The a2 Milk Company Limited
ARBN 158 331 965

ASX Appendix 4D – Half Year Report

Results for announcement to the market

Reporting period	Six months to 31 December 2025
Previous reporting period	Six months to 31 December 2024

	Amount (000s)	Percentage change
Revenue from continuing ordinary activities	$NZ 993,491	+ 18.8%
Profit (loss) from continuing ordinary activities after tax attributable to security holders	$NZ 112,128	+ 9.4%
Net profit (loss) attributable to security holders	$NZ 10,913	- 88.1%

Dividends	Final dividend	Interim dividend approved subsequent to 31 December 2025
Amount per security ($NZ)	0.11500000	0.11500000
Franked amount per security ($NZ)	0.04928571	0.04928571
Record date	19 September 2025	20 March 2026
Dividend payment date	3 October 2025	2 April 2026
Dividend reinvestment plan	Not applicable	Not applicable

Comments:	For further information refer to the attached: 2026 Interim Report 2026 Interim Results Announcement / Media Release 2026 Interim Results Commentary and Outlook 2026 Interim Results Presentation

Net Tangible Assets per security	31 December 2025 $NZ 1.57	30 June 2025 $NZ 1.79

The a2 Milk Company

2026 Interim Report

We pioneer the future of Dairy for good

Contents

Directors' declaration

for the six months ended 31 December 2025

The directors of The a2 Milk Company Limited are pleased to present the interim report for the six months ended 31 December 2025.

The interim report is unaudited and was authorised for issue by the directors on 15 February 2026.

Signed on behalf of the Board by:

Pip Greenwood
Chair

David Bortolussi
Managing Director and CEO

15 February 2026

Consolidated statement of comprehensive income (unaudited)

for the six months ended 31 December 2025

	Note	31 Dec 25 $'000	31 Dec 24 $'000
Continuing operations			
Sales	2	992,558	835,405
Cost of sales		(506,957)	(417,662)
Gross margin		485,601	417,743
Other revenue	2	933	1,058
Distribution expenses		(32,409)	(26,872)
Marketing expenses		(168,334)	(145,870)
Administrative and other expenses		(139,450)	(120,230)
Operating profit		146,341	125,829
Interest income		16,605	25,186
Finance costs		(442)	(476)
Net finance income		16,163	24,710
Profit before tax		162,504	150,539
Income tax expense		(50,376)	(48,053)
Profit for the period from continuing operations		112,128	102,486
Discontinued operations			
Loss from discontinued operation, net of tax	17	(103,681)	(18,490)
Profit for the period		8,447	83,996
Profit/(loss) for the period attributable to:			
Owners of the Company		10,913	91,725
Non-controlling interests		(2,466)	(7,729)
		8,447	83,996
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation profit		10,535	7,181
Cash flow hedges fair value loss		(11,834)	(6,724)
Items not to be reclassified to profit or loss:			
Listed and unlisted investments fair value gain		2,094	8,938
Total other comprehensive income, net of tax		795	9,395
Total other comprehensive income/(loss) attributable to:			
Owners of the Company		1,158	11,241
Non-controlling interests		(363)	(1,846)
		795	9,395
Total comprehensive income		9,242	93,391
Total comprehensive income/(loss) attributable to:			
Owners of the Company		12,071	102,966
Non-controlling interests		(2,829)	(9,575)
		9,242	93,391
Earnings per share – continuing operations			
Basic (cents per share)		15.47	14.16
Diluted (cents per share)		15.38	14.09
Earnings per share (including discontinued operations)			
Basic (cents per share)		1.51	12.68
Diluted (cents per share)		1.50	12.61

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity (unaudited)

for the six months ended 31 December 2025

Six months ended 31 December 2025	Attributable to owners of the Company: Foreign currency translation reserve $'000	Fair value revaluation reserve $'000	Employee equity settled payments reserve $'000	Treasury shares reserve $'000	Hedging reserve $'000	Total reserves $'000	Retained earnings $'000	Share capital $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance 1 July 2025	(9,046)	(248,384)	76,806	(3,383)	2,755	(181,252)	1,632,123	100	1,450,971	(20,231)	1,430,740
Profit after tax for the period	–	–	–	–	–	–	10,913	–	10,913	(2,466)	8,447
Foreign currency translation differences - foreign operations	10,535	–	–	–	–	10,535	–	–	10,535	–	10,535
Changes in cash flow hedges taken to equity	–	–	–	–	(18,940)	(18,940)	–	–	(18,940)	(893)	(19,833)
Cash flow hedges reclassified to profit or loss	–	–	–	–	3,433	3,433	–	–	3,433	530	3,963
Listed and unlisted investments – fair value movement	–	2,094	–	–	-	2,094	–	–	2,094	–	2,094
Income tax	–	–	–	–	4,036	4,036	–	–	4,036	–	4,036
Total comprehensive income for the period	10,535	2,094	-	-	(11,471)	1,158	10,913	-	12,071	(2,829)	9,242
Transactions with owners in their capacity as owners:											
Dividends paid	–	–	–	–	–	–	(83,424)	-	(83,424)	–	(83,424)
Employee withholding tax payments	–	–	(464)	–	–	(464)	–	–	(464)	–	(464)
Treasury shares transferred	–	–	(3,383)	3,383	–	–	–	–	–	–	–
Share-based payments	–	–	5,766	–	–	5,766	–	–	5,766	–	5,766
Income tax	–	–	788	–	–	788	–	–	788	–	788
Discontinued operation	–	–	–	–	–	–	–	–	–	23,060	23,060
Total transactions with owners	–	–	2,707	3,383	–	6,090	(83,424)	–	(77,334)	23,060	(54,274)
Balance 31 December 2025	1,489	(246,290)	79,513	–	(8,716)	(174,004)	1,559,612	100	1,385,708	–	1,385,708

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity (unaudited)

for the six months ended 31 December 2025

	Attributable to owners of the Company										
Six months ended 31 December 2024	**Foreign currency translation reserve $'000**	**Fair value revaluation reserve $'000**	**Employee equity settled payments reserve $'000**	**Treasury shares reserve $'000**	**Hedging reserve $'000**	**Total reserves $'000**	**Retained earnings $'000**	**Share capital $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Balance 1 July 2024	(5,841)	(279,027)	67,292	(8,706)	1,882	(224,400)	1,490,776	100	1,266,476	(9,703)	1,256,773
Profit after tax for the period	–	–	–	–	–	–	91,725	–	91,725	(7,729)	83,996
Foreign currency translation differences - foreign operations	7,181	–	–	–	–	7,181	–	–	7,181	–	7,181
Changes in cash flow hedges taken to equity	–	–	–	–	(5,667)	(5,667)	–	–	(5,667)	(1,972)	(7,639)
Cash flow hedges reclassified to profit or loss	–	–	–	–	1,045	1,045	–	–	1,045	126	1,171
Listed and unlisted investments – fair value movement	–	8,938	–	–	–	8,938	–	–	8,938	–	8,938
Income tax	–	–	–	–	(256)	(256)	–	–	(256)	–	(256)
Total comprehensive income for the period	7,181	8,938	–	–	(4,878)	11,241	91,725	–	102,966	(9,575)	93,391
Transactions with owners in their capacity as owners:											
Employee withholding tax payments	–	–	(430)	–	–	(430)	–	–	(430)	–	(430)
Treasury shares transferred	–	–	(5,323)	5,323	–	–	–	–	–	–	–
Share-based payments	–	–	5,040	–	–	5,040	–	–	5,040	–	5,040
Total transactions with owners	–	–	(713)	5,323	–	4,610	–	–	4,610	–	4,610
Balance 31 December 2024	1,340	(270,089)	66,579	(3,383)	(2,996)	(208,549)	1,582,501	100	1,374,052	(19,278)	1,354,774

The accompanying notes form part of these financial statements.

Consolidated statement of financial position (unaudited)

as at 31 December 2025

	Note	31 Dec 25 $'000	30 Jun 25 $'000
Assets			
Current assets			
Cash and term deposits	10	896,878	1,100,171
Trade and other receivables		92,123	92,246
Prepayments		108,875	108,522
Inventories	5	173,399	139,113
Other financial assets	8	8,321	10,949
Total current assets		1,279,596	1,451,001
Non-current assets			
Property, plant and equipment	6	177,383	216,844
Right-of-use assets		16,916	20,226
Investment property		37,345	34,182
Intangible assets	7	215,997	110,919
Other financial assets	8	84,600	81,958
Deferred tax assets		33,375	26,981
Total non-current assets		565,616	491,110
Total assets		1,845,212	1,942,111
Liabilities			
Current liabilities			
Trade and other payables		383,712	353,537
Lease liabilities		4,529	5,369
Loans and borrowings	12	–	39,000
Income tax payable		29,654	43,992
Other financial liabilities	9	14,436	8,182
Total current liabilities		432,331	450,080
Non-current liabilities			
Trade and other payables		755	662
Lease liabilities		14,619	17,603
Loans and borrowings	12	–	38,764
Other financial liabilities	9	11,799	4,262
Total non-current liabilities		27,173	61,291
Total liabilities		459,504	511,371
Net assets		1,385,708	1,430,740
Equity			
Share capital	14	100	100
Retained earnings		1,559,612	1,632,123
Reserves		(174,004)	(181,252)
Total equity attributable to owners of the Company		1,385,708	1,450,971
Non-controlling interests		–	(20,231)
Total equity		1,385,708	1,430,740

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows (unaudited)

for the six months ended 31 December 2025

	Note	31 Dec 25 $'000	31 Dec 24 $'000
Cash flows from operating activities			
Receipts from customers		1,012,128	872,790
Payments to suppliers and employees		(871,385)	(746,469)
Interest received		17,921	24,129
Interest paid		(1,532)	(989)
Taxes paid		(61,943)	(70,664)
Net cash inflow from operating activities	11	95,189	78,797
Cash flows from investing activities			
Payments for property, plant and equipment	6	(9,089)	(2,444)
Payments for investment property		(1,509)	(4,683)
Payments for intangible assets	7	(4,524)	(541)
Investment in listed shares		–	(32,802)
Acquisition of subsidiary net of cash acquired	16	(274,986)	–
Disposal of subsidiary net of cash disposed	17	106,276	–
Payments for term deposits		(385,000)	(400,000)
Receipts from term deposits		425,000	350,000
Net cash outflow from investing activities		(143,832)	(90,470)
Cash flows from financing activities			
Payments of lease principal		(2,895)	(2,866)
Dividends paid	15	(83,424)	–
Net (repayments of)/proceeds from borrowings		(39,000)	28,000
Net cash (outflow)/inflow from financing activities		(125,319)	25,134
Net (decrease)/increase in cash and short-term deposits		(173,962)	13,461
Cash and short-term deposits at the beginning of the period		600,171	518,943
Effect of exchange rate changes on cash		10,669	9,630
Cash and short-term deposits at the end of the period	10	436,878	542,034

The accompanying notes form part of these financial statements.

Notes to the interim financial statements

for the six months ended 31 December 2025

1. Basis of preparation

The a2 Milk Company Limited (the Company) and its subsidiaries (together the Group) is a for-profit entity incorporated and domiciled in New Zealand.

The Company is registered in New Zealand under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is also registered as a foreign company in Australia under the *Corporations Act 2001* (Cth, Australia). The shares of The a2 Milk Company Limited are publicly traded on New Zealand's Exchange (NZX), the Australian Securities Exchange (ASX) and Cboe Australia (CXA). The financial report is presented in New Zealand dollars, and all values are rounded to the nearest thousand ($'000), unless otherwise indicated.

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

These condensed consolidated financial statements were authorised for issue by the directors on 15 February 2026.

Statement of compliance

These interim financial statements have not been audited. The interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, comply with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*, and have been the subject of a review by the auditors.

This interim report should be read in conjunction with the Group's annual report for the year ended 30 June 2025, available at www.thea2milkcompany.com/results.

The same accounting policies and methods of computation are followed in this interim report as were applied in the preparation of the Group's financial statements for the year ended 30 June 2025, or if new in the period are included in the relevant note.

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

Changes in material accounting policies

The Group has applied all of the new and revised Standards and Interpretations issued by the New Zealand External Reporting Board (XRB) that are relevant to the Group's operations and effective for the current accounting period. Their application has not had any material impact on the Group's assets, profits or earnings per share for the half year ended 31 December 2025.

New standards and interpretations not yet adopted

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

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

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

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

There are no other new standards and interpretations that are issued, but not yet mandatorily effective as at 31 December 2025, that are expected to have a material impact on the Group in current or future reporting periods.

2. Operating segments

The Group's key performance measures are segment revenue and segment results before interest, tax, depreciation and amortisation (Segment EBITDA, a non-GAAP measure). Further information and analysis of performance can be found in the 1H26 Interim Results Commentary and Outlook, which has been lodged concurrently with the interim report.

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

- The *China and Other Asia* segment receives external revenue from the sale of infant milk formula, other nutritional products (including all a2 Pokeno external sales) and liquid milk sales to China.
- The *Australia and New Zealand* segment receives external revenue from the sale of infant milk formula, milk and other nutritional products, along with rent, royalty, and licence fee income.
- The *USA* segment receives external revenue from the sale of milk, infant milk formula and from licence fee income.

The *Mataura Valley Milk* segment, which was reported as a segment in the prior year, has been reported as a discontinued operation. Refer to Note 17 for details of the discontinued operation.

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

2. Operating segments (continued)

Six months to 31 December 2025	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Total $'000
Consolidated sales	738,890	170,671	82,997	992,558
Other revenue	91	656	186	933
Reportable segment revenue from continuing operations	738,981	171,327	83,183	993,491
Reportable segment results (Segment EBITDA) from continuing operations	167,638	33,224	(3,446)	197,416
Corporate EBITDA				(42,459)
Group EBITDA from continuing operations				154,957
Other items from continuing operations				
Interest income				16,605
Interest expense				(398)
Depreciation and amortisation				(8,660)
Income tax expense				(50,376)
Consolidated profit after tax from continuing operations				112,128
Loss after tax from discontinued operation				(103,681)
Consolidated profit after tax				8,447

Six months to 31 December 2024	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Total $'000
Consolidated sales	614,249	156,861	64,295	835,405
Other revenue	–	879	179	1,058
Reportable segment revenue from continuing operations	614,249	157,740	64,474	836,463
Reportable segment results (Segment EBITDA) from continuing operations	148,040	29,519	(4,856)	172,703
Corporate EBITDA				(41,800)
Group EBITDA from continuing operations				130,903
Other items from continuing operations				
Interest income				25,186
Interest expense				(451)
Depreciation and amortisation				(5,099)
Income tax expense				(48,053)
Consolidated profit after tax from continuing operations				102,486
Loss after tax from discontinued operation				(18,490)
Consolidated profit after tax				83,996

Notes to the interim financial statements

for the six months ended 31 December 2025

3. Revenue

Disaggregation of revenue

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

Six months to 31 December 2025	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Total $'000
Infant milk formula:				
China label	324,861	–	–	324,861
English and other labels[1]	320,243	41,170	979	362,392
Liquid milk[2]	–	116,122	82,018	198,140
Other nutritionals[3]	93,786	13,379	–	107,165
Other revenue	91	656	186	933
	738,981	171,327	83,183	993,491

Six months to 31 December 2024	China and Other Asia $'000	Australia and New Zealand $'000	USA $'000	Total $'000
Infant milk formula:				
China label	305,020	–	–	305,020
English and other labels[1]	258,390	40,492	845	299,727
Liquid milk[2]	–	103,811	63,450	167,261
Other nutritionals[3]	50,839	12,558	–	63,397
Other revenue	–	879	179	1,058
	614,249	157,740	64,474	836,463

1 Revenue is allocated based on management responsibility and usually reflects the geographical location of the Group's wholesale customers. It is understood that a significant proportion of the infant milk formula sales to customers in the Australia and New Zealand segment are ultimately consumed in China.

2 Excludes liquid milk products (plain and fortified) exported to China and Other Asia markets.

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

4. Expenses

	31 Dec 25 $'000	31 Dec 24 $'000
Profit before income tax from continuing operations includes the following significant items:		
Salary and wage costs	62,528	49,795
Equity settled share-based payments (refer to Note 18)	5,766	5,040
Depreciation and amortisation	8,660	5,099
Net foreign exchange losses	8,731	9,900

5. Inventories

	31 Dec 25 $'000	30 Jun 25 $'000
Raw materials	49,586	36,304
Finished goods	123,813	102,809
Total inventories at the lower of cost and net realisable value	173,399	139,113

At period end $9,300,000 (31 December 2024: $9,423,000) was recognised as an expense in cost of sales for inventories written down or written off.

The inventory balance at 31 December 2025 includes $39,149,000 of inventory held by the acquired entity a2 Pokeno (refer Note 16 for details on the acquisition), while $50,939,000 of inventory was disposed as part of the Mataura Valley Milk Limited divestment.

6. Property, plant and equipment

	Land $'000	Buildings $'000	Office & computer $'000	Furniture & fittings $'000	Leasehold improvements $'000	Plant & equipment & work in progress $'000	Total $'000
Carrying amount 1 July 2025	8,763	45,877	3,020	721	1,085	157,378	216,844
Acquisition of subsidiary	32,373	60,437	128	209	–	58,674	151,821
Disposal of subsidiary	(8,763)	(45,675)	(1,681)	–	–	(138,987)	(195,106)
Additions	–	–	539	16	15	8,519	9,089
Depreciation	–	(1,179)	(483)	(91)	(149)	(4,320)	(6,222)
Net foreign currency exchange differences	–	–	55	9	58	835	957
Carrying amount 31 December 2025	32,373	59,460	1,578	864	1,009	82,099	177,383
Cost	32,373	67,599	6,949	2,320	7,349	144,253	260,843
Accumulated depreciation	–	(8,139)	(5,371)	(1,456)	(6,340)	(62,154)	(83,460)
Carrying amount 31 December 2025	32,373	59,460	1,578	864	1,009	82,099	177,383

Notes to the interim financial statements

for the six months ended 31 December 2025

7. Intangible assets

	Patents & Trade marks $'000	Other $'000	Goodwill $'000	Total $'000
Carrying amount 1 July 2025	4,774	3,866	102,279	110,919
Acquisition of subsidiary	–	214	100,413	100,627
Disposal of subsidiary	–	(211)	–	(211)
Additions	–	4,524	–	4,524
Amortisation	(33)	(419)	–	(452)
Net foreign currency exchange differences	–	17	573	590
Carrying amount 31 December 2025	4,741	7,991	203,265	215,997
Cost	5,590	13,450	203,265	222,305
Accumulated amortisation and impairment	(849)	(5,459)	–	(6,308)
Carrying amount 31 December 2025	4,741	7,991	203,265	215,997

Other consists of software and product development costs.

8. Other financial assets

	31 Dec 25 $'000	30 Jun 25 $'000
Current		
Foreign currency forward contracts	8,321	10,949
Non-current		
Foreign currency forward contracts	5,807	5,259
Listed investment at fair value	76,566	74,174
Unlisted investment at fair value	2,227	2,525
	84,600	81,958

Listed investment

The listed investment is a 19.8% holding in shares in Synlait Milk Limited (Synlait). Synlait is a dairy processing company (listed on NZX and the ASX) with which the Group has an ongoing Nutritional Powders Manufacturing and Supply Agreement. No dividends were received from this investment during the period (2024: $nil).

A fair value gain of $2,392,000 (2024: gain $9,485,000) was recognised in other comprehensive income for the period.

Shareholding in Synlait Milk Limited

Movements in the period

	Shares '000	Cost $'000	Share price at report date $	Market value $'000	Mark to market $'000
Balance 30 June 2025	119,636	321,583	0.62	74,174	(247,409)
Balance 31 December 2025	119,636	321,583	0.64	76,566	(245,017)
Fair value gain in period					2,392

9. Other financial liabilities

	31 Dec 25 $'000	30 Jun 25 $'000
Current		
Foreign currency forward contracts	14,436	8,182
Non-current		
Foreign currency forward contracts	11,799	4,262

10. Cash and term deposits

	31 Dec 25 $'000	30 Jun 25 $'000
Cash at banks and on hand	153,613	190,657
Short-term deposits	283,265	409,514
Cash and short-term deposits	436,878	600,171
Other current term deposits	460,000	500,000
Cash and term deposits	896,878	1,100,171

Other current term deposits comprise term deposits with a maturity greater than three months and less than twelve months. Term deposits are presented as cash equivalents in the consolidated statement of cash flows if they have a maturity of less than three months and are readily convertible to known amounts of cash with no significant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	31 Dec 25 $'000	30 Jun 25 $'000
Cash at banks and on hand	153,613	190,657
Short-term deposits	283,265	409,514
Cash and short-term deposits	436,878	600,171

Notes to the interim financial statements

for the six months ended 31 December 2025

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

	31 Dec 25 $'000	31 Dec 24 $'000
Net profit for the period	8,447	83,996
Adjustments for non-cash items:		
Depreciation and amortisation	10,238	14,960
Share-based payments	5,766	5,040
Net foreign exchange gain	(3,972)	(3,029)
Gain on termination of lease	–	(53)
Loss on disposal of subsidiary	100,291	–
Changes in working capital:		
Trade and other receivables	(10,888)	(15,618)
Prepayments	(1,164)	(6,276)
Inventories	(62,774)	(12,915)
Trade and other payables	65,154	38,472
Tax balances	(15,909)	(25,780)
Net cash inflow from operating activities	95,189	78,797

12. Loans and borrowings

	31 Dec 25 $'000	30 Jun 25 $'000
Current		
Secured:		
Bank loans	–	39,000
	–	39,000
Non-current		
Unsecured:		
Loan from MVM's non-controlling shareholder	–	38,764
	–	38,764

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

13. Financial instruments

Carrying amounts versus fair value

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

		31 Dec 25		30 Jun 25	
	Hierarchy level	Carrying amount $'000	Fair Value $'000	Carrying amount $'000	Fair Value $'000
Cash and term deposits		896,878	896,878	1,100,171	1,100,171
Trade and other receivables		92,123	92,123	92,246	92,246
Foreign currency forward contract assets	2	14,128	14,128	16,208	16,208
Listed investment	1	76,566	76,566	74,174	74,174
Unlisted investment	3	2,227	2,227	2,525	2,525
Secured bank loans	2	–	–	(39,000)	(38,853)
Unsecured loan from MVM's non-controlling shareholder	2	–	–	(38,764)	(37,164)
Trade and other payables – excluding employee entitlements and customer contract liabilities		(353,565)	(353,565)	(319,205)	(319,205)
Foreign currency forward contract liabilities	2	(26,235)	(26,235)	(12,444)	(12,444)
		702,122	702,122	875,911	877,658

Fair value hierarchy

Financial instruments carried at fair value are classified by valuation method based on the following hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Carrying amount (equalling fair value) is applied consistently in the current and prior period to assets and liabilities not recognised in the consolidated statement of financial position at fair value.

Estimation of fair value

The following methods and assumptions are used in estimating the fair values of financial instruments:

- Listed investment – closing share price on NZX.
- Unlisted investment – latest financial information from the public-private partnership.
- Foreign currency forward contracts – calculated by reference to current forward exchange rates for contracts with similar maturity profiles, adjusted to reflect the credit risk of the various counterparties.
- Loans and borrowings – present value of future principal and interest cash flow, discounted at the market rate of interest at the reporting date.
- Cash and term deposits, trade and other receivables and payables – carrying amount approximates fair value.

Notes to the interim financial statements

for the six months ended 31 December 2025

14. Share capital

Movements in contributed equity:	**Number of shares**	**$'000**
Fully paid ordinary shares:		
Balance 30 June 2025	724,019,118	100
Movements in the period:		
Vesting of performance rights	1,407,076	–
Balance 31 December 2025	725,426,194	100

Vesting of performance rights: Shares issued to employees participating in Group employee share plans.

As at 31 December 2025, the trustee of the a2MC Group Employee Share Trust held 50,513 of the Company's shares (30 June 2025: 508,048 shares) available solely to participants in Group employee share plans.

15. Dividends

Dividends paid during the period are as follows:

	31 Dec 25	**31 Dec 24**
Final dividend		
Total paid $'000	83,424	–
Cents per ordinary share	11.50	–
Imputation		
Imputation percentage	78.22%	–
Imputation credit – cents per ordinary share	3.50	–
Franking		
Franking percentage	100%	–
Franking credit – cents per ordinary share	4.93	–
Key dates		
Ex-dividend date	18 September 2025	–
Record date	19 September 2025	–
Payment date	3 October 2025	–

Since the end of the year, the Directors have approved the payment of an interim dividend amounting to approximately $83.4 million, proposed out of retained earnings, but not recognised as a liability at 31 December 2025.

Interim dividend	
Cents per ordinary share	11.50
Imputation	
Imputation percentage	0%
Imputation credit – cents per ordinary share	–
Franking	
Franking percentage	100%
Franking credit – cents per ordinary share	4.93
Key dates	
Ex-dividend date	19 March 2026
Record date	20 March 2026
Payment date	2 April 2026

16. Acquisition of subsidiary

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

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

The transaction consists of the acquisition of a fully integrated nutritional manufacturing site with drying, blending and canning capabilities. The facility currently holds two registrations with the Chinese State Administration for Market Regulation (SAMR) and the Company intends to seek regulatory amendments to these two registrations to enable the Company to sell its branded China Label infant milk formula (IMF) products. If these regulatory amendments are not approved within up to twelve months from submission, the Company has the right (but not the obligation) to unwind the transaction with the purchase consideration returned to the Company subject to working capital and other adjustments.

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

The transaction was completed on a debt and cash-free basis for a total gross consideration of $282.0 million, with $144.8 million paid on closing and the balance of $137.2 million held in escrow pending receipt of necessary regulatory amendment approvals. Subsequent to completion, working capital and net debt adjustments were finalised with the final net consideration reducing to $275.0 million (net of cash acquired).

Fair value of identifiable assets and (liabilities) acquired

	Fair value recognition on acquisition $'000
Cash and cash equivalents	6,145
Trade and other receivables	11,603
Prepayments	937
Inventories	22,451
Property, plant and equipment	151,821
Right-of-use assets	1,290
Intangible assets	214
Trade and other payables	(12,406)
Lease liabilities	(1,337)
Net identifiable assets acquired	180,718

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

Purchase consideration and goodwill on consolidation

	$'000
Purchase consideration	281,131
Less: Net identifiable assets acquired	(180,718)
Goodwill	100,413

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

Notes to the interim financial statements

for the six months ended 31 December 2025

16. Acquisition of subsidiary (continued)

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

Goodwill is allocated to the cash generating units (CGUs) that are expected to benefit from the synergies of the business combination. Therefore, total goodwill of $100,413,000 has been allocated to the China and Other Asia CGU as substantially all of the synergies from this acquisition will benefit this CGU.

For the four months ended 31 December 2025 a2 Pokeno contributed revenue of $16,638,000 and an after-tax loss of $10,425,000.

Recognition and measurement

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

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

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

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

17. Disposal of subsidiary and discontinued operation

On 31 October 2025, the Company disposed of its 75% controlling interest in Mataura Valley Milk (MVM), a dairy nutrition business, located in Southland, New Zealand. The disposal was consequential to the Company's acquisition of a2 Pokeno, and follows the Group's broader supply chain transformation which has been noted in Note 16.

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

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

Accordingly, MVM was classified as a discontinued operation on the consolidated statement of comprehensive income and is no longer presented as a separate segment in Note 2 Operating segments.

17. Disposal of subsidiary and discontinued operation (continued)

Loss from discontinued operation

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

	31 Dec 25 $'000	31 Dec 24 $'000
Sales	29,275	57,385
Cost of sales	(29,966)	(75,167)
Gross margin	(691)	(17,782)
Distribution expenses	(223)	(76)
Marketing expenses	(2)	(17)
Administrative and other expenses	(4,829)	(4,001)
Operating loss	(5,745)	(21,876)
Interest income	70	25
Finance costs	(1,224)	(1,422)
Net finance costs	(1,154)	(1,397)
Loss before tax	(6,899)	(23,273)
Income tax benefit	6,273	4,783
Loss for the period from discontinued operation	(626)	(18,490)
Cash flow hedges fair value loss	(1,457)	(7,383)
Other comprehensive income for the period from discontinued operation	(1,457)	(7,383)

Net cash flows of discontinued operation

	31 Dec 25 $'000	31 Dec 24 $'000
Net cash outflow from operating activities	(2,968)	(24,526)
Net cash outflow from investing activities	(108)	(1,619)
Net cash (outflow)/inflow from financing activities	(39,302)	27,528
Total net cash (outflow)/inflow of discontinued operation	(42,378)	1,383

Earnings per share of discontinued operation

	31 Dec 25	31 Dec 24
Basic (cents per share)	(13.96)	(1.49)
Diluted (cents per share)	(13.96)	(1.49)

Notes to the interim financial statements

for the six months ended 31 December 2025

17. Disposal of subsidiary and discontinued operation (continued)

Net loss on the disposal of discontinued operation

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

	31 Dec 25 $'000
Consideration received	111,252
Less: cash disposed	(4,976)
Cash consideration per the consolidated statement of cash flows	106,276
Consideration received subsequent to period end	3,993
Total consideration net of cash disposed at 31 December 2025	110,269
Less: other net assets disposed	(187,500)
Less: non-controlling interests disposed	(23,060)
Less: incremental disposal costs	(2,764)
Loss on disposal	(103,055)

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

	31 Dec 25 $'000	31 Dec 24 $'000
Loss for the period from discontinued operation	(626)	(18,490)
Loss on disposal of discontinued operation	(103,055)	–
Total loss from discontinued operation	(103,681)	(18,490)

18. Share-based payments

Long-term incentives (LTI)

The LTI plan is designed to retain and motivate senior management to achieve the Group's long term strategic goals by providing rewards that align the interests of management with shareholders.

During the period the Board authorised the issue of 1,443,880 performance rights to senior management under the LTI plan.

The performance rights vest subject to:

– Continuing employment; and
– Achieving the following performance hurdles over the performance periods:

			Revenue CAGR hurdles		
Performance rights grants:	**Performance period**	**EPS CAGR**	**50% vest**	**85% vest**	**100% vest**
FY26 plan					
1,443,880 rights	3 years to 30 June 2028	10%	4%	6%	8%

Both the minimum EPS CAGR (compound annual growth in reported diluted earnings per share) and minimum Revenue CAGR (compound annual growth in reported revenue from continuing operations) must be achieved for any vesting of performance rights. The minimum vesting proportion is 50%; thereafter, vesting is on a straight-line basis between 50% and 85% vesting and between 85% and 100% vesting.

EPS CAGR and Revenue CAGR are derived from the annual report of the Company for the relevant financial years and are subject to adjustment to remove the impact of material items as the Board may determine in its absolute discretion to normalise results (up or down) to more appropriately reflect underlying performance. Without limitation, adjustments may be made to exclude the impact of unusual or one-off items, discontinued operations, impairment charges, acquisitions and disposals, and capital management.

No amount is payable upon vesting of the performance rights and conversion to shares. Each exercised right is an entitlement to one fully paid ordinary share in the Company.

Fair value of performance rights

The fair value of services received in return for performance rights granted to employees is measured by reference to the fair value of the rights granted. The estimate of the fair value of the services received is measured by reference to the vesting conditions specific to the grant based on a simplified Black-Scholes option pricing model.

Performance rights granted during the period and assumptions

Grant date	**9 Oct 25**	**8 Dec 25**
Fair value at measurement date	$9.20	$9.44
Performance rights life	2.9 years	2.7 years

Amounts recognised in the consolidated statement of comprehensive income

During the period a $5,766,000 expense was recognised in the consolidated statement of comprehensive income for equity settled share-based payment awards (2024: $5,040,000).

Notes to the interim financial statements

for the six months ended 31 December 2025

19. Contingent liabilities

The Company is the defendant in a group proceeding in the Supreme Court of Victoria, jointly conducted by Slater & Gordon Lawyers and Shine Lawyers (the Australian Proceedings). The Australian Proceedings, now consolidated, were commenced in October and November 2021 respectively. The Australian Proceedings relate to the period from 19 August 2020 to 9 May 2021 inclusive (Relevant Period) and makes allegations that the Company engaged in misleading and deceptive conduct and breached its disclosure obligations by failing to disclose certain information to the market. The claim is said to be brought on behalf of shareholders who acquired an interest in fully paid ordinary shares in the Company: (1) during the Relevant Period; or (2) prior to 19 August 2020 and retained those shares until a date after 28 September 2020.

The claim makes allegations under both Australian and New Zealand law. On 28 November 2022, the Supreme Court of Victoria ruled that it has jurisdiction to hear and determine the claims brought under New Zealand law. On 18 May 2022, the Company announced that a representative proceeding had been filed in the High Court of New Zealand which names the Company as the defendant (the New Zealand Proceeding). The New Zealand Proceeding, filed by Thorn Law and funded by CHC Investment Fund III Pty Limited relates to the same period (19 August 2020 to 9 May 2021) and makes allegations under New Zealand law only which are substantially the same as those advanced in the Australian Proceedings.

On 28 April 2025 the Company was notified that Hamilton Locke (NZ) Limited became solicitor on the record in the New Zealand Proceedings. The claim is commenced on behalf of group members who acquired an interest in ordinary shares in the Company on the ASX and/or the NZSX: (1) during the Relevant Period; and (2) prior to the Relevant Period and continued to hold some or all of those shares for part or all of the Relevant Period; and (3) those who fall into both categories (1) and (2).

The Company filed an interlocutory application for a stay of the New Zealand Proceeding under the Trans-Tasman Proceedings Act 2010 (NZ) on 23 June 2022. On 23 January 2023, the Auckland High Court granted the Company's application for a stay of the New Zealand Proceeding, pending judgment on liability or a final settlement of the Australian Proceedings, whichever occurs first.

The Company filed its defence in the Australian Proceedings on 8 November 2022 and, in response to a further amended pleading filed on 1 September 2025, an amended defence on 10 October 2025. The Company has not filed a defence in the New Zealand Proceeding, which is stayed.

The plaintiffs and the Company filed their evidence in the Australian Proceedings in 2025, with some further evidence in reply due from the plaintiffs on 6 March 2026. The matter has been listed for a further case management conference on 8 May 2026. A trial has been set for a period of seven weeks commencing on 2 June 2026.

The Company considers that it has at all times complied with its disclosure obligations and has no present obligation in relation to this claim, denies any liability and will vigorously defend the proceedings.

The claims of group members have not yet been and are not required to be quantified. Based on the current status of the Australian Proceedings and the New Zealand Proceeding, it is not practicable to provide: (a) an estimate of the financial effect; (b) an indication of the uncertainties relating to the amount or timing of any outflow; or (c) the possibility of any reimbursement.

20. Subsequent events

The directors approved the payment of an interim dividend of 11.50 cents per share, amounting to approximately $83.4 million. Refer to Note 15 for details.

No other matters or circumstances have arisen since the end of the period which have significantly affected or may significantly affect the operations, the result of these operations or state of affairs of the Group in subsequent periods.

Auditor's review report

for the six months ended 31 December 2025

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

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

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

Report on the review of the interim financial statements

Conclusion

We have reviewed the interim condensed financial statements of The a2 Milk Company Limited ("the Company") and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended on that date, and explanatory notes. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the period ended on that date, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting (NZ IAS 34)* and International Accounting Standard 34: *Interim Financial Reporting (IAS 34)*.

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

Basis for conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial statements* section of our report. We are independent of the Group in accordance with the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable to audits and reviews of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1.

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

Directors' responsibility for the interim financial statements

The directors are responsible, on behalf of the Entity, for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 and IAS 34 and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's review report

for the six months ended 31 December 2025

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34 and IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on those interim financial statements.

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

Ernst & Young

Ernst & Young
Sydney
15 February 2026

Corporate directory

Company	The a2 Milk Company Limited	
New Zealand share registry	MUFG Pension & Market Services Limited PO Box 91976 Victoria Street West Auckland 1142 New Zealand Telephone: +64 9 375 5998	
Australian share registry	MUFG Corporate Markets (AU) Limited Locked Bag A14 Sydney South NSW 1235 Australia Telephone: +61 1300 554 474	
Registered offices	Level 17 51 Shortland Street Auckland 1010 New Zealand	Level 4 182 Blues Point Road McMahons Point NSW 2060 Australia Telephone: +61 2 9697 7000
Auditor	Ernst & Young 200 George Street Sydney NSW 2000 Australia	
Corporate website	thea2milkcompany.com	
Company Secretary	Jaron McVicar	
Company Directors	Pip Greenwood (Chair and Independent, Non-Executive Director) David Bortolussi (Managing Director and CEO) Grant Dempsey (Independent, Non-Executive Director) – appointed 1 September 2025 Lain Jager (Independent, Non-Executive Director) Kate Mitchell (Independent, Non-Executive Director) Tonet Rivera (Independent, Non-Executive Director) Sandra Yu (Independent, Non-Executive Director)	

thea2milkcompany.com

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