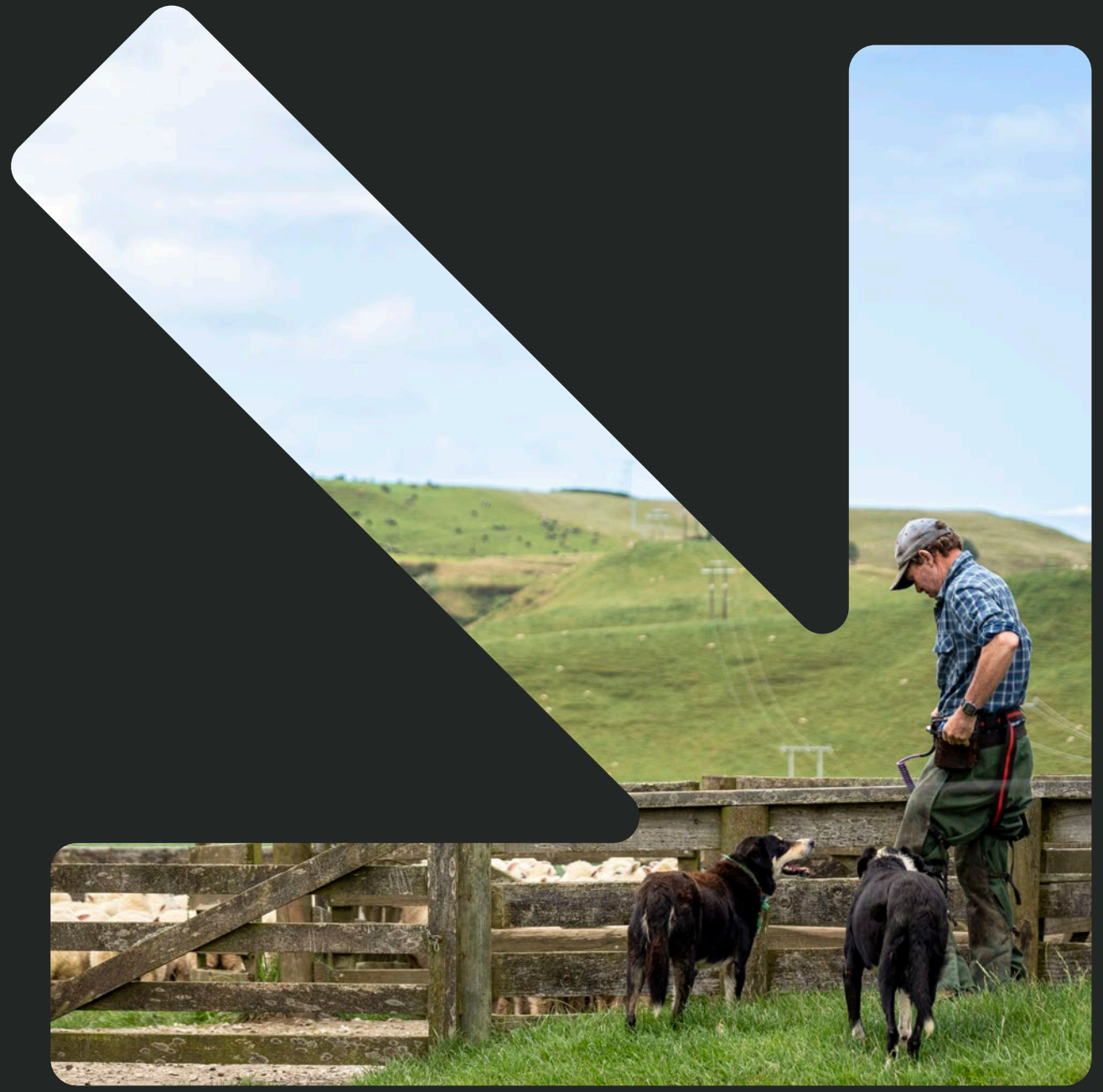
AgriZero NZ



Year in Review

2024–2025

Contents

This report provides an overview of AgriZero[NZ]'s key operating activities from 1 July 2024 to 30 June 2025. This report is not mandatory and is not completed in accordance with any applicable accounting or disclosure standards. The AgriZero[NZ] Board of Directors approved this report. All data is in New Zealand dollars unless otherwise stated.

This report contains forward-looking metrics which are not, and should not be considered to be, guarantees, predictions or forecasts of future outcomes or performance. The statements are subject to known and unknown risks, uncertainties, and other factors, which may cause actual performance to differ materially from any projections. Readers are cautioned not to place undue reliance on any forward-looking statements. For more information, see agrizero.nz.

AgriZero[NZ]

Rob Hewett, Board Chair (left) and Wayne McNee, Chief Executive

Foreword from Board Chair and Chief Executive

It is our pleasure to present this report which reflects the key activities from AgriZero[NZ]'s 24–25 financial year.

This report helps stakeholders keep track of our progress while we work to provide New Zealand farmers with tools to reduce methane and nitrous oxide emissions in our pastoral farming system.

When reflecting on the year, it's clear the fundamental reasons AgriZero[NZ] exists remain unchanged and our work to accelerate the development of tools is coming to fruition.

Our global drivers remain the same

With more than 95% of New Zealand's dairy production sent offshore as well as over 80% of beef and sheep products, it's undeniable that ongoing global market access is crucial to our sector's profitability.

As an export-reliant nation we must align with global market drivers:

- Major buyers of our premium exports have ambitious emissions reduction targets across their value chains and expect measurable progress by 2030.
- Some international trade agreements include enforceable climate targets, with governments demanding transparency on the emissions footprint of imported food.
- Competitor markets are becoming more emissions efficient as new mitigation tools, which aren't fit for our pasture-based farms, become available overseas. Farmers in some markets already claim to be more emissions efficient than New Zealand farmers, particularly in dairy.

Showing progress is vital to stay competitive. To maintain export value and customer trust, we must reduce emissions without losing productivity or profitability.

Tools are on the way

We're scanning the world for solutions and investing in local and global companies to ensure their mitigation tools are suitable for New Zealand farms and made available to our farmers.

We're investing in a range of options – probiotics, inhibitors, feed additives, boluses, vaccines and pastures – because we know farmers need choice, and some early-stage ventures may not make it to the farm at all.

Plenty of progress is being made, and the first of these tools from our portfolio should become available early 2026 – a methane-inhibiting bolus for cattle from Kiwi company, Ruminant BioTech.

Importantly, these tools will be tested, proven, and safe, with New Zealand's strict animal and food safety regulations in place to protect our animals and people, as well as our environment and export reputation, too.

We continue our work with the Ministry for Primary Industries and the Environmental Protection Authority to clarify regulatory pathways and to support our investee companies to navigate them.

Future priorities

We're proud of our progress, but there is plenty of work left to do to achieve our ambition. As the tools we're investing in approach commercialisation, our focus is shifting to support their uptake on-farm.

It's been great to see companies like Nestlé and Mars lead the way and reward emissions efficiency through partnerships with Fonterra and Synlait. Meat processors are also in talks with their buyers about similar programmes. This level of collective action across the value chain will be critical to incentivise farmers and support widespread uptake.

While reducing agricultural emissions – especially methane – is without a doubt a challenge, it's one we're optimistic New Zealand can tackle head on. It was pleasing to see the government reaffirm our role as part of the solution in its announcement of biogenic methane targets, which stated technology and partnership are what will deliver the reductions.

By doing so we can solidify our reputation as a world leader in premium, sustainable food production, and deliver more value to farmers and our country in the process.

Rob Hewett
Board Chair

Wayne McNee
Chief Executive

"Meeting our climate change obligations and encouraging a booming agricultural sector are not mutually exclusive. Collaborations such as AgriZero[NZ] will ensure that New Zealand's economy and climate are well served."

Hon Todd McClay, Agriculture and Trade and Investment Minister

About us

We're a world-first public-private partnership focused on helping farmers reduce emissions while maintaining profitability and productivity.

Through targeted investment and actions, we're deploying venture capital and unblocking constraints to get emissions reduction tools into the hands of New Zealand farmers sooner.

Unique partnership

Our partners bring deep experience across the sector and supply chain as well as providing a close relationship with regulators.

Funding

Industry funding is matched by Government, dollar-for-dollar, with a total of $191 million committed over our first four years.

50% owned by government

Ministry for Primary Industries
Manatū Ahu Matua

50% owned by industry

a2 Milk Company · ANZ · ANZCO Foods · ASB · bnz · Fonterra Dairy for life · Rabobank · ravensdown · Silver Fern Farms · Synlait

Strategic partner

AG EMISSIONS CENTRE — New Zealand Agricultural Greenhouse Gas Research Centre

Ambition

To ensure all farmers in Aotearoa New Zealand have equitable access to affordable, effective solutions to reduce biogenic methane and nitrous oxide emissions, with a goal of supporting a 30% reduction by 2030 and enabling development and adoption of solutions to drive towards ‘near zero’ by 2040.

Through this we will enhance the value and competitiveness of the agriculture industry in New Zealand on the global stage, while recognising the importance of intergenerational stewardship, kaitiakitanga, of the land.

Purpose

To undertake targeted investments and actions to accelerate development, commercialisation and/or deployment of effective and affordable solutions that will be used by New Zealand farmers and others to significantly reduce emissions.

How we’re taking action

Strategy & Engagement

Build global partnerships, assess emerging trends, agitate need for change and input into NZ regulatory settings.

Catalyst

Deliver system-wide investment and unblock constraints for broader impact.

Ventures

Provide navigation and acceleration support, investing capital and capability to enable local and global ventures to be more successful in New Zealand.

Guiding whakatauki

Ehara tāku toa i te toa takitahi, engari he toa takitini

My strength is not as an individual, but as a collective

Business highlights
FY24–25

4

new venture investments to accelerate the development of mitigation tools suitable for New Zealand farmers

2

follow-on investments in companies from our portfolio showing promising progress

Strengthened catalyst investment in the New Zealand methane inhibitors programme to bring a solution to market

$33.3m

invested across our portfolio

6

regulatory submissions supporting the streamlining of the approval pathway for mitigation tools

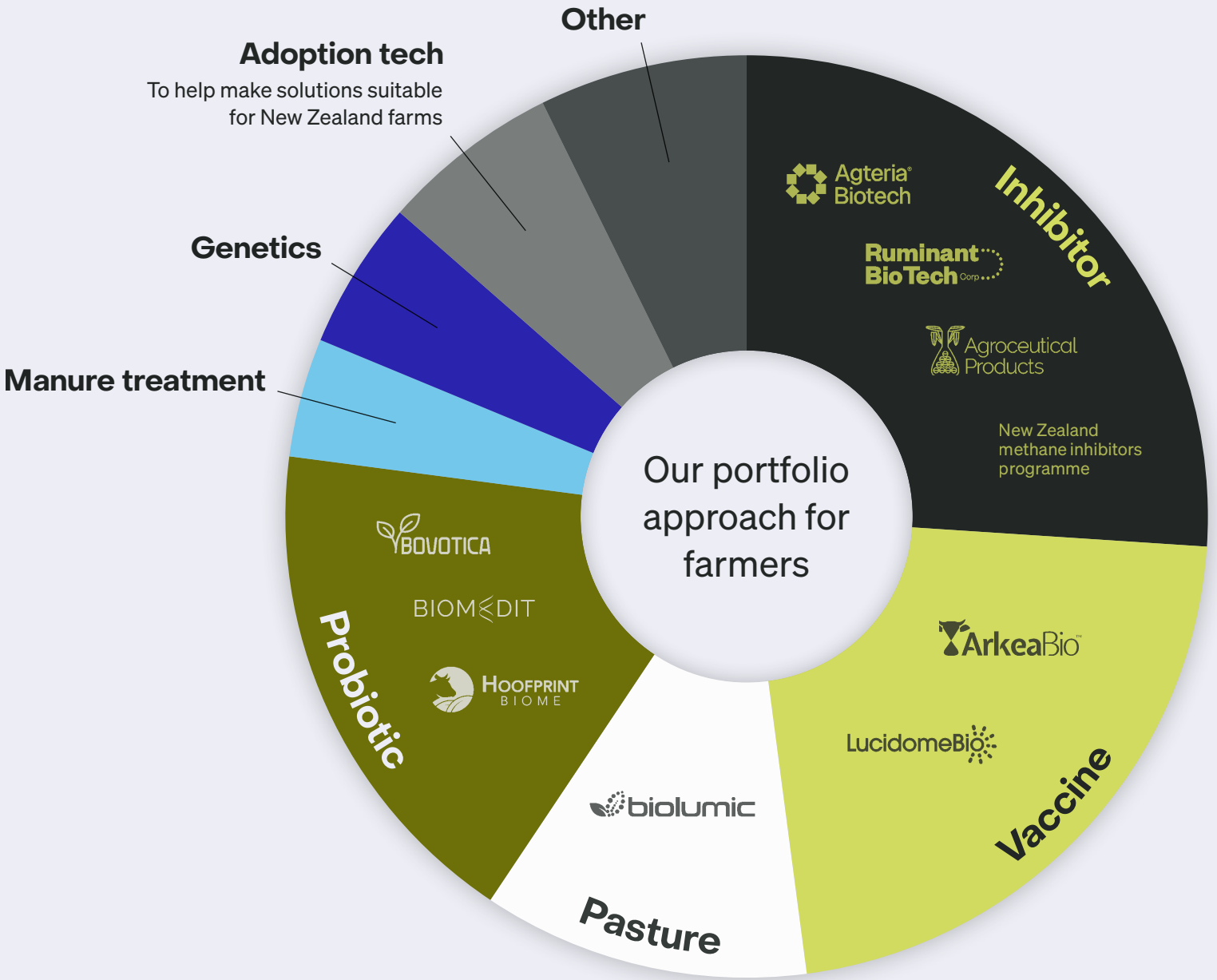
Established AgriZero[NZ] Limited Partnership

Established a Farmer Focus Group and held two full-day workshops to ensure the tools we're investing in are fit for purpose

Investing to provide New Zealand farmers access to tools

We're actively scanning the world for new investment opportunities, while continuing to support our diverse portfolio of companies developing tools.

In addition to reducing methane or nitrous oxide emissions from ruminant animals, tools we're investing in need to be practical for pasture-based farmers.



Hedging our bets

We know not all of our investments will be successful – the nature of venture investing is that some companies will fail. That's why we're investing in several companies in each technology class, to give us the best chance of providing Kiwi farmers access to a range of affordable, effective and practical solutions.

Strengthening our ventures portfolio

Our early-stage investment in companies is strategic to help them develop their tools and to ensure they prioritise making them available in New Zealand. This is important because New Zealand is a small market globally and gaining regulatory and processor approval for tools is a costly process.

New equity investments are typically in the range of NZ $1m – $10m and may result in AgriZero^{NZ} securing up to a 50 per cent shareholding in a pre-seed company or new Joint Venture, or less than 5 per cent for companies that are more established.

This year we've made both new and follow-on investments and have been pleased to invest alongside notable global funds such as Breakthrough Energy Ventures, Anterra Capital, SOSV and Industrifonden.

We're increasing our investment in the companies in our portfolio with tools we think are most likely to be available to New Zealand farmers. This will help ensure they have sufficient capital to progress their product development and maintain their focus on commercialising in New Zealand.

Top: Hoofprint Biome Inc. co-founders Dr Kathryn Polkoff and Dr Scott Collins

Bottom: BioLumic Chief Science Officer Dr Jason Wargent

Venture investments
FY24–25

To learn more about our investment portfolio and the tools in development, visit www.agrizero.nz/portfolio.

Agteria Biotech

Sweden

Committed investment: NZ $4.1 million

Solution: Inhibitor

Delivery mode: Feed additive or bolus

Stage: Proven methane reduction in multiple animal trials, completed animal trial in New Zealand, working with New Zealand regulatory consultant.

BiomEdit

US

Committed investment: NZ $6.3 million

Solution: Probiotic and engineered probiotic

Delivery mode: Feed additive

Stage: Discovered naturally occurring microbes that inhibit methanogen activity and simultaneously increase production by repurposing that energy to improve rumen function.

Animal trials underway in US with plans to do larger-scale trials in New Zealand.

Bovotica

Australia

Committed investment: NZ $1.5 million

Solution: Probiotic

Delivery mode: Feed additive and oral drench

Stage: Identified microbes that naturally occur in the rumen of low methane-emitting cattle, animal trials in Australia will take place in late 2026 with New Zealand trials to follow, working with New Zealand regulatory consultant.

Lucidome Bio

New Zealand

Committed investment: NZ $8.5 million

Solution: Vaccine

Stage: Identified a range of promising prototype vaccines, carrying out cattle trials in New Zealand to validate effectiveness.

Hoofprint Biome Inc FOLLOW ON

US

Committed investment: NZ $8.7 million

Solution: Probiotics and enzymes

Delivery mode: Feed additive

Stage: Developing natural enzymes and probiotics to improve cattle health while reducing methane emissions and improving productivity. Planning animal trials in New Zealand for 2026, working with New Zealand regulatory consultant.

This capital raise, led by SOSV, provided a valuation uplift of our original investment of around 2.4 times.

Ruminant BioTech FOLLOW ON

New Zealand

Committed investment: NZ $4 million

Solution: Inhibitor

Delivery mode: Slow-release, biodegradable bolus

Stage: Proven methane reduction (~70%) in multiple animal trials, applied to the Ministry for Primary Industries for regulatory approval.

Accelerating innovation and progress

Our catalyst team identifies and invests in a broad range of opportunities that enhance the likelihood of mitigations being available for New Zealand farmers sooner and to support on-farm adoption.

Catalyst investments are focused on unblocking constraints, collaborating and spurring innovation to generate system-wide benefits.

Innovate UK partnership

Our investor partnership with Innovate UK allows us to tap into the UK's thriving agritech sector. We are working together to combine grant funding, investment and expertise to stimulate research and development into reducing agricultural greenhouse gas emissions.

Innovation Investment Round

To broaden our search for solutions we teamed up with the Ag Emissions Centre for its annual Innovation Investment Round. The round offers up to NZ $4 million in total funding to help bring practical, farm-level solutions closer to implementation for New Zealand farmers. Forty-three eligible applications were received and covered a broad spectrum, including genetics, manure treatment technologies and on-farm measurement.

Top: AgriZero[NZ] and Innovate UK signing in London, April 2025

High Metabolisable Energy (HME) ryegrass trial

We invested in the first livestock feeding trial with the AgResearch Group's genetically modified High Metabolisable Energy (HME) ryegrass, which set out to prove whether the higher lipid content in the pasture reduces methane in pastoral animals.

Measurements taken from sheep fed HME ryegrass showed methane emissions were reduced 11 per cent when expressed as a percentage of Gross Energy Intake (GEI), and 7 per cent when expressed as grams of methane per kilogram of dry matter intake.

New Zealand methane inhibitors programme

We committed up to NZ $4 million to this programme to support its quest for a compound that effectively and safely inhibits methane from grazing livestock and ultimately bring a solution to market.

We've accelerated the programme, in partnership with the Ag Emissions Centre, putting a stronger focus on delivering a tool to New Zealand farmers. The work is carried out by the AgResearch Group, part of the Bioeconomy Science Institute (BSI), and builds on foundational research co-funded by the Pastoral Greenhouse Gas Research Consortium (PGgRc) and the Ag Emissions Centre.

The programme has recently narrowed in on several stand-out compounds that have shown promising methane reduction. Researchers are now seeking to prove the effectiveness of these compounds in grazing animals.

All intellectual property has been transferred to AgriZero[NZ] and a strengthened collaboration with Zoetis has the global animal health company poised to commercialise a breakthrough.

Setting our ventures up for success in New Zealand

We have an active role supporting our investee companies' path to market in New Zealand by helping them navigate the regulatory pathway, providing strategic advice and connecting them with experts across the value chain.

Key activities our investee companies are carrying out in New Zealand to support commercialisation:

- Visiting New Zealand to better understand our farms and agricultural sector
- Meeting industry experts and government officials
- Animal trials
- Working with a local regulatory consultant and attending regulatory workshops
- Engaging with regulators (Ministry for Primary Industries and Environmental Protection Authority)
- Engaging with farmers, including our Farmer Focus Group

"AgriZero[NZ] has been an invaluable partner, opening a lot of doors and supporting discussions and insights."

Martin Blomberg, Agteria Biotech CEO

Agteria Biotech case study

Founded in 2023, Agteria Biotech has developed a patent-pending molecule that significantly reduces methane emissions from dairy cows and beef cattle.

The company's solution has already demonstrated promising results in several animal trials, including a trial run by Penn State University which showed methane emissions from dairy cows were reduced by up to 30 per cent after consuming a small dose of Agteria Biotech's molecule as a feed additive.

In February 2025, AgriZero^{NZ} co-led Agteria Biotech's seed funding round, alongside Swedish venture capital fund Industrifonden, which saw it raise EUR €6m to further develop the product. This early-stage funding ensures Agteria Biotech prioritises commercialising in New Zealand, alongside its home region of Europe.

Once the round was closed, the Agteria Biotech team wasted no time in getting to New Zealand to learn more about pasture-based farm systems and the path to market for their product.

AgriZero^{NZ} facilitated the week-long visit in April 2024 which saw CEO Martin Blomberg and Chief Operating Officer Maia Lidbeck meet with regulators, feed manufacturers, processors and farmers.

"New Zealand presents a strong early-market opportunity due to its sense of urgency and openness to partner. AgriZero^{NZ} has been an invaluable partner, opening a lot of doors and supporting discussions and insights," says Martin.

The company has since started working with a New Zealand regulatory consultant and completed a twice-daily feeding trial with 120 grazing heifers in Waikato.

Martin says they're aiming to have their first product, a feed additive, available to New Zealand farmers in 2027, subject to regulatory approval.

"We're carrying out comprehensive safety studies and animal trials to fine-tune the product and advance towards regulatory approvals."

Martin says given the molecule's small size and low daily dosage required, it has the potential to be delivered to animals in other ways, such as a bolus.

AgriZero^{NZ} is pleased to be backing the Swedish company to accelerate its product development and provide New Zealand farmers priority access to it.

Waikato dairy farmer Scott Bryant, Agteria Biotech CEO Martin Blomberg, Agteria Biotech COO Maia Lidbeck

"We're carrying out comprehensive safety studies and animal trials to fine-tune the product and advance towards regulatory approvals."

Martin Blomberg, Agteria Biotech CEO

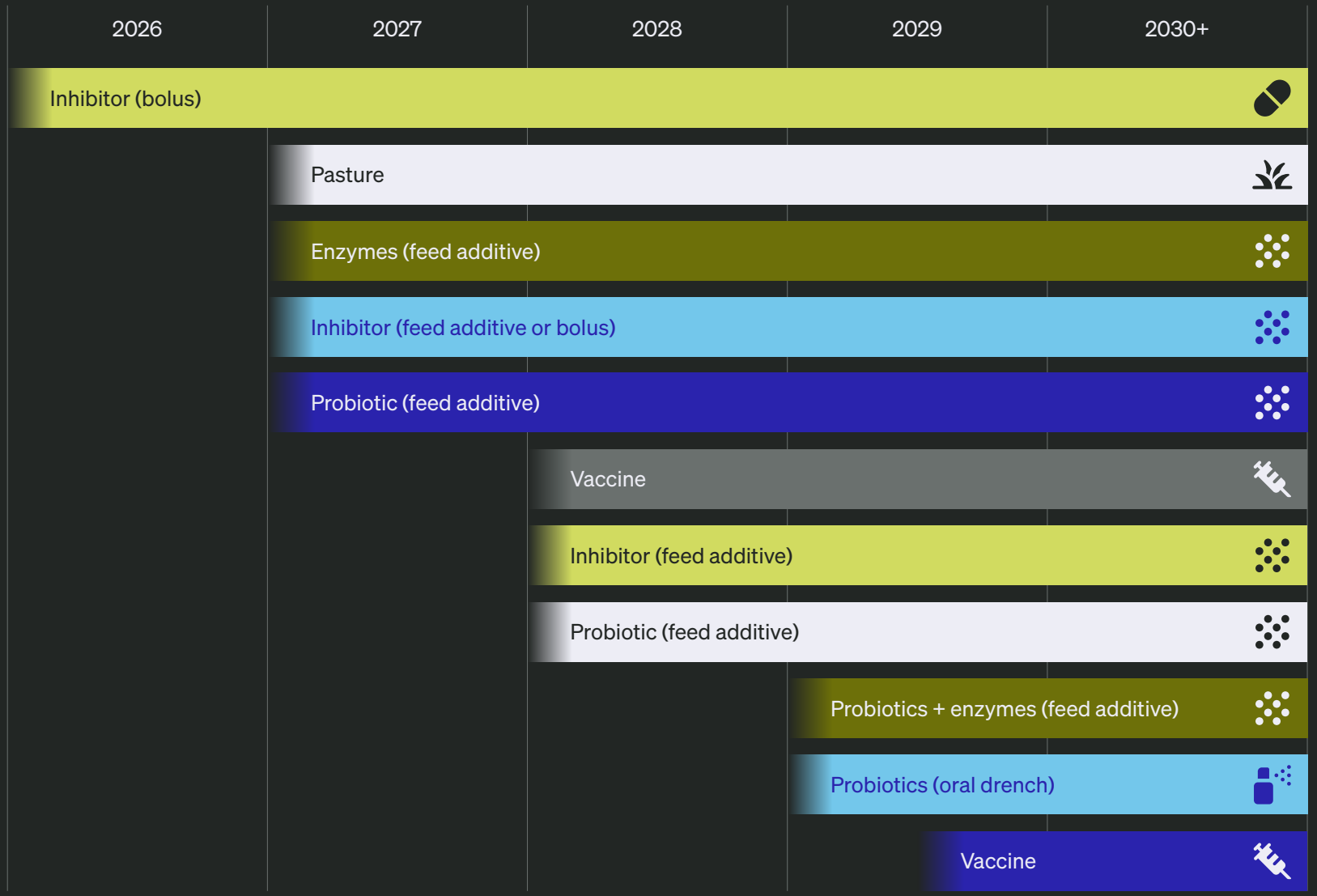
Pipeline for tools

We're backing a range of options because we know farmers will want choices, and some early-stage ventures may not make it to the farm at all.

"A range of products reducing emissions will come onto the market between now and 2030 as a direct result of AgriZero^{NZ}."

Ray Smith, MPI Director-General

This timeline represents estimated availability of tools we've invested in*



* These dates are estimates provided by the companies developing the tools. The dates and details are subject to change and dependent on regulatory approvals (where required).

Bringing farmers on the journey

We are strengthening our engagement with New Zealand farmers as we get closer to the availability of tools.

Farmer Focus Group

To help us ensure the tools we're investing in are fit-for-purpose, we established a Farmer Focus Group.

The group is made up of 12 farmers who represent different livestock types and farming systems from across New Zealand. The group provides us with their diverse views and feedback regarding implementation of emissions mitigation tools to help support on-farm adoption.

The group was formed in this financial year, and we've since held two full-day in-person meetings. Three of our portfolio companies attended the second meeting, allowing a direct feedback loop between the companies and farmers.

Key insights the Farmer Focus Group reaffirmed include:

- **Co-design with farmers is critical** – tools need to reflect real-world conditions (application, autonomy, cost). Trust builds with early involvement.
- **Trust and transparency help drive adoption** – clear evidence, independent validation, and transparency about efficacy, safety, and limitations.
- **Ease of use** is practically non-negotiable for farmers – tools must be easy to implement, use and maintain.
- **'What's in it for me?' mentality** – adoption hinges on business outcomes (ROI, productivity, risk mitigation). Emissions tools must deliver returns for farmers.
- **Social licence and market pressures matter** – farmers are responsive to buyer and supply-chain sustainability demands, but public perception and consumer sentiment are also important.
- **Tools must align to diverse farm types** – dryland systems, intensive dairy etc. Tech solutions must be flexible, stackable, and context appropriate.

"This work is important to me because it's about retaining a future for sheep and beef farming."

Hannah Morrah, sheep & beef farmer, Hawke's Bay

"Being involved in this early process around developing new technology, the farmer's voice is being heard."

Andrew Wiffen, dairy farmer, West Coast

“It’s a privilege to be part of sense-testing and providing input to ensure that we can get technology that can make a meaningful reduction to our emissions at farm, sector and global scale.”

Cameron Black, sheep, beef & dairy farmer, Southland

Reaching more farmers

We also receive feedback and actively seek engagement opportunities with farmers, rural professionals and sector organisations that represent farmers or have a direct link to them, such as DairyNZ, Beef + Lamb New Zealand, the Dairy Companies Association of New Zealand (DCANZ), the Meat Industry Association (MIA) and Federated Farmers.

This year we’ve attended and presented at numerous farmer-focused events nationwide, including Farm Source Dairy Farmer Efficiency Forums (Taranaki, Central Districts and Rotorua), South Island Dairy Event (Timaru), a Rabobank Client Council Meeting (Upper North Island), the 2025 Ahuwhenua Trophy awards dinner for the top Māori sheep and beef farm, and the Dairy Environment Leaders Forum (Wellington). We were also pleased to attend the regional field day events (Dargaville, Feilding, Kirwee, Wānaka) and National Fieldays (Hamilton) as part of the MPI Science for Farmers site.

Top: Northland Field Days, February 2025

Middle: Fonterra Dairy Farmer Efficiency Forum, March 2025

Bottom: National Fieldays, June 2025

Financial summary

1 July 2024 – 30 June 2025

Funds from private sector investors are matched by the Government, dollar-for-dollar, with a total of $191 million committed over our first four years.

$46.5M
Investor contributions

$31.2M
Venture investments

$2.1M
Catalyst investments

$6.9M
Operating expenses

$58.2M
Cash balance

Total venture investments (as at 30 June 2025)

	Invested $M	Valuation $M
Agteria Biotech	4.12	4.35
ArkeaBio	9.91	9.89
Agroceuticals Products NZ	0.44	0.44
BiomEdit	6.28	5.77
BioLumic	2.35	2.31
Bovotica	0.87	0.86
Hoofprint Biome Inc	12.98	18.32
Lucidome Bio	6.00	6.00
Ruminant BioTech	5.80	5.80
Total	**48.76**	**53.74**

These figures represent a consolidated view of two separate legal entities: AgriZero[NZ] Limited Partnership and its General Partner (Centre for Climate Action Joint Venture Limited trading as AgriZero[NZ]). The Limited Partnership was established in this financial year, and all investments in the Centre for Climate Action Joint Venture Limited were sold to the Limited Partnership.

This financial summary has not been audited.

AgriZero NZ

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