

Sale of Camperdown Dairy Equipment for \$1.05 million

The Board of Australian Dairy Nutritionals Group (the **Group or ADNL**) is advises that it entered into an agreement to sell Camperdown Dairy's fresh processing assets and transfer the lease of the Manifold Street processing site after market close on 2 June 2023.

The purchase price is \$1,050,000 and a deposit of \$50,000 is payable today. Settlement is due to occur on 26 June 2023, subject to certain conditions precedent being satisfied on or before 21 June 2023 including the landlord's consent to transfer of the lease to the buyer and further due diligence investigations in relation to the trade waste requirements for the buyer's proposed dairy production. If the sale does not proceed because a condition precedent is not satisfied the deposit will be repaid to the buyer.

The buyer is a new entity incorporated in May 2023 for the purposes of this transaction. However it shares common ownership with a food manufacturer and consumer brand owner that has been operating for over 30 years and has significant experience in retail and food service (**Related Entity**).

ADNL has conducted due diligence in relation to the buyer and its related entities including analysis of the group corporate structure and financial statements of the Related Entity. The Related Entity has a track record of profitability recording more than \$2 million net profit over the past two financial years and a net asset position exceeding \$10 million (excluding goodwill). Based on these investigations ADNL is satisfied that the buyer, with the financial support of its related entities including the Related Entity, has the financial capacity to complete the sale. The sale is not conditional on the buyer obtaining finance to fund the purchase price.

Use of Funds

The proceeds of the sale will be applied towards ADNL's general working capital requirements. The sale is also expected to deliver savings of \$30,000 per month through the removal of residual costs associated with the discontinued operations at the Manifold Street site.

The release of this announcement was authorised by the Board of ADNL.

Ends

Further Details

For additional company information or media enquiries, please contact:

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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 manufacturing facility located in Southwestern Victoria, the 'Golden Triangle' of Australia's dairy industry. AHF manufactures the Ocean Road Dairies infant formula range, Australia's first organic A2 protein infant formula made with farm fresh Australian milk, sourced directly from our organic certified dairy farms.

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.