

Interim Report
2026

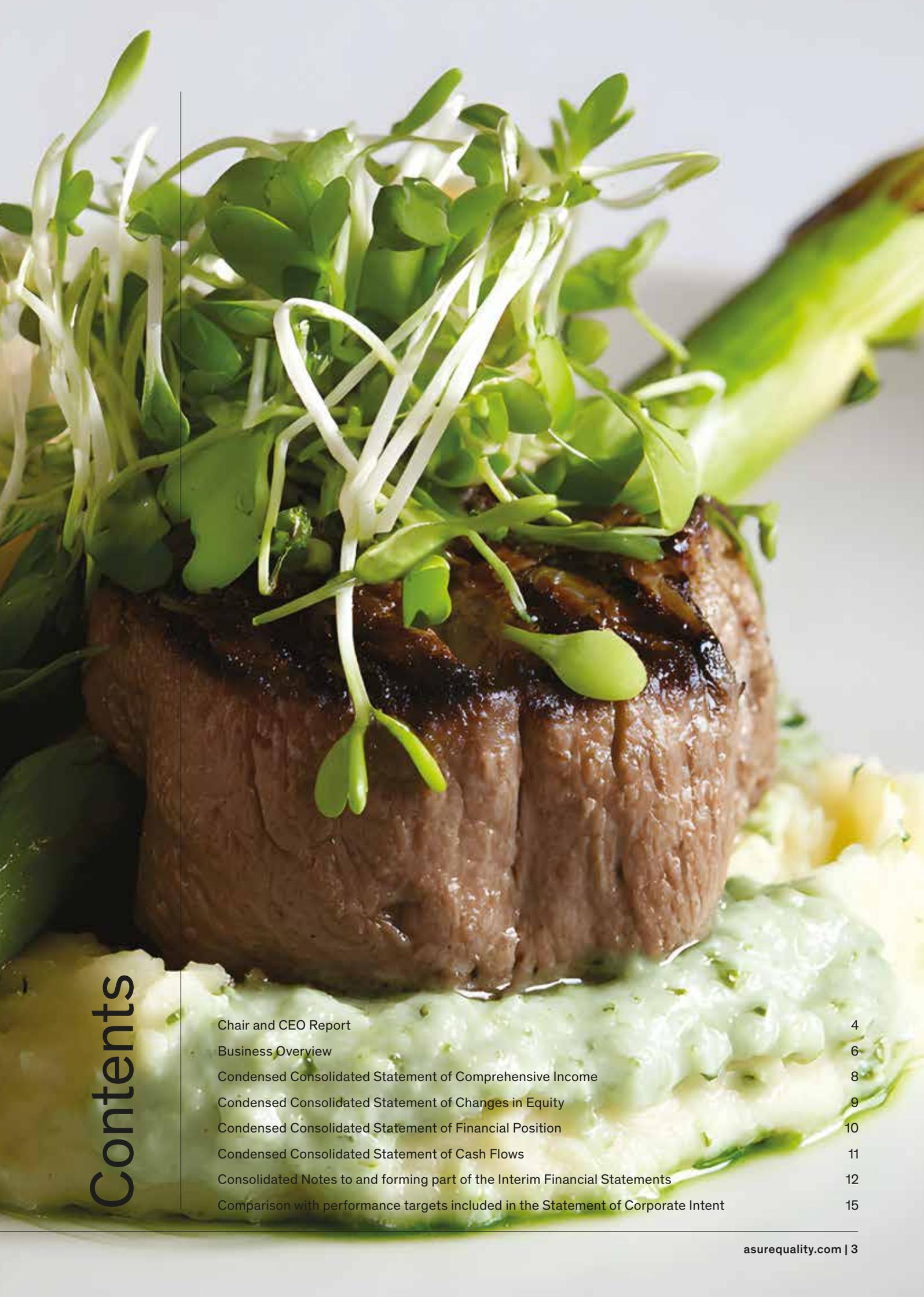




Helping Aotearoa shape a better food world

Leading trust in food,
together





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Results Overview

AsureQuality's top-line financial performance remains on target with YTD revenue of \$113.6 million, after the six-month period. This result is slightly above last year with strong food testing results and performance from our diagnostics business in Australia.

With the satisfactory top-line performance, together with prudent cost management and the exiting of unprofitable contracts, AsureQuality is currently on track to meet budgeted operating profit for the year.

We are pleased with the potential of the global partnership with Mérieux Nutrisciences which is reflected in the six-monthly performance of the MNAQ joint venture in the Southeast Asia region. In Australia, there are significant synergies to be realised with integrating the various laboratories, after the initial one-off integration and laboratory move costs which will have a material impact on the current financial year earnings.

Overall, we are well positioned to meet the upcoming challenges posed in our sector, including the proposed MPI changes to regulatory inspection and supervision of red meat, a service we currently provide to the meat industry. Whatever the outcomes of the proposed export notice¹, we will continue to adapt and provide value as an inspection agency provider of choice to the New Zealand red meat industry. This includes our aspiration to advance global innovation in the overall meat inspection system, utilising technology and AI.

Over the past six months, we have continued to make progress on the six critical focus areas identified from a Materiality Assessment completed with our customers and employees. These include employee

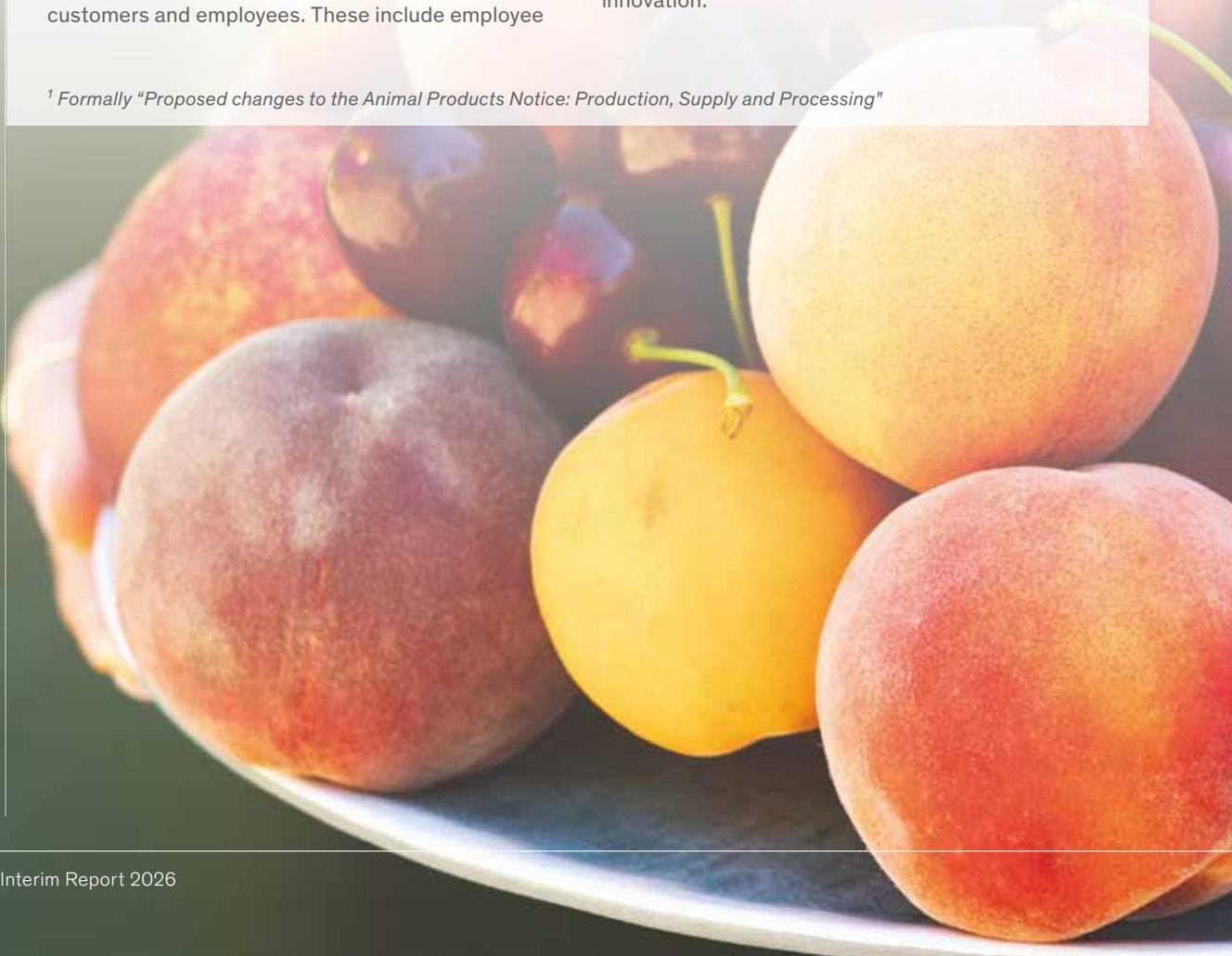
health, safety and well-being, employee attraction and retention, customer experience, data and insights, technology enabled assurance, and systems and processes. Given the progress made on these areas over the past three years, we are currently in the process of updating the critical areas of focus with a refresh of the Materiality Assessment.

Our results to date continue to demonstrate progress in critical areas of safety with a new measure of critical risk control verifications sitting at 115 YTD including 36 verifications YTD by members of the executive team.

Our employee engagement continues to increase and is reflected in our regular NPS results and decreasing employee turnover, overall sitting at 10%, down from 13% this time last year. Our commitment to delivering great customer experience and service is demonstrated by the Net Promoter Score of 37 and high levels of customer retention.

We are also making good progress on updating our core infrastructure. The new audit management operating systems, together with our improved data capability has increased audit report writing efficiency and enhanced the experience of our customers. The first phase of the redevelopment of our company's main testing laboratory at Lynfield in Auckland was completed on time and on budget, achieving the employee and customer benefits that were ascribed to this phase. The second phase is underway which will accommodate a broader range of testing (transition from Wellington laboratory) and unlock workflow efficiencies and productivity through automation and innovation.

¹ Formally "Proposed changes to the Animal Products Notice: Production, Supply and Processing"



Strategic Direction

AsureQuality's strategy is to "build trust in food together" with the food companies and the primary industry we serve.

This is underpinned by three key aspirational pillars strongly aligned to customer expectations now, and in the future:

- **Transforming our core** – designed with our customers, AsureQuality systems and processes are optimised, digital and integrated.
- **Delight our customers everyday** – the experience AsureQuality provides our customers is the best in market.
- **Create new value** – AsureQuality has grown its services and unlocked new markets across the value chain.

AsureQuality is investing in this strategy with a focus on culture, innovation, data and insights, automation and technology for the future and is making very good progress towards our strategic vision. This has been accelerated with the completion of the implementation of the new operating audit system and the establishment of a strong data architecture and capability foundation.

Our enhanced focus on service delivery and overall customer experience is assisting us to retain and grow our business with our customers, which in turn, supports the growth forecast in FY26 and FY27.

To further support our business transformation, we have embedded new values and behaviours, which will enable the culture required to deliver our strategic ambition.

In Conclusion

With financial performance currently on track to achieve the full year target operating profit, AsureQuality remains well placed to meet the opportunities ahead and the current challenges with proposed regulatory changes in red meat inspection. There has been significant progress to strengthen our core business and services, with the focus on improving AsureQuality as a place to work and delivering high quality customer experience, as well as the delivery of key initiatives to ensure our continued relevance to our customers and stakeholders in the future.

Our success is dependent on continuing to meet the needs of our customers, and the hard work and commitment of our people.

We thank our people, our customers and our stakeholders for their continued support and dedication, and we look forward to the second half of the year.

Ngā mihi,



Peter Landon-Lane
Chair



Kim Ballinger
Chief Executive Officer



People & Culture

We completed the refresh of our people strategy in mid-2025, defining four strategic outcomes to guide us over the next three years:

- **Care at our core:** We're safe, heard and valued
- **Shaping tomorrow:** We build better work
- **Adapting & growing:** We grow future-focussed skills and capabilities
- **Everybody Leads:** We all lead the way.

The refresh demonstrated significant progress across safety and wellbeing, leadership, and talent & capability. This was reflected in improved employee engagement results, despite significant change as we reshape our business for a strong and resilient future.

Our people continue to embrace our values and behaviours, Mahi Tahi Tātou, unlocking momentum for the next phase of our culture journey. Our deliberate culture shift is a key enabler of the AsureQuality strategy, and we are focussed on changes in targeted organisational practices: iterative strategic planning, decision-making, and our team-oriented approach to driving performance.

Te Rōpū Aka Whiri Hou, our bicultural committee, continues to lead in strengthening our cultural capability and weaving Māori values and tikanga across our mahi. Their foundational mahi will provide the taura (guiding threads) for the development of a holistic Māori Strategy, grounded in the values of Whakapakari, Whakamana, and Whanaungatanga, supported by the appointment of a new dedicated executive role reporting to the CEO. This work will also drive meaningful commercial outcomes that align with Māori values, including kaitiakitanga (guardianship) and tikanga tuku iho (traditional principles), aiming to foster sustainable and mutually beneficial partnerships and deliver shared prosperity for our customers.

Safety and wellbeing

We have continued to mature our approach to safety and wellbeing, with the greatest impact delivered through an integrated approach to our critical risk framework. The deliberate practice of designing good work with our people is improving engagement and enhancing both individual and organisation wellbeing.

Leadership, talent and capability

Te Ara Whakapakari (our approach to building leadership capability) remains a critical enabler of our desired culture, creating a shared language and toolkit for leadership.

We are also expanding accessible learning for priority capabilities - self-leadership, our business, and our customer - balancing technical capability alongside future-focussed organisational capabilities.

Our talent strategy is targeting succession for critical roles and accelerating the development of high-potential individuals.

Customer Solutions

Despite challenging economic conditions in the first half of FY26, the combined efforts of our customer-facing and operational teams have helped us maintain a high level of customer retention and secure new business. The continued performance of our sales and customer support teams, supported by marketing, has driven consistent performance across our customer feedback channels.

Our new customer support platform and improvements to our CRM are providing a critical foundation for our on-going business transformation. As our use of these platforms matures, they are fostering meaningful changes, such as the introduction of a new dedicated auditing customer support team. This is enabling a more customer-centric approach to our auditing services and moving us closer to our goal of delivering a consistent, high-quality "One AQ" customer experience. Increasing engagement with our Voice of Customer Programme is also giving us confidence in the direction of our improvements.

For the remainder of FY26, we continue to work towards the full implementation of our customer support platform, including the expansion of our industry-first Customer Care Centre. This innovative tool offers more digital self-help options and ways to interact with our team, and has set a new benchmark for support in the testing industry.

Alongside enhanced systems, new capabilities in marketing and business development are enabling the adoption of a more strategic approach and strengthening support for the sales team in opening new business opportunities. The development of our product management practice is establishing a framework to ensure that we deliver products and services that genuinely meet market needs and create value for both AsureQuality and our customers.

Testing

Food Testing

As New Zealand's leading provider of food testing services, we're committed to supporting the growth of our food and primary industries through increased capacity and flexibility of food testing services. Our transformation to a digital, intelligent laboratory continued with the successful implementation of further automation systems in both microbiology and chemistry. These initiatives will enhance efficiencies in our mahi and help us meet the growing demand for our laboratory services.

In Q1 of FY26 we completed Stage 1 of our "Best in Class" redevelopment of the Lynfield Laboratory site, with the opening of our new People Hub. This has given our people a new place to connect and recharge and provides an enhanced space for training and customer engagement. The redevelopment has freed up valuable space in the lab, providing flexibility to accommodate further AI- and tech-driven automations that will continue to enable greater scalability, efficiency and increased capacity as we move into the second and third stages of the project at the Lynfield site.

Stage three will also provide additional space for the integration of chemistry testing currently undertaken at our Wellington Laboratory.

Specialty Testing

Ongoing method development, process improvements and operational efficiency remain a priority, ensuring the business maintains a competitive advantage as market competition intensifies in residue testing across dairy and horticultural products.

In parallel, a continued emphasis on safety has delivered improved methods for frontline people handling hazardous substances.

Audit Services

The new Audit Management System has been fully implemented, providing a standardised platform for the delivery and management of auditing services. This has improved process transparency, enhanced audit delivery efficiency, and strengthened reporting internally and for our customers.

The year to date has been financially challenging due to pricing pressures, customer consolidation and exiting the market and increased competition. Management responded with a focused efficiency programme, delivering cost reductions while maintaining high service standards. The integration of biosecurity and veterinary services with core auditing operations, and the skills-based role alignment has strengthened capability retention, built organisational capacity, and enabled efficiencies to be shared across work streams. This alignment has also supported the establishment of a dedicated auditing customer experience team, leveraging specialist expertise and proven practices to generate insights that are informing ongoing improvements in customer satisfaction. The ongoing focus for the year is to continue to leverage these initiatives to enhance customer outcomes and overall performance.

Meat Services

AsureQuality continues to hold a key role in the New Zealand meat industry by delivering on-chain inspection services in accordance with the highest standards of food safety, quality, and regulatory assurance.

The Ministry for Primary Industries' recent programme of work to revise the Animal Products Notice: Specified Meat for Export with Official Assurance 2025 has generated significant sector focus. While the Notice remains in draft form, extensive and proactive engagement and communication with staff and industry stakeholders regarding the proposed changes are on-going.

In parallel, the Future of Meat Inspection initiative continues to assess how emerging technologies can deliver greater value for customers through improved efficiency, accuracy, and consistency of inspection outcomes.

AsureQuality also remains committed to supporting the M. bovis programme through critical sampling services, contributing to the protection of livestock health and the integrity of New Zealand's meat products.

Transformation Delivery Office

To accelerate delivery against our three strategic pillars, AsureQuality has adapted its operating model by establishing a Transformation Delivery Office (TDO). This function uses adaptive ways of working to deliver the initiatives surfaced through our strategic planning process. The TDO applies service design, innovation, data and AI practices and capability directly to the delivery of agreed initiatives, whilst also supporting the wider business through communities of practice to transform at scale.

The TDO has been instrumental in delivering our new Audit System, Stage 1 of our lab redevelopment, our report writing transformation and in developing our AI meat inspection and yield optimisation tool. Regardless of the initiative, our aim is to develop experiences that our customers love, whilst improving the work for our people.

Ventures

Sustainability Assurance

While the pause in Freshwater Farm Plan implementation continues, we have continued to support banks with sustainable finance assurance for the agri sector, and are now focused on helping our customers develop industry-leading sustainability programmes and strategies. In addition to our assurance and programme-building work, our team has developed standardised advisory offerings focused on sustainability strategy, helping customers maintain market access, social licence, and financial benefit.

Academy

As a Category 1 Private Tertiary Education provider, the Academy remains dedicated to upholding excellence in quality and compliance within the primary industry. As part of our commitment to innovation and sustainability, we have implemented an advanced, integrated software system to streamline operations. Looking ahead, we remain focused on strengthening capability and adaptability to ensure we are well positioned for the future in an increasingly competitive training environment.

Diagnostics

Our Diagnostics business remains focused on driving efficiency, streamlining workflows, and upgrading infrastructure for sustainable growth. Key initiatives include the installation of advanced automation technology, scheduled for commissioning in the second half of FY26 to enable scalable efficiencies. We have reconfigured equipment and materials to optimize space and improve operational flow, refurbished flooring for safety and durability, and unlocked additional capacity and flexibility for future growth. Our new cool room storage facility has increased capacity, reducing supply chain risk.

This disciplined approach has seen the business perform well in the first half of the year. FY26 is pivotal, with automation ready to scale, workflows optimized, and enhanced infrastructure in place, we are positioned to accelerate growth, strengthen customer partnerships, and capture emerging opportunities.

Global Proficiency

Global Proficiency is successfully meeting or exceeding its FY26 goals, achieving significant milestones in health and safety, quality, financial performance, and strategic projects. The installation of a new fume hood in the chemistry laboratory has enhanced operational safety. The team has maintained and expanded accreditation status, while implementing 130 process improvement requests since the start of the fiscal year. Strategic projects have included new workflows, validation initiatives, and securing contracts with major partners, along with improvements in documentation and training. Engagement and customer NPS scores are impressively high, both exceeding 70%.

Condensed Consolidated Statement of Comprehensive Income for the six months ended 31 December 2025

	Note	6 months December 2025 Unaudited \$000	6 months December 2024 Unaudited \$000
Revenue	6	113,624	112,009
Employee benefit expenditure		(75,132)	(76,911)
Consumables		(9,691)	(7,937)
Contractors and subcontractors		(1,106)	(1,605)
Transportation expenses		(3,324)	(3,397)
Rental and operating lease cost		(441)	(377)
Other expenses		(12,923)	(13,879)
Operating expenses		(102,617)	(104,106)
Depreciation and amortisation		(4,104)	(4,083)
Finance costs (net)	7	(924)	(1,250)
Share of profit of associates and joint ventures	8	(1,889)	1,363
Profit before income tax		4,090	3,933
Income tax expense		(1,210)	(677)
Profit for the period		2,880	3,256
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Translation of foreign operations		3,072	2,028
Other comprehensive income net of tax		3,072	2,028
Total comprehensive income for the period, net of tax		5,952	5,284

The accompanying notes form part of these condensed consolidated interim financial statements

Condensed Consolidated Statement of Changes in Equity for the six months ended 31 December 2025

Note	Share capital \$000	Revaluation reserve \$000	Translation reserve \$000	Retained earnings \$000	Total equity \$000
Balance at 30 June 2024 (Audited)	22,100	24,130	2,305	53,097	101,632
Total comprehensive income for the period	-	-	2,028	3,256	5,284
Balance at 31 December 2024 (Unaudited)	22,100	24,130	4,333	56,353	106,916
Total comprehensive income for the period	-	-	(1,682)	5,864	4,182
Balance at 30 June 2025 (Audited)	22,100	24,130	2,651	62,217	111,098
Total comprehensive income for the period	-	-	3,072	2,880	5,952
Balance at 31 December 2025 (Unaudited)	22,100	24,130	5,723	65,097	117,050

The accompanying notes form part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Financial Position for the six months ended 31 December 2025

	Note	December 2025 Unaudited \$'000	June 2025 Audited \$'000
ASSETS			
Current assets			
Cash and cash equivalents		1,897	2,340
Trade and other receivables		29,429	27,307
Inventories		7,409	7,090
Current income tax assets		1,572	-
Derivative financial assets		9	62
Total current assets		40,316	36,799
Non-current assets			
Property, plant and equipment		69,076	66,730
Intangible assets		1,852	1,973
Right-of-use assets	9	8,931	8,834
Investment in associates and joint ventures	8	62,387	60,426
Trade and other receivables		1,945	2,075
Deferred income tax assets		6,113	7,412
Total non-current assets		150,304	147,450
Total assets		190,620	184,249
LIABILITIES			
Current liabilities			
Trade and other payables		35,011	37,373
Borrowings		6,400	3,050
Current lease liabilities		1,611	1,954
Current income tax liabilities		-	1,806
Total current liabilities		43,022	44,183
Non-current liabilities			
Borrowings		17,057	15,881
Non-current lease liabilities	9	8,177	7,714
Payables		5,314	5,373
Total non-current liabilities		30,548	28,968
Total liabilities		73,570	73,151
Equity			
Equity attributable to equity holders of the parent		117,050	111,098
Total equity		117,050	111,098
Total liabilities and equity		190,620	184,249

The Board of Directors of AsureQuality Limited authorised these financial statements for issue on 10 February 2026.



Peter Landon-Lane
Chair



Alison Posa
Chair Finance and Risk Committee

The accompanying notes form part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows for the six months ended 31 December 2025

Note	6 months December 2025 Unaudited \$000	6 months December 2024 Unaudited \$000
Cash flows from operating activities		
Receipts from customers	113,501	117,983
Payments to suppliers and employees	(108,385)	(109,538)
Interest paid net of interest and dividends received	(885)	(945)
Income tax paid	(3,289)	(619)
Net cash generated from operating activities	942	6,881
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,851)	(6,728)
Purchase of intangibles	(63)	(51)
Dividends received from associate	-	657
Proceeds from sale of property, plant and equipment	806	498
Net cash used in investing activities	(5,108)	(5,624)
Cash flows from financing activities		
Proceeds from/ (repayment of) borrowings	4,526	(1,597)
Lease principal payments	(887)	(815)
Net cash from/ (used in) financing activities	3,639	(2,412)
Net decrease in cash	(527)	(1,155)
Cash and cash equivalents at beginning of six month period	2,340	2,622
Exchange gains on cash balances	84	5
Cash and cash equivalents at the end of the period	1,897	1,472
Reconciliation of the profit for the period with cash flows from operating activities		
Profit for the period	2,880	3,256
Adjustments for:		
Depreciation and amortisation	4,104	4,083
Interest capitalised in the construction of property	(2)	(130)
Share of profit of associates and joint ventures	1,889	(1,363)
Other non-cash movements	252	1,222
Impact of changes in working capital		
Trade and other receivables	(2,122)	3,238
Income tax	(3,378)	(513)
Trade and other payables	(2,362)	(2,597)
Inventories	(319)	(315)
Net cash generated from operating activities	942	6,881

The accompanying notes form part of these condensed consolidated interim financial statements.

1. Reporting entity

AsureQuality Limited is a company registered under the Companies Act 1993 and is a company incorporated and domiciled in New Zealand.

Condensed consolidated interim financial statements are presented, comprising AsureQuality Limited and its subsidiaries, and its investments in associates and joint ventures (the "Group"). The Group provides food quality assurance and biosecurity services and manufactures and sells animal diagnostic products.

The Group is designated as a profit-oriented entity for financial reporting purposes.

2. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the State-Owned Enterprises Act 1986 and generally accepted accounting practice in New Zealand ('NZ GAAP') as appropriate for profit-orientated entities.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The condensed consolidated interim financial statements have been prepared in accordance with NZ IAS 34 and IAS 34 Interim Financial Reporting.

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. Accordingly, these financial statements should be read in conjunction with the annual report for year ending 30 June 2025. The Condensed consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the 2025 Annual Report. A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The financial information contained in this report has not been audited by AsureQuality's auditors.

3. Accounting judgements and estimates

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements and estimates used in the preparation of these interim financial statements are consistent with those used in the annual report for the year ended 30 June 2025.

4. Seasonality of operations

AsureQuality's revenues are seasonal and largely follow the primary production industry cycle.

5. Dividends

During the six months ended 31 December 2025, no dividend was paid by AsureQuality Limited to the shareholder, in line with our Statement of Corporate Intent, as we continued to utilise cash usually paid as a final dividend, to continue to fund the re-development of the strategically important Auckland food testing facility (six months ending 31 December 2024: no dividend paid).

6. Revenue

	6 months December 2025 Unaudited \$000	6 months December 2024 Unaudited \$000
Disaggregation of the Group's revenue from contracts with customers:		
Food Testing services	37,892	33,308
Meat services	35,683	35,777
Auditing services	16,693	17,704
Specialty services	15,695	17,614
Other	7,661	7,606
	113,624	112,009

7. Finance Costs (net)

Interest expense on borrowings	(581)	(459)
Interest expense on lease liabilities	(302)	(372)
Interest income on short-term bank deposits	1	16
Movement of derivatives held at fair value through profit or loss	(53)	(361)
Net foreign exchange gain/(loss)	11	(74)
	(924)	(1,250)

8. Investments in associates and joint ventures

Name	Country of Incorporation	Principal activities	Balance Date	Ownership and voting interest December 2025	Ownership and voting interest December 2024
MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited)	Australia	Independent food testing laboratories	30-September	40%	49%
MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd)	Singapore	Independent food testing laboratories	30-September	49%	49%

Investment in MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited)

MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) was incorporated on 23 May 2016 and was owned 51% by Bureau Veritas Singapore Pte Ltd and 49% by AsureQuality Limited. On 31st May 2025 Bureau Veritas Singapore Pte Ltd sold its 51% share to Mérieux Nutrisciences Corporation. On the same day MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) purchased the Australian operations of Mérieux Nutrisciences Corporation, Silliker Australia Pty Ltd, in exchange for share capital, diluting AsureQuality's share to 40%. The financial year end of MNAQ Holding (Australia) Pty Ltd was changed from 31 December to 30 September for September 2025 and subsequent financial years.

Investment in MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd)

On 1st December 2018 the Group sold its investment in subsidiary, AsureQuality Singapore Pte Ltd to BV-AQ (Singapore) Holdings Pte Ltd in exchange for a 49% share of BV-AQ (Singapore) Holdings Pte Ltd. On 31st January 2025 Bureau Veritas Singapore Pte Ltd sold its 51% share to Mérieux Nutrisciences Corporation. The financial year end of MNAQ Holding (Singapore) Pte. Ltd. was changed from 31 December to 30 September for September 2025 and subsequent financial years.

	6 months December 2025 \$000
Carrying amount of investments in associates and joint ventures	
Investment at the beginning of the period	60,426
Share of profit	(1,889)
Share of other comprehensive income of associates	3,850
Balance at 31 December 2025	62,387

9. Right-of-use assets

During the six months ended 31 December 2025, the Group had lease additions and modifications of \$929,000 (six months ended 31 December 2024 \$55,000). There have been disposals or reductions of \$1,541,000 to the right of use assets (December 2024: Nil).

10. Contingent assets and liabilities

There are no material contingent assets or liabilities as at 31 December 2025 (December 2024: nil).

11. Related party transactions

The ultimate shareholder of the Company is the Crown. The Company undertakes many transactions with other State-Owned Enterprises and Government entities and departments in the normal course of business. These transactions are carried out on a commercial and arm's length basis and are exempt from related parties disclosures (under NZ IAS 24 (Revised) Related Party Disclosures). The following represents the major ongoing transaction types but should not be taken as a complete list: product and environmental testing services, animal health services, accident compensation levies, air travel services, energy products, postal and courier services, specific scientific advisory services and rental and leasing services.

The Group made sales to and purchases from its joint ventures, MNAQ Holding (Australia) Pty Ltd (formerly Bureau Veritas AsureQuality Holdings Limited) and MNAQ Holding (Singapore) Pte. Ltd. (formerly BV-AQ (Singapore) Holdings Pte Ltd) during the period.

The following transactions were carried out with related parties:

	6 months December 2025 Unaudited \$000	6 months December 2024 Unaudited \$000
Sales of services:		
Services provided to joint ventures	1,346	1,733
Expenses:		
Purchase of services from joint ventures	245	226

12. Significant events after interim balance date

On 10 February 2026, the Board of Directors declared an interim dividend of \$1,500,000 relating to the 12 months ending 30 June 2026, representing 6.30 cents per share. As the dividend was declared after balance date the financial effect has not been recognised in these financial statements.

13. Commitments

	December 2025 Unaudited \$000	December 2024 Unaudited \$000
Capital Commitments		
Capital expenditure contracted for at reporting date but not provided for	2,408	10,056

The Group had entered into contractual commitments for the acquisition of plant, equipment and motor vehicles amounting to \$2,058,000 (December 2024: \$607,000) and for improvements to buildings and leasehold properties of \$350,000 (December 2024: \$9,450,000 relating to the Auckland Lab development - phase 1 which was completed and available for use in August 2025).

14. Derivative financial instruments

The Group enters into various financial instruments to either eliminate or manage its exposure to interest rate and foreign currencies movements. Interest rate swaps are used to economically convert the Group's exposure to floating interest rates to fixed rates.

Forward exchange rate contracts are used to economically convert material exposures to foreign exchange. Other financial instruments may be used from time to time to reduce risk.

The Group holds the following instruments:

	Notional principal		Fair value		Movement of derivatives held at fair value through profit or loss	
	December 2025 \$000	June 2025 \$000	December 2025 \$000	June 2025 \$000	December 2025 \$000	December 2024 \$000
Interest rate swaps	12,323	15,853	9	62	(53)	(361)

Comparison with performance targets including the Statement of Corporate Intent For the six months ended 31 December 2025

	6 months December 2025 Target	6 months December 2025 Actual	12 months June 2026 Target
Financial performance targets			
Revenue	\$108.9m	\$113.6m	\$225.9m
Earnings before interest and tax	\$2.7m	\$5.0m	\$9.6m
Net profit after tax	\$1.8m	\$2.9m	\$6.5m
Net cash flow from operating activities	\$0.4m	\$0.9m	\$8.9m
Operating margin ¹	6.3%	8.1%	8.0%
Non-financial performance targets			
Critical programme audit failures	Nil	Nil	Nil
Critical facility audit failures	Nil	Nil	Nil
Staff turnover rate ²	<15%	10%	<15%
Total recordable injury frequency rate (TRIFR)	<3.6	4.7	<3.6

1. Operating margin is calculated as Earnings before interest, tax, depreciation and amortisation divided by Revenue

2. Staff turnover rate is calculated as a rolling average of permanent staff (excluding redundancy) who have left the business in the last twelve months.

