

Tēnā koutou kua huihui mai nei
E mihi ana ki ngā mana whenua
Nō Mohua ahau
E mahi ana au hei Chairman ki LIC
Ko tēnei taku mihi ki ngā tāngata whenua o te rohe nei
Ko Corrigan tōku ingoa
Nō reira, tēnā koutou katoa.

Good evening, everyone, my name is Corrigan Sowman, and I am your Board Chair. I would like to welcome you to this year's AGM. Joining me this evening is our CE David Chin and our CFO Brent Mealings. I have apologies from SRG members Shaun Baxter and Andrew Wiffen and also Ian Brown, Ellen Barlett and Gordon Glentworth from the Honoraria.

While he couldn't join us tonight, I would like to take this opportunity to thank Ian, who is stepping down at this meeting, for all the work he has done to support LIC during his term. I would also like to thank our outgoing Directors, Ben Dickie and Tim Gibson and outgoing SRG Chair, Mark Hooper. The time you have all given to this co-operative is much appreciated.

Before we get into the substance of today's meeting, I want to take a moment to thank you, our farmers. Every one of you plays a role in making this cooperative what it is. As David and I often discuss, genetic gain doesn't start or end with the lab or the straw. It happens because of the choices our farmers make; it's because of your commitment to using our services that we can deliver results and create added breeding value that stays on farm. I'd like to hand over to Brent now to discuss our FY25 results in more detail.

Thank you, Corrigan, turning now to our recent financial highlights.

Revenue was up over 10% with over half the increase driven by volume growth, with sexed semen up 26% and a 30% increase in animal health, driven by Johnes in particular. Other strong performers were Herd Testing and International, up 9% and 3% respectively year on year.

This strong revenue performance contributed to a significant increase in Net Profit after tax. Net Profit after tax was also positively impacted by an increase in valuation of the Bull Team, reversing a negative valuation change in the previous financial year.

The Directors declared a 12.22 cents per share final dividend, representing a fully imputed \$17.4m cash distribution to LIC's shareholders.

Last year's underlying earnings result was negatively impacted by two significant one-off events totalling just over \$5m. These events were the semen quality issue and the removal of the tax deductibility on commercial buildings.

Excluding the impact of the one-off events, your co-op converted the 10% increase in revenue into a 15% improvement in underlying earnings compared to last year.

The co-op continued to invest into R&D, representing 8% of revenue and a 6% increase on last financial year.

We will continue to focus on delivering consistent financial results ensuring the ongoing financial resilience of the Co-operative through different stages of the commodity cycle. The strength of our underlying cash generation and balance sheet provides the fuel to continue to invest in the business, technology enablement and R&D. It also provides the optionality to pay a consistent dividend to our farmer shareholders.

This financial year, we anticipate underlying earnings to be in the range of \$18-22m, assuming no significant events or milk price changes. As David will cover later, the co-op is investing into a multi-year programme to replace legacy systems and improve customer facing systems. This investment is predominantly into Software as a Service tool, the costs of which are generally expensed as incurred. Reported Net Profit After Tax will be negatively impacted by the implementation costs incurred within a given year but excluded from Underlying Earnings.

We will of course remain focused on our controllable costs and ensuring our ongoing capital investments are well considered.

We are excited to share that improvements are planned for LIC share trading before the end of 2025 enabled by Sharesies.

This is an early example of where we're investing in better systems and processes that make it easier to do business with LIC. David will now provide some more context on these results.

Kia ora everyone and thank you Brent.

Let's start with animal health – because healthy cows are productive cows, and that's where your profits are made. Over the last decade we've invested heavily in animal health testing – Johne's disease and BVD in particular. Johne's testing has now identified over 166,000 antibody positive animals. That's huge number of cows that could have silently dragged down herd performance, and they are now removed from herds.

Importantly, prevalence is falling – meaning our collective investment is changing the trajectory of the disease in New Zealand.

On BVD, we've systematically reduced the number of herds with Persistently Infected animals. PI calves are the hidden cost centres on farm – they spread the virus, cause empty cows, and sap production. By helping farmers find and remove those animals, we're lifting efficiency and productivity across the sector. This is a great example of the co-operative principle in action: we invest together, the benefits land back inside your farm gate.

Next, let's talk about one of the most powerful examples of genetics delivering real dollars back on farm – short gestation.

Our short gestation length product allows farmers to bring calving forward by around 12 days. That may not sound like much – but across the herd it translates into more days in milk, and as we know, more days in milk equals more milk in the vat. Over time this has added up to over 12.8 million additional kilograms of milksolids for New Zealand farmers. At a \$10 payout, that's an additional \$128 million in revenue – generated simply by smarter genetics. And this is a product that continues to grow in use, as farmers look for ways to tighten calving patterns, reduce empties, and keep herds efficient.

Another area where your co-operative has invested strongly is in genomics.

By building the largest genotype reference population in the country – now well over 1 million genotypes – we're able to predict the genetic merit of animals at a much younger age, and with greater accuracy. That means we can make better breeding decisions, faster. It accelerates the rate of genetic gain across the national herd. This is a long-term investment – the more animals we genotype, the more accurate our evaluations become, and the more value flows back to you as farmers.

Let's zoom out and look at the big picture – what all these investments have achieved together over time. This is a bit of a case study of the Holstein Friesian breed in NZ. Over the last 30 years, we've seen extraordinary progress: +52kg fat and +39kg protein added through breeding. And while the absolute amount of fat and protein has increased, so has the milksolids percentages Fat% lifted from 4.1% to 4.8%, Protein% from 3.3% to 3.8%. Our elite Holstein Friesian bulls are now producing herds with milk solids over 9.5% – a world-class result. These improvements don't happen overnight – they are the compounding result of small, consistent gains each year. It's a story of long-term investment paying off, and it's one of the key reasons LIC exists as a co-op: so, we can capture these benefits for New Zealand farmers, not for offshore shareholders.

So, what does this all add up to?

In 2025, the estimated value we've left behind the farm gate through LIC's products and services is \$655 million – up from \$391 million in 2020. To put it simply: the majority of the value you gain from LIC doesn't show up in our P&L. It shows up in your herds, in the vat, and in your productivity. That's the co-operative difference – we exist to deliver value on your farm, not just profits in our accounts.

As a cooperative we are really focused on helping farmers to cut down on paperwork, a good example of this is through our integrations with MINDA. We are seeing demand for third parties continuing to increase and our investment into data sharing is benefiting the wider industry. We currently have 13 business partners connected into our ecosystem with another seven in the works.

And we're not stopping there. The next frontier is breeding cows that produce less methane. We've completed the first two stages of our methane research programme, and we're now in stage three – testing whether the low-methane trait continues to express during lactation. To do this, we've invested in a dedicated methane research facility on our innovation farm – the first of its kind in the Southern Hemisphere.

The opportunity here is massive: if we can breed cows that are both productive and lower-emitting, we future-proof the New Zealand dairy sector. This is another example of LIC investing today so that our farmers have the tools they need tomorrow. I'll now hand back to Corrigan to talk about the importance of our generational co-operative.

Thank you, David. Preparing our co-operative for tomorrow is one of the things which was firmly at the front of the board's mind when we were looking to refresh our strategy. We want to ensure LIC stands out as a generational co-operative, one that is supporting farming families, like mine, both now and in the future.

Over the last decade, the global genetics industry has consolidated. Fewer players, bigger corporates, and more private ownership. In many parts of the world, the link between farmers and genetics providers has weakened. This changes the dynamic, not just in price, but in the priorities of the products offered. Here in New Zealand, we're different. Only a small portion of the world's milk is produced from pasture-based systems, and even less from truly seasonal grass-based systems like ours. That makes our cows unique, our systems unique and our roles as farmers unique. The job of breeding a productive, resilient herd in this environment – is unique too.

That is why our co-operative exists. LIC was formed 115 years ago to meet the needs of our New Zealand farming system - not someone else's. That means our genetics, our software our testing and our services have to deliver value where it counts: inside our farm gates. We are, and must always remain, deeply focused on protecting that core.

The core is the day-to-day job our farmers do: raising animals which thrive in pasture-based environments, which get in calf easily and which produce efficiently and reliably. That's our core, that's where value is created.

However, protecting this core doesn't mean standing still. The best way to honour our legacy is to build on it, much like our world-class genetics, we must always be evolving. That means investing in areas that make a difference: on-farm software that makes data easier to manage; genetics that respond to changing environmental and processor expectations; tools that reduce labour and help farmers farm smarter. Protecting the core and focusing on the future also guides our finances, we are very aware of our balance sheet. We are focused on getting our investment priorities right, and that means spending for today while also saving for tomorrow. It's not just about what we deliver this year – it's about ensuring we have the foundation to deliver for next year and the one after that and in turn for the next generation, for my kids, and yours.

As a farmer myself, this is personal. It's not just about business – it's about ensuring our farm, and farms like it, remain viable, productive and fulfilling places to work. That's what being a generational cooperative means and that's what sets us apart.

Right now, we're seeing some good momentum. Our processors want more data to support their market claims. Banks are taking renewed interest in on-farm performance. Farm technology is accelerating. All of this creates new demand and exciting opportunities for our co-operative.

But we are also facing increasing competition. Global players are moving fast, and at some point, they may turn their focus to New Zealand. That means we need to be sharper, winning not just on product, but also on service and on trust, we need to operate in a way that makes our farmers want to work with us.

When LIC was formed, it was to solve common problems facing farmers. How to test and select better cows. How to share genetic gains across farms. How to improve productivity for everyone – faster and together.

That purpose hasn't changed. But the environment around us has.

We're seeing generational change. Many of today's farmers don't remember the "why" behind the cooperative. They see the products, but not the decades of collective investment that built them. That's our opportunity – to re-tell that story, to make the value visible, and to make the experience of using LIC's tools and genetics as rewarding and easy as possible.

Our strategy refresh is about exactly that. It's about sharpening our focus – aligning our energy and resources to the things that truly matter for our farmers, so we can reinvest and do it again next year, and the year after that.

The Board has been closely involved in this process. We are strongly supportive of where the leadership team has taken it. David will shortly take you through the detail – but I want to say clearly that we believe this strategy sets the cooperative up in a way which protects what matters, while also positioning us to compete and win into the future.

For me, as a generational farmer, that's what counts. If LIC is strong, my farm has a better chance of being strong. If our cooperative thrives, our sector thrives. So, thank you again for being part of that journey., your support is making a difference, and it matters.

With that, I'll hand over to David to take us through the next chapter of our strategy.

Thanks Corrigan. Let's take a look at the bigger picture we're all operating in. Agriculture globally is under pressure. We need to feed a growing population, while also lifting farm productivity and profitability. That challenge is playing out right here in New Zealand too – our farmers are expected to produce more, with less: greater emphasis on emissions, reduced fertiliser applications, stricter labour and animal welfare requirements. LIC's role is clear: to make sure that through genetics, animal health, and farm technology, we help our farmers meet this challenge head-on.

But it's not just about producing more milk. It's about how we do it. As an industry we must protect our social licence to operate – which means reducing emissions intensity, reducing nutrient loading, and safeguarding our ecosystems. These aren't just regulatory requirements, they're market requirements – our customers offshore want to know New Zealand milk is the most sustainable in the world. That's why investments like methane research and Johne's testing matter – they keep our farmers ahead of the curve.

We believe the herd of the future needs to be highly efficient, aligned to the needs of our consumers and processors lower emitting and fit for purpose. So, what's LIC's job in all this? Our strategy is laser focused on Herd Improvement - breeding great, efficient cows and doing this faster. It's the day-to-day job you do on farm: raising cows that thrive on pasture, get in calf easily, and produce efficiently. Everything we invest in – from genetics to software to animal health – must support that mission. If we get that right, value flows back to you, and New Zealand dairy stays globally competitive.

That's what our strategy refresh is all about. Sharpening our focus. Deploying our resources to the things that truly matter on farm and creating the financial strength to reinvest again next year, and the year after that. The Board and Leadership team are aligned on this – and we believe this strategy positions LIC to compete and win into the future. We believe this strategy is about investing for today and tomorrow – balancing

short-term delivery with long-term resilience. I now want to unpack our five areas of focus that will deliver NZ farmers world leading herd improvement.

Let me start with something very important – how we serve you, our farmers. LIC has always been about delivering value on farm, but we know we can't stop improving the way we work with you. That's why we're putting farmer needs at the heart of every decision we make. We're investing in better systems and processes that make it easier to do business with LIC. We're gathering and using customer insights more deliberately – making sure we're working on the right things, the things that matter most to farmers. Because at the end of the day, this is your co-op. If we're not meeting your needs, we're not doing our job.

But it's not just about what we deliver, it's how we deliver it. Farmers want a service that is consistent where it counts, and flexible where it matters. That means you can rely on us to be there, season after season, with the core services you depend on – whether it's AB, herd testing, or MINDA. But it also means giving you flexibility – breeding options that suit your herd goals, tools that fit with your farm systems, and support that recognises one size does not fit all. Our investment in customer experience is about striking that balance – consistent delivery, combined with the flexibility that makes your life easier.

Of course, the core of what we do is genetics – and here, too, we're focused on delivering more value back to farm. We're building smarter breeding programmes that help farmers be more precise and purposeful. That means using the right mix of conventional semen, sexed semen, beef genetics, and short gestation length semen. It's about breeding with intent – not just getting cows pregnant but getting them pregnant the genetics that unlock the most value for your farming system. Better breeding decisions create stronger, more productive herds, and that translates directly into better profitability on farm.

Alongside genetics, we're also looking at the next wave of testing solutions. We want to do more than predict performance – through genomic testing and other innovations, we want to predict health issues before they arise. Every milk sample, every ear punch, should be giving farmers more data – not just on production and performance, but on animal health and resilience. And this is not something LIC will do alone – we're committed to collaborating more with dairy vets and other partners to minimise disease on farm and lift overall herd performance. This is about turning today's testing into tomorrow's insights – helping farmers make decisions with more confidence and more speed.

Right now, we're seeing real momentum in our industry. Processors want more data to support sustainability claims. Banks are more interested in farm performance. Farm technology is advancing rapidly. All of this creates demand for LIC's tools and services. And when we talk about insights, MINDA is the hub that brings it all together. Our goal is to connect more test data seamlessly into MINDA – so the information you need to make breeding, culling, and health decisions is right at your fingertips. That means less time chasing data, and more time acting on it. We will continue to integrate testing, genetics, and herd management in one place, the decision-making power for farmers grows exponentially. That's where we're heading – a smarter, simpler experience that makes data truly work for you.

Finally, I want to touch on one more important part of our strategy – our international business. LIC has always been proudly focused on New Zealand farmers. That will never change – your farms are at the heart of everything we do.

But our international business is becoming an increasingly important part of our co-op story. By investing in international markets, we're strengthening our breeding scheme. The scale we gain from operating offshore gives us the resources to fund more innovation – innovation that ultimately benefits every LIC farmer back here in New Zealand. There's also huge value in the insights we gather from international markets. Different farming systems, different genetics pressures, different customer needs – all of this information feeds back into our programmes. And that accelerates the rate of genetic gain we can deliver in New Zealand.

Our international strategy is very clear: we are not trying to be everything to everyone. We are focused on being world-class in pasture-based genetics – because that is where we believe we can lead the world. Ultimately, international success strengthens LIC at home. That's why international growth is not a distraction – it's a way of future-proofing the co-op and working to lead in the field of pasture-based dairy genetics, not just here, but worldwide.

So, let me finish with the big question – why does all of this matter? At the end of the day, it comes down to one thing: our herds. To stay competitive as New Zealand dairy farmers, we need high-performing herds – cows that are productive, efficient, resilient, and bred through world-class breeding programmes. But genetics alone isn't enough. To get the best out of our herds, we also need smarter tools – tools that connect data, insights, and the systems farmers use every day. That's how we make better, faster decisions on farm – and that's how we capture more value in the vat. And above all, this matters because LIC must remain a strong, generational co-operative. A co-op that's easy to work with, that listens to farmers, and that invests not just for today, but for tomorrow. Because if LIC is strong, your farms are stronger. And if our co-op thrives, our

whole sector thrives. That's why all of this matters – to be able to deliver world-class herds, smarter tools, and a co-op built to serve generations of New Zealand farmers.