

Chairman's AGM Address

Firstly, I would like to take the opportunity to thank all securityholders who voted in the recent Extraordinary General Meeting - both the Board and our staff appreciate your overwhelming support. Despite the significant distraction and disruption caused by the EGM process, the Board and management remain committed to our transformation to a vertically integrated manufacturer and brand owner of premium differentiated dairy nutritional products. We have now completed the significant investment in our organic farms and infant formula plant to make this possible. As a result, we are confident AHF is now well positioned to capitalise on this investment to achieve profitable operations.

The last financial year was a strategically important year for the Australian Dairy Nutritionals Group. The collective efforts of the AHF team completed our 5-year transformation strategy with the first commercial production of the Ocean Road Dairies Organic A2 infant formula at our manufacturing plant using organic A2 protein milk direct from our dairy farms. Our Ocean Road Dairies Organic A2 infant formula is today available in Chemist Warehouse stores throughout Australia.

It is widely understood that during the last year the dairy industry had been significantly impacted by the changing macroeconomic environment and the ever-present COVID-19 challenges. We used this period of volatility to focus on the completion of our investment in our infant formula plant and re-position our operations to focus on infant formula and dairy nutritionals, moving away from fresh dairy manufacturing. Substantial progress has been made giving myself and the Board confidence that our operations will be in the best position to support the business as it looks to leverage this investment through the launch of our organic A2 infant formula range and expand distribution of our future infant formula range.

From FY23 and beyond we are heavily focused on growing awareness of both infant formula brands and building our distribution footprint both here and overseas. We know infant formula purchasers are highly brand loyal and need to develop a high level of trust in a brand as part of their purchasing decision. This takes time to develop so we are supporting the launch of both infant formula brands with a targeted, multifaceted sales and marketing program designed to build trust and brand recognition with consumers.

FY22 year marked the Group's first step into the infant formula and nutritionals market with the launch of our new future Gradulac Gentle infant formula range. The range has been available in Chemist Warehouse stores nationally since April 2022.

The Group's other notable successes for FY22 include:

- ✓ the establishment of the Ocean Dairy joint venture with Wellnex Life to launch the Ocean Road Dairies organic A2 infant formula range in Chemist Warehouse;
- ✓ the successful manufacture of Australia's first organic A2 whole milk powder at our new infant formula plant;
- ✓ conversion of all farms to organic certification with all herds now converted to A2 milk production;
- ✓ full repayment of our finance facility to CBA clearing all bank debt; and
- ✓ a successful private placement to IJ Funds Management to raise \$2.75 million.

The Group's total income was \$18m, a decrease of 23% on FY21, primarily due to the sale of the Ecklin South farm in September 2021 and lower fresh processing revenues. The

Group's EBITDA result for the year was a \$3m loss. While this was very disappointing, it was a 43% improvement on FY21 reflecting the efforts of the Board and management to better align the operations of the Group away from fresh dairy manufacturing to focus on infant formula and dairy nutritionals. Whilst Australia and most of the rest of the world are starting to live with COVID-19, the FY22 results also reflected the ongoing impact of the pandemic in all areas of our operations.

Despite the challenges our management team and their staff have performed to the highest standard and have enabled the Group to look confidently toward a strong future. The Group is excited about the coming years as the hard work of the last 5 years culminates in the production and sale of our own organic A2 branded infant formula, manufactured by our own infant formula plant using milk sourced from our farms.

To all our securityholders, thank you, for your continued support.

There will be opportunity to ask questions but first I will cover off some administration items for today's meeting.

The release of this announcement was authorised by the Board.

ENDS

About Australian Dairy Nutritionals Group

Australian Dairy Nutritionals Group (AHF) is a vertically integrated Australian dairy group which owns high quality organic and organic A2 dairy farms, and a processing facility located in Southwestern Victoria, the 'Golden Triangle' of Australia's dairy industry. In addition to our premium Future range of infant formulas the Group has also commenced production of Australia's first Organic A2 infant formula made with farm fresh Australian milk from our farms at our purpose-built infant formula factory. The Group is a trusted source of premium quality branded dairy products sold in Australia and overseas.

Disclaimer – Forward Looking Statements

This announcement may include "forward looking statements" within the meaning of securities laws of applicable jurisdictions. These forward-looking statements are not historical facts but are based on AHF's current expectation, estimates and projections about the industry, in which it operates, and beliefs and assumptions. Readers are cautioned not to place undue reliance on forward looking statements.