

Livestock Improvement  
Corporation Limited (LIC)

# Interim Financial Statements

For the six months ended  
30 November 2025





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## Key results and position

### STATEMENT OF RESULTS FOR THE PERIOD For the six months ended 30 November 2025

In thousands of New Zealand dollars	SIX MONTHS ENDED			YEAR ENDED 31 May 2025
	Note	30 Nov 2025	30 Nov 2024	
		Unaudited	Unaudited	Audited
Revenue	1	195,246	185,666	295,107
Purchased materials		(23,339)	(21,694)	(46,266)
People costs		(74,474)	(72,342)	(128,559)
Depreciation and amortisation		(14,100)	(13,553)	(28,051)
Other expenses		(36,633)	(31,605)	(65,217)
Net finance income/(cost)		130	151	924
Bull team revaluation	2	-	7,512	12,292
Fair value change in Nil Paid Share receivable		(6)	(14)	47
<b>Profit/(loss) before tax expense</b>		<b>46,824</b>	<b>54,121</b>	<b>40,277</b>
Tax expense		(13,016)	(15,046)	(9,634)
<b>Profit/(loss) for the period</b>		<b>33,808</b>	<b>39,075</b>	<b>30,643</b>
Profit per Ordinary Share (excl. treasury stock)		\$0.24	\$0.27	\$0.22
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Investment revaluations	3	228	251	196
Land & buildings revaluations		-	-	1,482
Tax effect of building revaluations		-	-	(348)
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Hedge revaluations	3	1,146	304	(208)
Tax effect of hedge revaluations		(321)	-	58
Foreign currency translation movements	3	426	116	(48)
		<b>1,479</b>	<b>671</b>	<b>1,132</b>
<b>Comprehensive income for the period</b>		<b>35,287</b>	<b>39,746</b>	<b>31,775</b>
<b>Supplementary non-GAAP note to the results for the period:</b>				
Profit/(loss) for the period		33,808	39,075	30,643
Plus/(less): Bull team revaluation		-	(7,512)	(12,292)
Tax effect on Bull team revaluation		-	2,103	3,442
Plus: Significant enterprise system implementation costs	9	3,990	-	-
Tax effect on Significant enterprise system implementation costs	9	(977)	-	-
Plus/(less): Fair value change in Nil Paid Share receivable		6	14	(47)
<b>Underlying earnings</b>		<b>36,827</b>	<b>33,680</b>	<b>21,746</b>
Underlying earnings per Ordinary Share (excl. treasury stock)		\$0.26	\$0.24	\$0.15

## Key results and position

### STATEMENT OF POSITION

As at 30 November 2025

In thousands of New Zealand dollars	SIX MONTHS ENDED			YEAR ENDED 31 May 2025
	Note	30 Nov 2025	30 Nov 2024	
		Unaudited	Unaudited	Audited
Cash and cash equivalents		34,656	29,704	57,127
Debtors		88,519	89,350	36,705
Other assets		27,450	26,205	22,774
Nil Paid Shares receivable		359	668	722
Bull team	2	101,164	96,384	101,164
Land, buildings and equipment - owned & leased	4	130,718	119,876	125,845
Software, goodwill and other intangible assets	4	49,927	47,873	47,697
<b>Total assets</b>		<b>432,793</b>	<b>410,060</b>	<b>392,034</b>
Creditors		32,202	29,897	25,187
Borrowings		-	-	-
Deferred tax		34,017	32,248	33,323
Other liabilities		50,312	41,572	35,152
<b>Total liabilities</b>		<b>116,531</b>	<b>103,717</b>	<b>93,662</b>
<b>Net assets</b>		<b>316,262</b>	<b>306,343</b>	<b>298,372</b>
Share capital	3	76,737	76,737	76,737
Retained earnings		189,307	181,328	172,896
Other reserves	3	50,218	48,278	48,739
<b>Total equity</b>		<b>316,262</b>	<b>306,343</b>	<b>298,372</b>



Director

Date: 21 January 2026



Director

Date: 21 January 2026

## Key results and position

### STATEMENT OF CASH FLOWS FOR THE PERIOD

For the six months ended 30 November 2025

In thousands of New Zealand dollars	SIX MONTHS ENDED		YEAR ENDED
	30 Nov 2025	30 Nov 2024	31 May 2025
	Note	Unaudited	Unaudited
Customer receipts		142,415	130,112
Supplier payments		(131,480)	(118,441)
Net tax payments		1,445	(236)
Other operating cash flows		(162)	(75)
<b>Net operating cash flows</b>	<b>6</b>	<b>12,218</b>	<b>11,360</b>
Software development		(7,849)	(7,519)
Net sales/(purchases) of land, buildings and equipment		(7,125)	(5,854)
Purchase of investments		(156)	(8)
<b>Net investment cash flows</b>		<b>(15,130)</b>	<b>(13,381)</b>
Payment of principal portion of lease liabilities		(2,939)	(2,693)
Nil Paid Share receipts		20	71
Dividends paid		(17,060)	(8,095)
<b>Net financing cash flows</b>		<b>(19,979)</b>	<b>(10,717)</b>
<b>Movement in cash for the period</b>		<b>(22,891)</b>	<b>(12,738)</b>
Cash and cash equivalents at beginning of the period		57,127	42,341
Currency movement on cash holdings		420	101
<b>Cash and cash equivalents at end of the period</b>		<b>34,656</b>	<b>29,704</b>
			<b>57,127</b>

#### Components of cash and cash equivalents include:

Cash	1	1	1
Bank balances	26,655	13,703	22,126
Term deposits	8,000	16,000	35,000

## Key results and position

### STATEMENT OF CHANGES IN POSITION FOR THE PERIOD

For the six months ended 30 November 2025

In thousands of New Zealand dollars	Note	Share capital	Retained earnings	Other reserves	Total equity
Balance at 1 June 2025		76,737	172,896	48,739	<b>298,372</b>
Profit/(loss) for the period		-	33,808	-	<b>33,808</b>
Dividends paid		-	(17,397)	-	<b>(17,397)</b>
Hedge revaluations	3	-	-	825	<b>825</b>
Foreign currency translation movements	3	-	-	426	<b>426</b>
Investment revaluations	3	-	-	228	<b>228</b>
<b>Balance at 30 November 2025 (Unaudited)</b>		<b>76,737</b>	<b>189,307</b>	<b>50,218</b>	<b>316,262</b>
Balance at 1 June 2024		76,737	150,567	47,607	<b>274,911</b>
Profit/(loss) for the period		-	39,075	-	<b>39,075</b>
Dividends paid		-	(8,314)	-	<b>(8,314)</b>
Hedge revaluations		-	-	304	<b>304</b>
Foreign currency translation movements		-	-	116	<b>116</b>
Investment revaluations		-	-	251	<b>251</b>
<b>Balance at 30 November 2024 (Unaudited)</b>		<b>76,737</b>	<b>181,328</b>	<b>48,278</b>	<b>306,343</b>
Balance at 1 June 2024		76,737	150,567	47,607	<b>274,911</b>
Profit/(loss) for the year		-	30,643	-	<b>30,643</b>
Dividends paid		-	(8,314)	-	<b>(8,314)</b>
Hedge revaluations		-	-	(150)	<b>(150)</b>
Foreign currency translation movements		-	-	(48)	<b>(48)</b>
Investment revaluations		-	-	196	<b>196</b>
Land and buildings revaluations		-	-	1,134	<b>1,134</b>
<b>Balance at 31 May 2025 (Audited)</b>		<b>76,737</b>	<b>172,896</b>	<b>48,739</b>	<b>298,372</b>

# Accounting policies

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## Accounting entity

These financial statements set out the performance, position and cash flows of Livestock Improvement Corporation Limited ("LIC" or the "Company") and its subsidiaries (the "Group") for the six months ended 30 November 2025.

LIC is domiciled in New Zealand, registered under the Companies Act 1993 and the Co-operative Companies Act 1996, and listed on the Main Board of the New Zealand Stock Exchange Limited ("NZX"). LIC is an FMC Reporting Entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

These financial statements should be read in conjunction with the annual report for the year ended 31 May 2025.

## Basis of preparation

### i. Statement of compliance

These financial statements comply with NZ GAAP as appropriate for Tier 1, for-profit entities, NZIFRS and IFRS.

### ii. Basis of measurement

The financial statements have been prepared on a GST exclusive basis, with the exception of trade receivables and trade payables, which are reported inclusive of GST. The financial statements have been prepared on a historical cost basis, except for the Bull team, Land & Buildings and investments, which are all measured at fair value.

The majority of the Group's business does not follow a clearly identifiable operating cycle, therefore the balance sheet is presented in order of liquidity as it is more relevant to the users of the financial statements.

### iii. Functional and presentation currency

The functional currency of the Company and the presentation currency of the financial statements is New Zealand Dollars ("NZD"), with amounts rounded to the nearest thousand.

### iv. Use of estimates and judgements

The key estimations and judgements made in preparing these financial statements are the valuation of the Bull team and the impairment testing of software and other intangible assets.

### v. New or amended standards adopted in current year and standards issued but not yet effective

Accounting policies have been applied consistently with prior periods. No new or amended standards were adopted in the current year that had a significant impact.

NZ IFRS 18 Presentation and Disclosure in Financial Statements is effective for the year ending 31 May 2028 and will impact the presentation of the Statement of Results for the Year, with an allocation of income and expenses between operating, investing and financing categories, and new sub-totals such as Operating profit. Financial performance measures used to explain the Group financial performance in public communications outside the financial statements will also be required to be disclosed, and there is enhanced guidance on the aggregation and disaggregation of information. The Group is assessing the effect of applying NZ IFRS 18.

### vi. Climate risk

Climate change and how farmer shareholders, regulators and others respond may an impact on the Group's future revenue and the recognised amounts of assets and liabilities. While the effects of climate change are a continuing source of uncertainty, climate-related risks have been assessed as not having a material impact on these financial statements. Reviews of accounting estimates (including the valuation of the bull team and the valuation of land and buildings), judgements and impairment testing assumptions have considered potential future impacts of climate change.

## Notes to the Financial Statements

### 1. Business analysis

#### (i) Operating segments

The Group operates in four key operating segments as set out below, and across four key geographies as set out below. The information below reflects the information regularly reported to the Chief Executive on those key operating segments:

- NZ market genetics: provides bovine genetic breeding material and related services, predominately to dairy farmers
- Testing: herd testing, on-farm support and DNA and animal health testing services
- Farm software: data recording, tags and farm management information services
- International: provides bovine genetic breeding material and related services to offshore markets

NZ Market Genetics revenue is primarily recognised at a point in time, upon delivery of product to the customer. All other revenue lines are primarily recognised over time, as the service to the customer is provided.

*In thousands of New Zealand dollars*

SIX MONTHS ENDED 30 NOV 2025 (Unaudited)	NZ market genetics	Testing	Farm software	International	Other	Eliminations	Total
External revenue	116,480	36,604	28,743	7,218	6,201	-	195,246
Inter-segment revenue	-	-	-	-	1,562	(1,562)	-
<b>Total revenue</b>	<b>116,480</b>	<b>36,604</b>	<b>28,743</b>	<b>7,218</b>	<b>7,763</b>	<b>(1,562)</b>	<b>195,246</b>
Depreciation & amortisation	(2,089)	(4,316)	(1,659)	(74)	(5,962)	-	(14,100)
<b>Segment gross profit before tax expense</b>	<b>53,755</b>	<b>4,629</b>	<b>17,351</b>	<b>1,703</b>	<b>1,240</b>		<b>78,678</b>
Bull team revaluation							-
Unallocated amounts							(31,854)
<b>Profit/(loss) before tax expense</b>							<b>46,824</b>

SIX MONTHS ENDED 30 NOV 2024 (Unaudited)	NZ market genetics	Testing	Farm software	International	Other	Eliminations	Total
External revenue	107,573	33,696	29,648	6,993	7,756	-	185,666
Inter-segment revenue	-	-	-	-	1,639	(1,639)	-
<b>Total revenue</b>	<b>107,573</b>	<b>33,696</b>	<b>29,648</b>	<b>6,993</b>	<b>9,395</b>	<b>(1,639)</b>	<b>185,666</b>
Depreciation & amortisation	(1,684)	(5,099)	(1,924)	(97)	(4,749)	-	(13,553)
<b>Segment gross profit before tax expense</b>	<b>48,784</b>	<b>3,534</b>	<b>16,845</b>	<b>2,020</b>	<b>1,729</b>	-	<b>72,912</b>
Bull team revaluation							7,512
Unallocated amounts							(26,303)
<b>Profit/(loss) before tax expense</b>							<b>54,121</b>

## Notes to the Financial Statements

### 1. Business analysis (cont.)

#### (i) Operating segments

*In thousands of New Zealand dollars*

YEAR ENDED 31 MAY 2025 (Audited)	NZ market genetics	Testing	Farm software	International	Other	Eliminations	Total
External revenue	119,933	79,442	61,800	16,037	17,895	-	295,107
Inter-segment revenue	-	-	-	-	2,133	(2,133)	-
<b>Total revenue</b>	<b>119,933</b>	<b>79,442</b>	<b>61,800</b>	<b>16,037</b>	<b>20,028</b>	<b>(2,133)</b>	<b>295,107</b>
Depreciation & amortisation	(3,476)	(10,377)	(3,742)	(169)	(10,287)	-	(28,051)
<b>Segment gross profit before tax expense</b>	<b>31,138</b>	<b>11,609</b>	<b>33,232</b>	<b>2,963</b>	<b>2,263</b>	<b>-</b>	<b>81,205</b>
Bull team revaluation							12,292
Unallocated amounts							(53,220)
<b>Profit/(loss) before tax expense</b>							<b>40,277</b>

The Other operating segment includes research & development and support services. Unallocated amounts include personnel costs, other expenses and net finance costs. Operating segments have been updated, including comparatives, to more closely align with LIC's strategy. The changes consolidate LIC's testing services and provide greater insight on the performance of LIC's international business.

LIC's business, particularly the Parent's artificial breeding business, is highly seasonal. November results, since they incorporate the majority of the artificial breeding revenues but not a similar proportion of total costs, are not indicative of the second half result nor, therefore, the full year result.

### 2. Bull team

The bull team is the cornerstone asset of LIC's genetics business. The bulls from which the bull team are selected are carried at their fair value, which is based on LIC's modelling of future cash flows from the bulls (a "Level 3 valuation"). Changes in their fair value are reported in profit/(loss) for the period. The fair value from the bulls is partly dependent on the future sales mix of LIC's genetics products, which correlates to movements in the cow population and Farmgate Milk Price. The valuation is also sensitive to changes in the WACC rate used to discount future cash flows and the run-off profile of bulls (revenue attributable) that make up the bull team. Further information on the bull team and key drivers of the valuation is available in the annual report for the year ended 31 May 2025.

## Notes to the Financial Statements

### 3. Equity

All Ordinary Shares have voting rights and the right to receive dividends based on the profits of the Company.

At reporting date there were 142,344,836 Ordinary Shares on issue, excluding 5,337,584 shares held as treasury stock (2024: 142,344,836 Ordinary Shares, excluding 5,337,584 shares held as treasury stock).

#### Other reserves and equity

In thousands of New Zealand dollars	Hedge revaluation reserve	Investment revaluation reserve	Land & building revaluation reserve	Foreign currency translation reserve	Other Reserves
Balance at 1 June 2025	(230)	1,652	47,425	(108)	<b>48,739</b>
Revaluations	825	228	-	426	<b>1,479</b>
<b>Balance at 30 November 2025 (Unaudited)</b>	<b>595</b>	<b>1,880</b>	<b>47,425</b>	<b>318</b>	<b>50,218</b>
Balance at 1 June 2024	(80)	1,456	46,291	(60)	<b>47,607</b>
Revaluations	304	251	-	116	<b>671</b>
<b>Balance at 30 November 2024 (Unaudited)</b>	<b>224</b>	<b>1,707</b>	<b>46,291</b>	<b>56</b>	<b>48,278</b>
Balance at 1 June 2024	(80)	1,456	46,291	(60)	<b>47,607</b>
Revaluations	(150)	196	1,134	(48)	<b>1,132</b>
<b>Balance at 31 May 2025 (Audited)</b>	<b>(230)</b>	<b>1,652</b>	<b>47,425</b>	<b>(108)</b>	<b>48,739</b>

## Notes to the Financial Statements

### 4. Acquisitions and disposals

In thousands of New Zealand dollars	SIX MONTHS ENDED		YEAR ENDED 31 May 2025
	30 Nov 2025	30 Nov 2024	
	Unaudited	Unaudited	
<b>(i) Land, buildings and equipment</b>			
Acquisitions *	7,631	6,146	14,665
Disposals	(88)	(86)	(524)
<b>(ii) Software and other intangible assets</b>			
Acquisitions	7,647	7,478	13,808
Disposals/Impairment	(1)	-	(183)

\*Excludes the impact of NZ IFRS 16: Leases, which increased Land, buildings and equipment by \$6.478 million in 2025 (November 2024: \$2,898 million, May 2025: \$7,563 million).

### 5. Transactions with Related Parties, Directors and Management

The Group has had the following short-term transactions with key Management and Directors during the period, noting sale of goods and services were on normal trade terms:

In thousands of New Zealand dollars	SIX MONTHS ENDED		YEAR ENDED 31 May 2025
	30 Nov 2025	30 Nov 2024	
	Unaudited	Unaudited	
Remuneration of key Management and Directors	3,102	2,480	4,622
Sale of goods and services to key Management and Directors	782	650	996
Purchases of goods and services from key Management and Directors	-	-	-

### 6. Reconciliation of the Profit/(loss) for the period to Net operating cash flows

In thousands of New Zealand dollars	SIX MONTHS ENDED		YEAR ENDED 31 May 2025
	30 Nov 2025	30 Nov 2024	
	Unaudited	Unaudited	
<b>Profit/(loss) for the period</b>	<b>33,808</b>	<b>39,075</b>	<b>30,643</b>
Adjusted for:			
Depreciation and amortisation on all assets	14,100	13,553	28,051
Bull team revaluation	-	(7,512)	(12,292)
Deferred tax expense	694	1,603	2,388
Working capital movements and other non-cash items	(36,384)	(35,359)	7,597
<b>Net operating cash flows</b>	<b>12,218</b>	<b>11,360</b>	<b>56,387</b>

## Notes to the Financial Statements

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### 7. Audit

In accordance with the Financial Reporting Act 2013 these interim financial statements are not required to be audited and therefore, in line with previous years, have not been audited.

### 8. Dividend

In relation to the 2025 financial year LIC declared a dividend of 12.22 cents per Ordinary Share, or \$17.397 million (2024: 5.84 cents per Ordinary Share, or \$8.314 million). The fully imputed dividend was paid on 15 August 2025.

### 9. Significant enterprise system implementation costs

During the period LIC embarked on a significant multi-year investment into replacing and improving aged enterprise and customer facing systems. The investment is predominantly into Software as a Service tools, the costs of which are generally expensed as incurred rather than amortised over future financial periods. As a result, Net profit after tax has been negatively impacted by \$3.013 million implementation costs in 2025 (November 2024: nil, May 2025: nil). This expenditure has been excluded from LIC's Underlying Earnings, which is a supplementary non-GAAP measurement considered useful to investors as it is the basis on which LIC has historically reported and used to determine dividends. Non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities..

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