

Genetics Australia Co-operative Limited

2025 ANNUAL REPORT

1st January 2025 – 31st December 2025



DIRECTORS



John Pekin

Chairman
BAgrBusMgt., Adv.Dip.Ag.
Mortlake, Vic.

John was elected to the GAC Board in November 2016. John has a Bachelor of Agricultural Business Management and an Advanced Diploma of Agriculture. He was a speaker at the Australian Dairy Conference on the success of genomically testing his herd. He worked as an AI technician for 10 years in Dairy and beef herds across South-east Australia. John and his wife Kirsten owned and operated a dairy farm in Kolora for over 30 years, before reducing farm size and now run beef cattle on their Kolora property. John works as a sales manager for Ridley Corporation. He was elected Chairman in 2023.



Tim Humphris

(Deputy Chairman From November 2023 to date)
BVSc., MVS
Nirranda South, Vic.

Tim was elected to the board in November 2018, he has a Bachelor of Veterinary Science and a degree of Master of Veterinary Studies in Veterinary Clinical Sciences Dairy Medicine and Management. Tim has been a committee member of the Standing Committee for Genetic Evaluation with DataGene for the past four years. After 15 years of working as a dairy veterinarian, Tim has now been farming for the last 15 years. He runs a 550-cow three way cross dairy herd using Holstein, Jersey and Aussie Red genetics. He is also a member of Holstein Australia and the Australian Red Dairy Breed. Tim is a member of the Audit and Risk Management Committee and also member of the Animal Health & Welfare Committee.



Trevor Henry

Maffra, Vic.

Trevor joined the Board in May 2010 and became Chairman in 2016. Formerly a director of the Macalister Demonstration Farm Board for 10 years, serving the last four as Chairman. Trevor is passionate about the continued development of the genetics best suited to our farming systems with the traits that can make dairy farming a sustainable and profitable business. Trevor along with his wife Tracy & children run Wilara Holsteins, a year-round, split-calving, 500-head Holstein milking herd and is ranked in the top 10 Holstein BPI herds in the country.



Lucinda Corrigan

B. Sc. Agr (Hons 1) Bowna, NSW.

Lucinda and her family run a performance recorded herd of 2,300 cows on two aggregations in Southern NSW at Bowna and Culcairn. Rennylea Angus has been at the forefront of measuring performance since 1985. Lucinda has spent her professional life working in innovation across the livestock industries. It includes 9 years as a Non-Executive Director of Meat and Livestock Australia and Chair of the MLA Donor Company. Currently she is a Non-Executive Director of Animal Health Australia and Chair of the Animal Breeding and Genetics Unit at UNE and a member of the Future Drought Fund Ministerial Advisory Committee.



Craig Drake

(Deputy Chairman 1 July 2023 to November 2023)
Dip. Ag. Sci., Dip. Farm Man., FAICD
Allansford, Vic.

Craig was elected to the board in December 2011. He has been a director of Tas Herd since 2000. He is a former board member of Warrnambool Cheese & Butter and former chairman of Western Herd Improvement. Craig was Deputy Chairman between 2015 and 2021, and is also a member of the Audit and Risk Management Committee.



Jonny O'Brien

Kolora, Victoria

Jonny joined the board 19 July 2024.

Jonny is an experienced finance professional with diverse experience across Private Equity, M&A and business strategy. Today, Jonny owns and manages South Island, a farm management and development business, and consults widely across Australian agriculture. Jonny lives in Kolora and helps oversee a family dairy enterprise south of Simpson. Jonny also sits on the Genetics Australia Holdings Board.

CHAIRMAN'S REVIEW

It is my honour to present the GAC Chairman's report for 2025.

The 2025 calendar and financial year certainly presented us with many challenges. A large portion of Southern Australian was impacted by a severe drought, with little or no rain falling across most of Victoria, Southern NSW, South Australia and Tasmania. On the back of an average spring, this left beef and dairy farmers with limited fodder resulting in stock reduction and tightening of financial budgets for herd improvement products.

This resulted in a below budget income year for GAH and a small profit for our joint venture company. The result was an after-tax profit for GAC of \$156,558. Our balance sheet saw a \$272,384 reduction in equity primarily due to a change in income tax rates.

From a shareholder's point of view this is a good result considering the difficult year and affirmation that the business decisions we have made in recent years has enabled us to endure challenging years our industries are presented with.

Our joint venture with URUS, has provided an opportunity to implement world class services and technology to Australian dairy and beef producers. We at GAC are committed to investing in infrastructure and strategic initiatives, that will enhance Genetics Australia business.

This commitment has seen GAC sign a heads of agreement with URUS, for GAH to be the operators of Trans Ova genetics in Australia. This is a US\$1 million commitment that will see IVF and embryo transfer operations and IP brought into GAH across Australia.

To fund this investment and other future strategic initiatives the board has decided to place its Birregurra property on the market and have engaged a real estate agent to commence the sale process in this financial year.

In early 2025 GAC took possession of 83 acres joining the Camperdown TLG property. This move not only enables the GAH business room to

grow but also provides a larger buffer for bio security and an alternate entrance for safety to the properties. This was another strategic initiative the board identified and has now completed. We have also committed to a capex budget, that provides necessary improvements to shedding, shelters, fencing and staff amenities to enhance business operations.

I can assure our shareholders the GAC board will continue to protect and grow our strong asset base, and that we are fully invested, both strategically and financially, in making Genetics Australia the global leader of grazing genetics.

I would like to thank and commend my fellow board members for their commitment to GAC. Tim Humphris as deputy Chairman, Lucinda Corrigan and Craig Drake. Also, GAH board members, Trevor Henry in the role of Chairman and Jonny O'Brien.

GAC is also fortunate to have Tony Phillips as our manager and company secretary. He provides a skilled and experienced mind to the day-to-day management of the business, with his broad financial skills.

In closing I would like to congratulate GAH CEO Anthony Shelly and all his staff on a productive year and all our shareholders on your continued support.



JOHN PEKIN
CHAIRMAN GAC

MANAGER'S REVIEW

The performance by the group for the year ended 31 December 2025 was significantly affected by the difficult trading conditions referred to by the Chairman in his report. Due to the drought conditions in Victoria, herd maintenance became a higher priority than improved breeding and herd growth. As a result, the group recorded a loss before income tax of \$74.3k but a tax credit of \$230.8k enabled the group to post a net profit of \$156.5k.

The tax credit came from two sources, the first being a refund of tax paid in earlier years of \$113k and the second as a result of changes to the income tax rate, due to the group companies having more than 80% of their income sourced from what the ATO refers to as passive earnings (rent, interest and dividends). This now applies to all group companies but not the associated company (GAH). Losses carried forward were valued at the higher rate giving rise to a tax credit. Offsetting this was a rise in the potential capital gain on the sale of property but most of the gain was adjusted directly against the asset revaluation reserve due to earlier revaluations and the impact is disclosed in the Profit and Loss Statement in the Other Comprehensive Result section.

In the Balance Sheet the farm property at Birregurra has been shown as an asset held for sale with the intention of its disposal taking place within 2026. The bank facility expires on 31 December 2026 and is disclosed as a current liability however, since balance date the expiration date has been extended to 31 December 2028.

Rental income in 2026 will be down on 2025 as Birregurra will no longer be rented out as a farm pending its disposal. Once sold there will be savings in interest paid which will be replaced by interest received. Proceeds from the sale will be partly used to fund the investment in the Trans Ova Business and any capital gains tax payable on the Birregurra sale with the balance being invested.

In closing I would like to acknowledge the support of both the board of directors of the co-operative and the management of the joint venture company for their ongoing assistance.



ANTHONY PHILLIPS FCA
MANAGER AND COMPANY SECRETARY

DIRECTORS' REPORT

The Directors of Genetics Australia Co-operative Limited (the Co-operative) present their report together with the audited financial statements of the consolidated entity, being Genetics Australia Co-operative Limited and its controlled entities (the Group), for the year ended 31st December, 2025.

DIRECTORS

The names of the directors of the Co-operative in office at any time during, or since the end of, the period are:

John Pekin (Chairman)
Timothy Humphris (Deputy Chairman)
Craig Drake
Lucinda Corrigan
Trevor Henry
Jonathan O'Brien

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the entities within the Group during the financial year were the renting of land and buildings and overseeing its equity investment in a partially owned associate involved in the proving and sale of genetically superior bull semen for Australian conditions and the sale of other related items to Australian Dairy and Livestock Farmers. The sale of bull semen to the global market is also considered a key activity of the associate company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes to the state of affairs during the year

OPERATING RESULTS

The net profit of the Group after providing for income tax amounted to \$156,558 (Six months to 31 December 2024: \$466,572)

Other comprehensive profit/(loss) net of income tax is \$(428,942) (Six months to 31 December 2024: \$902,337)

Total comprehensive profit/(loss) for the year is \$(272,384) (Six months to 31 December 2024: \$1,368,909)

A review of the operations of the Group is set out in the Chairman's Report.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

EVENTS AFTER THE REPORTING DATE

Since balance date, the parent company (GAC) has entered into a non-binding Heads of Agreement with URUS Europe B.V (URUS) and Genetics Australia Holdings Pty Ltd (GAH) to incorporate the embryo transfer and vitro fertilisation systems and IP of Trans Ova into GAH operations in Australia. Trans Ova is a world leader in those businesses but does not currently operate in Australia. Recognising the potential of the businesses in Australia, GAC will pay URUS \$US 1 million for its 40% share of the expanded GAH with further payments dependent on future performance.

Also since balance date estate agents have been engaged to handle the sale of the Birregurra property. The property is considered to be a non core asset and has been leased to a Wagyu farmer for the past 3 years. The property is currently valued in the books at \$10m and is disclosed as assets held for sale. Proceeds from the sale, after payment of capital gains tax, will be used to pay bank debt with the balance being invested as an income producing asset.

Apart from the above no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, or the results of those operations in future financial years.

ENVIRONMENTAL ISSUES

The Group's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth of a state or territory of Australia or in any other jurisdiction in which it operates.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Rule 71 of the constitution of the Co-operative indemnifies officers in accordance with section 198 of the Co-operative National Law Application Act 2013. Further, during the year, the Co-operative paid an insurance policy for the benefit of directors and officers of the Co-operative. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against, and the amount of the premium.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 31 December 2025 has been received and can be found on page 3 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors:



JOHN PEKIN
CHAIRMAN



TIM HUMPHRIS
DEPUTY CHAIRMAN

Bacchus Marsh 20th day of April, 2026

MEETINGS OF DIRECTORS

The number of directors' meetings and the number of meetings attended made by each of the directors during the year, were:

BOARD MEETINGS

Director	Eligible to Attend	Attended
J Pekin	5	5
T Humphris	5	5
L Corrigan	5	5
C Drake	5	4
T Henry	5	5
J O'Brien	5	5

AUDITOR'S DECLARATION

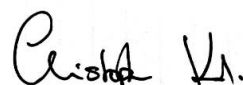
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF GENETICS AUSTRALIA CO-OPERATIVE LIMITED

As lead auditor for the audit of Genetics Australia Co-operative Limited for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.



MCLAREN HUNT
AUDIT AND ASSURANCE



C.J. KOL
PARTNER

Dated at Warrnambool: 21 April 2026



Genetics Australia Co-operative Limited and its subsidiaries

FINANCIAL STATEMENTS

for the year ended 31 December 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Consolidated 2025 \$	Consolidated July to December 2024 \$
Continuing Operations			
Revenue	3	638,309	300,197
Other income	3	12,897	116,099
Employee benefits expense		(37,414)	(7,590)
Depreciation and amortisation expense	12	(175,442)	(78,177)
Finance costs		(107,020)	(7,068)
Other expenses	4	(416,255)	(239,754)
Equity share of profit of associated company	13	10,607	339,773
Profit/(Loss) before Income Tax	4	(74,318)	423,480
Income tax refund/(expense)	5	230,876	43,092
Net profit/(loss) for the year		156,558	466,572
Other Comprehensive Result (net of income tax)			
Items that will not be reclassified to profit or loss			
Reduction to asset revaluation reserve arising from change in income tax rates	22(b)	(428,942)	-
Revaluation changes for property, plant and equipment (net of tax)	22(b)	-	902,337
Other Comprehensive Result for the year, net of income tax		(428,942)	902,337
Total Comprehensive Result for the year		(272,384)	1,368,909

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Consolidated 2025 \$	Consolidated 2024 \$
Current Assets			
Cash and cash equivalents	8	199,419	200,130
Receivables	9	-	25,591
Other assets	10	55,784	13,428
Assets held for sale	11	10,045,137	-
Total Current Assets		10,300,340	239,149
Non-Current Assets			
Property	12	12,160,511	22,251,360
Plant & equipment, and motor vehicles	12	-	11,081
Investments	13	4,492,870	4,482,263
Intangibles	14	603,443	603,443
Total Non-Current Assets		17,256,824	27,348,147
Total Assets		27,557,164	27,587,296
Current Liabilities			
Trade and other payables	15	65,267	135,389
Financial liabilities	16	1,333,274	-
Current tax liabilities	18	-	5,613
Total Current Liabilities		1,398,541	141,002
Non-Current Liabilities			
Financial liabilities	16	-	1,333,274
Other financial liabilities	17	17,300	17,300
Deferred tax liabilities	18	2,294,617	1,976,330
Total Non-Current Liabilities before members' share capital		2,311,917	3,326,904
Members' interest	22	98,410	98,710
Total Non-Current Liabilities		2,410,327	3,425,614
Total Liabilities		3,808,868	3,566,616
Net Assets		23,748,296	24,020,680
Equity attributable to owners of the parent company			
Reserves	22	8,915,331	9,344,273
Retained earnings		14,832,965	14,676,407
Total Equity		23,748,296	24,020,680

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Retained Earnings \$	General Reserve \$	Asset Revaluation Reserve \$	Total \$
Consolidated balance at 1 July 2024	14,209,836	1,307,561	7,134,375	22,651,772
Increase during the period arising from independent revaluation of freehold properties (net of tax)	-	-	902,337	902,337
Profit/(Loss) for the period	466,571	-	-	466,571
Consolidated balance at 31 December 2024	14,676,407	1,307,561	8,036,712	24,020,680
Profit for the year	156,558	-	-	156,558
Reduction during the period arising from a change to income tax rates	-	-	(428,942)	(428,942)
Consolidated balance at 31 December 2025	14,832,965	1,307,561	7,607,770	23,748,296

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note	Consolidated 2025 \$	Consolidated July to December 2024 \$
Cash Flow from Operating Activities		
Receipts from rent and other income	676,796	416,144
Payments to suppliers and employees	(566,147)	(199,122)
Finance costs paid	(107,020)	(7,068)
Income tax (paid)/received	114,609	(2,108,339)
Net cash provided by/(used in) operating activities	118,238	(1,898,385)
Cash Flow from Investing Activities		
Payments for property, plant, equipment, motor vehicles and livestock	(118,649)	(976,359)
Net cash flows provided by/(used in) investing activities	(118,649)	(976,359)
Cash Flow from Financing Activities		
Net Proceeds/(Payments) in respect of shares	(300)	200
Proceeds/(Payments) in respect of debenture holders	-	(30,482)
Net Proceeds/(Repayment) of borrowings	-	1,333,274
Net (Payments)/Repayment of loans to associated company	-	700,000
Net cash provided by/(used in) financing activities	(300)	2,002,992
Net increase/(decrease) in cash held	(711)	(871,752)
Cash at beginning of financial year	200,130	1,071,882
Cash and cash equivalents at the end of the financial year	8 199,419	200,130

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 1 General Information

Basis of preparation

The Group financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, the Co-operative National Law Application Act 2013, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements and notes of the Parent Company - Genetics Australia Co-operative Limited (the Co-operative) and Controlled Entities (the Group). The equity share of the group's investment in its associated company Genetics Australia Holdings Pty Ltd is also included. For the purposes of preparing the consolidated financial statements the Co-operative is a for-profit entity. All inter-entity balances have been eliminated on consolidation and details of controlled entities are disclosed in Note 25.

The presentation currency used in these financial statements is Australian dollars (\$).

Statement of compliance

The consolidated financial statements for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 20th April, 2026.

The comparative for the period is for the six months from 1 July 2024 to 31 December 2024. Comparatives are consistent with prior periods, unless otherwise stated.

The Co-operative does not have 'public accountability' as defined in AASB 1053 Application of Tiers Australian Accounting Standards and is therefore eligible to apply 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

Rounding of amounts

The amounts in the directors' report and in the financial statements are rounded to the nearest dollar.

Information about the Co-operative

Genetics Australia Co-operative Limited is a co-operative incorporated under the Co-operatives National Law 2013 (Victoria)

The addresses of its registered office and principal place of business are as follows:

Registered office

4104 Geelong-Bacchus Marsh Road
Parwan Vic 3340

Principal place of business

4104 Geelong-Bacchus Marsh Road
Parwan Vic 3340

Principal activities

The principal activities of the entities within the Group during the financial year were investing in, maintaining and leasing out land and improvements and the investment in and oversight of an associated company involved in the proving and sale of genetically superior bull semen for Australian conditions and the sale of other related items to Australian Dairy, Meat and Livestock Farmers. The sale of bull semen to the global market is also considered a key activity of the associated company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 2: Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates

Taxable Losses

Taxable losses in the amount of \$5,207,063 have been recognised on the basis that the co-operative will generate taxable income over future years through its leasing arrangements to absorb these losses.

Key judgements

Impairment

Non - financial assets other than properties are reviewed for impairment at the end of the financial year and will be reviewed annually on an ongoing basis. As a result of the review no write-down was considered to be necessary at 31 December 2025.

Valuation of properties

The group has a policy of independently valuing its properties every three years. All properties, excluding the property acquired during the period to December 2024, were independently valued prior to the completion of the accounts at 31 December 2024. The directors included the valuations in those accounts. The property acquired in the period to December 2024 that borders the existing Camperdown property was included at its cost. The directors have reviewed the values of the group's properties at 31 December 2025 and have considered past valuations, purchase prices and their knowledge of current market movements in determining that the current carrying value of properties continues to be appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 3 : Revenue

	Consolidated 2025 \$	Consolidated July to December 2024 \$
Sales Revenue		
Rent	608,309	285,197
Trade mark licence fee	30,000	15,000
Total sales revenue	638,309	300,197
Other income		
Contribution from majority shareholder of associate	-	96,329
Bad debt recovered	12,893	7,500
Interest received	4	12,270
Total other income	12,897	116,099

Note (i)

The contribution from the majority shareholder of the associate company in the prior period of \$96,329 was a one-off receipt arising under the shareholder agreement and related to compensation for delays in certain synergies being provided to the associate. Those synergies have since been provided.

Accounting treatment

Revenue from rent and trade mark licence fee is recognised over time by the Group Entity in accordance with the contracts entered into.

Note 4 : Other expenses

Administration fee to associated company		45,000	15,000
Consultants administration, audit and tax (includes executive remuneration)		95,028	48,125
Directors Fees and superannuation	7	148,517	74,147
Insurance		43,092	26,856
Rates and water		18,363	11,047
Repairs to properties		-	39,508
Doubtful debt provision		21,717	-
Sponsorship of Genetics Australia Conference		10,000	-
General expenses		34,538	25,071
		416,255	239,754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 5 : Income Tax Expense

	Consolidated 2025 \$	Consolidated July to December 2024 \$
(a) The components of tax expense comprise:		
Current tax	-	11,080
Deferred tax	(116,268)	(56,094)
(Over)/under provision for tax in prior year	(114,608)	1,922
	(230,876)	(43,092)
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax (refund)/expense on profit or loss from ordinary activities before income tax @ 30% (July to December 2024 25% or 30%)	(19,919)	72,266
Add		
Tax effect of:		
Non-deductible expenses		-
Under provision for current tax in the prior year	-	1,324
Under provision for deferred tax in the prior year	-	598
	-	1,922
Less:		
Tax effect of:		
Over provision for current tax in prior years	114,608	
Net effect to deferred tax assets and liabilities on change in taxation rate	90,791	67,910
Income tax included in equity share of profit in associated company	5,558	49,370
	210,957	117,280
Income tax (refund)/expense attributable to the Group for the year	(230,876)	(43,092)

Accounting treatment

Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Note 6 : Auditors Remuneration

Remuneration of auditor of financial statements

-audit for the year ended 31 December 2025 (period ended 31 December 2024)

18,000	35,000
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 7 : Key Management Personnel Remuneration

Total of Remuneration paid to key management personnel of the Group during the year is as follows:

- Directors
- Executive

	Consolidated 2025 \$	Consolidated July to December 2024 \$
	148,517	74,147
	31,750	9,000
	180,267	83,147

Note:-

The names of directors and executives of the Co-operative who have held office during the financial year are set out in the Directors' Report. The executive referred to above is Anthony Phillips, the Company Secretary/Manager who is a part time consultant to the Co-operative.

Note 8 : Cash and Cash Equivalents

Cash at bank and on hand

	199,419	200,130
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The Group has a fully undrawn bank overdraft facility of \$100,000 at 31 December 2025 (\$100,000 at 31 December 2024).

Accounting treatment

Cash and cash equivalents include cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Note 9: Trade and Other Receivables

Trade receivables	-	42,500
Provision for impairment of receivables	-	(16,909)
	-	25,591

Movement in provision for impairment of receivables

Opening balance	16,909	16,909
Increase/(reduction) in provision	25,591	-
Bad Debt write-off	(42,500)	-
Closing balance	-	16,909

Accounting treatment

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at their transaction price (unless there is a significant financing component) less life-time expected credit losses and subsequently measured at amortised cost using the effective interest method.

Refer to Note 21 for further discussion on the determination of impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 10 : Other Assets

	Consolidated 2025 \$	Consolidated 2024 \$
Prepayments	55,784	13,428

Note 11 : Assets held for sale

Land & Buildings	10,045,137	-
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Assets held for sale are classified as current when their carrying amount is recovered through a sale rather than ongoing use, They are measured at the lower of their carrying amount and fair value less costs to sell.

Note 12 : Property, Plant & Equipment and Motor Vehicles

Land and Buildings - at fair value	12,320,009	22,251,360
less accumulated depreciation	(159,498)	-
Total Land and Buildings	12,160,511	22,251,360
Plant, Equipment & Motor Vehicles - at cost	-	74,874
less accumulated depreciation	-	(63,793)
Total Plant, Equipment & Motor Vehicles	-	11,081
Total Property, Plant & Equipment	12,160,511	22,262,441

	Land and Buildings	Plant, Equipment & Motor Vehicles	Total
Consolidated balance at 31st December 2024	22,251,360	11,081	22,262,441
Additions at cost	118,649	-	118,649
Transfer to assets held for sale	(10,036,685)	(8,452)	(10,045,137)
Depreciation expense	(172,813)	(2,629)	(175,442)
Consolidated carrying amount at 31st December 2025	12,160,511	-	12,160,511

Asset revaluations - Land and Buildings

The Directors reviewed the values of land and buildings of the Group at 31 December 2025 and referred to independent valuations carried out by Opteon Property Group early in 2025, that were reflected in the financial statements at 31 December 2024, and decided that no further adjustments to values were required .

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 12 : Property, Plant & Equipment, Motor Vehicles (continued)

Accounting treatment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount of land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant, equipment and motor vehicles

Plant, equipment and motor vehicles are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from assets employed and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rates
Buildings	2.5-20%
Plant & equipment, and motor vehicles	4-27%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 12 : Property, Plant & Equipment, Motor Vehicles (continued)

Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Note 13 : Investments

Investment in Associated Company at fair value

	Consolidated 2025 \$	Consolidated 2024 \$
Investment in Associated Company at fair value	4,492,870	4,482,263

The investment in the associated company Genetics Australia Holdings Pty Ltd was initially valued by the directors based on an independent valuation that had been carried out by Findex Corporate Finance (Aust) Ltd dated March 2024. The groups equity share of subsequent profits have been added to the value of the investment

Impairment

The Investment has been reviewed for impairment at the end of the financial year and will be reviewed annually on an ongoing basis. As a result of the review no write-down was considered to be necessary.

Equity share of profits from Associated Company:

Equity share based on results for the period after income tax

Equity share based on results for the period after income tax	10,607	339,773
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Note 14 : Intangibles

Trademarks
Brand names

Trademarks	20,443	20,443
Brand names	583,000	583,000
	603,443	603,443

Movements in intangibles

Balance at 31st December 2024
Movement in period to 31 December 2025
Carrying amount at 31st December 2025

	Trademarks	Brand Names	Total
Balance at 31st December 2024	20,443	583,000	603,443
Movement in period to 31 December 2025	-	-	-
Carrying amount at 31st December 2025	20,443	583,000	603,443

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 14 : Intangibles (continued)

Accounting treatment

Trademarks and Brand Names are capitalised, and subject to the impairment of assets testing.

Impairment

Trade Marks and Brand Names have been reviewed for impairment at the end of the financial year and will be reviewed annually on an ongoing basis. As a result of the review no write-down was considered to be necessary.

Impairment of non-financial assets

At the end of each reporting period each Company within the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Note 15 : Trade and Other Payables

Current

Trade payables

Sundry payables and accrued expenses

	Consolidated 2025 \$	Consolidated 2024 \$
	33,917	99,022
	31,350	36,367
	65,267	135,389

Accounting treatment

Trade and other payables represent the liability for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within contract terms which are all less than one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 16 : Financial Liabilities

	Consolidated 2025 \$	Consolidated 2024 \$
Current		
Bank loan secured	1,333,274	-
Non-current		
Bank loan secured	-	1,333,274
(b) The carrying amounts assets pledged as security are:		
First mortgage		
'- Freehold land and buildings and assets held for sale	21,275,001	21,275,001

Note:-

The current loan term expires on 31.12.2026. Since balance date the National Bank has confirmed the extension of the facility through to 31 December 2028.

Accounting treatment

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit and loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

Note 17 : Other Financial Liabilities

Current		
Debentures repayable within 12 months	-	-
Non-current		
Debentures repayable after 12 months	17,300	17,300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 18 : Tax

a) Assets (Liabilities)

Deferred tax assets comprise:

	Consolidated 2025 \$	Consolidated 2024 \$
Provisions	-	4,227
Other	22,639	26,886
Income tax losses	562,993	433,978
Capital losses	997,690	869,873
	1,583,322	1,334,964

Deferred tax liabilities comprise:

Tax allowances relating to		
Property, plant and equipment, motor vehicles and livestock	(3,423,979)	(2,932,994)
Investments	(453,960)	(378,300)
	(3,877,939)	(3,311,294)

Net deferred tax liabilities

(2,294,617)	(1,976,330)
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Current tax liabilities comprise:

Provision for current tax payable	-	(5,613)
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b) Reconciliations

Gross Movements

The overall movements in deferred tax account is as follows:

Consolidated opening balance	(1,976,330)	(1,572,951)
Effect of income tax rate change	(338,152)	67,909
Transfer from asset revaluation reserve	-	(453,407)
Transfer from current tax liability	(5,613)	-
Charged to the income statement	25,478	(17,881)
	(2,294,617)	(1,976,330)

Accounting treatment

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 19 : Reserves

General Reserve

The general reserve records funds set aside for future expansion of the Group.

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of land and buildings.

Note 20 : Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not recognised as a liability (December 2024 Nil).

Note 21 : Financial Risk Management

a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, bank loans and debentures.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated 2025 \$	Consolidated 2024 \$
Financial Assets:			
Cash and cash equivalents	8	199,419	200,130
Trade and other receivables	9	-	25,591
Total Financial Assets		199,419	225,721
Financial Liabilities:			
Financial liabilities at amortised cost:			
- Trade and other payables	15	65,267	135,389
- Bank Loan	16	1,333,274	1,333,274
- Debentures	17	17,300	17,300
Total Financial Liabilities and Debentures		1,415,841	1,485,963

Accounting treatment

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 21 : Financial Risk Management (continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets*

Financial assets are subsequently measured at amortised cost.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(iii) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 21 : Financial Risk Management (continued)

Impairment

Impairment of financial assets is recognised in the form of a loss allowance for expected credit loss. The loss allowance is measured as a life-time expected credit loss if, at the reporting date, the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance is measured as 12-month expected credit loss if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition.

The Group determines whether there has been a significant increase in credit risk since initial recognition by comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition using reasonable and supportable information, unless the financial instrument is determined to have low credit risk at the reporting date.

Changes in expected credit losses from the previous reporting period are recognised in profit or loss as an impairment gain or loss.

Expected credit losses are measured with reference to the maximum contractual period and considering:

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables are written off if there is objective evidence regarding bankruptcy or insolvency of the debtor and no guarantees are otherwise available from any third party on behalf of the debtor. This is the approach even if enforcement activities have already been initiated.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 22 : Members Interest and Equity

a) Share Capital:

The details of share capital are as follows:

Opening balance - 49,355 fully paid shares

Shares issued during the year

Shares cancelled/redeemed/forfeited during the year

Closing balance - 49,255 fully paid shares

Number of Members

Accounting treatment

Members share capital is treated as a liability of the Group. Classification in this manner occurs because the Genetics Australia Co-operative Limited must forfeit and ultimately repay share capital that is forfeited under the inactive membership rules contained in the Co-operative National Law Application Act 2013 and the Rules of the Co-operative.

b) Components of Equity

The details of reserves are as follows:

Consolidated balance at 1 July 2024

Increase during the year arising from independent revaluation of freehold properties:

Before tax

Tax benefit/(expense)

Net of tax

Consolidated balance at 31 December 2024

Other comprehensive income/(expense) for the year (all attributable to the parent):

Reduction during the year due to increase in the income tax rate for the parent company from 25% to 30% as a result of more than 80% of its income being of a passive nature.

Consolidated balance at 31 December 2025

	Consolidated 2025 \$	Consolidated 2024 \$
	98,710	98,510
	200	200
	(500)	-
	98,410	98,710

	2025	2024
	936	939

	Asset revaluation reserve \$	General Reserve \$	Total \$
	7,134,375	1,307,561	8,441,936
	1,355,744	-	1,355,744
	(453,407)	-	(453,407)
	902,337	-	902,337
	8,036,712	1,307,561	9,344,273
	(428,942)	-	(428,942)
	7,607,770	1,307,561	8,915,331

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 23 : Contingent Liabilities

The directors are not aware of any contingent liabilities as at 31 December 2025.

Note 24 : Related Party Transactions

Related parties include the parent company, Genetics Australia Co-operative Limited, it's wholly owned subsidiaries, Genetics Investments Limited, Total Livestock Genetics Victoria Pty Ltd, the associated company Genetics Australia Holdings Pty Ltd, directors and executives of the Group and Associated Company. Details relating to the companies are set out in Notes 25 and 26 and remuneration of directors and executives is disclosed in Note 7.

Transactions with associated company Genetics Australia Holdings Pty Ltd include the leasing of group properties in Western Victoria, the licencing of the group's trade marks and brands and the provision of working capital finance.

There were no transactions with related parties at more favourable terms or conditions than those available to other parties.

Note 25 : Composition of the Group

Set out below are the details of the subsidiaries and associated companies held directly by the Group:

Name of subsidiary or associated company	Country of incorporation and principal place of business	Principle activity	Proportion of ownership interests held by the Group	
			2025	2024
Genetic Investments Ltd.	Australia	Investments	100%	100%
Total Livestock Genetics Victoria Pty Ltd	Australia	Property owner and lessor	100%	100%
Genetics Australia Holdings Pty Ltd	Australia	The production and sale of genetically superior bull semen	40%	40%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note 26 : Parent Entity information

Information relating to Genetics Australia Co-operative Limited (the Parent Entity):

	Note	2025	2024
		\$	\$
Statement of Financial Position			
Current assets		21,164,299	11,268,574
Total assets		25,326,354	25,481,710
Current Liabilities		1,359,794	35,382
Total Liabilities		3,424,894	3,169,813
Net assets		21,901,460	22,311,897
Retained earnings		14,588,717	14,570,212
General reserve		1,307,561	1,307,561
Asset revaluation reserve		6,005,182	6,434,124
Total equity		21,901,460	22,311,897
		2025	July to December
		\$	2024
		\$	\$
Statement of profit or loss and other comprehensive income			
Profit/(Loss) for the year		18,505	32,644
Other comprehensive income/(loss)	(i)	(428,942)	(700,251)
Total comprehensive income/(loss)		(410,437)	(667,607)

Note (i)

The other comprehensive loss in the parent company in 2025 is due to an increase in tax rates affecting revalued fixed assets as the majority of the income is regarded as being of a passive nature for tax purpose.

The other comprehensive loss in the parent company in 2024 is due to a downward valuation on property. The valuation of properties owned by other group companies showed a significant increase over their book values and, as a result, other comprehensive income of the group in 2024 as a whole amounted to \$902,337 as disclosed in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Note 27 : Events after the reporting date

Since balance date, the parent company (GAC) has entered into a non-binding Heads of Agreement with URUS Europe B.V (URUS) and Genetics Australia Holdings Pty Ltd (GAH) to incorporate the embryo transfer and vitro fertilisation systems and IP of Trans Ova into GAH operations in Australia. Trans Ova is a world leader in those businesses but does not currently operate in Australia. Recognising the potential of the businesses in Australia, GAC will pay URUS \$US 1 million for its 40% share of the expanded GAH with further payments dependent on future performance.

Also since balance date the board of GAC has engaged agents to handle the sale of the Birregurra property. The property is considered to be a non core asset and has been leased to a Wagyu farmer for the past 3 years. The property is currently valued in the books at \$10m and is disclosed as assets held for sale. Proceeds from the sale, after payment of capital gains tax, will be used to pay bank debt with the balance being invested as an income producing asset.

Apart from the above no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, or the results of those operations in future financial years.

DIRECTOR'S DECLARATION

The Directors of the Co-operative declare that:

1. The financial statements and notes set out on pages 5 to 24 are in accordance with the Co-operative National Law Application Act 2013 and the Corporations Act 2001 and:
 - (a) comply with Accounting Standards - Simplified Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2025 and of the performance for the year ended on that date.
2. In the Directors opinion there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors.



JOHN PEKIN
CHAIRMAN



TIM HUMPHRIS
DEPUTY CHAIRMAN

Dated this 20th day of April 2026

AUDIT REPORT FOR THE YEAR ENDED 31 DECEMBER 2025



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GENETICS AUSTRALIA CO-OPERATIVE LIMITED

Opinion

We have audited the financial report of Genetics Australia Co-operative Limited (the Co-operative), which comprises the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, other explanatory notes and the directors' declaration.

In our opinion, the accompanying financial report of Genetics Australia Co-operative Limited is in accordance with the *Corporations Act 2001* and the *Co-operatives National Law Application Act 2013*, including:

- (a) giving a true and fair view of the Co-operative's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards, *Corporations Regulations 2001* and *Co-operatives National Law (Victoria) Local Regulations 2014*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Genetics Australia Co-operative Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including independence standards) (the Code) that are relevant to our audit of the financial report in Australia, and we have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Co-operative, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and the *Co-operatives National Law Application Act 2013* and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Genetics Australia Co-operative Limited's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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AUDIT REPORT FOR THE YEAR ENDED 31 DECEMBER 2025



- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Genetics Australia Co-operative Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Genetics Australia Co-operative Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Genetics Australia Co-operative Limited to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

A handwritten signature in black ink that reads 'McLaren Hunt'.

MCLAREN HUNT
AUDIT AND ASSURANCE

A handwritten signature in black ink that reads 'C.J. Kol'.

C.J. KOL
PARTNER

Dated at Warrnambool: 21 April 2026

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