



FULL FINANCIAL STATEMENTS

— September 2025 —



Statement of Service Performance

For the year ended 30 September 2025

Beef + Lamb New Zealand Limited (B+LNZ) exists under the Commodity Levies Act 1990. No later than every six years sheep and beef producers vote to support B+LNZ's industry good mandate and continue paying red meat levies.

The last farmer referendum was held in 2021 and the Commodity Levies (Meat) Order 2021 regulation approved which provides levy funding from sheep (75 cents per head) and beef (\$5.20 per head) production at point of slaughter for investment in the strategic priorities, as set out in the referendum levy proposal.

B+LNZ's vision is sustainable and profitable farmers, thriving rural sustainable farming communities, valued by New Zealanders.

Working with our farmers our priorities are:



Supporting farming excellence. Our farmers run sustainable, profitable, farming systems.

We do this by supporting farmers to achieve this by delivering the world's best research, innovation and extension.



Championing the sector. Our farmers are celebrated as the world's best red meat producers.

We do this by positioning the sector to be respected and supported by New Zealanders and advocating for policies that enable our farmers.



Increasing market returns. Our farmers receive Increased value from our sustainable farming systems and natural grass-fed beef and lamb.

We do this by identifying and creating market opportunities, dismantling barriers, and growing consumer preference for New Zealand beef and lamb.

In 2024 the B+LNZ strategy was refreshed as reported in the annual report and this will be reported in future financial years' Statement of Service Performance.

Our farmers

Partnerships are a key enabler to our strategy, and engagement with farmers is central to what we do, across our teams, programmes, events and advisory groups. Our priority is face-to-face contact where possible, but we reach farmers in a range of ways.

We track key indicators to better understand how our engagement is working and how farmers are feeling about the sector. Surveys are conducted by an independent third-party provider on a quarterly basis using well established methodology.

Farmer awareness of B+LNZ and satisfaction with B+LNZ are key measures of success for B+LNZ and represent farmer perception of overall performance.

Investment

B+LNZ's investment in industry good activities is allocated across the strategic priority areas, as approved by farmers during the referendum process, and third-party income and Government funding is sought to leverage the levy funds invested.

The strategic priority areas are broken into programme areas and reported against the budget targets set for the 2025 year to provide transparency where the levy investment is made on behalf of farmers.

| Farmer metrics | Target | 2025 | 2024 |
|--|--------|--------|--------|
| Farmer awareness of B+LNZ (12 month rolling average) | >80% | 79% | 79% |
| Farmers neutral or satisfied with B+LNZ (12 month rolling average) | >90% | 84% | 79% |
| Farmer events | 450 | 543 | 351 |
| Event attendees | 13,000 | 18,953 | 12,676 |

Farmer awareness and satisfaction with B+LNZ is summarised from the average of the surveys conducted on a quarterly basis from the October 2024 to September 2025 period. This is a representative sample of 495 farmers from across all regions chosen by an independent research provider from the B+LNZ farmer database.

The target is to achieve awareness levels more than 80%. Awareness levels have remained similar over the year at 79% but within ranges seen in previous quarterly surveys. Farmers are asked how much they know about B+LNZ and what it does with reference to the strategic priorities.

Farmers satisfaction includes both satisfied and neutral responses returned in the survey. In 2024 the target was increased to reflect the inclusion of neutral responses. Farmers are asked to rate satisfaction (a score of 1-2), neutral (3) and dissatisfied (4-5). Over the last twelve months the rolling average for neutral and satisfied farmer responses has increased to 84% with a big shift from dissatisfied to satisfied. The improvement is the result of the increased focus behind the gate with the new extension delivery model, B+LNZ's advocacy approach to Government and the Government's policy reset.

Farmer events summarise the farmer events run by B+LNZ and includes joint events with partner organisations. The number of events has increased over the year with a new extension strategy, increased regional roles and collaboration with partner organisations resulting in the 2025 target being exceeded. The number of attendees has also increased across some of our larger events (over 100 attendees) in the 2025 year.

Investment by strategic priority \$,000

| | Target 2025 | Actual 2025 | Actual 2024 |
|--|---------------|---------------|---------------|
| Championing Farming Excellence | 20,421 | 18,284 | 15,780 |
| Research | 5,543 | 4,842 | 3,052 |
| Genetics | 5,472 | 4,577 | 4,540 |
| On Farm Extension | 8,094 | 7,711 | 7,172 |
| People and Capability | 1,312 | 1,154 | 1,016 |
| Advocacy | 5,691 | 5,378 | 6,019 |
| Environment | 3,422 | 3,302 | 4,461 |
| Technical | 743 | 613 | 355 |
| Trade | 1,526 | 1,463 | 1,203 |
| Energising the Sector | 4,221 | 3,617 | 2,781 |
| Farmer Story Telling Campaign | 2,490 | 1,945 | 1,845 |
| Celebrating Success | 1,228 | 994 | 732 |
| Scanning for the future | 503 | 678 | 204 |
| Market Development | 692 | 674 | 2,452 |
| Taste Pure Nature Transition | 692 | 674 | 2,452 |
| Third party income as a % of levy income | 22% | 19% | 19% |

The major movements compared to Target (budget) were:

Research: Due to a change with an external contract provider leading the Facial Eczema discovery workstream there were delays in delivery for this financial year.

Genetics: The Informing New Zealand Beef programme undertook a financial prioritisation review as the programme entered the final two years, and expenditure was re-prioritised within total programme budget (across the seven year programme).

Telling the Farmer Story: Trust and Reputation project was postponed until 2025-2026, and

Celebrating Success: Event delivery was coordinated with the Out the Gate event which created efficiencies within the B+LNZ team.

Third Party Income as a % of levy income: The Facial Eczema and Informing New Zealand Beef programmes are co-funded through the Ministry for Primary Industries Sustainable Farming Fund. Reduced expenditure incurred on these programmes resulted in a corresponding reduction in co-funding income being received.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2025

| In thousands of New Zealand dollars | Group Year Ended 2025 | | Group Year Ended 2024 | | | |
|--|--------------------------|---------------|--------------------------|---------------|---------------|-----------------|
| | Total | Levy Stream | Non Levy Stream | Total | Levy Stream | Non Levy Stream |
| Non Exchange Revenue | | | | | | |
| Levies Received | 28,573 | 28,573 | - | 29,870 | 29,870 | - |
| Biosecurity Levies Received | 1,816 | - | 1,816 | 3,045 | - | 3,045 |
| Other Non Exchange Income | 4,573 | 4,573 | - | 4,439 | 4,439 | - |
| Exchange Revenue | | | | | | |
| Other income | 3,043 | 3,043 | - | 3,609 | 3,609 | - |
| Total Income | 38,005 | 36,189 | 1,816 | 40,963 | 37,918 | 3,045 |
| Operating expenses | (37,508) | (36,633) | (875) | (39,086) | (36,041) | (3,045) |
| Net operating surplus/ (deficit) from operating activities | 497 | (444) | 941 | 1,877 | 1,877 | - |
| Net finance income | 2,278 | 2,278 | - | 2,031 | 2,031 | - |
| Net operating surplus/ (deficit) for the year before income tax | 2,775 | 1,834 | 941 | 3,908 | 3,908 | - |
| Income tax expense | (34) | (34) | - | (26) | (26) | - |
| Net operating surplus/ (deficit) for the year | 2,741 | 1,800 | 941 | 3,882 | 3,882 | - |
| Total comprehensive income for the year | 2,741 | 1,800 | 941 | 3,882 | 3,882 | - |
| Attributable to: | | | | | | |
| Levy payers | 1,800 | 1,800 | - | 3,882 | 3,882 | - |
| Biosecurity (GIA levy) | 941 | - | 941 | - | - | - |
| | 2,741 | 1,800 | 941 | 3,882 | 3,882 | - |

This statement is to be read in conjunction with the accounting policies and notes on pages 10-27.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2025

| In thousands of New Zealand dollars | Parent Year Ended 2025 | | | | |
|--|---------------------------|---------------|-------------------|-----------------|---------------|
| | Beef | Sheepmeat | Total Levy Stream | Non Levy Stream | Total |
| Non Exchange Revenue | | | | | |
| Levies Received | 13,048 | 15,525 | 28,573 | - | 28,573 |
| Biosecurity Levies Received | - | - | - | 1,816 | 1,816 |
| Other Non Exchange Income | 2,481 | 2,092 | 4,573 | - | 4,573 |
| Exchange Revenue | | | | | |
| Other income | 1,610 | 1,428 | 3,038 | - | 3,038 |
| Total Income | 17,139 | 19,045 | 36,184 | 1,816 | 38,000 |
| Operating expenses | (17,504) | (19,093) | (36,597) | (875) | (37,472) |
| Net operating surplus/ (deficit) from operating activities | (365) | (48) | (413) | 941 | 528 |
| Net finance income | 1,226 | 1,051 | 2,277 | - | 2,277 |
| Net operating surplus/ (deficit) for the year before income tax | 861 | 1,003 | 1,864 | 941 | 2,805 |
| Income tax expense | (17) | (17) | (34) | - | (34) |
| Net operating surplus/ (deficit) for the year | 844 | 986 | 1,830 | 941 | 2,771 |
| Total comprehensive income for the year | 844 | 986 | 1,830 | 941 | 2,771 |
| Attributable to: | | | | | |
| Levy payers | 844 | 986 | 1,830 | - | 1,830 |
| Biosecurity (GIA levy) | - | - | - | 941 | 941 |
| | 844 | 986 | 1,830 | 941 | 2,771 |
| Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising: | | | (30) | | |
| B+LNZ Emissions Company Ltd | | | (30) | | |
| Group Net operating surplus/ (deficit) for the year- Levy Stream | | | 1,800 | | |

This statement is to be read in conjunction with the accounting policies and notes on pages 10-27.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2025

| In thousands of New Zealand dollars | Parent Year Ended 2024 | | | | |
|--|---------------------------|---------------|-------------------|-----------------|---------------|
| | Beef | Sheepmeat | Total Levy Stream | Non Levy Stream | Total |
| Non Exchange Revenue | | | | | |
| Levies Received | 13,719 | 16,151 | 29,871 | - | 29,871 |
| Biosecurity Levies Received | - | - | - | 3,045 | 3,045 |
| Other Non Exchange Income | 2,941 | 1,357 | 4,297 | - | 4,297 |
| Exchange Revenue | | | | | |
| Other income | 1,620 | 1,974 | 3,593 | - | 3,593 |
| Total Income | 18,280 | 19,482 | 37,761 | 3,045 | 40,806 |
| Operating expenses | (17,343) | (18,682) | (36,025) | (3,045) | (39,070) |
| Net operating surplus/ (deficit) from operating activities | 937 | 800 | 1,736 | - | 1,736 |
| Net finance income | 1,097 | 933 | 2,030 | - | 2,030 |
| Net operating surplus/ (deficit) for the year before income tax | 2,034 | 1,733 | 3,766 | - | 3,766 |
| Income tax expense | (13) | (13) | (26) | - | (26) |
| Net operating surplus/ (deficit) for the year | 2,021 | 1,720 | 3,740 | - | 3,740 |
| Total comprehensive income for the year | 2,021 | 1,720 | 3,740 | - | 3,740 |
| Attributable to: | | | | | |
| Levy payers | 2,021 | 1,719 | 3,740 | - | 3,740 |
| Biosecurity (GIA levy) | - | - | - | - | - |
| | 2,021 | 1,719 | 3,740 | | 3,740 |
| Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising: | | | 142 | | |
| B+LNZ Emissions Company Ltd | | | 142 | | |
| Group Net operating surplus/ (deficit) for the year- Levy Stream | | | 3,882 | | |

This statement is to be read in conjunction with the accounting policies and notes on pages 10 to 27.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2025

| In thousands of New Zealand dollars | Group | | Parent | |
|--|-------------------|---------------|-------------------|---------------|
| | Retained Earnings | Total Equity | Retained Earnings | Total Equity |
| Balance at 1 October 2024 | 26,537 | 26,537 | 26,356 | 26,356 |
| Total comprehensive revenue and expense | | | | |
| Surplus/(Deficit) for the year | 2,741 | 2,741 | 2,771 | 2,771 |
| Total comprehensive income for the year | 2,741 | 2,741 | 2,771 | 2,771 |
| Balance at 30 September 2025 | 29,278 | 29,278 | 29,127 | 29,127 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2024

| In thousands of New Zealand dollars | Group | | Parent | |
|--|-------------------|---------------|-------------------|---------------|
| | Retained Earnings | Total Equity | Retained Earnings | Total Equity |
| Balance at 1 October 2023 | 22,655 | 22,655 | 22,616 | 22,616 |
| Total comprehensive revenue and expense | | | | |
| Surplus for the year | 3,882 | 3,882 | 3,740 | 3,740 |
| Total comprehensive income for the year | 3,882 | 3,882 | 3,740 | 3,740 |
| Balance at 30 September 2024 | 26,537 | 26,537 | 26,356 | 26,356 |

This statement is to be read in conjunction with the accounting policies and notes on pages 10 to 27.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|---------------------------------------|---------------|---------------|----------------|----------------|
| EQUITY EMPLOYED | | | | |
| Retained earnings | 29,278 | 26,537 | 29,127 | 26,356 |
| TOTAL EQUITY EMPLOYED | 29,278 | 26,537 | 29,127 | 26,356 |
| Represented by: | | | | |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 3,310 | 6,706 | 3,294 | 6,680 |
| Trade and other exchange receivables | 873 | 1,008 | 881 | 1,008 |
| Non-exchange Receivables | 2,757 | 2,859 | 2,756 | 2,845 |
| Term Deposits | 8,000 | 5,000 | 8,000 | 5,000 |
| Managed Investment Portfolio | 592 | 774 | 592 | 774 |
| TOTAL CURRENT ASSETS | 15,532 | 16,347 | 15,523 | 16,307 |
| NON-CURRENT ASSETS | | | | |
| Property, plant & equipment | 698 | 737 | 698 | 737 |
| Intangible assets | 330 | 226 | 330 | 226 |
| Managed Investment Portfolio | 16,272 | 13,927 | 16,272 | 13,927 |
| Issue of shares - share in consortium | 142 | 142 | - | - |
| Term receivables - Exchange | 10 | 25 | 10 | 25 |
| TOTAL NON-CURRENT ASSETS | 17,452 | 15,057 | 17,310 | 14,915 |
| TOTAL ASSETS | 32,984 | 31,404 | 32,833 | 31,222 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 2,441 | 3,671 | 2,441 | 3,670 |
| Income in Advance | 416 | 38 | 416 | 38 |
| Deferred Revenue | - | 88 | - | 88 |
| Provisions | 38 | 291 | 38 | 291 |
| Employee entitlements | 762 | 716 | 762 | 716 |
| TOTAL CURRENT LIABILITIES | 3,657 | 4,804 | 3,657 | 4,803 |
| NON CURRENT LIABILITIES | | | | |
| Lease Liabilities | 49 | 63 | 49 | 63 |
| TOTAL NON-CURRENT LIABILITIES | 49 | 63 | 49 | 63 |
| TOTAL LIABILITIES | 3,706 | 4,867 | 3,706 | 4,866 |
| NET ASSETS | 29,278 | 26,537 | 29,127 | 26,356 |

The Board of Directors authorised these financial statements for issue on 2 December 2025.

This statement is to be read in conjunction with the accounting policies and notes on pages 10 to 27.



K Acland
Chair



A Guilleux
Chair Audit & Risk Committee

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2025

| In thousands of New Zealand dollars | Note | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|--|------|----------------|----------------|----------------|----------------|
| OPERATING ACTIVITIES | | | | | |
| Cash was received from: | | | | | |
| Levy receipts | | 30,468 | 32,970 | 30,468 | 32,970 |
| Receipts from customers including rental income | | 2,853 | 3,559 | 2,828 | 3,505 |
| Government Grants | | 3,623 | 2,541 | 3,623 | 2,541 |
| Interest received | | 464 | 547 | 463 | 546 |
| Grant funding from New Zealand Meat Board | | 1,390 | 1,360 | 1,390 | 1,360 |
| Foreign currency translation adjustment | 9 | - | - | 9 | - |
| | | 38,807 | 40,977 | 38,781 | 40,922 |
| Cash was applied to: | | | | | |
| Payments to suppliers and employees | | 38,636 | 39,085 | 38,599 | 38,945 |
| Payments to Consortia | | - | - | - | 111 |
| Foreign currency translation adjustment | | - | 2 | - | 2 |
| Net GST Paid | | 54 | 31 | 55 | 29 |
| Realised Loss on matured Foreign Exchange Contracts | | 9 | 23 | 9 | 23 |
| | | 38,699 | 39,141 | 38,663 | 39,110 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 19 | 108 | 1,836 | 118 | 1,812 |
| INVESTING ACTIVITIES | | | | | |
| Cash was received from: | | | | | |
| Maturity of investments | | 7,000 | 8,000 | 7,000 | 8,000 |
| Disposal of property, plant & equipment | | 30 | - | 30 | - |
| Dividend Received | | 451 | 458 | 451 | 458 |
| | | 7,481 | 8,458 | 7,481 | 8,458 |
| Cash was applied to: | | | | | |
| Purchase of property, plant & equipment | | 246 | 292 | 246 | 292 |
| Purchase of intangible assets | | 287 | 30 | 287 | 30 |
| Purchase of investments | | 10,000 | 9,000 | 10,000 | 9,000 |
| Purchase of Managed Fund | | 452 | 458 | 452 | 458 |
| | | 10,985 | 9,780 | 10,985 | 9,780 |
| NET CASH FLOWS FROM/ (TO) INVESTING ACTIVITIES | | (3,504) | (1,322) | (3,504) | (1,322) |
| FINANCING ACTIVITIES | | | | | |
| Cash was received from: | | - | - | - | - |
| Cash was applied to: | | - | - | - | - |
| NET CASH FLOWS USED IN FINANCING ACTIVITIES | | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | | (3,396) | 514 | (3,386) | 490 |
| Add: Opening cash and cash equivalents | | 6,706 | 6,192 | 6,680 | 6,190 |
| CLOSING CASH AND CASH EQUIVALENTS | | 3,310 | 6,706 | 3,294 | 6,680 |
| CASH AND CASH EQUIVALENTS COMPRIZE | | | | | |
| Cash at Bank | | 2,417 | 3,488 | 2,401 | 3,462 |
| Short Term Deposits | | 893 | 3,218 | 893 | 3,218 |
| | | 3,310 | 6,706 | 3,294 | 6,680 |

This statement is to be read in conjunction with the accounting policies and notes on pages 10 to 27.

NOTES TO THE FINANCIAL STATEMENTS

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1. Reporting Entity

The financial statements are for Beef + Lamb New Zealand Limited (the Parent), as a separate entity and the consolidated financial statements are for the Beef + Lamb New Zealand Limited Group (the Group), which includes all its subsidiaries and associated entities as disclosed in note 12.

The Parent and the Group are designated as public benefit entities for financial reporting purposes.

Beef + Lamb New Zealand Limited is a company incorporated in New Zealand, with its registered office in Wellington. The Group operates in the red meat industry in New Zealand.

2. Basis of Preparation

(a) Statutory base

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013, the Companies Act 1993, and the Commodity Levies Act 1990.

(b) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the PBE Accounting Standards as appropriate for Tier 1 not-for profit public benefit entities.

(c) Basis of measurement

The accounting policies set out in the relevant notes to the financial statements have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on an historical cost basis. Accrual accounting is used in the recognition of expenses and revenues. The accounting policies have been applied consistently by the Group entities. Certain comparative information has been updated to conform with the current year presentation.

(d) Going concern

These statements have been prepared on a going concern basis. The Commodities Levies (Meat) Order 2021 was made by Order in Council in October 2021. This order came into force on 7 December 2021 and expires no later than 6 December 2027.

(e) Critical accounting estimates

The preparation of financial statements in conformity with PBE Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

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 note 12 Investments in Subsidiaries, associates and joint ventures.

(f) Foreign currency

(i) Functional and presentation currency

The consolidated and Parent financial statements are presented in New Zealand dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(g) GST

The financial statements are prepared exclusive of GST with the exception of receivables and payables, which are stated inclusive of GST.

(h) Expenditure of an intangible nature

Intellectual property

Intellectual property includes patent costs, trade secrets, brands (Taste Pure Nature) and scientific knowledge acquired. All costs are expensed, unless there is sufficient certainty that the intellectual property will directly generate sufficient income flows for the Group to support the carrying value.

Software

Internally generated software and purchased software that is not integral to the operating system of hardware, is capitalised as an intangible asset, subject to it generating service potential to the entity. Software is measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation of intellectual property and software is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets, from the date they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Software 2.5 years

3. Levy Stream Performance

The Statement of Comprehensive Revenue and Expense for Beef + Lamb New Zealand Ltd has been prepared by individual levy stream (beef and sheepmeat). Allocation is based upon the benefit to each levy stream and where benefits are shared then based upon the sheep/ beef ration of average farmgate returns. This allocation process is reviewed annually by the Audit & Risk Committee.

This provides more specific detail than is required by the Commodity Levies Act 1990 and the constitution, which require, as a minimum, a summary of activities of the meat levy streams.

4. Revenue and Other Income

Revenue Recognition

Revenue comprises the fair value for the sale of goods and services, excluding goods and services tax (GST), rebates and discounts. Revenue is recognised as follows:

Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

(i) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

(i) Levy income

Levy income is recognised at time of slaughter for beef and sheep meat.

(ii) Research Service Revenue from Government

The recognition of non-exchange revenue from grants depends on whether the grant comes with any conditions imposed on the use of the grant. Conditions that specifically require the Group to return the grant received if they are not used in the way contracted, result in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the conditions are satisfied.

Conditions that do not specifically require the Group to return the grant received if it is not utilised in the way contracted, therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

The Group receives research revenue from the Ministry of Primary Industries (MPI).

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in income on a systematic basis in the same periods in which the expenses are recognised.

5. Finance Income and Expense

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except for trade receivables) and losses on the disposal of available-for-sale financial assets.

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|--|---------------|---------------|----------------|----------------|
| Interest income on term deposits | 418 | 443 | 418 | 443 |
| Interest income on cash and cash equivalents | 74 | 132 | 73 | 131 |
| Foreign exchange gain/ (loss) on derivatives | - | (29) | - | (29) |
| Gain/(loss) on managed investment fund | 1,786 | 1,485 | 1,786 | 1,485 |
| Net finance income | 2,278 | 2,031 | 2,277 | 2,030 |

6. Other Operating Expenses

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Comprehensive Revenue and Expenditure when incurred.

The following items of expenditure are included in operating expenses:

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|---|---------------|---------------|----------------|----------------|
| <i>Audit fees</i> | | | | |
| Auditor's remuneration to KPMG comprises: | | | | |
| Audit of financial statements | 71 | 71 | 71 | 71 |
| Total auditor's remuneration | 71 | 71 | 71 | 71 |
| Depreciation | 278 | 227 | 278 | 227 |
| Software amortisation | 183 | 161 | 183 | 161 |
| Rental expense relating to operating leases | 732 | 689 | 732 | 689 |
| Directors fees | 410 | 391 | 410 | 391 |
| Employee benefits | 15,230 | 14,486 | 15,230 | 14,487 |
| Other operating expenditure | 8,216 | 7,910 | 8,214 | 7,909 |
| Research and development expenditure | 8,964 | 7,964 | 8,930 | 7,948 |
| Other project expenditure | 2,549 | 4,142 | 2,549 | 4,142 |
| Biosecurity levy paid | 875 | 3,045 | 875 | 3,045 |
| Total operating expenses | 37,508 | 39,086 | 37,472 | 39,070 |

7. Income Tax Expense

In accordance with section 85 of the Meat Board Act 2004, the New Zealand Meat Board and Beef + Lamb New Zealand Limited and its subsidiaries form a consolidated tax group for income tax purposes.

Unrecognised tax losses of \$61.9 million (2024: \$73.0 million) are available to the consolidated tax group (which includes the New Zealand Meat Board and Beef + Lamb New Zealand Limited), subject to assessment of the current year losses by the Inland Revenue Department. Deferred tax assets are not recognised as no taxable profit will be available against which temporary differences and losses can be utilised in the foreseeable future.

Taxation has been deducted at source for foreign currency investments of \$110,998 (2024: \$25,797) will not be refundable.

8. Receivables

Trade receivables are recognised at the receivable amount less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. When it is considered doubtful that debtors will pay the amounts due, a provision for doubtful debts is recognised.

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|-------------------------------------|---------------|---------------|----------------|----------------|
| Exchange Transactions | | | | |
| Other Trade Receivables | 398 | 573 | 406 | 573 |
| Prepayments | 320 | 309 | 320 | 309 |
| Accrued interest | 155 | 126 | 155 | 126 |
| | 873 | 1,008 | 881 | 1,008 |

Receivables – Non Exchange Transactions

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|-------------------------------------|---------------|---------------|----------------|----------------|
| Non Exchange Transactions | | | | |
| Levies Receivable | 1,742 | 1,815 | 1,742 | 1,815 |
| Other Trade Receivables | 1 | 14 | - | - |
| Government Grants Receivable | 567 | 640 | 567 | 640 |
| NZMB Grant Funding Receivable | 400 | 390 | 400 | 390 |
| GST | 47 | - | 47 | - |
| | 2,757 | 2,859 | 2,756 | 2,845 |

9. Term Deposits

Term Deposits are classified as held to maturity because the Group has the intention to hold them to maturity.

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|-------------------------------------|---------------|---------------|----------------|----------------|
| Current Investments | 8,000 | 5,000 | 8,000 | 5,000 |

10. Managed Investment Portfolio

The Board has an Investment Policy Statement (IPS) which sets out the philosophies, strategies, investment procedures and investment practices that the Investment Manager will follow when managing the portfolio.

It also serves as a framework that B+LNZ and the Investment Manager can use when discussing the operational aspects of portfolio management.

The portfolio is reported on each quarter during the year with reference to the IPS.

Objectives

The Board's primary objective is to preserve and grow the real value of the portfolio to achieve returns in excess of those available from bank term deposits.

Additional objectives are:

- to maintain an appropriate level of liquidity so that funds are available every 6 years should the referendum result in the dissolution of B+LNZ.
- to maintain a reasonable level of capital stability within the investment portfolio.
- to provide income to meet operational requirements.

Investment Beliefs

The IPS is deliberately not prescriptive to allow the investment manager to operate as a Discretionary Fund Manager with the parameters set out in the IPS.

The IPS's asset classes exclude International fixed interest. The rationale behind excluding global fixed interest is that it has longer duration and is more exposed to rising global interest rates. It should also make portfolio implementation more efficient which is a valid consideration given B+LNZ's lower funds under management. This does increase single country risk, i.e. NZ, however this is consistent with existing investment policies.

International investments are unhedged.

The board is prepared to take a medium level of risk and has a potential 6-year time horizon and therefore a 'balanced' approach is required using a Strategic Asset Allocation (SAA) approach.

The Investment Manager will maintain asset class weightings within the minimum and maximum limits outlined in the SAA ranges.

Investment Manager

JB Were is the Investment Fund Manager.

| Managed Investment Portfolio | 2025 | 2024 |
|---|--------|--------|
| In thousands of New Zealand dollars | | |
| Opening Portfolio Value | 14,701 | 12,832 |
| Capital Contributed | 2 | 0 |
| Capital Changes to Investments | | |
| Realised Capital Gain / (loss) | 34 | 248 |
| Unrealised Gain / (loss) | 1,750 | 1,237 |
| Accrued Interest | 3 | 0 |
| Income | | |
| Interest | 199 | 207 |
| Dividends | 246 | 251 |
| Less Costs | | |
| Tax | (34) | (36) |
| Management Fees | (39) | (38) |
| Total Costs | (73) | (74) |
| Net Income | 372 | 384 |
| Net Gain/ (loss) for the year | 2,161 | 1,869 |
| Closing Portfolio Value | 16,863 | 14,701 |
| Gross Portfolio return for period | 14.94% | 14.88% |
| Net Portfolio Return after fees and taxes p.a | 14.69% | 14.58% |

| Managed Investment Portfolio | 2025 | 2024 |
|-------------------------------------|--------|--------|
| Asset Allocation | | |
| In thousands of New Zealand dollars | | |
| Current Investments | | |
| NZ Cash and Cash Equivalents | 236 | 272 |
| NZ Fixed Interest | 356 | 502 |
| Total Current | 592 | 774 |
| Non Current Investments | | |
| NZ Fixed Interest | 4,328 | 4,147 |
| NZ Property | 319 | 454 |
| NZ Equities | 1,601 | 2,330 |
| Australian Equities | 1,733 | 1,487 |
| Global Fixed Interest | 1,461 | 956 |
| Global Equities | 6,829 | 4,553 |
| Total Non Current | 16,271 | 13,927 |
| Closing Portfolio Value | 16,863 | 14,701 |

Cash and Cash equivalents comprises cash and call balances and term deposits with an original maturity of three months or less.

Current Fixed Interest comprises fixed interest investments with an original maturity greater than three months and less than one year. Non-Current Investments comprises of investments with a maturity greater than one year.

11. Financial Instruments

Classification and fair values

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, term receivables and other investments, and trade and other payables.

(ii) Derivative financial instruments

Changes in the fair value of any derivative instruments are recognised immediately in the statement of comprehensive revenue and expense.

Fair Value Hierarchy

Level 1: fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Beef + Lamb's financial assets and liabilities that are measured at fair value by the significance of inputs used in making the measurement are categorised as level 2, as prescribed by IPSAS 30.

Interest rates used for determining fair value

The Group uses market interest rates based on the readily available market index interest rates for bank debt.

Quantitative disclosures

Foreign currency risk

Nature of the risk

Currency risk is the risk that eventual New Zealand dollar net cashflows from transactions undertaken by the Group will be adversely affected by changes in foreign currency exchange rates.

Exposure and risk management

Currency risk from operational expenditure in foreign currencies. In November 2023, the Board approved ceasing hedging of foreign currency exposures due to minimal currency exposures.

The investment portfolio is managed by JB Were directed by the Investment Policy Statement.

Credit risk

Nature of the risk

Credit risk arises in the normal course of the Group's business on cash, receivables and derivative financial instruments if a counterparty fails to meet its contractual obligations.

Exposure and risk management

The Group is exposed to credit risk if customers and counterparties fail to make payments in respect of:

- Payment of trade and other receivables as they fall due; and
- Contractual cash flows of derivative assets held at fair value.

The carrying amount of financial assets represents the Group's maximum credit exposure.

Beef + Lamb New Zealand Limited also holds investments with various banks and part of the portfolio is managed by Jarden directed by the Investment Policy Statement. On call or term deposits with registered New Zealand banks have a Standard & Poor's credit rating of AA- or higher as at 30 September 2025.

(i) Investments - NZ Fixed Interest

The investment strategy for this asset class is to own a direct portfolio of bonds in order to diversify and manage interest rate risk. The weighted average maturity date of the fixed interest portfolio should be no longer than 5 years and the duration of the fixed interest portfolio must be +/- 25% of the benchmark for this asset class. Creditworthiness counterparties (other than government) are selected based on their current Standard & Poor's rating, which must be the Investment Grade (BBB or better). Credit risk is further minimised by placing maximum issuer and portfolio limits.

Interest Rate and Liquidity risk

Nature of the risk

The portfolio investments shall be invested by the Investment Manager in liquid securities, defined as securities that can be transacted quickly and efficiently with minimal impact on the market price.

Investments have been categorised as non-current for fixed interest maturity dates that are beyond twelve months and equity and managed fund investments. All non-current investments are in investments that have a ready market to liquidate if required. Liquidity risk represents the Group's ability to meet its contractual obligations as they fall due. Exposure and risk management.

Exposure and risk management

The Group uses cash and reserves to manage liquidity and evaluates its liquidity requirements on an ongoing basis. The Group generates sufficient cash flows from its operating activities to meet its financial liabilities. Positive operating cash flows and reserves enable working capital to be managed to meet short-term liabilities as they fall due. There were no forward exchange contracts outstanding at 30 September 2025.

Market risk

(i) Foreign exchange risk

The foreign currency denominated investments in the investment fund managed by Jarden is unhedged, with the rationale being the objective of achieving an optimal level of diversification and history shows that the NZD is somewhat negatively correlated with “risk on” events (foreign market pricing moves adversely which is offset by NZD depreciation).

(ii) Equity market risk

Equity market risk of \$10.163 million (2024: \$8.369 million) is held in equity securities which is subject to market movement. The portfolio includes domestic, global and Australian equities. The Board does not hedge to minimise market risk invested in equities and managed funds.

Quantitative disclosures

(i) Foreign currency exchange risk

The Board's exposure to foreign currency risk is as follows based on notional amounts:

Quantitative disclosures

| In thousands of New Zealand dollars | USD | AUD |
|---|-------|-------|
| 2025 | | |
| Jarden - Managed Investment Portfolio | 8,311 | 1,735 |
| Gross balance sheet exposure and net exposure | 8,311 | 1,735 |
| 2024 | | |
| Jarden - Managed Investment Portfolio | 5,514 | 1,531 |
| Gross balance sheet exposure and net exposure | 5,514 | 1,531 |

Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in debt securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted exit price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

(ii) Equity investments

The Jarden Managed Investment Portfolio has been designated as fair value through surplus or deficit as it is managed on a fair value basis and its performance is actively monitored.

This is reported in the unrealised gains and losses.

As at 30 September 2025

| Group In thousands of New Zealand dollars | Other Financial Liabilities | Designated at Fair Value | Held to Maturity | Loans and receivables | Available for Sale | Total carrying amount | Fair Value |
|--|-----------------------------------|-----------------------------|---------------------|--------------------------|-----------------------|-----------------------------|---------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | - | - | - | 3,310 | - | 3,310 | 3,310 |
| Trade and other receivables | - | - | - | 3,630 | - | 3,630 | 3,630 |
| Term Deposits | - | - | 8,000 | - | - | 8,000 | 8,000 |
| Managed Investment Portfolio | - | 592 | - | - | - | 592 | 592 |
| TOTAL CURRENT ASSETS | - | 592 | 8,000 | 6,940 | - | 15,532 | 15,532 |
| Managed Investment Portfolio | - | 16,272 | - | - | - | 16,272 | 16,272 |
| Term receivables | - | - | - | 10 | - | 10 | 10 |
| TOTAL NON-CURRENT ASSETS | - | 16,272 | - | 10 | - | 16,282 | 16,282 |
| TOTAL ASSETS | - | 16,864 | 8,000 | 6,950 | - | 31,814 | 31,814 |
| LIABILITIES | | | | | | | |
| Trade and other payables | 2,857 | - | - | - | - | 2,857 | 2,857 |
| Provisions | 38 | - | - | - | - | 38 | 38 |
| Employee Entitlements | 762 | - | - | - | - | 762 | 762 |
| TOTAL CURRENT LIABILITIES | 3,657 | - | - | - | - | 3,657 | 3,657 |
| TOTAL LIABILITIES | 3,657 | - | - | - | - | 3,657 | 3,657 |

As at 30 September 2024

| Group In thousands of New Zealand dollars | Other Financial Liabilities | Designated at Fair Value | Held to Maturity | Loans and receivables | Available for Sale | Total carrying amount | Fair Value |
|--|-----------------------------------|-----------------------------|---------------------|--------------------------|-----------------------|-----------------------------|---------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | - | - | - | 6,706 | - | 6,706 | 6,706 |
| Trade and other receivables | - | - | - | 3,866 | - | 3,866 | 3,866 |
| Term Deposits | - | - | 5,000 | - | - | 5,000 | 5,000 |
| Managed Investment Portfolio | - | 774 | - | - | - | 774 | 774 |
| TOTAL CURRENT ASSETS | - | 774 | 5,000 | 10,572 | - | 16,346 | 16,346 |
| Managed Investment Portfolio | - | 13,927 | - | - | - | 13,927 | 13,927 |
| Term receivables | - | - | - | 25 | - | 25 | 25 |
| TOTAL NON-CURRENT ASSETS | - | 13,927 | - | 25 | - | 13,952 | 13,952 |
| TOTAL ASSETS | - | 14,701 | 5,000 | 25 | - | 30,298 | 30,298 |
| LIABILITIES | | | | | | | |
| Trade and other payables | 3,709 | - | - | - | - | 3,709 | 3,709 |
| Derivative financial instruments | 291 | - | - | - | - | 291 | 291 |
| Employee Entitlements | 716 | - | - | - | - | 716 | 716 |
| TOTAL CURRENT LIABILITIES | 4,716 | - | - | - | - | 4,716 | 4,716 |
| TOTAL LIABILITIES | 4,716 | - | - | - | - | 4,716 | 4,716 |

Capital Management

The Group's capital comprises retained earnings. To the extent that Beef + Lamb New Zealand Limited's capital represents unutilised levy income, the Group is prohibited under the Commodity Levies Act 1990 from committing that capital to commercial or trading activities without ministerial consent. The Group is further committed to expending any such capital for a list of specified purposes set out in the Commodity Levies (Meat) Order 2021.

The Group is not subject to any externally imposed capital requirements. It is not the intention of Beef + Lamb New Zealand Limited to build up significant levy stream reserves that span several years. The Board has a policy of retaining a minimum of \$10.4 million of reserves, \$4.5 million in each levy stream, in the event of an unsuccessful referendum to contribute to an orderly wind up of the Company and for sheepmeat an additional \$1.7 million to provision for projected reduction in sheep numbers and production over the next three years.

A key principle is to maintain and enhance the value of the assets owned by Beef + Lamb New Zealand Limited and to manage Beef + Lamb New Zealand Limited's investments in a manner consistent with current governing legislation. Management aims to optimise returns from these investments within operating parameters designed to minimise credit, interest rate and liquidity risk.

There have been no material changes to the Group's management of capital over the reporting period.

12. Investments in Subsidiaries, Associates and Joint Ventures

Basis of consolidation

(i) Subsidiaries

Companies that are controlled, either directly or indirectly by Beef + Lamb New Zealand Limited are considered subsidiary companies. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. There are no active subsidiaries in the 2025 and 2024 financial years.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The Group financial statements incorporate the Group's interest in associates, using the equity method, as from the date the significant influence commenced or until the date the significant influence ceased.

The Group recognises its share of the associates' net surplus or deficit for the year as other income/expenditure in its Consolidated Statement of Revenue and Expenditure. The Group's share of associates' surplus or deficit is adjusted for any differences between the accounting policies of the Group and associates. The Group recognises its share of other post-acquisition movements in reserves in its Consolidated Statement of Revenue and Expenditure. In the Consolidated Statement of Financial Position, the investment is adjusted to match the Group's share of net assets. In assessing the Group's share of earnings of associates, the Group's share of any unrealised profits between Group companies and associates is eliminated.

Judgement is exercised in determining if the Group has significant influence over an associate.

(iii) Joint ventures

Joint ventures are joint arrangements between the company and another party in which there is contractual agreement to undertake a specific business project in which the venturers' share several liability in respect of costs and liabilities of the project and share in any resulting output. The Group's share of the assets, liabilities, revenues and expenses of joint ventures is incorporated into the Group financial statements on a line-by-line basis using the proportionate consolidation method.

| Joint Venture | Ownership | Nature of Activities |
|---|--------------------------|---|
| Pastoral Greenhouse Gas Research Consortium (PGgRC) | 18.04% (2024: 18.04%) | PGgRC exists to provide knowledge and tools for New Zealand farmers, so they can mitigate greenhouse gas emissions from the agricultural sector. The balance date of Pastoral Greenhouse Gas Research Consortium is 30 June. At balance date B+LNZ's share of PGgRC shareholding in Lucidome Bio Ltd (previously Vaccine Venture Company Ltd) is \$142,000. |

All subsidiaries are incorporated in New Zealand.

| Subsidiary | Ownership | Nature of Activities |
|---------------------------------|-----------|---|
| B+LNZ Genetics Limited (BLG) | 100% | This is a non-trading subsidiary |
| B+LNZ Investments Limited | 100% | A non-trading subsidiary. |
| B+LNZ Clover Company Limited | 100% | A non-trading subsidiary. |
| B+LNZ Emissions Company Limited | 100% | Holds Beef + Lamb New Zealand Ltd's interest in the Pastoral Greenhouse Gas Research Consortium |
| Primary Resources Limited | 100% | A non-trading subsidiary |

OSPRI New Zealand Limited – OSPRI New Zealand is a not-for-profit limited company, established on 1 July 2013. Its shareholders are DairyNZ (45.5%), Beef + Lamb New Zealand Ltd (45.5%) and Deer Industry New Zealand (9%).

TBfree New Zealand Ltd and NAIT Ltd are wholly owned subsidiaries of OSPRI New Zealand Ltd.

OSPRI's constitution prohibits distributions to its shareholders and is not considered an associate of the Group.

OSPRI New Zealand Limited is registered as a charitable entity under the Charities Act 2005 (Registration Number CC49247). OSPRI New Zealand Limited has a 30 June balance date.

13. Reserves and Retained Earnings

(a) Retained earnings

Retained earnings contains general retained earnings in addition to the following:

(b) Levy Payers Retained Earnings

This comprises the accumulated surpluses and deficits since 2004.

The following table shows the detail of Reserves and Retained Earnings:

| Group | Retained Earnings | Total Equity |
|-------------------------------------|-------------------|---------------|
| In thousands of New Zealand dollars | | |
| Balance at 30 September 2025 | | |
| Levy Payers Beef and Sheepmeat | 28,337 | 28,337 |
| Biosecurity (GIA) Levy | 941 | 941 |
| | 29,278 | 29,278 |

| Group | Retained Earnings | Total Equity |
|-------------------------------------|-------------------|---------------|
| In thousands of New Zealand dollars | | |
| Balance at 30 September 2024 | | |
| Levy Payers Beef and Sheepmeat | 26,537 | 26,537 |
| Biosecurity (GIA) Levy | - | - |
| | 26,537 | 26,537 |

Bioscurity levy reserve

In 2017, sheep and beef farmers supported Beef + Lamb New Zealand (B+LNZ) joining the Government Industry Agreement on Biosecurity Readiness and Response (GIA). Part of the proposal supported was the creation of a Biosecurity Act levy on sheepmeat and beef producers to pay for readiness and response costs.

B+LNZ is a partner with the Ministry for Primary Industries (MPI) and DairyNZ in the *Mycoplasma bovis* (*M. bovis*) response. In June 2019 farmers supported increasing the maximum biosecurity levy on beef (excluding dairy cows) to \$2.00 per head to repay the beef sector's share of the *M. bovis* response costs.

The biosecurity (readiness and response) levy on beef was implemented from February 2020 and concluded 6 April 2025. Over this period \$14.4 million (\$1.80 per head) was collected and paid across to the MPI *M. bovis* response. In the 2025 financial year, \$1.8 million was collected and \$0.76 million paid to MPI (2024 \$3.045 million collected and paid). \$941K is held pending future commitment and to fund FMD readiness costs as agreed under Foot & Mouth Disease Government Industry Agreement.

The total response cost for the beef sector is capped to be no more than \$17.9 million up to 2030.

14. Related Party Transactions and Balances

(a) Transactions and balances with subsidiaries, joint ventures and industry partners

| In thousands of New Zealand dollars | 2025 | | 2024 | |
|---|---------------------------|-----------------------------|---------------------------|-----------------------------|
| | Funding Provided by B+LNZ | B+LNZ Receivable/ (Payable) | Funding Provided by B+LNZ | B+LNZ Receivable/ (Payable) |
| Pastoral Greenhouse Gas Research Consortium | 0 | 8 | (85) | 26 |

(b) Transactions and balances with other related parties

New Zealand Meat Board

All Beef + Lamb New Zealand Limited Farmer and Industry Directors are also Directors of the New Zealand Meat Board.

New Zealand Meat Board industry good funding to Beef + Lamb New Zealand Ltd for the 2025 financial year was \$1.4 million (2024: \$1.25 million).

At balance date, the New Zealand Meat Board owed Beef + Lamb New Zealand Limited \$70,093 for services provided and expenses incurred on their behalf (2024: \$274,939) and \$400,000 for industry good grant funding from investment income (2024: \$390,000 industry good grant funding from investment income).

Beef + Lamb New Zealand Incorporated

Kate Acland and Alan Thomson are Beef + Lamb New Zealand Limited's representatives on the Board of Beef + Lamb New Zealand Incorporated (B+LNZ Inc). Beef + Lamb New Zealand Limited jointly funds, with meat processors and retailers, the domestic generic promotion activities of B+LNZ Inc. Beef + Lamb New Zealand Limited funding for the 2025 financial year was \$900,000 (2024: \$900,000). Beef + Lamb New Zealand Limited also paid Nil for other work in 2025 (2024: \$16,691 other work).

Key management personnel compensation and other transactions

Key management personnel compensation is set out below. The key management personnel are the Directors of the company, the Chief Executive Officer and the direct reports to the Chief Executive Officer.

| GROUP | 2025 | | 2024 | |
|-------------------------------------|--------------|--------|--------------|--------|
| | Remuneration | Number | Remuneration | Number |
| In thousands of New Zealand dollars | | | | |
| Directors | 410 | 9 | 392 | 9 |
| Leadership Team | 2,124 | 9 | 2,093 | 9 |

Directors receive fees as disclosed in the Statutory Disclosures. The Leadership Team are on a standard employee contract. The Directors are the Directors of Beef + Lamb New Zealand Ltd.

15. Commitments

The Group leases office premises, motor vehicles, office equipment and is committed to contracted multiyear projects. As the lessor retains all risks of ownership, these leases are classified as operating leases. Operating lease costs are expensed in the period in which they are incurred. The Group does not have any finance leases. The contracted projects have certain conditions to be met annually before funding is paid.

Operating leases

The lease commitments are based on current rentals. Beef + Lamb New Zealand Limited leases premises in Wellington, in regional New Zealand locations with lease terms of 1-6 years. Some motor vehicles and office equipment are also leased.

Beef + Lamb New Zealand Limited's non-cancellable lease commitments are as follows:

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|-------------------------------------|------------|------------|-------------|-------------|
| Within 1 year | 1126 | 908 | 1126 | 908 |
| Within 1-2 years | 1110 | 775 | 1110 | 775 |
| Within 2-5 years | 1337 | 1167 | 1337 | 1167 |
| Later than 5 years | 280 | 176 | 280 | 176 |

Funding and contractual commitments

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|-------------------------------------|------------|------------|-------------|-------------|
| Within 1 year | 3725 | 3171 | 3725 | 3171 |
| Within 1-2 years | 2124 | 637 | 2124 | 637 |
| Within 2-5 years | 409 | 360 | 409 | 360 |
| Later than 5 years | - | - | - | - |

Capital commitments

There are no capital commitments as at 30 September 2025 (2024: \$ nil).

16. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive revenue and expense net of any reimbursement.

In June 2024, Beef and Lamb New Zealand announced the Taste Pure Nature programme would be transitioned to the Meat Industry Association and consequently a number of staff positions were dis-established. The transition is still in process at balance date, therefore the group recognised a provision of \$291,000 for expected restructuring costs for employee termination benefits.

No provisions have been made at 30 September 2025.

17. Contingencies

There are no contingencies.

18. Events Occurring after Balance Sheet Date

There were no other significant events after balance sheet date that would have a material impact on the financial statements.

19. Reconciliation of Surplus/(deficit) to Net Cash Flow from Operating Activities

| In thousands of New Zealand dollars | Group 2025 | Group 2024 | Parent 2025 | Parent 2024 |
|--|---------------|---------------|----------------|----------------|
| Reported surplus/ (deficit) after taxation | 2,741 | 3,882 | 2,771 | 3,740 |
| Add/(less) non-cash items: | | | | |
| Depreciation | 278 | 227 | 278 | 227 |
| Software amortisation | 183 | 161 | 183 | 161 |
| Income Tax on Jarden Investment | 34 | 36 | 34 | 36 |
| Jarden Investment Management fees | 39 | 38 | 39 | 38 |
| Provision for doubtful debts | - | (1) | - | (1) |
| (Gain)/loss on disposal of fixed assets | (24) | - | (24) | - |
| Fair value movement in derivatives | - | 5 | - | 5 |
| Increase/(decrease) in Restructuring provision | (253) | 291 | (253) | 291 |
| (Increase)/decrease in term receivables | 15 | 9 | 15 | 9 |
| Increase/(decrease) in short-term employee entitlements | 46 | 13 | 46 | 13 |
| | 318 | 779 | 318 | 779 |
| Add/(less) movements in other working capital items: | | | | |
| (Increase)/decrease in accounts receivable exchange | 142 | (316) | 127 | (213) |
| (Increase)/decrease in accounts receivable non exchange | 89 | 12 | 89 | 12 |
| Increase/(decrease) in accounts payable | (1,224) | (227) | (1,229) | (212) |
| Increase/(decrease) in accrued lease incentive | (14) | (14) | (14) | (14) |
| Increase/(decrease) in deferred income | (88) | 1 | (88) | 1 |
| (Increase)/decrease in income in advance | 378 | (338) | 378 | (338) |
| | (717) | (882) | (737) | (764) |
| Add/(less) items classified as investing or financing activities: | | | | |
| (Gain)/loss on Jarden Managed Investment Fund | (1,786) | (1,485) | (1,786) | (1,485) |
| Dividends received | (448) | (458) | (448) | (458) |
| Net cash flows from operating activities | 108 | 1,836 | 118 | 1,812 |

STATUTORY DISCLOSURES

Disclosure of Interests by Directors

In accordance with section 140(2) of the Companies Act 1993, the Directors have made general disclosures of their relevant interests for entry in the Groups interest register.

Directors have disclosed interests in transactions with associated and subsidiary companies and these are disclosed in Note 12 of the full Financial Statements.

All of the farmer and industry directors of Beef + Lamb New Zealand Limited are directors of the New Zealand Meat Board and all plus the independent director are directors of Meat & Wool Trust Ltd.

Donations

There were no donations made in the current year.

Board of Directors Remuneration

Director remuneration paid during the financial year was as follows:

| | 2025 |
|-------------------------------------|--------|
| K Acland | 83,320 |
| S Gower (until 27 March 2025) | 22,899 |
| N Hyslop | 43,250 |
| A Guilleux | 44,250 |
| P Crawshaw | 42,250 |
| P Conley | 39,250 |
| G Young | 39,250 |
| P Weir | 41,422 |
| A Stewart (from 27 March 2025) | 20,109 |
| W Tauwhare-George (from 1 Dec 2024) | 32,708 |

The Company pays no other fees to Directors for their representation on subsidiary or other related organisations.

The total director fees pool approved by farmers is \$401,500.

Directors' Indemnity and Insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of Beef + Lamb New Zealand Limited, the company has insured all its Directors and Officers against liabilities to other parties that may arise from their positions as Directors of the company. This insurance does not cover liabilities arising from criminal actions and deliberate and reckless acts or omissions by the Directors.

Use of Company Information by Directors

No notices were received from Directors pursuant to section 145 of the Companies Act 1993 requesting use of company information received in their capacity as Directors which would otherwise not have been available to them.

Employee Remuneration

Set out on the right is the number of employees of Beef + Lamb New Zealand Limited and its subsidiaries who received remuneration and other benefits of \$100,000 or more during the year in their capacity as employees.

The remuneration of staff resident outside New Zealand has been converted to New Zealand dollars for the purpose of this disclosure.

The People & Culture Committee of the company's Board approves the company's remuneration policy.

| Remuneration Range | 2025 | Number of Employees | |
|--------------------|------|-------------------------|------|
| | | 2025 discontinued roles | 2024 |
| 100-109 | 11 | 1 | 11 |
| 110-119 | 9 | 0 | 7 |
| 120-129 | 11 | 0 | 9 |
| 130-139 | 6 | 0 | 7 |
| 140-149 | 7 | 0 | 5 |
| 150-159 | 3 | 0 | 5 |
| 160-169 | 5 | 0 | 2 |
| 170-179 | 4 | 0 | 3 |
| 180-189 | 3 | 0 | 4 |
| 190-199 | 3 | 0 | 3 |
| 200-209 | 2 | 0 | 0 |
| 210-219 | 1 | 0 | 1 |
| 220-229 | 0 | 0 | 1 |
| 230-239 | 0 | 0 | 2 |
| 240-249 | 1 | 0 | 2 |
| 250-259 | 1 | 0 | 1 |
| 260-269 | 0 | 1 | 0 |
| 290-299 | 0 | 0 | 1 |
| 300-309 | 1 | 0 | 0 |
| 320-329 | 0 | 0 | 1 |
| 330-339 | 1 | 0 | 0 |
| 390-399 | 0 | 1 | 0 |

Subsidiary and Associated Company Directors

The following persons held the office of Director of the respective subsidiaries and associates during the year to 30 September 2025. Directors appointed (A) or who resigned (R) during the year are indicated. Staff appointments do not receive Directors fees or other benefits as a Director.

| | |
|--|--|
| Meat and Wool Trust Ltd (Shareholder Beef + Lamb New Zealand Ltd) | Kate Acland, Peter Conley, Patrick Crawshaw, Alex Guilleux, Nicky Hyslop, Geoffrey Young, Phillip Weir, Andrew Stewart (A), Warwick Tauwhare-George (A), S Gower (R) |
| Subsidiary Companies and Associates | |
| B+LNZ Clover Company Ltd Holds B+LNZ interest in Pastoral Genomics Research Consortium | Cros Spooner |
| B+LNZ Emissions Company Ltd Holds B+LNZ interest in Pastoral Greenhouse Gas Research Consortium | Cros Spooner |
| B+LNZ Investments Ltd Holds B+LNZ interest in the North Canterbury Future Farm | Cros Spooner |
| Taste Pure Nature Ltd Licences meat exporters with Taste Pure Nature branding | Cros Spooner |
| Primary Resources Ltd Non-trading | Cros Spooner |
| B+LNZ Genetics Ltd Non-trading | Cros Spooner |
| Beef + Lamb New Zealand Incorporated | Kate Acland, Alan Thomson |
| Pastoral Greenhouse Gas Research Ltd | Dan Brier |

Independent Auditor's Report

To the stakeholders of Beef + Lamb New Zealand

Report on the audit of the Company and Group financial report

Opinion

We have audited the accompanying Company and Group financial report which comprises:

- the Company and Group statement of financial position as at 30 September 2025;
- the Company and Group statements of comprehensive revenue and expense, changes in equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the Company and Group statement of service performance on pages 1 to 2.

In our opinion, the accompanying Company and group financial report of Beef + Lamb New Zealand (the **Company**) and its subsidiaries (the **Group**) on pages 1 to 28 presents fairly in all material respects:

- the Company and Group's financial position as at 30 September 2025 and its financial performance and cash flows for the year ended on that date; and
- the service performance for year ended 30 September 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Company and Group's measurement bases or evaluation methods.
- In accordance with Public Benefit Entity International Public Sector Accounting Standards (**PBE Standards**) issued by the New Zealand Accounting Standards Board.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**) and the audit of the statement of service performance in accordance with the New Zealand Auditing Standard 1 (Revised) *The Audit of Service Performance Information (NZ AS 1 (Revised))*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Beef + Lamb New Zealand 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**), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and NZ AS 1 (Revised) are further described in the *Auditor's responsibilities for the audit of the Company and Group financial report* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company and Group.



Use of this independent auditor's report

This independent auditor's report is made solely to the stakeholders. Our audit work has been undertaken so that we might state to the stakeholders 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 stakeholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the Company and Group financial report

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

- the preparation and fair presentation of the Company and Group financial report in accordance with PBE Standards issued by the New Zealand Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a Company and Group financial report that is free from material misstatement, whether due to fraud or error;
- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards;
- the preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with PBE Standards;
- overall presentation, structure and content of the service performance information in accordance with PBE Standards; and
- assessing the ability of the Company and 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 Company and Group financial report

Our objective is:

- to obtain reasonable assurance about whether the financial report as a whole is 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 and NZ AS 1 (Revised) 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 and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Company and Group financial report.

A further description of our responsibilities for the audit of the Company and Group financial report is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/>

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

KPMG

Wellington

2 December 2025