



Australian Agricultural Company Limited
ABN 15 010 892 270

AACo 2021 Annual General Meeting Address to Shareholders

29 July 2021

Manager
ASX Market Announcements
Australian Securities Exchange

Attached is the Chairman's and Managing Director/Chief Executive Officer's Address to shareholders along with the meeting presentation for the 2021 Virtual Annual General Meeting for Australian Agricultural Company Limited ('AACo') to be held 10.00am, Thursday, 29 July 2021.

This announcement is authorised to be given to the ASX by the AACo Chairman.

Issued by:
Bruce Bennett
Company Secretary and General Counsel



Chairman's Address

AACo AGM July 2021

Welcome to the Australian Agricultural Company's 2021 Annual General Meeting. Once again, we are meeting remotely. Thank you all for joining us from around the world and thank you to our team for facilitating today's meeting.

The year 2021 has been an exceptionally challenging year. We have faced the unknowns of the global pandemic, rising geopolitical uncertainty and its impact on important Australian trade relationships and our industry was, and still is, grappling with the flow-on effects of multiple drought and flood years.

I am pleased to report that your company has demonstrated great resilience in response to these challenges. AACo's results for Financial Year 2021 include: Positive operating cashflow, improved operating profit and an improved Statutory EBITDA outcome versus the prior year.

These results reflect our team's ability to adapt tactically to changing circumstances, as well as the flexibility of our Branded Beef Strategy.

In last year's Annual Report, I wrote that AACo saw COVID-19 presenting some opportunity, despite being highly disruptive in nature. We wanted to examine everything we did as a company and we committed to emerging stronger from the experience. As we continue to navigate this pandemic, I believe we are succeeding against this objective.

The clearest challenge we faced in FY 21 was interruption to our restaurant and food service market. Fine dining restaurants are essential to our branded beef strategy. They connect AACo to the highest-value consumers around the world.

As a result, Chefs are one of our most important end user groups. Partnering with great Chefs helps realise the full value of our beef. They, and their front of house teams, carry our brand and our story to the consumer.

In the year just gone, Chefs were severely constrained. This impacted AACo sales through existing food service relationships. It impacted our ability to grow these relationships and it slowed progress in the roll out of our Branded Beef Strategy.

In response, the AACo team has worked hard to develop our parallel retail sales channels. Importantly we were able to build off a good foundation. Our Darling Downs brand has a long history in South Korea and prior to the Global pandemic, we commenced a full Darling Downs brand refresh in this market. Our Westholme brand had also begun to establish an important presence in key markets, including North America. COVID-19 accelerated our efforts to grow Westholme brand equity across retail channels and today we can report stronger brand awareness and sales performance in both regions.

This work was particularly important in the face of constrained meat production volumes in FY 21. In recent years, our investment in these brands has driven strong price per kilo growth and we have

focused on moving more of our beef through these brands. This has helped offset reduced meat volumes in FY 21.

AACo's global supply networks, and strong distributor partnerships, supported these efforts. In FY 21 our distributor partners helped us identify and capture new retail opportunities and our ability to redirect beef to higher value markets helped meet this demand. This flexibility was important in responding to market constraint in East Asia, as well as food service impacts across all regions.

AACo's ability to capture these new opportunities was underpinned by several factors. Global demand for healthy, safe and high-quality beef remains strong. The world's middle class continues to demand our product, including a growing gourmet home cooking market. We expect underlying demand to continue growing.

AACo's focus on our operations at home has also supported our performance in FY 21. We have been nimble across our supply chain, producing and delivering Beef when and where required and we have maintained strong cost discipline during this uncertainty.

Retail opportunities in FY 21 were underpinned by ongoing investment in our brand equity. As I mentioned, AACo brands have driven annual price per kilo growth in recent years. New market opportunities have benefited from the strength of these brands. Strategic investment in our brand equity remains an important focus for the business.

The value of AACo's underlying assets has also stood us in good stead over the year. At the end of FY 21, our balance sheet is strong. The value of our pastoral land assets continues to improve over the long term and the quality of our genetics and our herd continues to improve, despite challenging seasonal conditions.

We have also driven progress against our Sustainability commitment in FY 21. As we approach our 200th year of operations, we are focused on preparing for the next 200. In FY21 we pursued our goal of leaving the land in better condition than we found it. You can review our most recent Sustainability Update, which was released this morning, under the dedicated sustainability section of our website.

The quality of our people underpins all our assets. Our team was asked to operate under difficult conditions in FY 21. We've asked them to be flexible and adaptable. We've asked them to take greater ownership of AACo's high-performance culture and they have responded tremendously.

We continue to invest in the safety, wellbeing and careers of all our people and I was pleased to see significant internal appointments and promotions in FY 21.

We also said goodbye to our Chief Operating Officer, Anna Speer. Anna made a significant contribution to the development of AACo during her time with us. We thank her for this and wish her all the best in her future endeavours.

On behalf of the Board, I want to thank every member of the team for their commitment in FY 21 and personally, I want to thank my fellow Board members for their vision and commitment over a challenging year.

As I mentioned earlier, the year just gone has thrown up unique challenges. AACo has demonstrated great resilience and adaptation. This has produced important financial outcomes in difficult conditions and these outcomes reflect the value of our branded beef strategy.

The challenges we faced in FY 21 continue into the current year. Progress against COVID-19 varies around the world. Vaccine rollouts are progressing, but new variants are emerging and many places continue to suffer terribly and recent events at home remind us how rapidly circumstances can change.

Geopolitical uncertainty also remains a feature of the new financial year. Bilateral relationship opportunities have great potential. We welcome the recent Free Trade Agreement between Australia and the UK. At the same time, trade constraints in East Asia remain serious for many Australian industries, including our own.

Seasonal conditions across AACo's properties are mixed. This comes off the back of multiple challenging years, which has impacted our calving rates over multiple years and this has impacted our mature animal numbers and meat production volume in FY 21. While calving rates have increased, we expect lower meat volumes will continue into the current year and supplementary cattle purchases will be required.

Through these challenges, AACo's branded beef strategy remains the strongest pathway to value for you, my fellow shareholders. We will continue to monitor and navigate uncertainty in the year ahead. We will redouble our efforts to progress our branded beef strategy and we remain focused on delivering long term value for shareholders.

Thank you for your time today and for your support for the AACo team.



Managing Director/CEO's Address

AACo AGM July 2021

Welcome to this year's Australian Agricultural Company Annual General Meeting. We are disappointed to be holding our AGM remotely again this year. This is a reminder of how volatile the Australian situation is at the moment. Thank you to the team for facilitating today's event. We appreciate that this is not ideal and I want to personally thank all of you that have joined remotely.

I am proud to report that AACo has delivered positive results in a very difficult year. We have been forced to navigate the effects of seasonal and geopolitical challenges and of course the global pandemic has impacted every part of our business. Despite these challenges we have delivered positive cashflow, improved profit and improved EBITDA outcomes. This reflects the value of our underlying branded beef strategy and it reflects the performance of our team.

Our AACO Team

For this reason, I want to start today by talking about the AACo team. They make everything we do possible and I have been so impressed with their resilience and commitment in the year just gone. In all there were 448 members of the AACo team at the close of FY 2021. We are one of the largest employers in the pastoral industry. Our team includes people working with us for short periods right through to people who have built life-time careers at AACo and we want to make sure that every one of them is safe and feels part of our AACo team.

In response to COVID-19 we acted quickly and effectively to protect our people, our communities and the welfare of our animals. We stood-up our response team and implemented COVID-19 management plans. As a result, our people were able to keep working and we were able to stay connected through disruptions to movement and travel.

Despite these disruptions, I'm pleased that our team reported an improved sense of engagement with AACo over the year. It was particularly pleasing to recommence our Orientation week for first-year staff. This event is important for our newest staff-members to feel part of the team and it gives us a chance to reinforce our standards for safety, wellbeing and professionalism.

We also focused on building the diversity of our team over the last year. In FY 21 women represented over 39 per cent of our overall workforce and 43 per cent of all new appointments were female.

In FY 21 we launched the Women of AACo program. This program provides opportunities to connect and share knowledge and it is a blueprint for supporting diversity across the business.

Wellbeing, Health and Safety

We also launched our company-wide Wellbeing, Health and Safety Strategy. Our goal is to support a more proactive approach to safety and wellbeing and we have launched three programs to support this strategy and drive our safety culture.

Our “1AA” brand defines what our culture means to all of us, our Switch On program focuses on safety at work and our Leadership Development program includes a strong safety and wellbeing focus.

Progress has been good so far, “Near-miss” reporting increased 40 per cent in FY 21. Strong “near-miss” reporting indicates that staff are taking time to identify and record risks. This helps us identify areas where we need to do better and we use these insights to make our workplace safer. As a result of this work, serious injuries have declined over the year. This is always the goal of our safety efforts and our results suggest we are moving in the right direction.

We have also focused heavily on professional development for our team. This year we launched our Frontline Leaders program and we have delivered a suite of on-station, job-specific and industry partnership training programs as well. These initiatives enabled 31 appointments from within the business last year.

We are also very proud of our graduate program. This program gives young men and women the opportunity to build experience by rotating through all different parts of our business over a two year period. We are giving them the foundation to become the future leaders of our industry and we are also supporting 75 active traineeships, with 34 completed in 2021.

We could not have navigated a year like 2021 without our team. I want each of you to understand how we value and support our team at AACo and I want to thank each of them today.

FY 21 Performance Overview

The result of our team’s work in FY 21 is our financial performance. In FY 21 our operating profit was \$24.4M, up from \$15.2M in the previous year. Our Statutory EBITDA result was \$99.3M, up from \$80.1M the previous year and we secured a positive Operating Cashflow result. This is despite every one of our 16 food service markets being impacted by COVID-19 restrictions, ongoing geopolitical uncertainty impacting key market regions and the flow-on effects of adverse seasonal conditions over recent years.

Through all of this, AACo improved our average meat sales price per kilo by 8 per cent in FY 21. We have continued to drive brand equity across our portfolio and we realised the benefits of these brands, by increasing the proportion of meat sold through them.

These results were supported by a stronger balance sheet position. AACo’s net assets increased to over \$1B in value in FY 21 and our Net Tangible Assets per share increased to \$1.75, from \$1.53 in the previous year.

As I mentioned earlier, seasonal challenges in recent years significantly impacted AACo in FY 21. In line with the decrease in Australia’s national herd, AACo has faced lower calving rates from 2018 to 2020. This is a direct consequence of multiple drought years and the impact of the Gulf Floods in 2019.

While conditions have improved in some areas, drought continues to impact AACo and recovery in the Gulf is ongoing, with limited pasture response this past wet season. These headwinds have impacted our herd composition in recent years, with an average 3.5-year life cycle for our F1 cattle, lower calving rates since 2018 have resulted in reduced mature animal numbers in FY 21 and the consequence has been lower meat volumes available for sale this year.

Our herd is rebuilding though. We saw a 47 per cent increase in calving rates in FY 21. However, this will take several years to flow through to meat production and we expect lower volumes moving into FY22. We will continue to monitor these ongoing challenges.

Progress against strategy

In the face of these challenges, we remain focused on AACo's branded beef strategy. This strategy remains the best pathway to long term value for AACo shareholders and I want to run through the elements of this strategy for you now, beginning with our Brand Portfolio.

In FY 21 we further rationalised our Brand Portfolio. Seventy-four per cent of AACo's branded beef sales were through our Westholme and Darling Downs brands in FY 21 and this has been critical to our financial performance, as I will discuss shortly. These brands sit alongside Wylarah, our most exclusive brand, which is distributed to the world's top fine dining restaurants. While this market has been heavily impacted by COVID-19, Wylarah remains a key strategic priority for AACo.

We also continued to develop our model for taking these brands to market in FY 21. We have drawn extensively on our global supply network and strong partnerships around the world. This has helped us develop new retail channels in response to food service constraints – including the growing home chef market. Global supply and partnerships have also supported adjustments in our market mix around the world

At home we have continued to focus on optimising our Business Operations and driving a Simpler and more Efficient AACo. This includes maintaining costs discipline across our supply chain and this produced around \$76M in savings in FY 21 compared to the previous year.

Sustainability remains at the core of our business. I am excited to say that we released our Sustainability Update this morning. This document gives you an update on the tangible progress we have made in this space and I will explore this in more detail at the end of this presentation.

Finally, as I mentioned at the top of this presentation, our People and our Culture drive our strategy at AACo. We have continued to strengthen the depth of talent and leadership across the business and our strong internal promotions in FY 21 underscore the value of this work.

Our Brands

I want to focus now on AACo's brands. As I mentioned above, our brand portfolio is critical to our financial performance. Together the Westholme and Darling Downs price per kilo has improved on a compounded annual basis by 17 per cent each year since 2019. This has driven an annual 8 per cent improvement in overall price per kilo over the same period.

In FY 21 these two brands accounted for 80 per cent of our premium "loins and rumps" beef sales and overall Westholme sales increased from 11 per cent of total beef sales to 25 per cent over the year.

These brands improve price per kilo because we invest in these brands. This includes targeted digital marketing campaigns to raise awareness, as well as improved branding in-store and on menus.

Regional Performance

This work was particularly evident in our results in North America and Asia in FY 21.

In North America the price per kilo of our branded beef sales increased 14 per cent over the year. This was driven by continued investment in brand awareness, particularly Westholme. A really

powerful focus on retail sales channels also drove this result. This included capturing new channels that emerged in response to COVID-19, such as growth in fine dining at home. The AACo team was able to secure a strong partnership with a leading online gourmet e-marketplace to support this emerging opportunity and we invested in digital marketing for Westholme, including profiling new restaurant meal-kits from AACo's Chef customers.

In Asia, AACo drove a parallel investment and focus for our Darling Downs brand. In Korea, Darling Downs is already well known through our e-mart retail partnership. In FY 21 we completed a major brand refresh. As a result, we achieved 5 per cent improvement in average price per kilo of meat sales for the region.

At the same time, we have intentionally focused on redirecting quality product out of China and toward lucrative markets in North America with success. China is traditionally a commodity-based sales destination. Geopolitical uncertainty has impacted this part of our production, but investment in our retail brand sales in South Korea and redirecting higher value loin product to alternate markets has helped balance the impact of these constraints.

Australia is our spiritual home. We have focused heavily on adjusting our market mix at home to elevate our quality brands here. At the same time, we have focused on directing product where it will generate the best returns around the world. As a result, we have seen reduced sales volumes in Australia alongside a 5 per cent improvement in price per kilo and growing brand awareness over the year.

Finally, Europe and the Middle East saw COVID-19 severely impact our priority food service market channels in FY 21. The enormous impact of public health measures on restaurants significantly impacted AACo's overall sales volumes and revenue and this has resulted in a decline in AACo's price per kilo in the region over the year.

Our Operations

Our progress in FY 21 was significantly dependent on continued improvement in our operations at home. A Simpler and more Efficient AACo has been a pillar of our branded beef strategy for some time. In recent years, we have made important steps in efficiency and cost reduction across our supply chain and in FY 21 we were able to consolidate these gains and secure an overall \$76M reduction in costs.

At the same time, a Simpler and more Efficient AACo improves how we meet market demand around the world. In FY 21 our operations supported rapid adjustment to changing market circumstances. This included transitioning product from food service to retail and it included supporting market mix optimisation, to redirect beef from lower value to higher value markets around the world.

One of the indicators of this progress is the ongoing improvement in the value of our underlying assets. Through drought and flood, we have been able to improve the genetic and phenotypic quality markers of our herd. The value of our pastoral assets has also improved consistently over the long term and at the end of FY 21, our strong balance sheet position reflects this investment.

Sustainability

Underpinning this investment is our commitment to leave the land better than we found it. As a nearly 200-year-old company, Sustainability is in our DNA. The release of our Benchmarking report in 2020 represented our awareness that environmental and social pressures on agricultural and food

systems present a challenge for our business and our world, and that we are committed to finding unique and high impact solutions across our value chain to help address these challenges.

As I mentioned previously, we have now taken the next steps in our journey with the release of our Sustainability Update. In this document we bring you an update of the tangible progress we have made and the initiatives we have brought online over the past year, with measurable outcomes.

We are also well down the path of grounding our robust sustainability strategic framework and governance structure. In this framework and governance structure we are developing a core set of indicators to report against in coming years. This will allow us to forge a clear pathway into a sustainable future and we will be releasing this later this year.

Openness and transparency are fundamental to sustainable business practice and alignment to international reporting standards is the best way to achieve this. We aim to align our strategic framework and governance structure with the principles of internationally accepted integrated reporting standards by 2022.

This year, AACo took our first steps into the carbon abatement space with the registration of AACo's Beef Cattle Herd Carbon Management project. This is a recognised project under the Australian Clean Energy Regulator's methodology for reducing carbon emissions intensity in Beef production and will run for 7 years.

Through this methodology we can objectively measure the impact of our efforts. These include targeted investments in infrastructure and practices with the goal of: Limiting energy losses over the production cycle, improving animal handling to reduce animal stress and increasing the weight to age ratio of our herd.

In our first year we have demonstrated important early progress. We have increased water point density, we have improved fencing infrastructure and we have demonstrated carbon abatement of more than 97,000 tonnes of CO₂-equivalent.

This work aligns more broadly with our commitment to sustainable animal health and welfare. In FY 21 we launched the AACo Animal Health and Welfare Committee. The committee has initially focused on identifying gaps, standards and opportunities for improvement and we continue to progress our poll program.

We are also continuing to reduce our reliance on fossil fuels. In FY 21 we achieved 26 per cent conversion of bores to solar power. We continue to explore new tangible steps to drive sustainability and we are focused on positioning AACo for our next 200 years.

I have only touched on a few of the initiatives underway at AACo in the sustainability space today and I encourage you to read through our latest update to find out more. This can be found in the dedicated sustainability section of our website.

AACo is excited about our sustainable future, and our potential to drive positive change through our business, industry and community to deliver a better world for future generations to come.

Conclusion

In conclusion, AACo will continue to face challenges in FY 22, including the global pandemic, ongoing geopolitical uncertainty and continued effects of recent flood and drought events.

In particular the long-run impacts of flood and drought on calving, mature animals and meat production will continue. Importantly our herd is in a rebuilding phase, with strong calving growth. Like the rest of the national industry, we will navigate the effects of this rebuild in FY 22.

AACo's performance in FY 21 teaches us two things. The AACo team is capable of adaptation to capture new opportunities in the face of great challenges and the pillars of our branded beef strategy are vital to delivering value for you, our shareholders.

FY 21 forced us to adapt. The challenges and opportunities we have faced have made us a stronger company. We are supported by a strong balance sheet and strong underlying assets. Global demand continues to grow for quality beef backed by traceability and provenance, and we understand the value of great brands, supported by a great team and a simpler and more efficient business.

In FY 22 we are focused on driving our branded beef strategy further. This work will continue to position us well, for good times and bad and this strategy remains the strongest pathway to value for every AACo investor in the future.

Thank you all for your support in FY 21 and thank you for joining us today.



Managing Director and CEO Address
FY21 AGM

Important *Information*

Summary information only

This presentation contains general information about the Australian Agricultural Company Limited and its consolidated entities (“AACo”) and its activities current as at the date of this presentation. It is provided in summary and does not purport to be complete. You acknowledge and agree that you will rely on your own independent assessment of any information, statements or representations contained in this presentation and such reliance will be entirely at your own risk.

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- b) any responsibility to provide any other information or notification of matters arising or coming to their notice which may affect any information provided; and
- c) any liability for any loss or damage (whether under statute, in contract or tort for negligence or otherwise) suffered or incurred by any person as a result of or in connection with a person or persons using, disclosing, acting on or placing reliance on any information contained in or omitted from this presentation, whether the loss or damage arises in connection with any negligence, default or lack of care or from any misrepresentation or any other cause.

Forward-looking statements

This presentation may contain forward-looking statements. All statements other than statements of historical facts included in this presentation are forward-looking statements. Forward-looking statements may include, without limitation, statements relating to AACo’s financial position and performance, business strategy, plans and objectives of management for future operations. Forward-looking statements involve known and unknown risks, uncertainties and other factors (many of which are beyond AACo’s control) and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Some of the important factors that could cause AACo’s actual results, performance or achievement to differ materially from those in any forward-looking statements include (among other things): the risks and uncertainties associated with the ongoing impacts of COVID-19, levels of demand and market prices, climatic conditions, the impact of foreign exchange currency rates on market prices and operating costs, political uncertainty and general economic conditions in Australia and overseas, the ability to produce, process and transport goods and livestock profitably, the actions of competitors and activities by governmental authorities. Forward-looking statements should not be relied on, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. No representation, guarantee, or warranty (express or implied) is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or forward-looking statements contained in this presentation. Except as required by applicable regulations or by law, AACo does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events. This presentation should not be relied upon as a recommendation or forecast by AACo.

No offer of securities

Nothing in this presentation should be construed as either an offer or invitation to sell or a solicitation of an offer to buy or sell AACo securities in any jurisdiction.

Non-IFRS information

Operating Profit and Statutory EBITDA are unaudited, non-IFRS financial information. These terms are further defined in the definition section of the presentation located in the appendix.



Our AACo *Team*

- 448 team members at end of FY21.
- Women represent 39% of employees.
- Strong and swift response to COVID-19.
- 43% of new appointments were female.
- Employee engagement score improvement of 8 percentage points.





Wellbeing, Health and *Safety*



SWITCH ON





FY21 Performance

Positive results in challenging and uncertain COVID-19 environment.

Continued progress made in moving to a simpler and more efficient AACo:

- Operating profit \$24.4M (\$17.7M pre JobKeeper¹) vs \$15.2M pcp.
- Operating cash flow \$18.4M (\$11.7M pre JobKeeper¹) vs \$20.1M pcp.
- Statutory EBITDA profit of \$99.3M vs \$80.1M pcp.

Despite COVID-19's ongoing impact on global Foodservice markets, strength of our global distribution reach has helped deliver:

- Improvements in average meat sales price per kg of 8%.
- Westholme brand growth from 11% to 25% of total meat sales.
- Further rationalisation of brand portfolio - Westholme and Darling Downs now represent 74% of branded meat sales².

Further Strengthening of Balance Sheet:

- Net assets of over \$1B.
- NTA \$1.75 vs \$1.53 pcp.

Note 1: JobKeeper assistance totalled \$6.7M Operating profit and Operating cash flow.
Note 2: Branded meat sales represents total meat sales excluding trim.

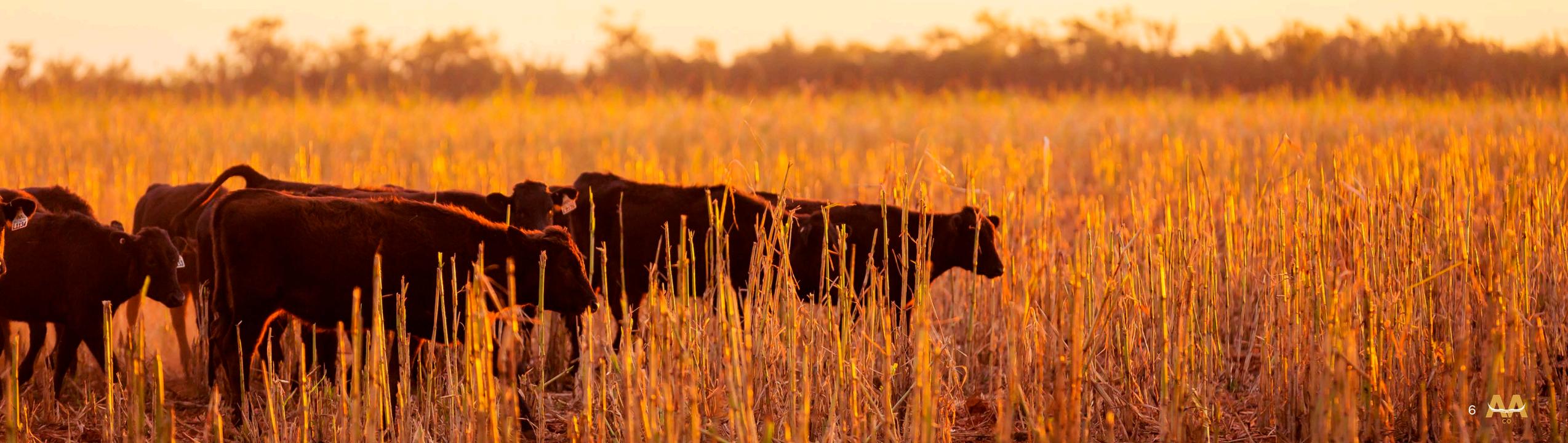
FY21 Performance

In line with the historic low levels seen in the Australian national cattle herd, AACo experienced lower calving in 2018-2020 due to prolonged drought and the Gulf flood event.

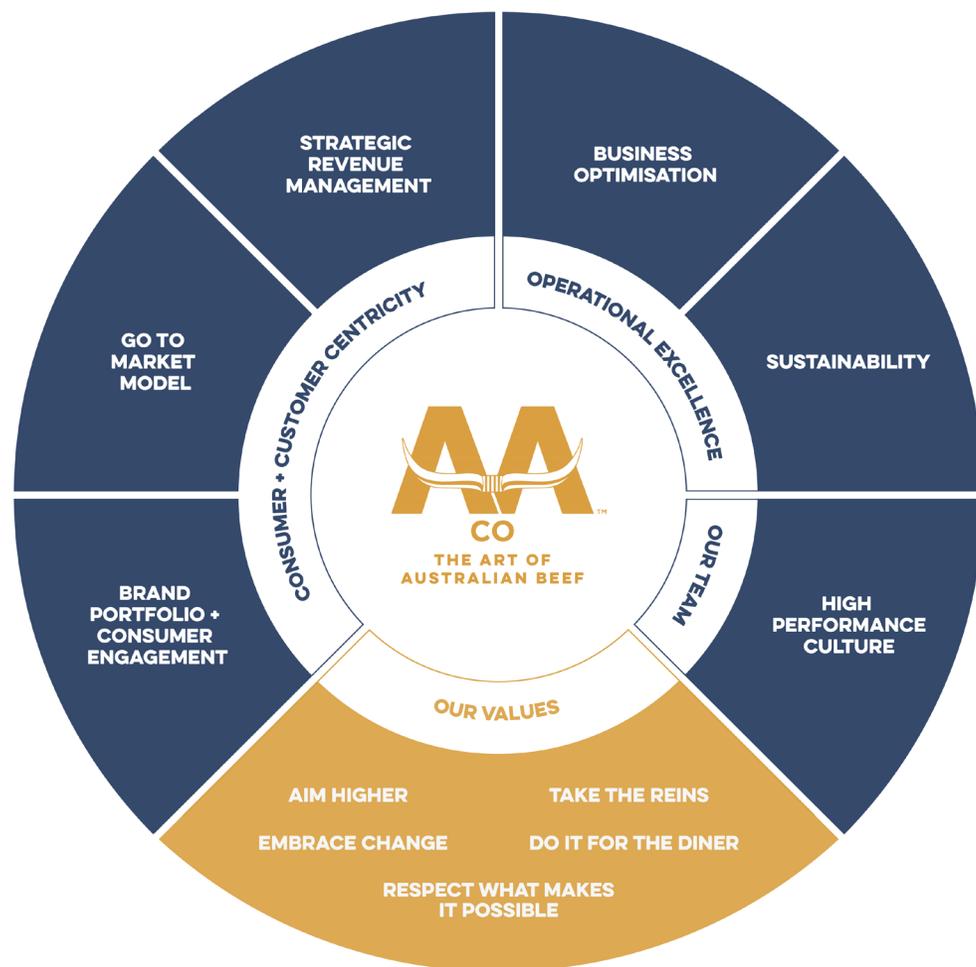
These headwinds have started to impact our meat production in FY21.

- Total overall revenue reduction of \$68.6M or 21% vs pcp driven primarily by lower volumes.
- FY21 meat sales volume 19% lower vs pcp, with reduced meat sales volume expected to be available over FY22 as a result of lower meat production.

Our herd is in rebuild phase with a 47% increase in number of calves vs pcp. During this rebuild period supplemental purchases of cattle will continue to be required.



Progress made against *strategy*



Brand Portfolio and Consumer Engagement

- Further rationalised brand portfolio - Westholme and Darling Downs now represent 74% of AACo's branded meat sales¹.

Go to Market Model

- Strength of our global supply network, partnerships and wide distribution footprint, enabled us to move into new retail channels given the significant impact on global Foodservice sectors by COVID-19.

Strategic Revenue Management

- Optimisation of market mix to improve \$/kg contributed to improvements in average meat sales price per kg of 8%.

Business Optimisation

- Industry leadership and close management of our operations, combined with efficiency improvements and a disciplined focus on cost management across the supply chain have positively supported our results with ~\$76M savings in expenditure vs pcp.

Sustainability

- Release of the Sustainability Update to the market.

High Performance Culture

- Continued to strengthen depth of talent and leadership capability in key functional roles across the business.



WESTHOLME

Our *Brands*

Average meat sales value per kg improved by 8% vs pcp.

Westholme and Darling Downs \$/kg annualised growth rate of 17%¹ since 2019 driving total AACo \$/kg annualised growth rate over same period of 8%¹.

Westholme and Darling Downs now accounts for 80% of total Loin and Rump sales volume.

Westholme brand grew from 11% to 25% of total meat sales.

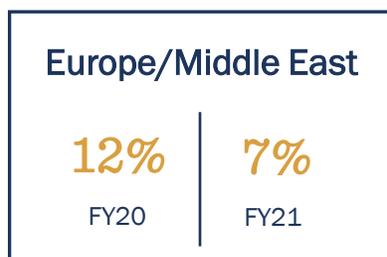
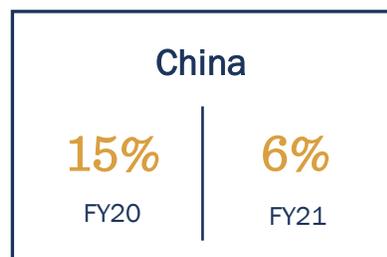
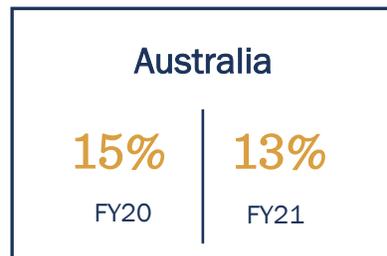
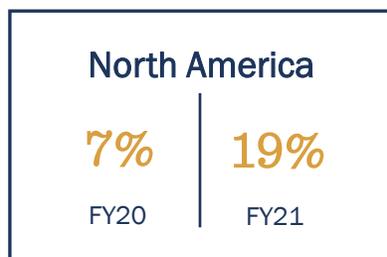
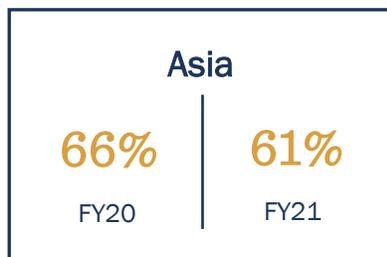


Note 1: Represents compounded annual growth rate per annum or CAGR. 8

Regional Performance *Meat Sales*



Regional/Market Proportion of Total Meat Sales



Focus on strategic market allocation and mix optimisation, to take advantage of changing consumer habits and “the rise of the at home chef”.

North America

Branded meat sales¹ \$/kg pricing 14% favourable to pcp.

Asia

Branded meat sales¹ \$/kg pricing 5% favourable to pcp.

China Trade tensions combined with lower volume available for sale saw a shift in “commodity” based sales previously sold in China to North America.

Australia

Branded meat sales¹ \$/kg pricing 5% favourable to pcp.

Europe/Middle East

Branded meat sales¹ \$/kg pricing 2% unfavourable to pcp.

Note 1: Branded meat sales represents total sales excluding trim.



Our *Operations*

Simpler and more Efficient AACo - \$76M reduction in costs – consolidation of efforts in recent periods to minimise expenditure.

Improvement in the genetic and phenotypic quality markers of our herd.

Strengthening in underlying value of pastoral assets.

Embedding a culture of Sustainability in *AACo*

Sustainability Update released to market.

Strategic Framework and Governance Structure to be released later this year.

Introduced AACo's Beef Cattle Herd Carbon Management Project.

Focus on animal health and welfare:

- Established the AACo Animal Health and Welfare Committee.
- Continued progress in poll program.

More than doubled amount of solar bores this year, installing 103, taking total number to 191.





Definitions

Term	Definition
<i>Operating Profit</i>	<i>The measure of Operating Profit is a key indicator which is used to monitor and manage the Company. It eliminates the potential distraction caused by unrealised cattle valuation adjustments being recorded in the financial results and is a better reflection of actual financial performance under the control of management. Hence the Company believes that external stakeholders benefit from this metric being reported. Operating Profit is unaudited, non-IFRS financial information. Operating Profit assumes movement in Livestock and inventory volume at cost of production, while Statutory EBITDA results include revaluations based on livestock market values.</i>
<i>Statutory EBITDA</i>	<i>Statutory EBITDA is unaudited, non-IFRS financial information and represents earnings before interest, tax, depreciation and amortisation, and gain/loss on equity investments.</i>
<i>Cost of Production</i>	<i>Cost of production is a measure of the operating costs incurred to produce a kilogram of live weight of cattle throughout the breeding, backgrounding and feedlot operations of the Company during the period.</i>