

LANDCORP FARMING LIMITED
HALF-YEAR REPORT
FOR THE SIX MONTHS ENDED
31 DECEMBER 2025

PĀMU™
LANDCORP
FARMING LIMITED





ABOUT PĀMU

Pāmu is the brand name for Landcorp Farming Limited. We are a state-owned enterprise and the largest pastoral farmer in Aotearoa New Zealand managing nearly 360,000 ha over 112 farms across the motu.

Pāmu exists today to enhance the future of agriculture for generations of New Zealanders to come, return land under Treaty of Waitangi settlements, and produce a financial return. Our purpose

is to lead the delivery of commercial and sustainable agriculture solutions for future generations.

As a state-owned enterprise, we are expected to be as profitable and efficient as comparable businesses that are not owned by the Crown; a good employer; and an organisation that exhibits a sense of social responsibility by having regard to the interests of the communities in which we operate.

These expectations with our purpose shape our strategy and direction.

The New Zealand Government benefits from its investment in Pāmu through equity growth, dividends and industry benefits such as genetic development and industry partnerships. Pāmu must finance its operations and capital spend like any other farmer, through retained earnings and debt.

PĀMU CEO MARK LESLIE AND BOARD CHAIR JOHN RAE HALF-YEAR REVIEW AND FULL-YEAR FY26 OUTLOOK

Note: This report covers the six months ended 31 December 2025. The results are unaudited and are prepared in accordance with NZ IFRS and the principles of the Statement of Corporate Intent for FY26–FY28. Performance reflects disciplined execution of the business plan and prevailing market conditions.

Pāmu continues its upward trajectory with strong half-year results and upgraded full-year outlook.

Pāmu enters the second half of FY26 with strong momentum and a record full-year profit forecast as we mark 140 years of supporting New Zealand agriculture.

This achievement reflects not only the strong foundations laid through our performance reset and subsequent turnaround plan, but the commitment and skill of our people who have lifted productivity, adapted, and put us in a position to capture the benefits of improved farming conditions and high commodity prices.

Our preferred measure of underlying performance is Net Operating Profit, which excludes the impacts of large asset revaluations. Net Operating Profit for the half-year improved by \$28 million from a \$2 million loss in December 2024 to a \$26 million profit in December 2025. Net Profit After Tax, which reflects market-driven valuation changes, climbed to \$95 million, up from \$62 million in the comparable period.

FULL-YEAR OUTLOOK

We enter the second half of FY26 with real tailwinds. With a disciplined focus on performance, supported by an engaged team, we are pleased to upgrade our full-year guidance.

Pāmu is forecasting Net Operating Profit for the full year to land between \$97 million and \$107 million, an increase on the November 2025 forecast of \$80 to \$90 million. This is more than double our previous FY25 record of \$49 million Net Operating Profit.

As we reflect on 140 years since the beginning of Crown involvement in supporting New Zealand's farming sector, these results highlight the legacy of long-term stewardship: delivering strong commercial performance, caring for the whenua for future generations, and demonstrating the value of the Pāmu role in Aotearoa New Zealand's food and fibre sector.

OPERATIONAL OUTLOOK

For the full year, Pāmu forecasts:

- A 10.9% increase in kgMS compared with FY25, driven by a 1.2% increase in cows milked, representing a 13.1% uplift over three years, equivalent to an additional 1.8 million kgMS.
- A 4.1% increase in livestock production compared with FY25, resulting in a 14.6% uplift over three years, equivalent to an additional 2.9 million kg.

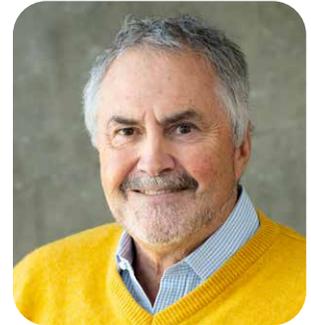
These production outcomes reflect continued improvement in pasture utilisation, animal performance, and optimisation of farming systems, enabled by more consistent, data-led decision making and adoption of digital technologies, including automation and wearables.

HALF-YEAR OPERATIONAL RESULTS

Building on this strong first-half performance and upgraded full-year outlook, our operational results demonstrate how improved production, disciplined execution, and integrated farm systems deliver tangible gains.

Total income was \$35 million higher (23%), driven by a \$22 million lift in farm operating revenue and a \$13 million increase (163%) from other business activities.

Farm operating revenue rose due to improved production, enabling Pāmu to capture the benefits of strong commodity prices.



JOHN RAE BOARD CHAIR



MARK LESLIE CHIEF EXECUTIVE

HALF-YEAR REVIEW AND FULL-YEAR FY26 OUTLOOK *continued*

DAIRY

Milk production increased 0.7 million kgMS (8%), keeping milk revenue steady at \$93 million, despite a forecast \$9/kgMS farmgate milk price for the current period versus \$10/kgMS in the previous period and sharemilker payments. Increased milk production reflects improvements in pasture utilisation, animal performance, and on-farm decision making, supported by greater standardisation and the rollout of digital tools, including FarmIQ, FARMAX and Halter, across the dairy portfolio.

LIVESTOCK

Livestock revenue increased \$21 million (42%), due to a decrease in stock losses and 18,972 (1.24%) more stock units on hand at opening, reflecting a focus on optimising production systems, and supported by higher red meat prices, positioning the business well for the second half of FY26. Premium revenue continued its upward trajectory, increasing from \$0.7 million to \$1.3 million year-on-year reflecting greater participation in premium and assurance programmes.

DIVERSIFICATIONS AND INTEGRATED SYSTEMS

Revenue from other activities grew \$13 million, reflecting the consolidation of Spring Sheep and continued expansion of horticulture. The Pāmu orchard in Northland produced yields above budget and industry benchmarks, demonstrating the benefits of integrated farming systems and diversification, supporting higher-value land use.

OPERATING EXPENSES

Operating expenses increased \$30 million, due to the consolidation of Spring Sheep, higher fertiliser prices, increased purchased feed to optimise milk production, the rebuilding of post-drought feed reserves in the Central North Island, and the continued investment in our dairy beef strategy. These investment choices reflect deliberate choices to support sustainable production growth and long-term commercial performance. The company's continued use of milk futures delivered an \$11 million gain (compared to an \$11 million loss in the comparative period), reinforcing the value of a disciplined, long-standing approach to managing commodity price volatility. Corporate costs were 3.5% lower than the previous period.

DRIVERS OF NET PROFIT AFTER TAX IMPROVEMENT

The \$28 million improvement in Net Operating Profit comprises the majority of the \$33 million lift in Net Profit After Tax, with the remainder relating to the corresponding tax expense and movements in non-cash fair value gains and losses on biological assets and carbon.

BALANCE SHEET

Net debt, including carbon repurchases at 31 December 2025, was \$259 million, compared with \$241 million at the previous half year. Liquidity headroom remains strong, with all banking covenant requirements met. Seasonal factors influence debt levels, and the Pāmu balance sheet is expected to finish the year in a strong position.

INVESTMENT IN PRODUCTIVITY AND RESILIENCE

Beyond near-term financial performance, Pāmu continues to shape the long-term productivity and resilience of the business. Pāmu continued to invest in the foundations, including:

- Technology and wearables to provide insights and support lifts in productivity.
- Initiatives to mitigate critical risks reduce injuries and support team engagement with health and safety.
- An increase in calves reared from the dairy herd (from 66% in FY25 to 72%), strengthening the dairy-beef pipeline and improving whole-of-system returns.
- Expansion of dairy share farming arrangements, with two additional dairy farms confirmed after the balance date and more scheduled to come online in the second half of FY26.
- Continuation of the Pāmu Apprenticeship Scheme to build talent and capability with a second intake of ten apprentices commencing in January 2026. 100% placement of nine apprentices from the 2025 cohort who have now entered their second year on Pāmu farms around the motu.
- Pāmu continues to take a leadership position in health and safety and shares lessons learnt with the sector through various forums, including Safer Farms.

HALF-YEAR REVIEW AND FULL-YEAR FY26 OUTLOOK *continued*

PORTFOLIO AND CAPITAL DISCIPLINE

Pāmu will continue to optimise its land portfolio. This includes leveraging capabilities in integrated farming systems, organics, forestry, and horticulture.

In November 2025, three more dairy farms at our Moutoa Dairy Complex in Manawātū achieved full organic certification. This brings our total organic portfolio to 11 organic farms and two runoffs, providing the organic sector with stability and scale. Organic farming enables Pāmu to capture premium returns in the market while maintaining operational performance and efficiency.

Horticulture performance is strong with the avocado harvest finished and yields up 160% versus the budget. Yields on early-season blueberries have also outperformed all expectations. The company's strategic move into horticulture aims to leverage land to create higher-value production systems and increase value. This diversification was not only a response to market volatility in the dairy and meat sectors but also an opportunity to tap into growing consumer demand. By integrating horticultural, Pāmu aims to optimise land use and help with long-term financial sustainability.

Where it makes sense, we are also providing land use rights for renewable energy and other higher-value uses, while retaining long-term land use optionality aligned with core farming operations.

SUSTAINABILITY

Enriching the natural world remains integral to the Pāmu strategy. Sustainability activity during the half year focused on continuing to have more than 90% of farms with Farm Environment Plans. The business also continues to progress an evidence-based climate adaptation roadmap, supporting greater resilience, emissions reductions, and improved energy efficiency, while enabling future capital flows to protect and enhance natural assets.

In December 2025, Pāmu reported progress toward its climate targets with a reduction in greenhouse gas (GHG) emissions for the 2024/25 financial year (FY25). The result demonstrates our ongoing commitment to sustainability, achieving an average net reduction of 10% since our FY21 base year. While up on last year, performance exceeds our FY25 target of 7.21%. Pāmu continues to invest in partnerships that deliver ongoing financial performance and long-term emissions reduction.

RISKS AND MARKET CONDITIONS

Market conditions remain supportive, although volatility and input cost pressures remain key risks. Pāmu will continue to manage these risks through disciplined cost control, its established risk management framework, and targeted collaborations with industry participants that capture and deliver commercial returns at scale.

GOVERNANCE AND LEADERSHIP

Pāmu welcomed new directors Angela Dixon, Stu Husband and Brent Lawgun in August 2025 to the board and farewelled director Dr Tanira Kingi in November 2025. We also welcomed Chief Corporate Services Officer Roz Urbahn in October 2025. As part of a streamlined leadership structure, the newly established role consolidates two former executive positions and provides leadership across a broad portfolio encompassing human resources; health, safety and wellness; sustainability, communications and community engagement.

With the executive team aligned under a sharper, more streamlined structure, Pāmu is well positioned to carry its strong first-half momentum into the remainder of FY26.

As we celebrate 140 years of supporting New Zealand's agricultural sector, we recognise the dedication of our people and their contribution to our business and performance. The Board is confident we have the leadership, capability, and focus needed to seize the opportunities ahead and deliver on our upgraded full-year expectations, creating sustained value for New Zealand.



John Rae

Chair



Mark Leslie

Chief Executive

Financial statements and notes

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Statement of profit or loss and other comprehensive income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Note	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Income				
Farm operating revenue	3	166	300	144
Other business activities	4	21	48	8
		187	348	152
Operating expenses				
Farm working and maintenance		89	134	76
Personnel and professional services		44	86	43
Other expenses	5	26	39	10
		159	259	129
Fair value gain/(loss) on milk futures		11	(14)	(11)
Profit/(loss) from equity accounted investments		1	3	-
Depreciation		(14)	(29)	(14)
Net operating profit/(loss)¹		26	49	(2)
Gain/(loss) on sale of property, plant and equipment		-	1	-
Discount on purchase of shares		-	27	-
Impairment of assets		-	(3)	(1)
Net finance expenses		(12)	(26)	(13)
Fair value gain/(loss) on interest rate derivatives		-	(2)	(3)
Fair value gain/(loss) on biological assets		94	96	78
Fair value gain/(loss) on property, plant and equipment		-	(3)	-
Fair value gain/(loss) on carbon credits		(7)	-	-
Net profit/(loss) before tax		101	139	59
Tax benefit/(expense)		(6)	(19)	3
Net profit/(loss) after tax		95	120	62
Net profit/(loss) attributable to owners of the company		98	124	62
Net profit/(loss) attributable to non-controlling interests		(3)	(4)	-

¹ Net operating profit is a non-GAAP measure. However, Landcorp considers it to be an appropriate measure of performance from core activities. Net operating profit does not have a standardised meaning and should not be viewed in isolation nor considered a substitute for measures reported in accordance with NZ IFRS as it may not be comparable to similar financial information presented by other entities. Net operating profit does not include gains on sale of property, plant and equipment, discount on purchase of shares, impairment, financing costs and fair value movements on interest rate derivatives, biological assets, property, plant and equipment and carbon credits.

The accompanying notes form part of these financial statements.

Statement of profit or loss and other comprehensive income (continued)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value gain/(loss) on land and improvements	-	2	-
Fair value gain/(loss) on share investments	6	7	6
Fair value gain/(loss) on carbon credits	(12)	8	8
Tax benefit/(expense) recognised in equity	4	(5)	(4)
Total comprehensive income	93	132	72
Total comprehensive income attributable to:			
Owners of the company	96	136	72
Non-controlling interest	(3)	(4)	-

The accompanying notes form part of these financial statements.

Statement of movements in equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Share capital \$m	Retained earnings \$m	Share revaluation reserve \$m	Asset revaluation reserve \$m	Non-controlling interest \$m	Total equity \$m
Balance at 1 July 2025	125	839	7	784	32	1,787
Net profit/(loss) after tax	-	98	-	-	(3)	95
Dividend paid	-	(15)	-	-	-	(15)
Fair value movements	-	-	6	(12)	-	(6)
Tax benefit/(expense) recognised in equity	-	-	(2)	6	-	4
Realised gain/(loss) on carbon credits sales	-	1	-	(1)	-	-
Unaudited balance at 31 December 2025	125	923	11	777	29	1,865

	Share capital \$m	Retained earnings \$m	Share revaluation reserve \$m	Asset revaluation reserve \$m	Non-controlling interest \$m	Total equity \$m
Balance at 1 July 2024	125	713	2	779	2	1,621
Net profit/(loss) after tax	-	124	-	-	(4)	120
Fair value movements	-	-	7	9	-	16
Tax benefit/(expense) recognised in equity	-	-	(2)	(3)	-	(5)
Realised gain/(loss) on carbon credits sales	-	1	-	(1)	-	-
Net transfers under Protected Land Agreement	-	1	-	-	-	1
Non-controlling interest on acquisition of a subsidiary	-	-	-	-	34	34
Balance at 30 June 2025	125	839	7	784	32	1,787

	Share capital \$m	Retained earnings \$m	Share revaluation reserve \$m	Asset revaluation reserve \$m	Non-controlling interest \$m	Total equity \$m
Balance at 1 July 2024	125	713	2	779	2	1,621
Net profit/(loss) after tax	-	62	-	-	-	62
Fair value movements	-	-	6	8	-	14
Tax benefit/(expense) recognised in equity	-	-	(2)	(2)	-	(4)
Realised gain/(loss) on carbon credits sales	-	1	-	(1)	-	-
Issue/(acquisition) of shares	-	1	-	-	(1)	-
Unaudited balance at 31 December 2024	125	777	6	784	1	1,693

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Cash flows from operating activities			
Receipts from customers:			
Livestock	53	155	42
Milk ²	92	134	65
Other receipts from customers	26	34	10
Payments to suppliers	(117)	(178)	(82)
Payments to employees	(43)	(80)	(42)
Interest paid	(6)	(14)	(8)
Net cash inflows/(outflows) from operating activities	5	51	(15)
Cash flows from investing activities			
Proceeds from sale of land and improvements and other property, plant and equipment			
	2	2	2
Proceeds from sale of carbon credits	4	12	12
Purchase of land and development of land and forestry	(12)	(26)	(11)
Purchase of other property, plant and equipment and intangibles	(12)	(17)	(10)
Cash/(overdraft) recognised on acquisition of subsidiary	-	(5)	-
Purchase of shares and net interests in joint venture investments	-	(3)	(5)
Net cash inflows/(outflows) from investing activities	(18)	(37)	(12)
Cash flows from financing activities			
Net borrowing receipts/(repayments)			
	35	(44)	(2)
Net proceeds from carbon repurchase agreements	(1)	43	37
Proceeds from issue of shares to non-controlling interests	-	4	-
Payment of lease liabilities	(10)	(18)	(9)
Dividends paid	(15)	-	-
Net cash inflows/(outflows) from financing activities	9	(15)	26
Net change in cash and cash equivalents	(4)	(1)	(1)
Cash and cash equivalents at beginning of year	2	3	4
Cash and cash equivalents at end of year	(2)	2	3

² Cash movements for milk includes payments relating to milk futures.

The accompanying notes form part of these financial statements.

Reconciliation of profit and operating cash flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Note	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Net profit/(loss) after tax		95	120	62
Adjustments for:				
Non-cash livestock growth and ageing	3	(34)	(5)	(21)
Milk futures unsettled gain/(loss)		(8)	1	(1)
Non-cash forestry growth		-	(3)	-
Carbon credits allocation		-	(20)	-
Gain on sale of carbon credits		-	(3)	(3)
Profit/(loss) from equity accounted investments		(1)	(3)	-
Equity accounted investment distributions		1	4	2
Depreciation		14	29	14
Gain on sale of property, plant and equipment		-	(1)	-
Discount on purchase of shares		-	(27)	-
Asset impairment		-	3	1
Interest expense on lease liability		6	12	6
Fair value movements		(87)	(91)	(75)
Tax expense/(benefit)		6	19	(3)
Movements in working capital		13	16	3
Net cash inflows/(outflows) from operating activities		5	51	(15)

The accompanying notes form part of these financial statements.

Statement of financial position

AT 31 DECEMBER 2025

	Note	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Assets				
Cash and cash equivalents		-	2	3
Accounts receivable	6	43	41	46
Inventories		27	30	16
Assets held for sale		3	3	3
Livestock	7	501	373	363
Forestry, carbon and orchard assets	8	117	133	113
Equity accounted investments		19	17	14
Shareholder loans to equity accounted investments		1	1	13
Share investments	9	43	37	34
Goodwill		56	56	2
Other assets		6	7	6
Derivative assets		8	-	-
Property, plant and equipment	10	1,500	1,495	1,481
Leased assets	11	210	216	218
Total assets		2,534	2,411	2,312
Liabilities				
Bank overdrafts		2	-	-
Accounts payable and accruals		37	24	23
Carbon credit repurchases payable		43	44	37
Employee entitlements		8	11	8
Bank loans	12	214	179	207
Derivative liabilities		3	3	3
Deferred tax liability		25	23	-
Lease liabilities	11	253	256	257
Redeemable preference shares		84	84	84
Total liabilities		669	624	619

The accompanying notes form part of these financial statements.

Statement of financial position (continued)

AT 31 DECEMBER 2025

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Shareholders' funds			
Share capital	125	125	125
Retained earnings	923	839	777
Share revaluation reserve	11	7	6
Asset revaluation reserve	777	784	784
Total shareholders' funds	1,836	1,755	1,692
Non-controlling interest	29	32	1
Total equity	1,865	1,787	1,693
Total equity and liabilities	2,534	2,411	2,312

Landcorp's Board of Directors authorised the financial statements for issue on 19 February 2026.

Signed on behalf of the Board



John Rae
Chair
19 February 2026



Paula Savage
Chair of Audit and Risk Committee
19 February 2026

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

NOTE 1: BASIS OF ACCOUNTING

REPORTING ENTITY

The condensed consolidated interim financial statements presented are those of Landcorp Farming Limited (“Landcorp”) and its subsidiaries, joint ventures and associates (together “Pāmu” or the “Group”). Established under the State-Owned Enterprises Act 1986 and registered under the Companies Act 1993, Landcorp is a profit-oriented company incorporated and domiciled in New Zealand. The ultimate shareholder of the Group is the Crown.

Pāmu is primarily a pastoral farming company with a growing focus on exploring alternative uses for land in its portfolio, including additional forestry and horticulture, and a foods business marketing premium deer products. Subsidiaries and associates are involved in land development, land management, farm technology, developing genetically superior sheep, cattle and deer breeds and sheep milk product distribution.

BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. These financial statements are unaudited and do not include all of the information and disclosures required in the annual financial statements. Accordingly, these financial statements should be read in conjunction with the annual report for the year ended 30 June 2025. Accounting policies used are consistent. Where necessary, comparative information has been reclassified to achieve consistency with the current period’s presentation.

NOTE 2: SEASONALITY OF OPERATIONS

Pāmu’s operations are seasonal and are largely a function of the annual farming cycle. The six months from July to December covered by these financial statements primarily reflect the cessation of winter and commencement of spring conditions when the majority of livestock births occur.

Statement of profit or loss

The overall half-year net profit after tax is seasonal and reflects the following:

- Pāmu’s sheep, beef and deer operations follow a cycle where the bulk of livestock is reared in spring and conditioned for sale over the late summer and autumn period. This means that a large portion of Pāmu’s livestock income is not generated until the second half of the financial year. The sale prices for processed livestock will be a function of market conditions at the time of sale and will reflect the prevailing impact of international commodity prices, exchange rates and any local climatic considerations.
- Harvested feed, comprising hay, silage and baleage, is generally harvested in late summer, during the second half of the financial year, and consumed in winter and early spring, in the first half of the financial year. Consequently, the six months to 31 December 2025 reflect the cost of the seasonal consumption of this feed. The second half of the financial year will reflect the benefit of rebuilding feed stocks for consumption early in the following financial year.
- Under NZ IFRS, Pāmu revalues livestock at each balance date and includes the revaluation gain or loss within profit or loss. The value of livestock will reflect market conditions at the time and is likely to change between balance dates. Hence, any profit or loss arising from livestock revaluations at 31 December 2025 may not reflect the market conditions prevailing at the financial year end.

Statement of financial position

Pāmu’s Statement of Financial Position at 31 December 2025 reflects the following seasonal factors:

- Term debt is seasonal as much of Pāmu’s revenue is not received in cash until the second half of the financial year. This reflects both the timing of livestock sales and the date at which milk solids revenue is received.
- Inventories of harvested feed reflect the seasonal consumption/production cycle.

Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

NOTE 3: FARM OPERATING REVENUE

Farm operating revenue is derived from the sale of livestock, milk and other agricultural produce such as wool and forestry logs.

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Livestock	71	139	50
Milk	93	152	93
Wool and velvet income	1	4	1
Forestry	1	5	-
Total farm operating revenue	166	300	144

Livestock revenue – Livestock revenue is recognised following departure of stock from farm. Sales contracts either fix prices in advance or allow livestock to be sold at the prevailing sales rate. Changes in the value and volume of livestock arising from purchases, sales, births, deaths and ageing are determined using a standard value which is determined with reference to the fair value and approved by the board each year.

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Sheep	24	45	16
Beef	40	76	28
Dairy	4	9	3
Deer	3	9	3
Total livestock revenue	71	139	50

Transactions with customers and suppliers

Livestock sales	55	153	41
Livestock purchases	(18)	(19)	(12)
<i>Non-cash items</i>			
Birth of animals	27	26	21
Growth of animals	46	78	30
Livestock losses	(7)	(11)	(6)
Book value of livestock purchased	8	9	5
Book value of livestock sold	(40)	(97)	(29)
Total livestock revenue	71	139	50

Milk revenue – Milk revenue is recognised following collection by the milk processor using the processor's most recent forecast price and dividend payments made during the year.

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Milk revenue	91	149	91
Dividends	2	3	2
Total milk revenue	93	152	93

Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

NOTE 4: OTHER BUSINESS ACTIVITIES

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Grazing and feed income	3	4	2
Carbon credits allocation	-	20	-
Carbon credits gain on sale	-	3	3
Speciality dairy finished goods and Ingredients revenue	11	14	-
Other business activities	7	7	3
Total other business activities	21	48	8

NOTE 5: OTHER EXPENSES

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Property-related expenses	6	10	5
Cost of sale of speciality milk finished goods and ingredients	11	16	-
Other operating expenses	9	13	5
Total other expenses	26	39	10

NOTE 6: ACCOUNTS RECEIVABLE

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Trade debtors	7	9	4
Milk income receivable	29	24	35
Other receivables and prepayments	7	8	7
Total accounts receivable	43	41	46

Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

NOTE 7: LIVESTOCK

Livestock are recorded at fair value less estimated point-of-sale costs. Changes in the value and volume of livestock arising from purchases, sales, births, deaths and ageing are recognised within revenue in the Statement of Profit or Loss and Other Comprehensive Income. Changes in value due to general livestock price movements are recognised in the Statement of Profit or Loss and Other Comprehensive Income within fair value movement in biological assets. Livestock valuations at 31 December 2025 were provided by independent valuers. These market values reflect livestock of similar weight and age throughout New Zealand.

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Livestock value at start of year	373	264	264
Birth and growth of animals	73	104	51
Livestock losses	(7)	(11)	(6)
Book value of livestock recognised on subsidiary acquisition	-	2	-
Book value of livestock purchased and sold	(32)	(88)	(24)
Fair value gain	94	102	78
Balance at end of period	501	373	363

Livestock numbers comprise:

	Unaudited 6 months ended 31 Dec 25	Audited 12 months ended 30 Jun 25	Unaudited 6 months ended 31 Dec 24
Sheep	636,588	375,511	640,629
Beef	135,912	109,629	131,839
Dairy	60,481	52,181	59,044
Deer	31,673	41,381	32,499

Livestock numbers are subject to seasonal variation, with numbers increasing through spring due to the birth of animals. Livestock on hand in December contains a greater proportion of trading stock, which will be sold later in the financial year.

NOTE 8: FORESTRY, CARBON AND ORCHARD ASSETS

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Carbon credits	40	63	44
Forests	73	66	65
Orchards	4	4	4
Total forestry, carbon and orchard assets	117	133	113

Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

NOTE 9: SHARE INVESTMENTS

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Share investments at fair value through profit or loss	3	3	2
Share investments at fair value through other comprehensive income:			
Fonterra Co-operative Group Limited	28	23	20
Waimakariri Irrigation Limited	9	9	10
Other	3	2	2
Total share investments	43	37	34

The Group is required to hold certain shares and investments in co-operative companies to facilitate farming operations. Shares are held as a consequence of business operations and are not held for trading. Share investments are initially recognised at cost and subsequently revalued to fair market value. Pāmu has elected to account for fair value changes through Other Comprehensive Income except in cases where the shares can be redeemed at par value from the issuer. In such cases, any value change will be accounted for through the Statement of Profit or Loss. Any dividends from share investments are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Pāmu's policy is to review the fair value of land and improvements annually. If there is a material change in fair values, a revaluation is performed. Pāmu classifies its properties within four portfolios being North Island Livestock, North Island Dairy, South Island Livestock and South Island Dairy. At a minimum, a revaluation of each portfolio is performed every three years. In June 2024 a valuation was performed for North Island Livestock and South Island Dairy, while for North Island Dairy and South Island Livestock the last valuation was performed in June 2025. Accordingly no portfolios are due to be revalued in the 2026 financial year.

Pāmu is currently closely monitoring rural property values for dairy farms in the South Island, which have shown signs of strengthening since the last valuation was undertaken. While no adjustments have been required or made for these interim financial statements, it is likely a valuation for South Island Dairy will need to be undertaken for the full financial year.

The Statement of Financial Position at 31 December 2025 does not reflect any changes in the market value of land and improvements since the last valuation. Directors continually monitor activity in the rural property market to identify any indication that values have moved significantly, and will have a valuation undertaken if required.

Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

NOTE 11: LEASES

Leased assets and liabilities are initially recognised in the Statement of Financial Position at the present value of remaining unpaid lease payments discounted by Pāmu's incremental borrowing rate. Thereafter, leased assets are depreciated over the life of the lease and lease liabilities reduce as lease payments are made. After commencement of a lease, any subsequent changes to the lease payments are reflected as a lease remeasurement adjustment.

Leased assets are largely made up of farm land in Wairākei, north-east of Taupō. The lease was entered into in 2004 and expires in 2049. The lease requires Pāmu to convert what was previously forestry land into pastoral farming land. At 30 June 2025, approximately 12,580 hectares had been leased. Other leases are also held for office buildings and telecommunications equipment. The Wairākei right of use asset is tested annually for impairment and the carrying value is adjusted accordingly if required.

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Opening balance	282	279	279
Lease remeasurement adjustment	-	1	1
Additions	-	2	-
Balance at end of year	282	282	280
Accumulated depreciation			
Opening balance	(66)	(56)	(56)
Depreciation	(6)	(10)	(6)
Balance at end of year	(72)	(66)	(62)
Total leased assets	210	216	218

The undiscounted maturity analysis of lease liabilities is as follows:

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Lease payments:			
Less than one year	19	19	18
Two to five years	71	71	73
More than five years	315	321	338
	405	411	429
Interest expense on lease liability:			
Less than one year	(11)	(11)	(12)
Two to five years	(41)	(41)	(44)
More than five years	(100)	(103)	(116)
	(152)	(155)	(172)
Total lease liabilities	253	256	257

Notes to the financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

NOTE 12: BANK LOANS

Cash advance facilities available to the Group at 31 December 2025 were \$313 million (Jun 25: \$313 million, Dec 24: \$315 million). This is comprised of \$300 million available to Landcorp Farming Limited (Jun 25: \$300 million, Dec 24: \$315 million) and \$13 million available to Spring Sheep Dairies LP (Jun 25: \$13 million, Dec 24: n/a).

Facilities available to Landcorp Farming Limited may be borrowed against or repaid at any time and are subject to a negative pledge agreement, which means the Group may not grant a security interest over its assets without the consent of its lenders. Facilities are either on a daily floating interest rate, or a short-term fixed rate and therefore carrying value approximates fair value.

	Unaudited 6 months ended 31 Dec 25 \$m	Audited 12 months ended 30 Jun 25 \$m	Unaudited 6 months ended 31 Dec 24 \$m
Within one year	25	10	90
Two to five years	189	169	117
Total bank loans	214	179	207

NOTE 13: DIVIDENDS PAID

A final dividend for the 2024/25 financial year of \$15 million was declared and paid in August 2025 (2023/24: nil).

NOTE 14: CONTINGENT LIABILITIES

At 31 December 2025, Pāmu had no contingent assets or liabilities.

NOTE 15: CAPITAL COMMITMENTS

At 31 December 2025, Pāmu had \$0.9 million of capital commitments (Jun 25: \$1.0 million, Dec 24: \$0.9 million).

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