



ANNUAL REPORT

2025



We have continued to build with the future in mind—expanding our capacity, safeguarding our environment and deepening the relationships that define our co-operative.

This year, we proudly relaunched our Company Values, reaffirming our commitment to innovation, sustainability and community.

From New Zealand to the World, we remain focused on doing things the right way, with purpose and commercial intent, so that we can deliver more, do better and go further.

Proudly New Zealand made



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2025 Highlights

\$578m

Total underlying revenue

\$267m

Specialised products revenue

15.2m

Kilograms of qualifying milksolids received from shareholders

\$13.85

Total earnings per kilogram of qualifying milksolids

\$12.30

Cash payout to shareholders per kilogram of qualifying milksolids

\$1.55

Reinvestment per kilogram of qualifying milksolids

+18%

Change in specialised products revenue

46%

Revenue via subsidiary offices

89%

Proportion of products exported

31%

Gearing ratio

Report from the Chair and Chief Executive

The 2024/25 financial year was one of continued evolution for Tatua. We are pleased to report another period of strong financial performance and strategic investment, underpinned by the commitment of our people, the support of our shareholders and customers, and the strength of our co-operative model.

The combination of strong milk supply from our shareholder farmers, and milk and cream purchased from other processors, resulted in more milksolids being processed than ever before. This flowed through to record production of our bulk ingredients; caseinate, whey protein concentrate (WPC) and anhydrous milkfat (AMF); as well as record volumes of our specialised Foods, Nutritionals and Flavours products.

Record sales volumes were achieved, which, combined with firm pricing, resulted in our highest combined sales revenue to date of \$566 million, \$89 million ahead of prior year.

Our bulk ingredient revenue was our second highest to date, only trailing the 2022/23 financial year, when caseinate and WPC prices reached unprecedented highs, before quickly returning to more typical levels.

Revenue from our Tatua Foods, Nutritionals, and Flavours businesses continued their growth momentum of the last several years, reflecting our focus on developing specialised and premium products.

However, while revenue reached a new high, variable costs associated with increased production also rose. In addition, elevated fixed costs, including those related to staff recruitment in preparation for commissioning our new Foods II cream products plant, all contributed to considerable cost pressure.

Overall, we are pleased to report our highest Group income of \$579 million, translating to earnings before retentions of \$13.85 per kilogram of shareholder supplied milksolids. Of this, we made a cash payout to shareholders of \$12.30 per kilogram of milksolids and retained \$1.55 per kilogram of milksolids for reinvestment in the business. We are very conscious of ensuring the Company remains well funded and resilient.

Foods II

Our single largest investment to date was also one of our most successful projects. Foods II, which is an expansion of our cream-based retail and foodservice product manufacturing capacity, was completed well below its \$85 million budget, ahead of timeline, and with an exceptional health and safety record.

This investment was a direct response to strong customer demand and will allow us to further prioritise specialised production over commodity products.

The project culture was a highlight and one of the main contributors to the successful outcome. Collaboration between the multiple parties involved in the construction, including contractors, engineers and project managers, along with our commercial and technical teams and wider business, helped ensure a strong commissioning position and preparedness for commercialisation of the new capacity. In short, an impressive team effort.

The plant will be fully commissioned early in the new financial year and will position us well for continued growth in several of our key markets.



“We anticipate continued growth in our Nutritionals and Flavours businesses, and our Foods II expansion will unlock new opportunities in premium markets.”

Our People & Community

Tatua’s success is built on the dedication and expertise of our people and those who partner with us. We continued to invest in wellbeing, leadership development, and recruitment, and welcomed new talent across the business. We hosted a range of community and industry visitors and participated in numerous events and initiatives supporting health and wellbeing. More than anything, we continue to support each other in times of need.

Outlook

Looking ahead, the global dairy outlook appears positive but finely balanced. Milk supply is growing among major exporters, and while demand remains steady overall, it is uneven and dynamic across markets.

We will remain focused on value over volume, leveraging our reputation for specialised and functional products, and our ability to respond quickly to market shifts. We will continue to deliberately diversify across product groups, markets and customers.

We anticipate continued growth in our Nutritionals and Flavours businesses, and our Foods II expansion will unlock new opportunities in premium markets. Alongside this, we will maintain our long-term approach to sustainability, care for our people, and investment in plant and capability, to ensure Tatua remains resilient and competitive.

Acknowledgements

Our performance and progress over the past year is the result of a shared commitment that spans every part of the co-operative.

Thank you everyone working in the business, in every role and location, for your dedication and care for your work, ensuring our ability to deliver specialised dairy solutions to our customers in all the markets we serve. As a team, you are the heart of our business.

To our shareholder suppliers, we acknowledge and thank you for your ongoing support of your co operative and our people, and the consistent high quality of the milk you supply, which remains so critical to our success.

A sincere thank you to our customers and partners who value enduring relationships built on trust, innovation, and quality. Your confidence in our ability to meet your requirements inspires us to keep raising our standards and exploring new possibilities together.

Tatua remains co-operative at the core, and it is through shared commitment that we have achieved another successful year. We look forward to building upon our strong foundation and remain optimistic in outlook for another successful year ahead.


Stephen Allen
Chair


Brendhan Greaney
Chief Executive



Board of Directors

(Back L-R) David Walsh, Mark Dewdney, Louise Cullen, Richard Luxton, Julie Langley, Sarah Stevenson.
(Front L-R) Jackie Lloyd, Stephen Allen (Chair), David Muggeridge.

Welcome Sarah Stevenson and Jackie Lloyd



Sarah Stevenson

Sarah was elected to the Board in November 2024 as a farmer-elected Director; her journey in governance was supported by her participation in the Tatua Future Director’s Programme. As a seventh-generation dairy farmer, she is deeply passionate and hands-on in her approach to dairy farming.

In 2020, Sarah and her husband were named Waikato and New Zealand Share Farmers of the Year, recognising their dedication and excellence in the industry.

Sarah began her professional career as a Chartered Accountant with KPMG. Combining her practical farming expertise with corporate acumen, Sarah brings a unique and valuable perspective to her governance role on the Tatua Board.



Jackie Lloyd

Jackie joined the Board in November 2024 as an independent Director.

Jackie has a background in governance, business transformation, and people and culture. She is currently the Chair of Naylor Love Enterprises, where she has been a director since 2018. Jackie also serves on the Boards of CentrePort, the Museum of New Zealand and the Lion Foundation, where she is Deputy Chair. Additionally, until recently, she was the President of the Institute of Directors.

Jackie’s previous roles include Global Human Resources Director for the NZ Dairy Board and NZMP Fonterra. Jackie has a BA in Psychology and a B.Com. in Management and Marketing from Otago University. She is a Chartered Fellow of the Institute of Directors, a graduate of the University of Virginia Executive Development Programme, and a Member of Global Women and Women in Construction.

Delivering value through specialised nutrition

Our specialised nutrition portfolio has maintained a steady growth momentum, delivering value to our customers through our high-performance dairy ingredients that are designed to meet evolving nutritional and functional needs. Our protein hydrolysates, caseinates, and whey protein concentrates have supported innovation across a wide range of applications – from clinical nutrition and sports performance to mainstream food and beverage formulations.



\$299m

Second highest Ingredients revenue



+19%

Record Nutritionals revenue



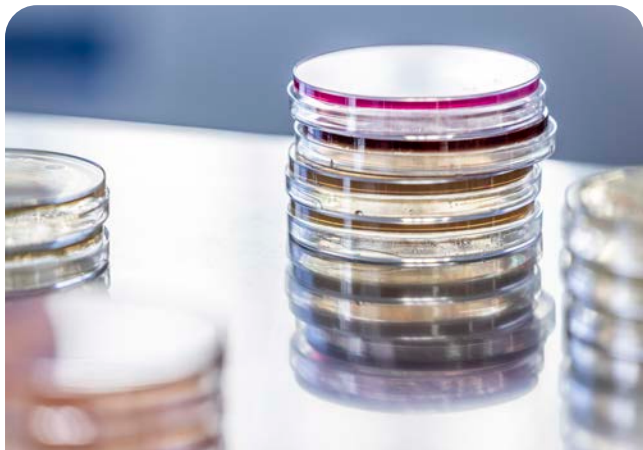
+17%

Hydrolysates revenue



+7%

Caseinate revenue



+41%

Bionutrients revenue



+5%

Specialty proteins revenue

Everyday indulgence: delivering results

Our specialty cream products have delivered another year of notable results, underpinned by favourable growth across foodservice, industrial and retail channels as well as the strengthening of distributor relationships in existing and emerging markets across Asia.

Looking ahead, future growth will be driven by targeted new innovation and new capacity—focused on expanding range and formats to meet evolving customer needs.

Our dairy flavour ingredients have continued to strengthen our value proposition, enabling cost-reduction and offering clean-label solutions that enhance taste and mouthfeel across a wide range of applications.

Tatua’s focus on quality, reliability, and innovation has enabled our customers to meet growing consumer demand for indulgent yet authentic dairy experiences. These results reflect the strength of our specialised dairy offering and the trust placed in us by our global customers.



+12%
Record Flavours revenue



+18%
Record Foods revenue



+41%
Anhydrous milkfat revenue



+8%
Aerosol cream revenue



+24%
Specialty cream products revenue—
sold in Ecolean packaging



+19%
Specialty cream products revenue—
sold in Bag in Box packaging

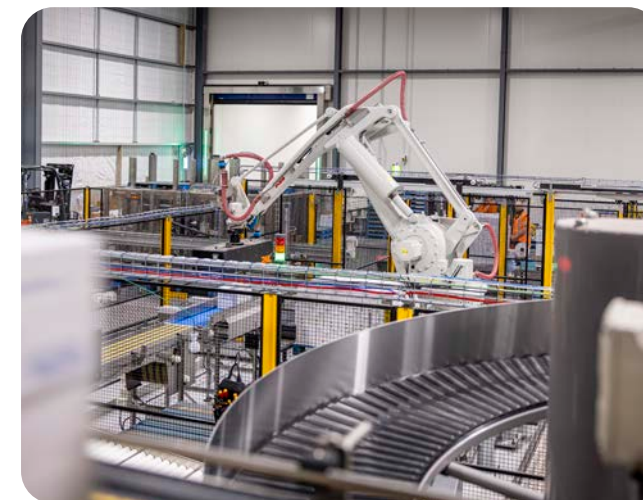
Investing for growth: committed to tomorrow

In response to sustained global demand and several years of operating at full capacity, Tatua undertook the largest capital investment in its history with the construction of a new manufacturing facility dedicated to specialised UHT cream products. Delivered ahead of schedule and under budget, the facility significantly enhances our ability to meet growing demand across food manufacturing, foodservice, and retail channels.

The project was a collaborative effort involving cross-functional teams, and its commissioning created valuable new employment opportunities within our local community. The site was formally blessed by Ngāti Hauā, reflecting our deep respect for local iwi and

the land on which we operate. Despite the scale of the build and the substantial number of work hours involved, the project was completed with an exceptional health and safety record—an outcome that speaks to the strength of our health and safety culture.

With production now underway, the facility is well-positioned to support future growth, underpinned by a strong pipeline of product innovation and a continued focus on delivering premium dairy solutions.



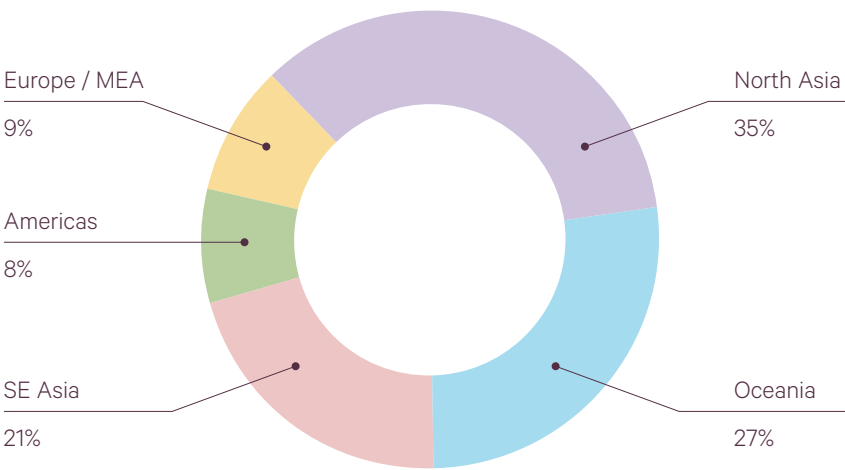
Our global business

In a year shaped by ongoing challenges in global trade, our teams have demonstrated resilience, agility, and a strong commitment to innovation. By working closely with customers across all our international markets, we've strengthened relationships and improved strategic partnerships.

Through collaborative product development and a focus on delivering tailored solutions, we've responded to evolving market needs and unlocked new opportunities. These efforts have been key to our record sales growth across our global footprint, reinforcing Tatua as a trusted business partner.



Sales by geographic region



Japan	Est. 2004	China	Est. 2015	USA	Est. 2015
Team based in Tokyo		Team based in Shanghai		Team based in Pennsylvania	
Business focus:		Business focus:		Business focus:	
Specialised nutritional ingredients for human and microbial applications		Specialised nutritional ingredients for human and microbial applications		North America and Europe	
Flavour ingredients for food and beverage manufacture		Flavour ingredients for food and beverage manufacture		Specialised nutritional ingredients for human and microbial applications	
Specialty cream products for foodservice and food and beverage manufacturing		Specialty cream products for foodservice and food and beverage manufacturing		Bulk ingredients—caseinates and whey protein concentrate (WPC)	
Bulk ingredients—caseinates and whey protein concentrate (WPC)		Bulk ingredients—caseinates and whey protein concentrate (WPC)			

Our teams in market: customer growth through local expertise

Across our subsidiaries, our teams remained focused on supporting customers in dynamic and evolving market conditions. In the USA and China, our local teams delivered their highest-ever revenue results, demonstrating resilience and agility amid ongoing macroeconomic uncertainty and trade disruptions. Meanwhile, our team in Japan achieved year-on-year growth in a challenging domestic market, underpinned by strong, long-standing customer relationships and a deep understanding of local needs.



China

China's GDP growth remained modest at ~5%, impacted by trade tensions and a shift toward domestic consumption during the year. Local milk prices hit 12-year lows, reducing farm milk supply, whilst dairy imports have recovered but remain below the highs of recent years.

Despite broader market challenges, Tatua Shanghai delivered a solid performance across all business units, with growth in both revenue and volume. Our Ingredients business achieved its highest annual caseinate sales volumes, supported by a stable market and consistent pricing while our Nutritionals portfolio saw continued growth, particularly in the medical nutrition segment.

Our Foods business performed well, with increased demand for mascarpone and sour cream, reflecting evolving trends in the bakery sector. Flavours also grew, supported by a refreshed focus on bakery and beverage applications. Cost optimisation remains a key priority for customers, with a growing trend toward replacing dairy fats with lower-cost vegetable fats, supported by Tatua's flavour solutions.

Tatua Shanghai participated in the NZ Bakery Event, held during the New Zealand Prime Minister's visit to China, showcasing Tatua's commitment to the bakery sector in China; and the team hosted Tatua Directors twice during the year, strengthening key customer relationships.



Japan

In Japan, inflation remained elevated throughout the year, with the Japanese yen continuing to weaken. Rising rice prices and broader cost increases across consumer goods have impacted household budgets. While economic and political uncertainty continues, wage growth and strong inbound tourism have supported domestic consumption.

Tatua Japan recorded its second-highest annual sales in the Ingredients, Flavours, and Nutritionals business units. Specialised nutrition products maintained steady demand, supported by Japan's aging population and advanced healthcare system. Our Flavours and Foods business growth was driven by steady demand in the bakery and foodservice sectors, while the hot summer weather increased demand for ice cream.

During the year, the Tokyo based team hosted two market visits, one by the Tatua Chair and another by Tatua Directors, further strengthening our long-term customer partnerships. The team also welcomed two new members during the year.



USA

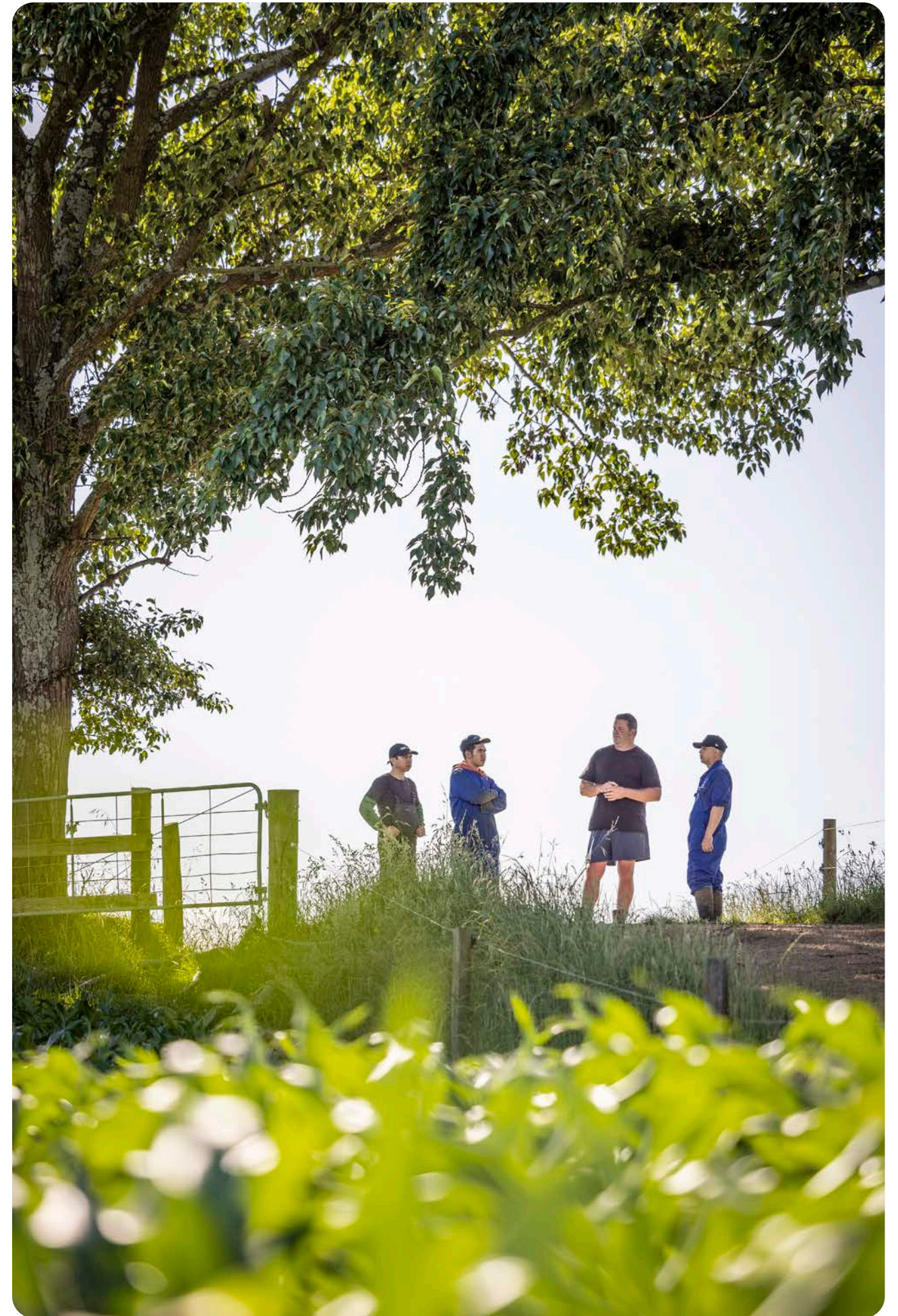
The broader economic environment in the USA remained uncertain and challenging, shaped by shifting trade policies and ongoing geopolitical tensions, with tariffs and the threat of East Coast port strikes presenting notable challenges. Thanks to our in-market warehousing and agile supply chain, we were able to maintain service continuity and minimise disruption.

Amid the complex market landscape, our US team delivered solid revenue growth, with particularly strong performance in our Nutritionals portfolio. This reflects the continued trust our customers place in our specialised offerings and the strength of our long-standing relationships.

The Tatua USA team also experienced several team changes, including new hires, internal promotions, and leadership transition. These developments have further strengthened our capabilities and positioned us well for the future. We remain focused on supporting our people and customers through the dynamic business environment.



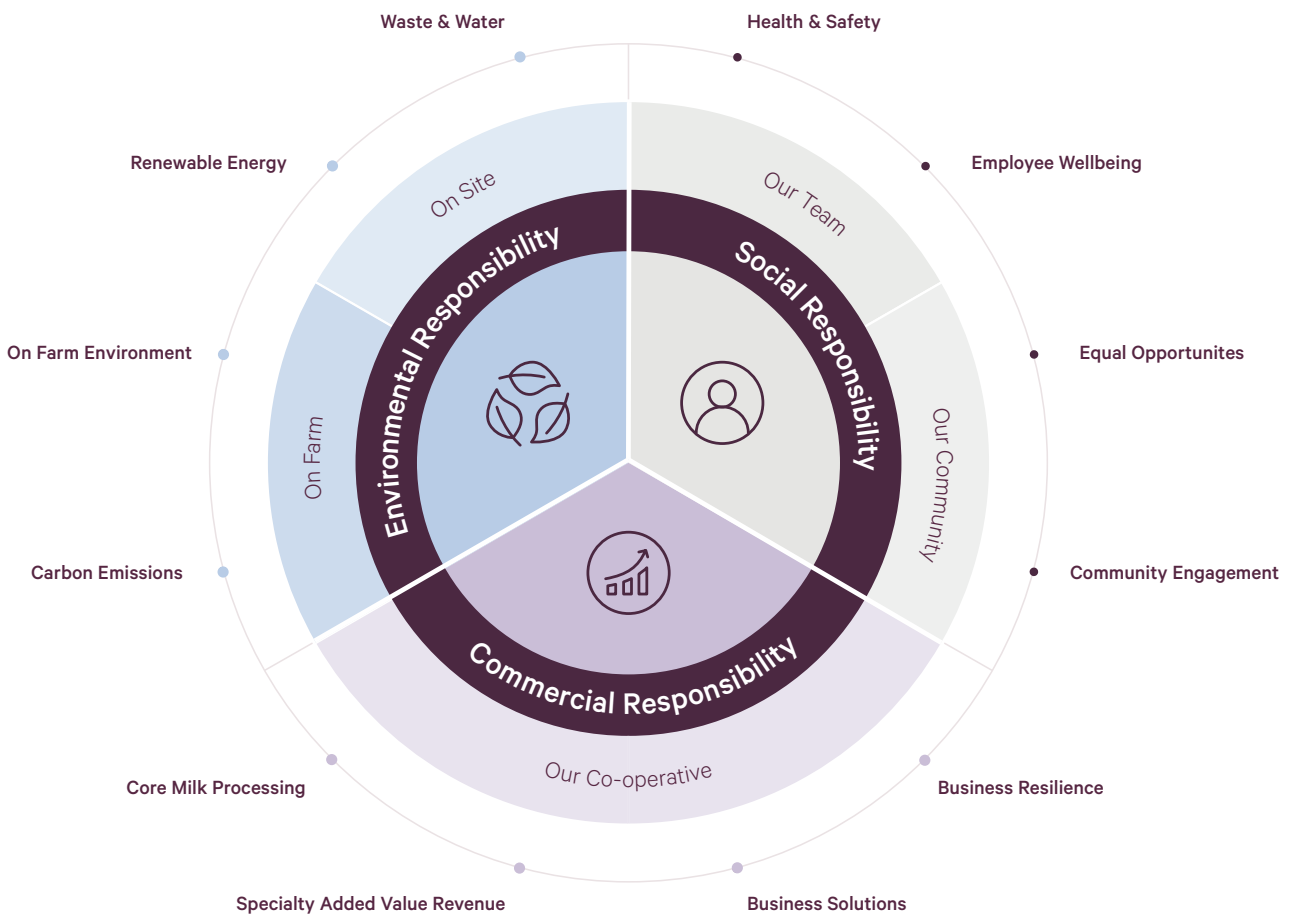
We're building a
sustainable future
together.





Steps on our sustainability journey

As a co-operative, we take our social and environmental responsibilities seriously. We are focused on building a resilient and sustainable future, including working towards reducing our carbon footprint across our manufacturing site and supply chain. Sustainable practices are promoted on all our supply farms—to ensure we protect our land, care for our people and animals, and preserve the environment for future generations.

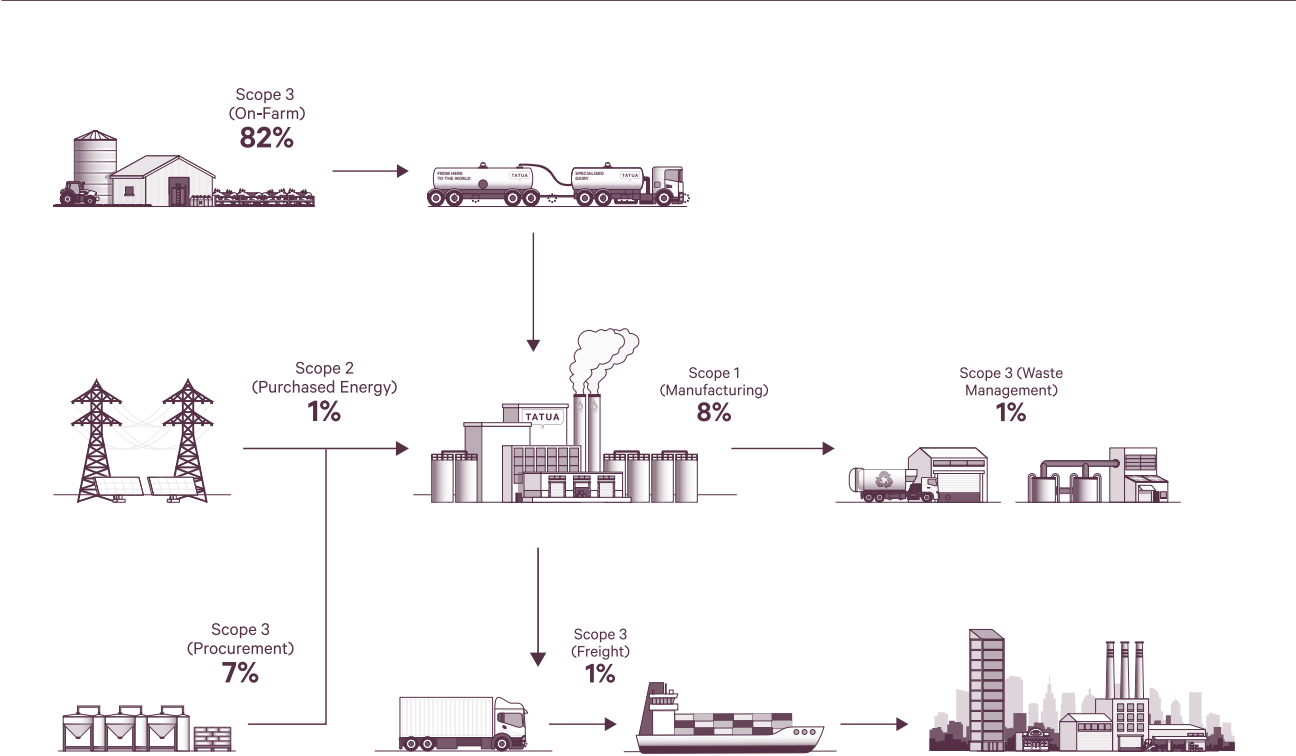


Our sustainability framework encompasses three key areas of responsibility—environmental, social and commercial, which are underpinned by our pillars:

- Promote responsible farming
- Improve environmental performance
- Care for our people
- Support our community
- Deliver for our co-operative

Our carbon footprint

Where do our emissions come from?



As part of our ongoing sustainability journey, we remain committed to reducing our carbon footprint across both our manufacturing site and wider supply chain.

During the past two years, we have been actively measuring our emissions and have now set near-term reduction targets. These are supported by detailed roadmaps that outline specific actions, their expected impact, and the challenges we anticipate in achieving them.

We continue to invest in research into emission reduction technologies and how they can be utilised to support global efforts to limit warming and mitigate climate change. We recognise that progress will not be linear; fluctuations due to climatic conditions, regulatory changes, and economic uncertainty are expected.

As a dairy processor, most of our emissions—82% are Scope 3, originating from our supply farms. Reducing these emissions is a shared responsibility, and we are working closely with our milk suppliers through Tatua360, our on-farm responsible farming programme, to foster continuous improvement.

Sustainable procurement is also a key focus. We are committed to improving the measurement of Scope 3 emissions related to the ingredients and packaging we procure. This includes strengthening collaboration with suppliers and service providers beyond our milk supply, to ensure our sustainability efforts are comprehensive.

Case study — Genetic gain drives emissions reduction



Richard Luxton is proving that smart breeding decisions can deliver both environmental and economic benefits. By focusing on the genetic profile of his dairy herd, Richard has implemented a targeted mating strategy that prioritises performance and sustainability.

Only the top-producing cows in his herd are selected to be mated for dairy replacements, while lower producers are bred to beef genetics. All replacements are DNA-tested, enabling confident identification of superior animals to support informed breeding decisions.

Each year, Richard rears more replacements than needed, allowing him to sell off the lowest Breeding Worth (BW) animals before they enter the milking herd. This accelerates the genetic progress of his herd, further lifting overall Breeding Worth.

Over time, Richard has reduced his herd size by approximately 150 cows, including 30 fewer cows this season alone. This reduction in numbers has not had an impact on milk production, which means he’s producing the same output with fewer animals, leading to a significant reduction in on-farm emissions.

This strategy has improved environmental outcomes and enhanced profitability. Fewer cows means lower operational costs, while maintaining production levels ensures revenue remains strong.

By aligning breeding decisions with performance data and sustainability goals, Richard has provided a great example of how genetic innovation can support both environmental stewardship and financial resilience, paving a positive pathway toward a low-emissions future for dairy farming.

Co-operative at the core: our people and community

We are committed to a supportive workplace where our people feel engaged and have a sense of belonging. We also actively support initiatives that strengthen and enrich our community.

COMMITTED TO TOMORROW

We encourage innovation to forge our own path for a thriving future.

EVERYDAY GOOD PEOPLE

We take pride in doing our best, with care and integrity.

CO-OPERATIVE AT THE CORE

We create shared success for our people, shareholders, customers and community.

Elevating our purpose and culture

Our Company Values are central to shaping our culture and guiding how we work—with integrity and purpose.

This year, we undertook a comprehensive refresh of our values to ensure they reflect who we are today, and who we aspire to be tomorrow.

The process was inclusive and robust, beginning with a company-wide survey, followed by focus groups and interviews across our business. A cross section of employees confirmed alignment to the final selected values.

In June, we launched the new Company Values—designed to strengthen our shared sense of purpose and support our long-term strategy.

Investing in learning and development

We launched an updated electronic learning management system to enhance learning and development across the business. The system has improved key processes such as new employee inductions, on-the-job competency assessments, and the administration of instructor-led training for our teams.



Upholding ethical and safe workplace

A regular Sedex Members Ethical Trade Audit (SMETA) audit was successfully completed this year. The SMETA audit independently assesses our practices across labour standards, health and safety, environmental responsibility, and business ethics. We are proud to have passed with no non-conformances, reaffirming our commitment to providing a safe, fair, and respectful workplace.



Promoting health and wellbeing

We have supported the health and wellbeing of our people through a wide range of initiatives and activities designed to encourage physical activity, mental wellness, and community connection. Our teams have held a number of health and wellbeing events throughout the year, including a photo competition, our annual Tatua step challenge, the corporate cycle challenge, Daffodil Day fundraising activities for the Cancer Society, Round the Bridges fun run, bootcamp sessions, the Kirikiriroa marathon and our shareholder and employee big day out. In addition, money month seminars were hosted to support the financial wellbeing of our team.

These initiatives reflect our ongoing commitment to fostering a workplace culture where wellbeing is prioritised, and our people feel supported to thrive.

As a co-operative, our connection to community is a part of who we are. We proudly support and engage with our local community through a range of initiatives that reflect our values.



Supporting local education

We provided financial contributions to four local schools, helping to support student success in sports, technology and educational activities this year, including support for a new playground and for our local combined school's agricultural day.

Backing community events

We proudly supported a diverse range of community organisations during the year—from charities and schools to sports teams and rural events—through product donations. Our efforts strengthened local fundraising initiatives and helped these groups continue their valuable work within the community.

Sharing insights and connections

Our people hosted and participated in speaking engagements with schools, community groups, and industry organisations—sharing insights, building connections, and inspiring future generations.

Strengthening iwi relationships

We continued to nurture our relationship with Ngāti Hauā, recognising the importance of partnership, respect, and shared purpose.

These activities reflect our ongoing commitment to being part of our community, and we're proud to support the everyday good people who make it thrive.



Financial Performance
Summary



2024/25 In Review

Total underlying revenue

\$578m

Group surplus

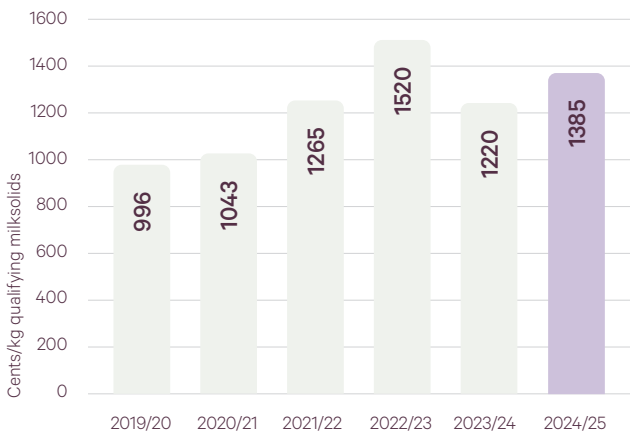
\$13.85 per kilogram of qualifying milksolids

Payout to shareholders

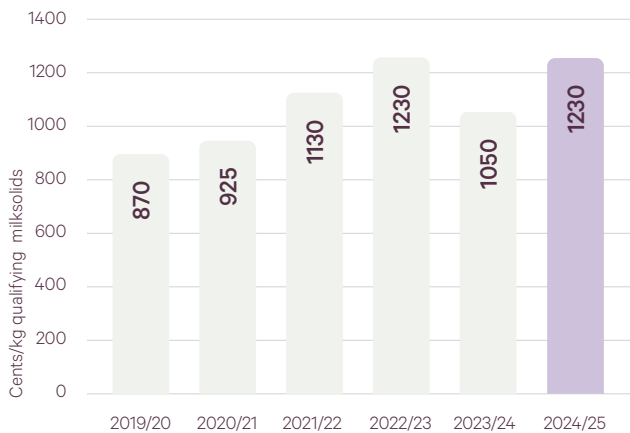
\$12.30 per kilogram of qualifying milksolids

Summary	2024/25	2023/24
Total milk received from shareholders (litres)	169,877,002	167,995,011
Qualifying milksolids received from shareholders (kilograms)	15,199,286	15,161,942
Total underlying revenue (\$)	578,300,906	495,479,845
Group profit before payout & tax (cents/kilogram qualifying milksolids)	1,385	1,220
Group profit before payout & tax (cents/kilogram milksolids)	1,376	1,218
Cash payout to shareholders (cents/kilogram qualifying milksolids)	1,230	1,050
Group depreciation (cents/kilogram qualifying milksolids)	122	121
Capital expenditure (\$)	69,147,841	35,685,864
Group assets (\$)	477,288,192	392,831,515
Year-end gearing ratio: (% debt to debt plus members funds)	31	23

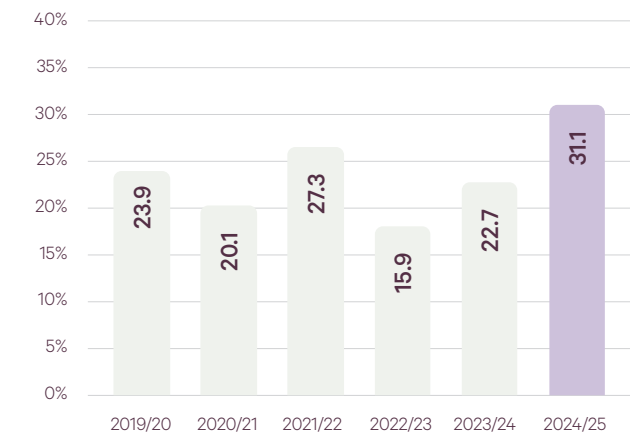
Group surplus before payout and tax



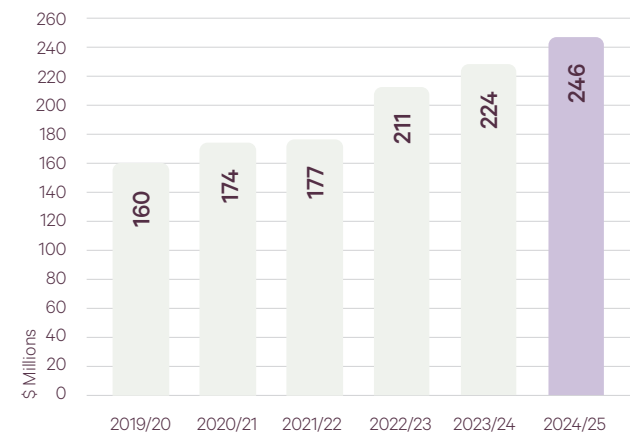
Payout—income equivalent



Gearing (% debt to debt plus members funds)



Members funds



Statutory information

for the year ended 31 July 2025

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 2025 that, in the opinion of the Board, the Group has been a co-operative company during the year ended 31 July 2025 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 CEO;
- Setting the terms of CEO 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 CEO 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 Richard Luxton and Mark Dewdney were re-elected during the year and Jackie Lloyd and Sarah Stevenson were newly elected.

Board Meetings Held During the Year

Board Members	Meetings Attended	Meetings Eligible
Stephen Allen (Chair)	7	7
Louise Cullen	7	7
Mark Dewdney	7	7
Julie Langley	7	7
Richard Luxton	7	7
David Muggeridge	7	7
Peter Schuyt	2	2
David Walsh	7	7
Jackie Lloyd	6	6
Sarah Stevenson	5	5

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	\$138,333
Louise Cullen	\$87,167
Mark Dewdney	\$69,167
Julie Langley	\$69,167
Richard Luxton	\$87,167
David Muggeridge	\$69,167
Peter Schuyt	\$22,500
David Walsh	\$87,167
Sarah Stevenson	\$46,667
Jackie Lloyd	\$49,444
	\$725,944

Directors' Shareholdings

At 31 July 2025 Directors held the following shares in the Group:

	Beneficially Held	Non-Beneficially Held	Held By Associated Persons
Stephen Allen	3,221,330	-	-
Louise Cullen	3,158,360	-	-
Mark Dewdney	2,799,910	-	-
Julie Langley	916,870	-	-
Richard Luxton	3,920,490	-	-
David Muggeridge	1,259,720	-	-
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 2025 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	32
\$110,000 - \$119,999	20
\$120,000 - \$129,999	46
\$130,000 - \$139,999	49
\$140,000 - \$149,999	45
\$150,000 - \$159,999	51
\$160,000 - \$169,999	24
\$170,000 - \$179,999	17
\$180,000 - \$189,999	13
\$190,000 - \$199,999	11
\$200,000 - \$209,999	5
\$210,000 - \$219,999	5
\$220,000 - \$229,999	1
\$230,000 - \$239,999	1
\$240,000 - \$249,999	3
\$250,000 - \$259,999	2
\$260,000 - \$269,999	2
\$270,000 - \$279,999	1
\$290,000 - \$299,999	2
\$300,000 - \$309,999	2
\$350,000 - \$359,999	2
\$370,000 - \$379,999	1
\$410,000 - \$419,999	2
\$420,000 - \$429,999	1
\$430,000 - \$439,999	1
\$610,000 - \$619,999	1
\$1,340,000 - \$1,349,999	1
	341

Donations & Grants

Donations and grants for the year ended 31 July 2025 were \$70,000 (Community and Educational Support) (2024: \$65,000).

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
Mark Dewdney	Director	AgResearch Ltd
	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
	Shareholder	Livestock Improvement Corporation Limited
Julie Langley	Director, Shareholder	KM & JL Langley Limited
	Shareholder	Langley Foods Ltd

Director	Position	Company
Jackie Lloyd (joined November 2024)	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
	President (retired May 25)	Institute of Directors
Richard Luxton	Director, Shareholder	Aslan Farms Ltd
	Director	MDLP General Partner Ltd
	Partner	Matangi Dairies LP
	Director, Shareholder	Marire Holdings Ltd
	Director	Marire General Partner Ltd
	Partner	Marire LP
	Shareholder	Luxschol Corporate Trustee Limited
David Muggeridge	Director, Shareholder	Muggeridge Farms Ltd
	Trustee	DP & MA Muggeridge Family Trust
Peter Schuyt (retired November 2024)	Director	Tax Management NZ Ltd
	Director	Foodstuffs North Island Ltd
	Director, Shareholder	Ahikouka Holdings Ltd (in liquidation)
	Shareholder	Greenleaf Fresh Ltd (in liquidation)
	Director, Shareholder	Schuyt Investments Ltd
Sarah Stevenson (joined November 2024)	Trustee	Schuyt Family Trust
	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
David Walsh	Beneficiary	KB Williams Estate
	Director	Datam Ltd
	Director	New Zealand Post Australia Holdings Pty 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

Balance Sheet

as at 31 July 2025

	Note	GROUP	
		2025 (\$)	2024 (\$)
Current Assets			
Cash and Cash Equivalents	14	40,450,575	29,888,474
Derivatives	18	4,256,151	4,205,046
Receivables and Prepayments	13	75,914,009	66,811,357
Tax Receivable		156,175	177,341
Inventories	12	134,629,674	119,437,609
Biological Assets		1,201,155	908,542
Total Current Assets		256,607,739	221,428,369
Non Current Assets			
Property, Plant and Equipment	9	211,291,404	161,206,808
Investment Property	11	1,500,000	1,500,000
Intangible Assets	10	1,671,797	2,492,120
Derivatives	18	2,546,567	564,806
Deferred Tax Asset	8	2,709,761	4,709,124
Equity Accounted Investments		960,924	930,288
Total Non Current Assets		220,680,453	171,403,146
Total Assets		477,288,192	392,831,515
Current Liabilities			
Loans and Borrowings	16	78,910,255	43,855,056
Derivatives	18	1,875,545	5,585,276
Accounts Payable and Accruals	17	39,403,178	33,702,473
Tax Payable		1,641,234	902,285
Owing to Suppliers		35,844,701	30,278,567
Total Current Liabilities		157,674,913	114,323,657
Non Current Liabilities			
Loans and Borrowings	16	72,485,444	51,823,899
Derivatives	18	938,170	2,189,413
Total Non Current Liabilities		73,423,614	54,013,312
Total Liabilities Excluding Co-operative Shares		231,098,527	168,336,969
Classified as a Liability			
PLUS Co-operative Shares	15	75,879,345	75,935,135
Total Liabilities		306,977,872	244,272,104
Net Assets		170,310,320	148,559,411
Equity			
Retained Earnings		157,717,125	140,929,998
Reserves		12,593,195	7,629,413
Equity		170,310,320	148,559,411
Members Funds Memorandum Account:			
Co-operative Shares Classified as a Liability	15	75,879,345	75,935,135
Retained Earnings		157,717,125	140,929,998
Reserves		12,593,195	7,629,413
Total Members Funds		246,189,665	224,494,546

For and on behalf of the Board:

SB Allen Chairman of Directors
10 October 2025

DJ Walsh Chairman of Audit, Risk and Compliance Committee
10 October 2025

Statement of Comprehensive Income

for the Year Ended 31 July 2025

	Note	GROUP	
		Year Ended 31 July 2025 (\$)	Year Ended 31 July 2024 (\$)
Profit or Loss Items			
Revenue from Contracts with Customers	3	572,689,313	486,407,028
less Payments for Own Milk Supplied		(190,408,485)	(159,710,153)
less Other Cost of Sales		(299,673,772)	(248,443,993)
Gross Profit		82,607,056	78,252,882
plus Other Income	3	1,168,086	1,342,328
less Sales and Marketing Expenses		(37,660,910)	(35,766,932)
less Administration Expenses	4	(18,160,084)	(17,041,731)
Profit from Operating Activities		27,954,148	26,786,547
Finance Income	6	1,136,844	5,305,074
less Finance Expenses	6	(5,571,530)	(6,361,995)
Net Finance Income/(Expense)		(4,434,686)	(1,056,921)
Profit before Income Tax		23,519,462	25,729,626
less Income Tax Expense	7	(6,732,335)	(8,028,566)
Net Profit		16,787,127	17,701,060
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
Movement in Land Revaluation Reserve		-	(234,949)
Items that may be reclassified subsequently to profit or loss:			
Change in Fair Value of Cash Flow Hedges		6,406,135	(8,580,142)
Movement in Foreign Exchange Reserve		351,365	222,813
Tax Relating to Items that May be Reclassified	8	(1,793,718)	2,402,440
Other Comprehensive Income for the Year		4,963,782	(6,189,838)
Total Comprehensive Income		21,750,909	11,511,222

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 2025

GROUP	Translation Reserve (\$)	Hedging Reserve (\$)	Revaluation Reserve (\$)	Retained Earnings (\$)	Total Equity (\$)
Balance at 1 August 2023	(194,324)	3,751,626	10,261,949	123,228,938	137,048,189
Other Comprehensive Income					
Movement in Foreign Exchange Reserve	222,813	-	-	-	222,813
Movement in Land Revaluation Reserve	-	-	(234,949)	-	(234,949)
Movement in Hedging Reserve, Net of Tax	-	(6,177,702)	-	-	(6,177,702)
Total Other Comprehensive Income	222,813	(6,177,702)	(234,949)	-	(6,189,838)
Profit for the Period	-	-	-	17,701,060	17,701,060
Total Comprehensive Income	222,813	(6,177,702)	(234,949)	17,701,060	11,511,222
Balance at 31 July 2024	28,489	(2,426,076)	10,027,000	140,929,998	148,559,411
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

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 2025

	Note	GROUP	
		Year Ended 31 July 2025 (\$)	Year Ended 31 July 2024 (\$)
Cash Flows From Operating Activities			
Cash was provided from:			
Receipts from Customers		563,409,217	485,793,745
Interest Received		1,098,486	1,562,888
		564,507,703	487,356,633
Cash was applied to:			
Payments for Milk		(184,842,352)	(166,275,822)
Payments to Creditors and Employees		(344,290,641)	(290,971,575)
Interest Paid		(8,032,762)	(6,704,147)
Taxation Paid		(5,766,574)	(16,248,993)
		(542,932,329)	(480,200,537)
Net Cash Flows From / (Applied To)			
Operating Activities	20	21,575,374	7,156,096
Cash Flows From Investing Activities			
Cash was provided from:			
Proceeds From Sale of Property, Plant and Equipment		74,830	282,147
Proceeds From Sale of Investments		190,000	169,460
		264,830	451,607
Cash was applied to:			
Acquisition of Property, Plant and Equipment		(66,707,349)	(34,865,943)
Acquisition of Intangible Assets		(231,707)	(315,864)
		(66,939,056)	(35,181,807)
Net Cash Flows From / (Applied To)			
Investing Activities		(66,674,226)	(34,730,200)
Cash Flows From Financing Activities			
Cash was provided from:			
Increase in Co-operative Shares	15	2,221,075	3,127,305
Proceeds from Borrowings		56,130,360	21,982,999
		58,351,435	25,110,304
Cash was applied to:			
Decrease in Co-operative Shares	15	(2,276,865)	(1,328,215)
Repayment of Borrowings		(413,617)	(774,621)
		(2,690,482)	(2,102,836)
Net Cash Flows From / (Applied To)			
Financing Activities		55,660,953	23,007,468
Net Increase / (Decrease) in Cash and Cash Equivalents			
Add: Opening Cash and Cash Equivalents Balance		10,562,101	(4,566,636)
		29,888,474	34,455,110
Closing Cash and Cash Equivalents Balance	14	40,450,575	29,888,474

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



Image courtesy of Nourish Magazine.

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 2025. At 31 July 2025 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 10 October 2025.

(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

There are no new standards or interpretations that have a material impact on the Group for the year ending 31 July 2025.

3 — OPERATING REVENUE & OTHER INCOME

	GROUP	
	2025 (\$)	2024 (\$)
Revenue from contracts with customers	572,689,313	486,407,028
Other Income		
Rental Income from Investment Property	82,500	77,522
Rental Income from Residential Property	65,780	64,073
Fair Value movement in Investment Property	-	25,000
Insurance Claim Proceeds	-	32,085
MilkTest NZ LP Income	221,844	222,515
Waste Water Disposal Revenue	290,042	301,874
Sundry Income	507,920	619,260
Total Other Income	1,168,086	1,342,328
Total Revenue	573,857,399	487,749,356

	GROUP	
	2025 (\$)	2024 (\$)
Analysis of revenue from contracts with customers		
Nature of Revenue		
Sale of goods	572,643,964	480,973,284
Royalties/Commissions	45,349	5,433,744
	572,689,313	486,407,028
Timing of revenue recognition		
At a point in time	555,521,239	464,671,094
Over time	17,168,074	21,735,934
	572,689,313	486,407,028
Disaggregation of Revenue		
Australasia (NZ and AUS)	156,723,815	135,996,759
Asia / Pacific	327,085,848	275,427,596
Americas / Europe	82,975,826	73,598,818
Other	5,903,824	1,383,855
	572,689,313	486,407,028

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 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	2025 (\$)	2024 (\$)
Revenue from Contracts with Customers	3	572,689,313	486,407,028
Other Income	3	1,168,086	1,342,328
Net Foreign Exchange Loss	6	38,358	3,742,186
Agency Shipping costs offset		4,405,149	3,988,303
Total Underlying Revenue		578,300,906	495,479,845

4 — ADMINISTRATION EXPENSES

The following items are included in administration expenses:

Directors’ Fees

Directors’ Expenses*

* Directors expenses include costs incurred by the company 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.

Auditors Remuneration (KPMG)

Audit of Financial Statements

Other Services**

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

GROUP	
2025 (\$)	2024 (\$)
725,944	654,583
106,038	117,873

334,242	316,619
39,735	86,034

5 — PERSONNEL EXPENSES

	GROUP	
	2025 (\$)	2024 (\$)
Wages and Salaries	61,660,904	58,685,724
Superannuation Contributions and Other Employee Related Expenses	6,076,110	5,987,468
Change in Liability for Short-term Employee Benefits (Annual Leave and Days in Lieu)	1,033,435	(31,426)
	68,770,449	64,641,766
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

Recognised in Profit or Loss	GROUP	
	2025 (\$)	2024 (\$)
Interest Income	1,098,486	1,562,888
Net Foreign Exchange Gain	38,358	3,742,186
Total Finance Income	1,136,844	5,305,074
Net Foreign Exchange Loss	-	-
Financial Overheads	(26,133)	(30,445)
Interest Expense on External Borrowings	(5,545,397)	(6,331,550)
Total Finance Expense	(5,571,530)	(6,361,995)
Net Finance Income / (Expense)	(4,434,686)	(1,056,921)

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	
	2025 (\$)	2024 (\$)
Current Tax Expense		
Current Period	6,665,107	6,736,799
Adjustment for Prior Periods	(138,415)	(676,925)
	6,526,692	6,059,874
Deferred Tax Expense		
Origination and Reversal of Temporary Differences	83,478	1,318,726
Adjustment for Prior Periods	122,165	649,966
	205,643	1,968,692
Total Income Tax Expense	6,732,335	8,028,566

Reconciliation of Effective Tax Rate	GROUP			
	2025 (%)	2025 (\$)	2024 (%)	2024 (\$)
Profit for the Period	-	16,787,127	-	17,701,060
Total Income Tax Expense	-	6,732,335	-	8,028,566
Profit Excluding Income Tax	-	23,519,462	-	25,729,626
Income Tax Using the Group's Domestic Tax Rate	28.0	6,585,449	28.0	7,204,299
Impact of Tax Rate in Foreign Countries	(0.1)	(30,742)	(0.3)	(65,370)
Investment Property Revaluation	0.0	-	(0.0)	(7,000)
Non-deductible Expenses	0.8	194,882	0.6	144,637
Legislative Change of Depreciation on Buildings	(0.0)	(1,005)	3.0	778,959
Under/(Over) Provided in Prior Periods	(0.1)	(16,250)	(0.1)	(26,959)
	28.6	6,732,334	31.2	8,028,566

Income Tax Recognised Directly in Other Comprehensive Income	GROUP	
	2025 (\$)	2024 (\$)
Income Tax on Derivatives	(1,793,718)	2,402,440

Imputation Credits	GROUP	
	2025 (\$)	2024 (\$)
Imputation Credits Available for use in Subsequent Reporting Periods	61,430,856	55,101,685

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		Liabilities		Net	
	2025 (\$)	2024 (\$)	2025 (\$)	2024 (\$)	2025 (\$)	2024 (\$)
Deferred tax assets (liabilities) are attributable to the following:						
Property, Plant and Equipment	10,939	-	(661,906)	(720,446)	(650,967)	(720,446)
Investment Property	-	-	(96,275)	(77,199)	(96,275)	(77,199)
Derivatives	-	949,442	(844,276)	-	(844,276)	949,442
Inventory	1,763,613	2,381,644	-	-	1,763,613	2,381,644
Provisions and Accruals	2,488,404	2,175,683	-	-	2,488,404	2,175,683
Other items	49,262	-	-	-	49,262	-
Tax Assets /(Liabilities)	4,312,218	5,506,769	(1,602,457)	(797,645)	2,709,761	4,709,124

Movement in Temporary Differences During The Year	Balance	Recognised in	Recognised in	Balance	Recognised in	Recognised in	Balance
	31 July 2023 (\$)	Profit or Loss (\$)	OCI (may be reclassified subsequently to P&L) (\$)	31 July 2024 (\$)	Profit or Loss (\$)	OCI (may be reclassified subsequently to P&L) (\$)	31 July 2025 (\$)

Deferred tax assets and liabilities are attributable to the following:							
Property, Plant and Equipment	583,121	(1,303,567)	-	(720,445)	69,478	-	(650,967)
Investment Property	(77,199)	-	-	(77,199)	(19,076)	-	(96,275)
Derivatives	(1,452,998)	-	2,402,440	949,442	-	(1,793,718)	(844,276)
Inventory	2,745,290	(363,646)	-	2,381,643	(618,030)	-	1,763,613
Provisions and Accruals	2,304,748	(129,065)	-	2,175,683	312,721	-	2,488,404
Other items	172,412	(172,412)	-	0	49,262	-	49,262
Deferred Tax Assets /(Liabilities)	4,275,374	(1,968,690)	2,402,440	4,709,124	(205,645)	(1,793,718)	2,709,761

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 2023	14,659,000	3,957,902	68,834,939	251,845,153	3,904,772	12,931,413	1,751,644	357,884,823
Additions	-	55,918	1,053,571	12,821,094	1,248,658	34,772,704	913,160	50,865,105
Revaluation of Land to Fair Value	(234,949)	-	-	-	-	-	-	(234,949)
Disposals	-	-	-	(408,646)	(1,094,199)	-	(561,347)	(2,064,192)
Capitalisation of Work in Progress	-	-	-	-	-	(15,495,713)	-	(15,495,713)
Effect of Movement in Exchange Rates	-	-	-	(8,269)	-	-	3,726	(4,543)
Balance at 31 July 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
DEPRECIATION AND IMPAIRMENTS								
Balance at 1 August 2023	-	2,454,697	23,585,926	183,139,569	3,227,553	-	757,924	213,165,669
Depreciation	-	171,490	2,043,248	15,142,877	524,328	-	583,204	18,465,147
Disposals	-	-	-	(381,317)	(1,071,345)	-	(432,182)	(1,884,844)
Effect of Movement in Exchange Rates	-	-	-	(2,034)	-	-	(215)	(2,249)
Balance at 31 July 2024	-	2,626,187	25,629,174	197,899,095	2,680,536	-	908,731	229,743,723
CARRYING AMOUNTS								
At 1 August 2023	14,659,000	1,503,205	45,249,013	68,705,584	677,219	12,931,413	993,720	144,719,154
At 31 July 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 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

POLICY

(a) Recognition and Measurement of Assets at Cost

Items of property, plant and equipment (except land and improvements) 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 \$2,487,365 (2024: \$372,598).

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—2 to 13 years

(c) Impairment

At each reporting date, the Group reviews its assets to determine whether there is any indication of impairment. At 31 July 2025 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 full revaluation was not undertaken as at 31 July 2025. The most recent full revaluation was completed as at 31 July 2024 by Property Advisory Limited and Savills (NZ) Limited, both independent registered valuers. At that time, the land was valued at \$14.424 million, and this value is not considered to have materially changed. 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. The value of the land at cost is \$4,397,051 (2024: \$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 2025, the Group entered into contracts to purchase plant and equipment. The balance outstanding at balance date is \$959,070 (2024: \$786,113). 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 2023	12,291,988	12,291,988
Additions	316,474	316,474
Disposals	(53,920)	(53,920)
Balance at 31 July 2024	12,554,542	12,554,542
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
AMORTISATION AND IMPAIRMENT LOSSES		
Balance at 1 August 2023	8,860,621	8,860,621
Amortisation for the Year	1,255,112	1,255,112
Disposals	(53,311)	(53,311)
Balance at 31 July 2024	10,062,422	10,062,422
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
CARRYING AMOUNTS		
At 1 August 2023	3,431,367	3,431,367
At 31 July 2024	2,492,120	2,492,120
At 1 August 2024	2,492,120	2,492,120
At 31 July 2025	1,671,797	1,671,797

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 10 years

11 — INVESTMENT PROPERTY

	GROUP	
	2025 (\$)	2024 (\$)
Balance at 1 August	1,500,000	1,475,000
Change in Fair Value	-	25,000
Balance at 31 July	1,500,000	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 in the prior year, by Savills

New Zealand, independent registered valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. This value is not considered to have materially changed in the current year.

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

12 — INVENTORIES

	GROUP	
	2025 (\$)	2024 (\$)
Finished Goods	111,354,467	96,557,155
Raw Materials	23,275,207	22,880,454
Total Inventories	134,629,674	119,437,609

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 \$5,694,511 (2024: \$3,065,990) relating to inventory that had a net realisable value less than its cost of manufacture.

GROUP	2025 (\$)	2024 (\$)
Inventory valued at net realisable value included in finished goods above:	5,112,959	2,165,371

13 — RECEIVABLES & PREPAYMENTS

	GROUP	
	2025 (\$)	2024 (\$)
Trade Receivables	68,532,094	59,775,166
Prepayments and Sundries	7,381,915	7,036,191
	75,914,009	66,811,357

	USD (\$)	AUD (\$)	JPY (¥)	CNY (¥)
Trade Receivables Denominated in Foreign Currencies				
2025	15,512,942	6,322,338	1,471,588,108	40,229,725
2024	12,707,344	4,099,071	1,486,416,337	26,498,286

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	
	2025 (\$)	2024 (\$)
JPY Bank Deposits	13,767,621	7,949,404
USD Bank Deposits	456,874	406,584
CNY Bank Deposits	10,521,794	6,733,347
NZD Bank Deposits	15,704,286	14,799,140
Cash and Cash Equivalents in the Statement of Cash Flows	40,450,575	29,888,475

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:

	2025		2024	
	Shares	(\$)	Shares	(\$)
Shares at the beginning of the Year	151,870,270	75,935,135	148,272,090	74,136,045
Shares Issued	4,442,150	2,221,075	6,254,610	3,127,305
Shares Repurchased	(4,553,730)	(2,276,865)	(2,656,430)	(1,328,215)
Fully Paid Shares at the end of the Year	151,758,690	75,879,345	151,870,270	75,935,135

TREASURY STOCK	2025		2024	
	Shares	(\$)	Shares	(\$)
Shares at the beginning of the Year	439,625	219,813	4,037,805	2,018,903
Shares Issued	(4,442,150)	(2,221,075)	(6,254,610)	(3,127,305)
Shares Repurchased	4,553,730	2,276,865	2,656,430	1,328,215
Balances at the end of the year	551,205	275,603	439,625	219,813

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.

	2025 (\$)	2024 (\$)
Current		
JPY Bank Loans	3,403,290	3,314,917
USD Bank Loans	5,071,851	5,083,023
NZD Bank Loans	70,000,000	35,000,000
Lease Liabilities	435,114	457,116
	78,910,255	43,855,056
Non Current		
NZD Bank Loans	72,000,000	51,000,000
Lease Liabilities	485,444	823,899
	72,485,444	51,823,899
Total Loans and Borrowings	151,395,699	95,678,955

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
2024	Currency	Nominal Interest Rate	Year of Maturity	Face Value	Carrying Amount (NZD)
Current	JPY	1.28%	2025	300,000,000	3,314,917
	USD	6.04%	2025	3,000,000	5,083,023
	NZD	6.38%	2025	35,000,000	35,000,000
	NZD	1.33%-8.04%	2025	457,116	457,116
Non Current	NZD	6.47%-6.59%	2026-2027	51,000,000	51,000,000
	NZD	1.33%-8.04%	2025-2034	823,899	823,899

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 \$38 million, JPY 700 million (2024: NZD \$94million, JPY 700 million). The JPY and USD loans are held by the respective subsidiaires. 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	
	2025 (\$)	2024 (\$)
Trade Payables	11,180,497	14,187,650
Employee Entitlements	12,020,438	10,987,003
Income in Advance	1,095,115	(16,612)
Accruals	15,107,128	8,544,432
Total Accounts Payable and Accruals	39,403,178	33,702,473

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
2025 Interest Rate Hedges	10,000,000	59,000,000	69,000,000
2024 Interest Rate Hedges	5,000,000	42,000,000	47,000,000
	GROUP		
	2025 (\$)	2024 (\$)	
Fair Value			
Current Liabilities	-	-	
Non Current Liabilities	(801,613)	(404,801)	
Current Assets	10,898	122,587	
Non Current Assets	16,041	248,187	
Net Fair Value of Interest Rate Hedges	(774,674)	(34,027)	

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.

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)
2024		Less than 12 Months	More than 12 Months	Total
Foreign Exchange Contracts	Buy	261,267,915	106,282,439	367,550,354
	Sell	-	-	-
Option Contracts	Call	34,086,891	-	34,086,891
	Put	(31,971,740)	-	(31,971,740)

Fair Value	2025 (\$)	2024 (\$)
Current Assets	4,245,252	4,082,459
Non Current Assets	2,530,526	316,620
Current Liabilities	(1,875,545)	(5,585,276)
Non Current Liabilities	(136,557)	(1,784,612)
Net Fair Value of Foreign Currency Hedges	4,763,676	(2,970,809)

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 hierachy. 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 2025 the gearing ratio was 31.07% (2024: 22.66%). 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 (2024: \$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.

	Carrying Amount	
	2025 (\$)	2024 (\$)
Australasia (NZ and AUS)	21,382,594	20,462,095
Asia / Pacific	33,323,060	31,293,043
Americas / Europe	13,830,589	8,020,028
Other	(4,149)	-
Total Trade Receivables (Note 13)	68,532,094	59,775,166

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:

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

	Gross Receivable 2025 (\$)	Impairment 2025 (\$)	Gross Receivable 2024 (\$)	Impairment 2024 (\$)
Not Past Due	57,062,927	-	56,685,386	-
Past Due 0-30 days	11,803,242	-	3,745,695	-
Past Due 31-120 days	(334,075)	-	(655,915)	-
Total Trade Receivables (Note 13)	68,532,094	-	59,775,166	-

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		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)

GROUP		2024 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	(95,678,956)	(105,454,749)	(49,537,262)	(38,500,467)	(17,417,020)
Accounts Payable and Accruals	17	(22,732,081)	(22,732,081)	(22,732,081)	-	-
Owing to Suppliers		(30,278,567)	(30,278,567)	(30,278,567)	-	-
Co-operative Shares		(75,935,135)	(75,935,135)	(75,935,135)	-	-
Total Non-Derivative Financial Liabilities		(224,624,739)	(234,400,532)	(178,483,045)	(38,500,467)	(17,417,020)
Derivative Financial Liabilities						
Interest Rate Swaps		(404,801)	(404,801)	-	-	(404,801)
Options Contracts		(2,228,599)	(2,228,599)	(2,158,789)	(69,810)	-
Forward Exchange Contracts						
- Outflow		(5,141,289)	(243,518,570)	(156,234,512)	(87,284,058)	-
- Inflow		-	238,377,281	152,808,026	85,569,255	-
Total Derivative Financial Liabilities		(7,774,689)	(7,774,689)	(5,585,275)	(1,784,613)	(404,801)

c. Foreign Currency Exchange Risk

The Group is exposed to foreign currency risk predominantly on sales that are denominated in a currency other than the Group's functional currency. 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:

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
2024	USD (\$)	AUD (\$)	CNY (¥)	JPY (¥)
Net Cash Flow Exposure Before Hedging	98,042,976	33,226,868	432,730,033	6,108,506,940
less Foreign Exchange Contracts and Options	(80,050,000)	(25,000,000)	(327,500,000)	(4,960,000,000)
Net Unhedged Exposure	17,992,976	8,226,868	105,230,033	1,148,506,940

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:

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
2024	NZD (\$)	USD (\$)	AUD (\$)	CNY (¥)	JPY (¥)	EUR (€)
Cash and Cash Equivalents	11,941,659	114,350	1,186,362	29,166,285	741,156,284	728,917
Loans and Borrowings	(86,000,000)	(3,000,000)	-	-	(300,000,000)	-
Interest Rate Swaps	47,000,000	-	-	-	-	-
Net Unhedged Exposure	(27,058,341)	(2,885,650)	1,186,362	29,166,285	441,156,284	728,917

e. Reserve Reconciliation

	Carrying Amount	
	Foreign Exchange Hedging Reserve	Interest Rate Swap Hedging Reserve
Balance at 1 August 2024	2,392,049	34,028
Change in Fair Value of the FEC contracts	(7,004,828)	-
Change in unrealised gains & losses on foreign exchange hedges (FEC & OPTIONS) relating to debtors	587,706	-
Change in Time Value of Options	(801,692)	-
Change in the Intrinsic Value of Options	72,034	-
Change in the Fair Value of the interest rate swap	-	740,644
Deffered tax on FX Hedging Reserve	1,793,718	-
Balance at 31 July 2025	(2,961,013)	774,672

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 2025 it is estimated that a general increase of one percentage point in NZ interest rates would decrease Group profit before income tax by approximately \$853,066 (2024: \$542,339). 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 2025 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 \$5,024,055 (2024: increase by \$5,958,801). Foreign exchange hedging has been included in this calculation.

20 — RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Year Ended 31 July 2025 (\$)	Year Ended 31 July 2024 (\$)
Profit (Loss) for the Year	16,787,127	17,701,060
Adjustments for Non Cash Items		
Depreciation	19,001,619	18,465,147
Amortisation of Intangible Assets	1,052,030	1,255,112
Movement in Deferred Tax	1,999,363	(433,749)
Revaluation of Investment Property	-	(25,000)
Revaluation of Biological Assets	(541,274)	(361,117)
Movement in Investments	(220,636)	(212,166)
Loss/(Gain) on Sale of Property, Plant and Equipment	33,666	(231,356)
Movement in PPE Interest Capitalisation	(2,487,365)	(372,598)
Total Non Cash Items	18,837,403	18,084,273
Movements in Working Capital		
Trade and Other Receivables	(8,869,748)	(8,122,494)
Derivatives	(2,030,059)	2,446,174
Inventories	(15,192,065)	(11,827,403)
Biological Assets	248,663	69,721
Owing to Suppliers	5,566,134	(6,565,669)
Trade and Other Payables	6,227,919	(4,629,566)
Total Movements in Working Capital	(14,049,156)	(28,629,237)
Net Cash Flows From/(Applied to) Operating Activities	21,575,374	7,156,096

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 2025 (\$)	Year Ended 31 July 2024 (\$)
Short Term Employee Benefits	2,679,056	2,594,724
Long Term Employee Benefits	-	-
	2,679,056	2,594,724

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 were as follows: Nil (2024: 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 \$725,944 (2024: \$654,583), which is separately disclosed within the Directors' report.

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

		Amounts	Payable	Amounts	Receivable	Amounts	Amounts	Receivable
		Paid 2025	31 July 2025	Received	31 July 2025	Paid 2024	Received	31 July 2024
		(\$)	(\$)	2025 (\$)	(\$)	(\$)	2024 (\$)	(\$)
Related Party	Director							
Foodstuffs North Island	Peter Schuyt	140,402	-	2,117,435	-	352,966	5,834,903	708,822
AgResearch Limited	Louise Cullen	106,642	-	-	-	-	-	-
		247,044	-	2,117,435	-	352,966	5,834,903	708,822

Tax Management NZ Ltd (Peter Schuyt) - During the year the Group utilised the services of Tax Management Limited to make tax payments through to the IRD in the ordinary course of business.

NB: Related party transactions only represent up until retirement of directors from those companys. Peter Schuyt retired from Tatua November 2024, Louise Cullen retired from AgResearch July 2025.

	Value of Transactions	Balance Outstanding	Value of Transactions	Balance Outstanding
	2025 (\$)	31 July 2025 (\$)	2024 (\$)	31 July 2024 (\$)
Directors' Farm Supply (included in Owing to Suppliers)	20,693,613	3,527,496	15,309,497	2,615,780

22 — GROUP ENTITIES

	Country of Incorporation	Ownership Interest	
		2025	2024
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 2025 that would impact these financial statements.



Independent Auditor's Report

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

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated balance sheet as at 31 July 2025;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.
- In our opinion, the accompanying consolidated financial statements of The Tatua Co-operative Dairy Company Limited (the Company) and its subsidiaries (the Group) on pages 40 to 68 present fairly in all material respects;
- the Group's financial position as at 31 July 2025 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). 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 Tatua Co-operative Dairy Company Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and 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 Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

Our firm has provided other services to the Group in relation to tax advice and a share registry assurance engagement. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$5.46m determined with reference to a benchmark of the Group’s total revenue. We chose the benchmark because, in our view, this is a key measure of the Group’s performance.

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 in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter

How the matter was addressed in our audit

Inventory – Milk Cost

Refer to Note 12 of the financial statements.

The Group has inventory of \$134.6 million (2024: \$119.4 million) which represents 28% of total assets.

A significant portion of the cost of finished goods inventory is represented by an estimated cost for milk solids supplied by co-operative shareholders and actual cost for milk produced by other suppliers.

The Group has determined that the estimated cost of the milk solids supplied from co-operative shareholders is best represented by the Farmgate Milk Price calculated in accordance with the Farmgate Milk Price Manual.

A model is prepared to calculate the weighted average cost of milk solids supplied from both co-operative shareholders and other suppliers. The weighted average cost of milk solids supplied is then split into the individual cost for three core product ingredients (Fat, Whey protein and Casein protein). The model incorporates a number of significant inputs, including the Farmgate Milk Price, purchased milk cost from other suppliers, and a valued component ratio of fat to protein.

Our audit procedures included, among others, challenge of management’s significant input assumptions in the model.

We considered the appropriateness of management’s use of the Farmgate Milk Price as the best estimate of the cost of milk solids supplied from the co-operative shareholders.

We compared the Farmgate Milk Price used to the publicised rate for the 2024/25 season.

We compared a sample of purchased whole milk and cream from other parties to their respective invoices.

We compared the valued component ratio of fat to protein in the model to the ratio that was physically paid to farmers based on their fat and protein supply split during the 2024/25 season.

We checked that the split of protein into its casein and whey components was calculated correctly.

We checked that the mechanics of the model were calculating correctly and were consistent with the prior year.



The key audit matter

How the matter was addressed in our audit

The judgment required to consider these variabilities and uncertainties are the reason we have considered this a key audit matter.

We did not identify material exceptions from the procedures performed and found the judgements and assumptions to be balanced and consistent.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises of the Directory, the Financial Performance Summary and Statutory Information (but does not include the consolidated financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the Annual Report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to directors.

Use of this independent auditor’s report

This independent auditor’s report is made solely to the shareholders. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor’s report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor’s report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;



- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate 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 objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:
<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our independent auditor’s report.

The engagement partner on the audit resulting in this independent auditor’s report is Murray Dunn.

For and on behalf of:

KPMG

KPMG
Hamilton
10 October 2025

Directory



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Chief Executive BA Greaney	General Manager Operations TA Keir	General Manager Strategic Projects TA Winter
Directors Dr. LE Cullen MBN Dewdney JL Langley RJ Luxton DP Muggeridge DJ Walsh	General Manager Marketing and Sales ED Morrison	General Manager People and Capability ND Watkins

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