536	–	908,731	229,743,723
Depreciation	–	173,557	2,105,655	15,621,843	538,787	–	561,777	19,001,619
Disposals	–	–	(516,067)	(14,972,316)	(401,291)	–	(346,364)	(16,236,038)
Effect of Movement in Exchange Rates	–	–	–	4,688	–	–	1,930	6,618
Balance at 31 July 2025	**–**	**2,799,744**	**27,218,762**	**198,553,310**	**2,818,032**	**–**	**1,126,074**	**232,515,922**
Balance at 1 August 2025	–	2,799,744	27,218,762	198,553,310	2,818,032	–	1,126,074	232,515,922
Depreciation	–	227,466	2,800,846	17,478,575	458,933	–	667,826	21,633,646
Disposals	–	–	(22,905)	(672,326)	(79,703)	–	(625,777)	(1,400,711)
Effect of Movement in Exchange Rates	–	–	–	7,957	–	–	(185,911)	(177,954)
Balance at 31 July 2026	**–**	**3,027,210**	**29,996,703**	**215,367,516**	**3,197,262**	**–**	**982,212**	**252,570,903**
CARRYING AMOUNTS								
At 1 August 2024	14,424,051	1,387,633	44,259,336	66,350,237	1,378,695	32,208,404	1,198,452	161,206,808
At 31 July 2025	**14,424,051**	**1,349,854**	**42,994,439**	**68,440,412**	**1,323,964**	**81,924,728**	**833,956**	**211,291,404**
At 1 August 2025	14,424,051	1,349,854	42,994,439	68,440,412	1,323,964	81,924,728	833,956	211,291,404
At 31 July 2026	**14,858,937**	**2,512,612**	**72,075,697**	**113,162,464**	**1,265,649**	**4,321,233**	**3,630,359**	**211,826,951**

POLICY

(a) Recognition and Measurement of Assets at Cost

Items of property, plant and equipment (except land) are measured at cost less accumulated depreciation and impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Borrowing costs capitalised during the year were $644,143 (2025: $2,487,365).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(b) Depreciation

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful lives of the items of plant, property and equipment. Land is not depreciated. Depreciation is recognised as part of other cost of sales in the Profit or Loss. Depreciation methods, useful lives and residual values are reassessed at the reporting date.

The Group has established the following useful lives:

- Land Improvements—10 to 20 years
- Buildings—3 to 50 years
- Plant and Equipment—2.5 to 20 years
- Vehicles—5 to 10 years
- Right-of-use Assets—1 to 20 years

(c) Impairment

At each reporting date, the Group reviews its assets to determine whether there is any indication of impairment. At 31 July 2026 the Group has determined that no indication of impairment exists.

(d) Recognition and Measurement of Assets at Fair Value

Land is stated at its fair value (Improvements are excluded from this valuation). The fair value of land within property, plant and equipment is based on market values determined by an independent valuer.

A revaluation was undertaken as at 31 July 2026 by Summit Rural Registered Valuers and Silverton Alexander Registered Valuers. The land was valued at $14.859m, an increase of $434,886 from the last valuation undertaken as at 31 July 2024. The valuation established a market value using a direct sales comparison approach and was undertaken in accordance with the Property Institute of New Zealand (PINZ) International Valuation Standards. Any gain on revaluation is recognised in other comprehensive income and held in equity and any loss is recognised in profit and loss, unless there is a credit balance existing in the revaluation surplus for the same asset. The value of the land at cost is $4,397,051 (2025: $4,397,051).

Property, Plant and Equipment is categorised within level 2 of the fair value hierarchy.

Capital Commitments

During the period ended 31 July 2026, the Group entered into contracts to purchase plant and equipment. The balance outstanding at balance date is $542,884 (2025: $959,070). These commitments are expected to be settled in the following financial year.

Assets Pledged as Security

All Tatua real properties have been pledged to secure borrowings of the Group with BNZ. Under the terms of the financing facilities, the Group is not allowed to pledge these assets as security for other borrowings without prior consent from BNZ.

10 — INTANGIBLE ASSETS

	GROUP	
	Software ($)	Total ($)
COST		
Balance at 1 August 2024	12,554,542	12,554,542
Additions	231,707	231,707
Disposals	(1,559,224)	(1,559,224)
Balance at 31 July 2025	**11,227,025**	**11,227,025**
Balance at 1 August 2025	11,227,025	11,227,025
Additions	1,979,518	1,979,518
Disposals	–	–
Balance at 31 July 2026	**13,206,543**	**13,206,543**
AMORTISATION AND IMPAIRMENT LOSSES		
Balance at 1 August 2024	10,062,422	10,062,422
Amortisation for the Year	1,052,030	1,052,030
Disposals	(1,559,224)	(1,559,224)
Balance at 31 July 2025	**9,555,228**	**9,555,228**
Balance at 1 August 2025	9,555,228	9,555,228
Amortisation for the Year	1,179,911	1,179,911
Disposals	–	–
Balance at 31 July 2026	**10,735,139**	**10,735,139**
CARRYING AMOUNTS		
At 1 August 2024	2,492,120	2,492,120
At 31 July 2025	**1,671,797**	**1,671,797**
At 1 August 2025	1,671,797	1,671,797
At 31 July 2026	**2,471,404**	**2,471,404**

POLICY

(a) Recognition and Measurement

Intangible assets that are acquired by the Group which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The amortisation is recognised as part of administration expenses in the Profit or Loss. The estimated useful lives for the current and comparative periods are as follows:

— Software—2.5 to 15 years

11 — INVESTMENT PROPERTY

	GROUP	
	2026 ($)	2025 ($)
Balance at 1 August	1,500,000	1,500,000
Change in Fair Value	100,000	–
Balance at 31 July	**1,600,000**	**1,500,000**

POLICY

Investment property is held either to earn rental income or for capital appreciation or for both. Investment property is measured at fair value with any change therein recognised in profit or loss and included in 'Other Income'. Investment property comprises land and buildings that are leased to PGG Wrightson Ltd. The fair value of investment property was determined by Silverton Alexander, independent registered valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Investment property is categorised within level 2 of the fair value hierarchy.

12 — INVENTORIES

	GROUP	
	2026 ($)	2025 ($)
Finished Goods	99,701,966	111,354,467
Raw Materials	27,987,897	23,275,207
Total Inventories	**127,689,863**	**134,629,674**

POLICY

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on weighted average cost, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of milk within inventory is a key judgement as it involves a number of inputs and estimations. The cost of milk within inventory is based on a weighted average of both shareholder supplied milk and third party supplied milk. Shareholder supplied milk is calculated in accordance with the Farmgate Milk Price Manual. The weighted average cost of milk is then separated into three core ingredients, Fat, Whey Protein and Casein Protein, with the Valued Component Ratio (value of fat to protein) being a key input to calculate the separation.

Impairment

Inventories are reviewed for impairment based on their age and/or condition. If any impairment exists the asset is written down to its net realisable value (if any). At balance date there was a provisional write down of $2,609,948 (2025: $5,694,511) relating to inventory that had a net realisable value less than its cost of manufacture.

GROUP	2026 ($)	2025 ($)
Inventory valued at net realisable value included in finished goods above:	8,971,407	5,112,959

13 — RECEIVABLES & PREPAYMENTS

	GROUP	
	2026 ($)	2025 ($)
Trade Receivables	68,295,122	68,532,094
Prepayments and Sundries	8,501,050	7,381,915
	76,796,172	**75,914,009**

	USD ($)	AUD ($)	JPY (¥)	CNY (¥)
Trade Receivables Denominated in Foreign Currencies				
2026	15,569,588	3,204,557	1,853,867,472	72,688,583
2025	15,512,942	6,322,338	1,471,588,108	40,229,725

POLICY

The trade receivables are classed as a financial asset at amortised cost. As all receivables are current they are not discounted.

The Group is required to assess for impairment loss on receivables at the time that revenue is recognised. Management has performed an assessment of receivables under the expected loss model and concluded there are no material impairments to be recorded.

14 — CASH & CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash balances and bank overdrafts that are repayable on demand and form an integral part of the Group's cash management. Cash and Cash Equivalents are classified as a financial asset at amortised cost.

	GROUP	
	2026 ($)	2025 ($)
JPY Bank Deposits	10,667,117	13,767,621
USD Bank Deposits	1,439,886	456,874
CNY Bank Deposits	10,235,569	10,521,794
NZD Bank Deposits	44,689,112	15,704,286
Cash and Cash Equivalents in the Statement of Cash Flows	**67,031,684**	**40,450,575**

15 — MEMBERS FUNDS

Voting Rights—Under the Company Constitution, voting may take place by show of hands, voice or poll. On a poll, one vote may be cast for every whole 1,000kg of qualifying milksolids held. No Shareholder shall cast votes exceeding 5% of the total votes which could be cast if all Shareholders were present and voting.

Redemption Features—Shares are redeemed at nominal value of 50 cents, or paid up value if lower.

POLICY

Shares in the co-operative are held in proportion to the current or expected milk supply. The share standard is ten 50-cent shares for every kilogram of qualifying milksolids. Shares are issued or redeemed annually to ensure compliance with the share standard. Due to their redemption nature, shares are classified as a liability in the balance sheet. When the Group performs a bonus share issue, with new shares issued at the same rate as existing shares, retained earnings is decreased to match the increase in co-operative shares.

Movements in the Group's Issued Shares were as follows:

	2026		2025	
	Shares	($)	Shares	($)
Shares at the beginning of the Year	151,758,690	75,879,345	151,870,270	75,935,135
Shares Issued	4,202,250	2,101,125	4,442,150	2,221,075
Shares Repurchased	(3,898,750)	(1,949,375)	(4,553,730)	(2,276,865)
Fully Paid Shares at the end of the Year	**152,062,190**	**76,031,095**	**151,758,690**	**75,879,345**

	2026		2025	
TREASURY STOCK	Shares	($)	Shares	($)
Shares at the beginning of the Year	551,205	275,603	439,625	219,813
Shares Issued	(4,202,250)	(2,101,125)	(4,442,150)	(2,221,075)
Shares Repurchased	3,898,750	1,949,375	4,553,730	2,276,865
Balances at the end of the year	**247,705**	**123,853**	**551,205**	**275,603**

RESERVES

Translation Reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Revaluation Reserve

The revaluation reserve relates to the revaluation of land and improvements.

Retained Earnings

All retained earnings are attributable to equity holders of the Group.

Treasury Stock

When shares recognised as members funds are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from members funds. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in members funds.

16 — LOANS & BORROWINGS

Interest-bearing borrowings are classified as financial liabilities and are measured at amortised cost using the effective interest rate.

	2026 ($)	2025 ($)
Current		
JPY Bank Loans	3,200,340	3,403,290
USD Bank Loans	5,102,041	5,071,851
NZD Bank Loans	142,000,000	70,000,000
Lease Liabilities	394,082	435,114
	150,696,463	**78,910,255**
Non Current		
NZD Bank Loans	–	72,000,000
Lease Liabilities	3,316,452	485,444
	3,316,452	**72,485,444**
Total Loans and Borrowings	**154,012,915**	**151,395,699**

2026	Currency	Nominal Interest Rate	Year of Maturity	Face Value	Carrying Amount (NZD)
Current	JPY	2.077%	2026	300,000,000	3,200,340
	USD	4.39%	2026	3,000,000	5,102,041
	NZD	3.43% - 3.63%	2026	142,000,000	142,000,000
	NZD	1.60% - 7.46%	2026	394,082	394,082
Non Current	NZD	0.00%	2027	–	–
	NZD	1.60% - 7.46%	2027 - 2045	3,316,452	3,316,452

2025	Currency	Nominal Interest Rate	Year of Maturity	Face Value	Carrying Amount (NZD)
Current	JPY	1.68%	2026	300,000,000	3,403,290
	USD	5.01%	2026	3,000,000	5,071,851
	NZD	4.18% - 4.06%	2026	70,000,000	70,000,000
	NZD	1.08% - 7.87%	2026	435,114	435,114
Non Current	NZD	4.27% - 4.29%	2027	72,000,000	72,000,000
	NZD	1.08% - 7.87%	2027-2034	485,444	485,444

The Group's bank loans are secured by registered first mortgages, preferred security interest in all present and after acquired property, and an interlocking guarantee from companies within the Group. The Group's borrowings are subject to various covenants such as minimum equity, interest cover ratio and gearing ratio and the Group was in compliance with the various covenants.

The Group has committed (but undrawn) facilities with expiry dates through to 2027 of NZD $30 million, JPY 700 million (2025: NZD $38 million, JPY 700 million). The JPY and USD loans are held by the respective subsidiairies. The Group has a guarantee arrangement with Mizuho Bank in Japan for the deferred payment of import-related taxes up to ¥300,000,000.

17 — ACCOUNTS PAYABLE & ACCRUALS

	GROUP	
	2026 ($)	2025 ($)
Trade Payables	13,196,065	11,180,497
Employee Entitlements	12,922,912	12,020,438
Income in Advance	1,707,474	1,095,115
Accruals	10,849,108	15,107,128
Total Accounts Payable and Accruals	**38,675,559**	**39,403,178**

POLICY

Trade payables are recognised at the amount invoiced, and are not discounted due to their short-term nature. Employee entitlements which remain unused at balance date, and amounts expected to be paid under short-term cash bonus plans are accrued for.

18 — DERIVATIVES

The Group has a policy of monitoring interest rate movements and where appropriate taking out interest rate cover. The Group currently has a number of interest rate swaps in place.

Notional Amounts	Less than 12 Months	More than 12 Months	Total
2026 Interest Rate Hedges	5,000,000	66,000,000	71,000,000
2025 Interest Rate Hedges	10,000,000	59,000,000	69,000,000

	GROUP	
	2026 ($)	2025 ($)
Fair Value		
Current Liabilities	(52,642)	–
Non Current Liabilities	(242,558)	(801,613)
Current Assets	–	10,898
Non Current Assets	280,262	16,041
Net Fair Value of Interest Rate Hedges	**(14,938)**	**(774,674)**

Foreign Currency Hedges

The Group's foreign exchange rate contracts and options notional amounts and fair values are presented below. The Group uses zero cost collar structures for option contracts. All options are bought options. Exposure is covered in Note 19.

2026		Less than 12 Months	More than 12 Months	Total
Foreign Exchange Contracts	Buy	311,817,138	129,469,101	441,286,239
	Sell	–	–	–
Option Contracts	Call	–	–	–
	Put	–	–	–

2025		Less than 12 Months	More than 12 Months	Total
Foreign Exchange Contracts	Buy	258,737,335	104,468,478	363,205,813
	Sell	–	–	–
Option Contracts	Call	16,558,112	–	16,558,112
	Put	(15,846,328)	–	(15,846,328)

Fair Value	2026 ($)	2025 ($)
Current Assets	5,056,707	4,245,252
Non Current Assets	1,100,436	2,530,526
Current Liabilities	(5,607,601)	(1,875,545)
Non Current Liabilities	(2,217,270)	(136,557)
Net Fair Value of Foreign Currency Hedges	**(1,667,728)**	**4,763,676**

POLICY

Derivatives are recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated into an effective hedge relationship.

The Group's derivatives are classified as being within Level 2 of the fair value hierarchy. The fair value of forward exchange contracts is determined using forward exchange rates at balance sheet date, with the resulting value discounted back to present value. The fair value of option contracts is determined using forward exchange rates and other inputs required for the Black Scholes option pricing model. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Hedge Accounting

All derivatives are classified as cash flow hedges.

The effective portion of changes in the fair value of the hedging instruments are recognised in other comprehensive income and accumulated in the hedging reserve.

The following are recognised in profit or loss:

— any gain or loss relating to the ineffective portion of the hedging instrument; and

— fair value changes in the hedging instrument previously accumulated in other comprehensive income, in the periods when the hedged item is recognised in profit or loss.

Once hedging is discontinued, any cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss either:

— at the same time as the forecast transaction; or

— immediately if the transaction is no longer expected to occur.

There have been no ineffective hedges in the period.

19 — FINANCIAL RISK MANAGEMENT

Capital Management

The Group's members funds include co-operative shares, reserves and retained earnings. The Group's policy is to maintain a strong members funds base so as to maintain Shareholder, creditor and market confidence and to sustain future development of the business.

The Group's objective is to provide returns for Shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group distributes its profit by way of payout. However, in order to retain or modify the capital structure, the Group may decide to retain profits within the business.

The Board primarily monitors capital on the basis of the gearing ratio. As at 31 July 2026 the gearing ratio was 25.05% (2025: 31.07%). This ratio is calculated as net interest bearing debt divided by total capital. Net interest bearing debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as members funds plus net interest bearing debt. Tatua is a co-operative company, and as such, members funds change in proportion to milk supplied (Refer Note 15). The Group is required to meet certain ratios under its bank covenants, which have been met, including a requirement that Group members funds be not less than $70,000,000 (2025: $70,000,000). The Group is not subject to any other externally imposed capital requirements.

There have been no material changes in the Group's management of capital during the period.

Quantitative Disclosures

Exposure to credit, liquidity, foreign currency and interest rate risks arises in the normal course of the Group's business.

a. Credit Risk

The Group's exposure to credit risk is mainly influenced by its customer base. There is no risk concentration either geographically or by sector.

Tatua has a credit policy under which each customer is assessed for credit worthiness and assigned a credit limit. Where available the Group reviews external credit reports for both country and customer risk. Credit limits are reviewed on a regular basis. The Group's credit policy requires certain risk mitigations such as insurance, letters of credit or prepayment depending on the country and/or customer.

The Group does not require collateral for trade and other receivables. However, where practicable, purchase money security interests over New Zealand-based customers are registered on the Personal Property and Securities Register.

The Group is required to assess for impairment loss on receivables at the time that revenue is recognised. Management has performed an assessment of receivables under the expected loss model and concluded that as the Group's control over receivables has resulted in very few bad debts, expected losses are not material.

The carrying amount of financial assets represents the Group's maximum credit exposure. The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status. The Group's maximum exposure to credit risk for trade and other receivables, by geographic region, is as follows:

	Carrying Amount	
	2026 ($)	2025 ($)
Australasia (NZ and AUS)	15,638,697	21,382,594
Asia / Pacific	36,219,234	33,323,060
Americas / Europe	15,936,562	13,830,589
Other	500,629	(4,149)
Total Trade Receivables (Note 13)	**68,295,122**	**68,532,094**

The status of the Group trade receivables at the reporting date is as follows:

	Gross Receivable 2026 ($)	Impairment 2026 ($)	Gross Receivable 2025 ($)	Impairment 2025 ($)
Not Past Due	65,833,664	–	57,062,927	–
Past Due 0-30 days	2,403,483	–	11,803,242	–
Past Due 31-120 days	57,975	–	(334,075)	–
Total Trade Receivables (Note 13)	**68,295,122**	**–**	**68,532,094**	**–**

b. Liquidity Risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from financial liabilities and has credit lines in place to cover any timing differences.

The following table sets out the contractual cash flows for all Group financial liabilities that are settled on a gross cash flow basis, and includes future contractual interest payments.

GROUP	Note	2026 Balance Sheet ($)	Contractual Cash Flows ($)	Less than 12 Months ($)	1-2 Years ($)	More Than 2 Years ($)
Non-Derivative Financial Liabilities						
Loans and Borrowings	16	(154,012,915)	(157,301,322)	(153,984,870)	(210,005)	(3,106,447)
Accounts Payable and Accruals	17	(24,045,173)	(24,045,173)	(24,045,173)	–	–
Owing to Suppliers		(37,053,417)	(37,053,417)	(37,053,417)	–	–
Co-operative Shares		(76,031,095)	(76,031,095)	(76,031,095)	–	–
Total Non-Derivative Financial Liabilities		**(291,142,600)**	**(294,431,007)**	**(291,114,555)**	**(210,005)**	**(3,106,447)**
Derivative Financial Liabilities						
Interest Rate Swaps		(295,200)	(295,200)	–	–	(295,200)
Options Contracts		–	–	–	–	–
Forward Exchange Contracts						
- Outflow		(7,824,871)	(235,051,615)	(163,125,690)	(71,925,925)	–
- Inflow			227,226,745	157,518,089	69,708,656	–
Total Derivative Financial Liabilities		**(8,120,071)**	**(8,120,070)**	**(5,607,601)**	**(2,217,269)**	**(295,200)**

GROUP		2025 Balance Sheet ($)	Contractual Cash Flows ($)	Less than 12 Months ($)	1-2 Years ($)	More Than 2 Years ($)
Non-Derivative Financial Liabilities	**Note**					
Loans and Borrowings	16	(151,395,699)	(160,220,694)	(84,914,673)	(74,965,597)	(340,423)
Accounts Payable and Accruals	17	(26,287,625)	(26,287,625)	(26,287,625)	–	–
Owing to Suppliers		(35,844,701)	(35,844,701)	(35,844,701)	–	–
Co-operative Shares		(75,879,345)	(75,879,345)	(75,879,345)	–	–
Total Non-Derivative Financial Liabilities		**(289,407,370)**	**(298,232,365)**	**(222,926,344)**	**(74,965,597)**	**(340,423)**
Derivative Financial Liabilities						
Interest Rate Swaps		(801,613)	(801,613)	–	–	(801,613)
Options Contracts		(607,699)	(607,699)	(607,699)	–	–
Forward Exchange Contracts						
- Outflow		(1,404,403)	(104,619,829)	(85,580,012)	(19,039,817)	–
- Inflow			103,215,426	84,312,166	18,903,260	–
Total Derivative Financial Liabilities		**(2,813,715)**	**(2,813,715)**	**(1,875,545)**	**(136,557)**	**(801,613)**

c. Foreign Currency Exchange Risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The New Zealand dollar is the presentation currency of the Group. The currencies in which transactions are primarily denominated are United States dollars, Japanese yen, Chinese yuan and Australian dollars.

The Group has a policy of maintaining a level of foreign currency hedging that allows for a degree of certainty in its future cash flows and to help protect it against sudden movements in the value of the New Zealand dollar against the United States dollar, Japanese yen, Chinese yuan and Australian dollar. The Group uses forward exchange contracts and currency options to hedge its foreign currency exposure. All of the forward exchange contracts and options have maturities of less than two years at balance date.

The Group classifies its forward exchange and option contracts, which are hedging forecast transactions, as cash flow hedges. There have been no ineffective hedges in the period.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item under the hypothetical derivative method.

The Group's exposure to foreign currency risk for the next 12 months can be summarised as follows:

2026	USD ($)	AUD ($)	CNY (¥)	JPY (¥)
Net Cash Flow Exposure Before Hedging	77,278,182	34,149,614	638,912,059	7,114,328,333
less Foreign Exchange Contracts and Options	(64,500,000)	(26,750,000)	(472,500,000)	(4,775,000,000)
Net Unhedged Exposure	**12,778,182**	**7,399,614**	**166,412,059**	**2,339,328,333**

2025	USD ($)	AUD ($)	CNY (¥)	JPY (¥)
Net Cash Flow Exposure Before Hedging	94,305,102	38,270,574	504,777,896	6,517,049,527
less Foreign Exchange Contracts and Options	(67,600,000)	(25,100,000)	(366,000,000)	(3,990,000,000)
Net Unhedged Exposure	**26,705,102**	**13,170,574**	**138,777,896**	**2,527,049,527**

The Group also has foreign currency loans in foreign currency operations to minimise the translation risk in those locations.

d. Interest Rate Risk—Repricing Analysis

Interest rate risk is the risk that the value of the Group's assets and liabilities will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk primarily through its cash balances and advances, bank overdraft and borrowings. Interest rate swaps have been entered into to achieve an appropriate mix of fixed and floating rate exposure within the Group's policy.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item under the hypothetical derivative method.

The Group's exposure to interest rate risk can be summarised as follows:

2026	NZD ($)	USD ($)	AUD ($)	CNY (¥)	JPY (¥)	EUR (€)
Cash and Cash Equivalents	41,616,878	1,066,729	234,884	42,251,690	1,002,716,889	995,151
Loans and Borrowings	(142,000,000)	(3,000,000)	–	–	(300,000,000)	–
Interest Rate Swaps	71,000,000	–	–	–	–	–
Net Unhedged Exposure	**(29,383,122)**	**(1,933,271)**	**234,884**	**42,251,690**	**702,716,889**	**995,151**

2025	NZD ($)	USD ($)	AUD ($)	CNY (¥)	JPY (¥)	EUR (€)
Cash and Cash Equivalents	13,762,734	232,146	86,070	44,997,125	1,218,709,999	910,496
Loans and Borrowings	(142,000,000)	(3,000,000)	–	–	(300,000,000)	–
Interest Rate Swaps	69,000,000	–	–	–	–	–
Net Unhedged Exposure	**(59,237,266)**	**(2,767,854)**	**86,070**	**44,997,125**	**918,709,999**	**910,496**

e. Reserve Reconciliation

	Carrying Amount	
	Foreign Exchange Hedging Reserve	Interest Rate Swap Hedging Reserve
Balance at 1 August 2025	**(2,961,014)**	**774,674**
Change in Fair Value of the FEC contracts	6,291,790	–
Change in unrealised gains & losses on foreign exchange hedges (FEC & OPTIONS) relating to debtors	(1,225,555)	–
Change in Time Value of Options	(456,406)	–
Change in the Intrinsic Value of Options	596,020	–
Change in the Fair Value of the interest rate swap	–	(759,736)
Deferred tax on FX Hedging Reserve	(1,244,912)	–
Balance at 31 July 2026	**999,923**	**14,938**

f. Sensitivity Analysis

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates will have an impact on profit.

Interest Rates:
At 31 July 2026 it is estimated that a general increase of one percentage point in NZ interest rates would decrease Group profit before income tax by approximately $675,310 (2025: $853,066). Interest rate swaps have been included in this calculation.

Foreign Exchange Rates:
The Group has a foreign exchange policy to mitigate the risk associated with the fluctuations in the value of the New Zealand Dollar. At 31 July 2026 it is estimated that a general decrease of one cent in the NZD/USD exchange rate would increase the Group's total comprehensive income by $6,228,914 (2025: increase by $5,024,055). Foreign exchange hedging has been included in this calculation.

20 — RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Year Ended 31 July 2026 ($)	Year Ended 31 July 2025 ($)
Profit /(Loss) for the Year	16,445,195	16,787,127
Adjustments for Non Cash Items		
Depreciation	21,633,646	19,001,619
Amortisation of Intangible Assets	1,179,911	1,052,030
Movement in Deferred Tax	3,280,164	1,999,363
Revaluation of Investment Property	(100,000)	–
Revaluation of Biological Assets	(616,883)	(541,274)
Movement in Investments	(326,043)	(220,636)
Loss/(Gain) on Sale of Property, Plant and Equipment	125,457	33,666
Movement in PPE Interest Capitalisation	(644,143)	(2,487,365)
Total Non Cash Items	24,532,109	18,837,403
Movements in Working Capital		
Trade and Other Receivables	(2,986,566)	(8,869,748)
Derivatives	2,718,046	(2,030,059)
Inventories	6,939,811	(15,192,065)
Biological Assets	518,821	248,663
Owing to Suppliers	1,208,716	5,566,134
Trade and Other Payables	(2,368,853)	6,227,919
Total Movements in Working Capital	6,029,975	(14,049,156)
Net Cash Flows From/(Applied to) Operating Activities	**47,007,279**	**21,575,374**

Items classified as Investing/Financing Activities relate to movements in the hedging reserve and translation reserve as well as amounts owing for the repurchase of shares.

21 — RELATED PARTY TRANSACTIONS

Directors and Shareholders

Directors and Shareholders may conduct business with the Group in the normal course of their business.

Key Management Personnel

Compensation	Year Ended 31 July 2026 ($)	Year Ended 31 July 2025 ($)
Short Term Employee Benefits	2,945,139	2,679,056
Long Term Employee Benefits	–	–
	2,945,139	**2,679,056**

Transactions and Balances with Key Management Personnel

Key management personnel may conduct business with the Group.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence is Nil (2025: Nil).

Transactions and Balances with Other Related Parties

Elected Directors conduct business with the Group in the normal course of their business activities.

The Group has paid Directors' fees of $774,183 (2025: $725,944), which is separately disclosed within the Directors' report.

The following entities are considered related parties because they have common directors:

Related Party	Director	Amounts Paid 2026 ($)	Payable 31 July 2026 ($)	Amounts Received 2026 ($)	Receivable 31 July 2026 ($)	Amounts Paid 2025 ($)	Amounts Received 2025 ($)	Receivable 31 July 2025 ($)
AgResearch Limited	Louise Cullen	–	–	–	–	106,642	–	–
		–	–	–	–	**106,642**	–	–

NB: Related party transactions only represent up until retirement of directors from those companies. Louise Cullen retired from AgResearch July 2025.

	Value of Transactions 2026 ($)	Balance Outstanding 31 July 2026 ($)	Value of Transactions 2025 ($)	Balance Outstanding 31 July 2025 ($)
Directors' Farm Supply (included in Owing to Suppliers)	22,451,597	3,767,279	20,693,613	3,527,496

22 — GROUP ENTITIES

	Country of Incorporation	Ownership Interest	
		2026	2025
Subsidiaries			
Tatua Japan Limited	Japan	100%	100%
Tatua USA Limited	USA	100%	100%
Tatua Dairy Products (Shanghai) Co., Ltd	China	100%	100%
Equity Accounted Investee			
MilkTest NZ LP	New Zealand	10%	10%

POLICY

(a) Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has rights or exposure to variable returns from its involvement with the entity, and the ability to use its power over the entity to affect the amount of the entity's return. In assessing control, potential voting rights are only considered if the rights are substantive. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Equity Accounted Investees (Joint Ventures)

Joint ventures are those arrangements in which the Group has contractually agreed to share control and where the Group has rights to the net assets rather than rights to the assets and obligations for the liabilities. Joint ventures are initially recognised at cost (including any goodwill identified on acquisition). Subsequent to initial recognition they are accounted for using the equity method in the consolidated financial statements. The consolidated financial statements include the Group's share of the profit or loss after tax of joint ventures after adjustments to align the accounting policies of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Transactions Eliminated on Consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign Currency

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the gain or loss on disposal.

23 — SUBSEQUENT EVENTS

There were no material events subsequent to 31 July 2026 that would impact these financial statements.

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Independent Auditor's Report

To the Shareholders of The Tatua Co-operative Dairy Company Limited

Opinion

We have audited the consolidated financial statements of The Tatua Co-operative Dairy Company Limited and its subsidiaries (the 'Group'), which comprise the balance sheet as at 31 July 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 39 to 67, present fairly, in all material respects, the consolidated financial position of the Group as at 31 July 2026, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

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)* ('PES 1') issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code') as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

Other than in our capacity as auditor, our firm provided tax advisory services and performed a share registry assurance engagement for the Group. These services have not impaired our independence as auditor of the Company and Group. We have no other relationship with or interests in the Company or any of its subsidiaries.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $7,372,000.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Valuation of milk cost in inventory Refer to Note 12 to the financial statements. As at 31 July 2026, the Group has finished goods inventory of $99.7 million (2025: $111.4 million), representing 20% of total assets. A large portion of the finished goods inventory balance at year end is represented by an estimated cost of milk solids supplied by Co-operative shareholders and the actual cost for milk produced by other suppliers. Estimated cost of the milk solids supplied from Co-operative shareholders is calculated in accordance with farmgate milk pricing manual. Tatua utilises a model which calculates the weighted average cost of milk solids supplied from Co-operative shareholders and other suppliers. The weighted average cost of milk solids supplied is then split into the individual cost for the three core product ingredients of fat, whey protein and casein protein. The model incorporates several significant inputs, including the farmgate milk price, purchased milk cost from other suppliers and a valued component ratio of fat to protein. We considered this to be a key audit matter because of the significant audit effort required to test the balance	The procedures we performed to evaluate the milk cost of inventory included: • Built an understanding of the process and relevant controls in the valuation of milk cost in inventory. • Considered Management's use of the farmgate milk price as a best estimate for cost of milk solid supplied from Co-operative shareholders. • Compared the farmgate milk price used in model to the final rate published Fonterra for 2025/26 season. • Agreed the total quantity and dollar value of whole milk and cream purchased from external supplies to external supplier invoices. • Agreed the value component ratio to board approval and to the rate that was physically paid to farmers based on their fat and protein split during season. • Checked that the split of protein into its casein and whey components was calculated correctly. • Tested the mechanical accuracy of the model and assessed whether the model applied was consistent with the prior year.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing 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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated 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 ISAs and ISAs (NZ) 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 our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

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Restriction on use

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's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Bruno Dente, Partner
for Deloitte Limited
Hamilton, New Zealand
1 October 2026



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Insurance Brokers

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Chair

SB Allen

General Manager Finance and Administration

ML Bull

General Manager Co-operative Affairs

PJ van Boheemen

Chief Executive

BA Greaney

General Manager Operations

TA Keir

General Manager People and Capability

ND Watkins

Directors

Dr. LE Cullen
MBN Dewdney
JL Langley
JM Lloyd
RJ Luxton
DP Muggeridge
SJ Stevenson
DJ Walsh

General Manager Marketing and Sales

ED Morrison

With strong foundations and a commitment to specialisation, Tatua remains well positioned to create long-term value by responding to evolving customer and market needs

Proudly New Zealand made



