16 November 2023

NZX/ASX Market Release

Annual Meeting materials

Please find attached a copy of the presentation to be given at The a2 Milk Company's Annual Meeting of Shareholders, to be held in Auckland today at 11am NZ time.

Copies of the speeches to be made by Chair, David Hearn and Managing Director and CEO, David Bortolussi are also attached.

By order of the Board of Directors

David Hearn
Chair
The a2 Milk Company Limited

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The a2 Milk Company Limited

2023 ANNUAL MEETING

We pioneer the future of Dairy for good

16 November 2023

Disclaimer

This presentation dated 16 November 2023 should be read in conjunction with, and subject to, the explanations and views in documents previously released to the market by The a2 Milk Company Limited (the “Company”), including the Company’s Annual Report for the 12 months ended 30 June 2023 and accompanying information released to the market on 21 August 2023.

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All values are expressed in New Zealand dollars unless otherwise stated.

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WELCOME

DAVID HEARN

Agenda

CHAIR SPEECH

DAVID HEARN

MD & CEO ADDRESS

DAVID BORTOLUSSI

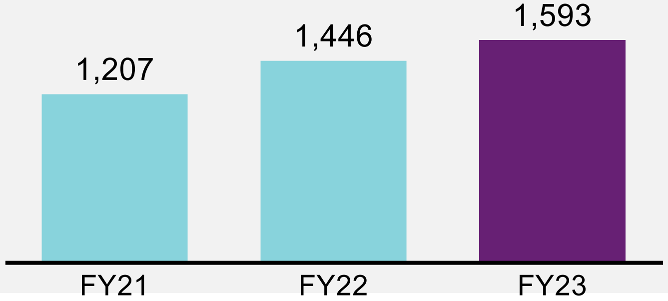
Strong performance in a very challenging market

1. FY23 result **in line with the Company’s guidance** with double digit revenue and earnings growth
2. Result driven by **strong growth in China segment** with sales **up 38% and record market share** in China label IMF
3. China **brand health reached new highs** supported by record levels of marketing investment increasing by 13% to $260m
4. **Total IMF sales up over 8% in a market that declined by 14%** making a2MC a top-3 share gainer in the market overall
5. **Successful SAMR re-registration** of China label IMF product provides continued access to the domestic market

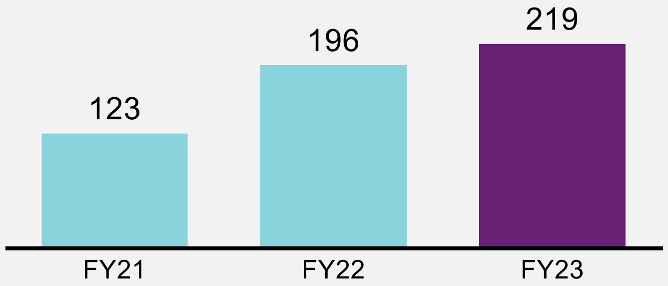
FY23 double digit revenue and earnings growth driven by China segment

- **FY23 group results in line with the Company’s guidance**
  - **Revenue** growth of 10.1% to $1,592.9 million
  - **EBITDA**[1] up 11.8% to $219.3 million, EBITDA margin of 13.8%
  - **NPAT** incl. non-controlling interests[2] up 26.2% to $144.8 million, $155.6 million attributable to owners of the Company up 26.9%
  - **EPS** up 28.7% to 21.2 cents (basic earnings per share)
- **Revenue growth driven by China segment**
  - **China** & Other Asia segment sales up 37.9%
  - **ANZ** sales down 30.2% due to intentional change in strategy, **USA** sales up 27.1% and **MVM** sales up 9.2%
  - **IMF** sales up 8.4% with China label sales up 27.8%, English label sales down 6.1% due to sharp decline in the Daigou channel with CBEC up 51.0%
  - **Liquid milk** sales in ANZ and USA up 7.1% and 27.1% respectively
- **Lower growth in 2H23 consistent with the Company’s expectations**

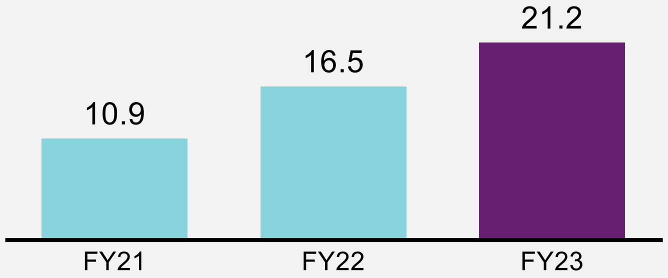
Key financials



Revenue; $ millions



EBITDA; $ millions



Basic EPS; cents per share

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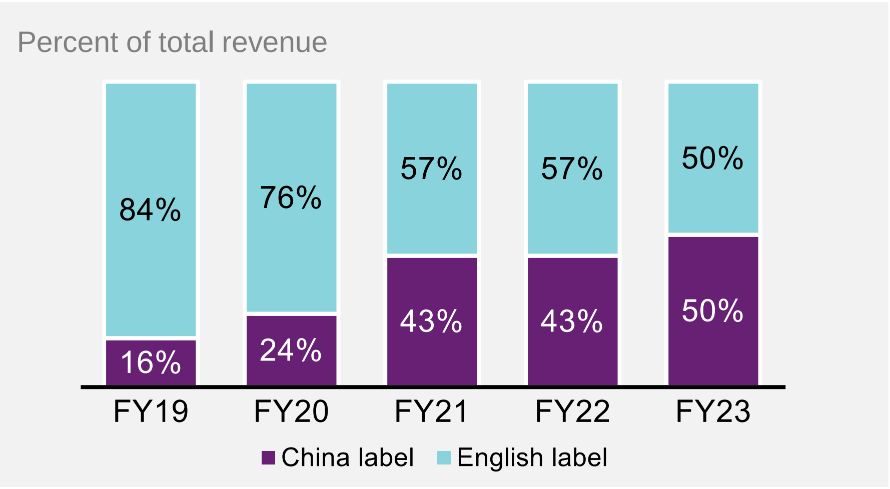
[1] Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business.

[2] The non-controlling interest represents China Animal Husbandry Group’s 25% interest in MVM, a loss of $10.8 million.

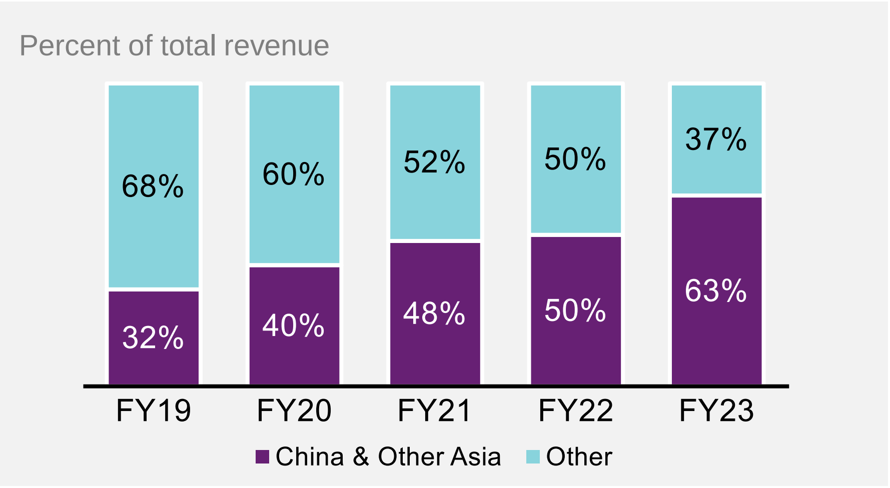
Significant China label IMF growth and shift to China & Other Asia segment from ANZ

$ million		ANZ	China & Other Asia	USA	MVM[1]	Corporate	Total Group
FY23	**Revenue**	371.7	1,002.2	105.1	113.9	-	**1,592.9**
	EBITDA	93.5	254.1	(23.3)	(26.5)	(78.5)	**219.3**
	EBITDA %	25.2%	25.4%	nm	nm	-	**13.8%**
FY22	**Revenue**	532.7	726.5	82.7	104.4	-	**1,446.2**
	EBITDA	173.2	145.1	(36.7)	(18.8)	(66.6)	**196.2**
	EBITDA %	32.5%	20.0%	nm	nm	-	**13.6%**
% Change	**Revenue**	(30.2%)	37.9%	27.1%	9.2%	-	**10.1%**
	EBITDA	(46.0%)	75.1%	36.4%	(40.9%)	(17.8%)	**11.8%**

IMF sales mix



Segment revenue mix



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[1] MVM excludes intercompany sales. FY22 results are for the 11 months since acquisition on 30 July 2021.

High quality FY23 result underpinned by many operational achievements

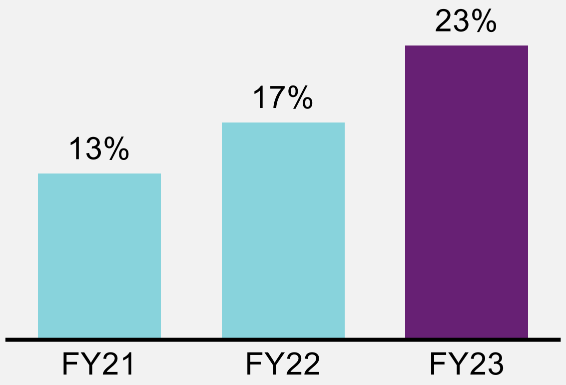
Operational highlights during FY23

- Reached new highs in China **brand health**
- Achieved record **market share** in China label IMF (MBS and DOL)
- Received **SAMR approval** under new GB standard
- Increased **English label share** in CBEC and Daigou+O2O channels
- Grew sales and improved online **platform rankings**
- Ramped up **innovation** to support growth in all categories and markets
- Improved / maintained **business health** key indicators
- Extended distribution and **strategic partnership with CSF**
- Achieved Enforcement Discretion and progressed long term **FDA approval** process
- Accelerated **Supply Chain transformation** and MVM utilisation
- Advanced **Sustainability** programme significantly and announced interim Scope 3 goal for 2030

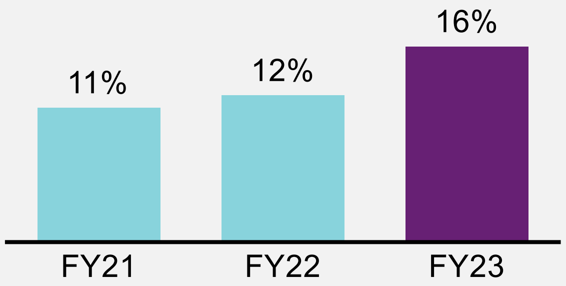
Growth strategy driving significant China brand health and market share increases

a2MC China brand health metrics[1]

Unprompted awareness

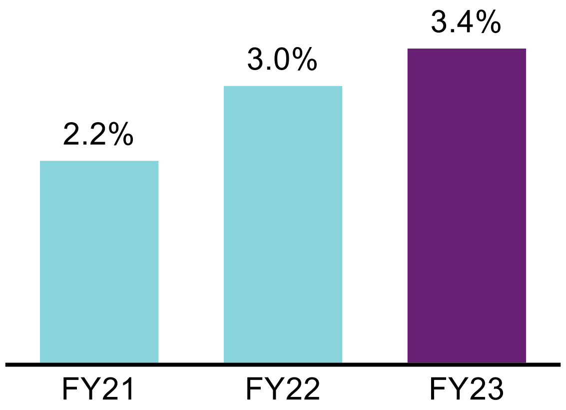


Brand used most often

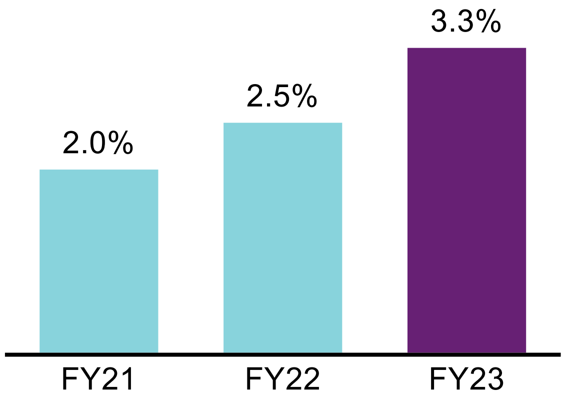


a2MC China label IMF market share

MBS value share[2]

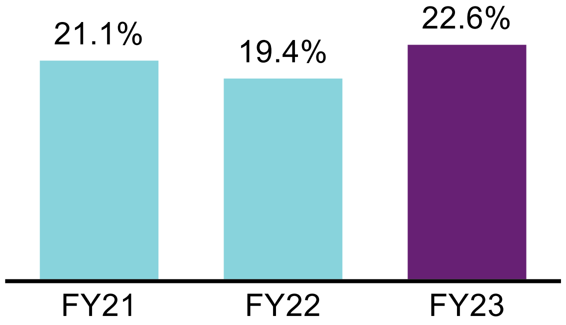


DOL value share[3]

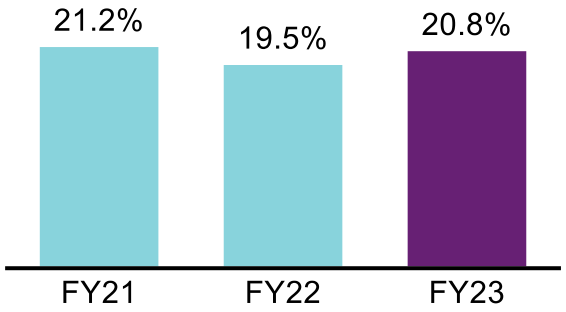


a2MC English label IMF market share

CBEC value share[3]



O2O and Daigou value share[4]



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[1] a2MC internal data based on the Company's brand health tracking. Average brand health metrics for each financial year based on 3 surveys in FY21 and FY22, and 2 surveys in FY23. Sample skews to a2MC target consumers ie higher income earners based in Provinces / cities that are the focus of sales and marketing activities.

[2] Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value).

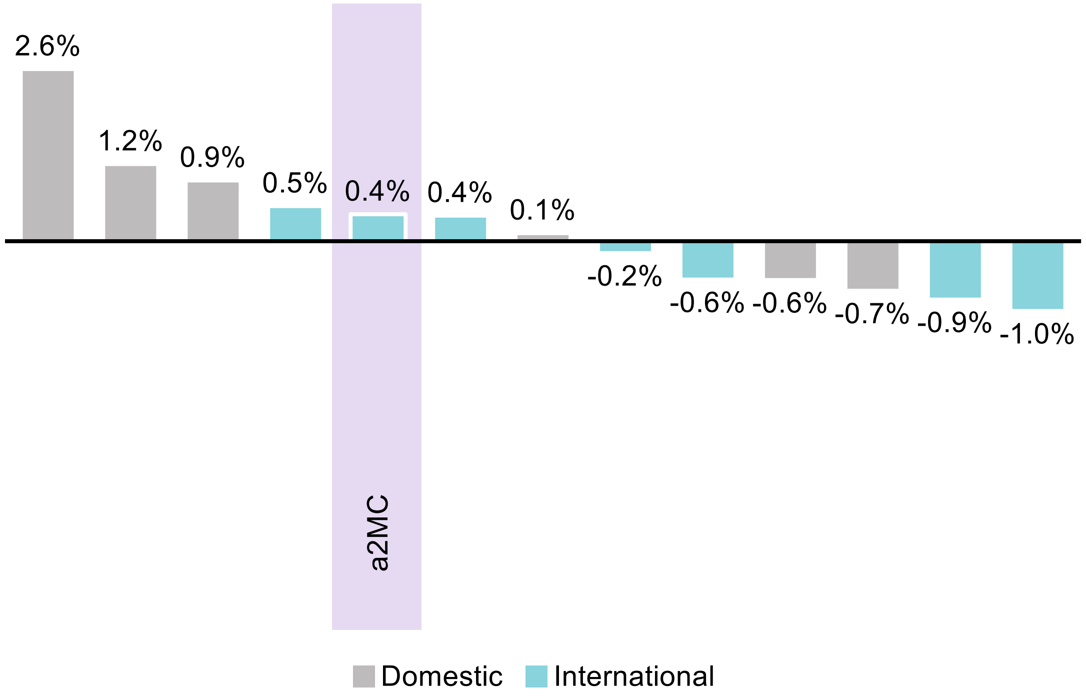
[3] Smart Path China IMF online market tracking for DOL and CBEC (by value).

[4] Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities). Note: Due to sample size, data classification and associated volatility reasons, the Company focuses more on its combined O2O and Daigou channel market share.

Resulting in a2MC being a leading share gainer in MBS and DOL channels

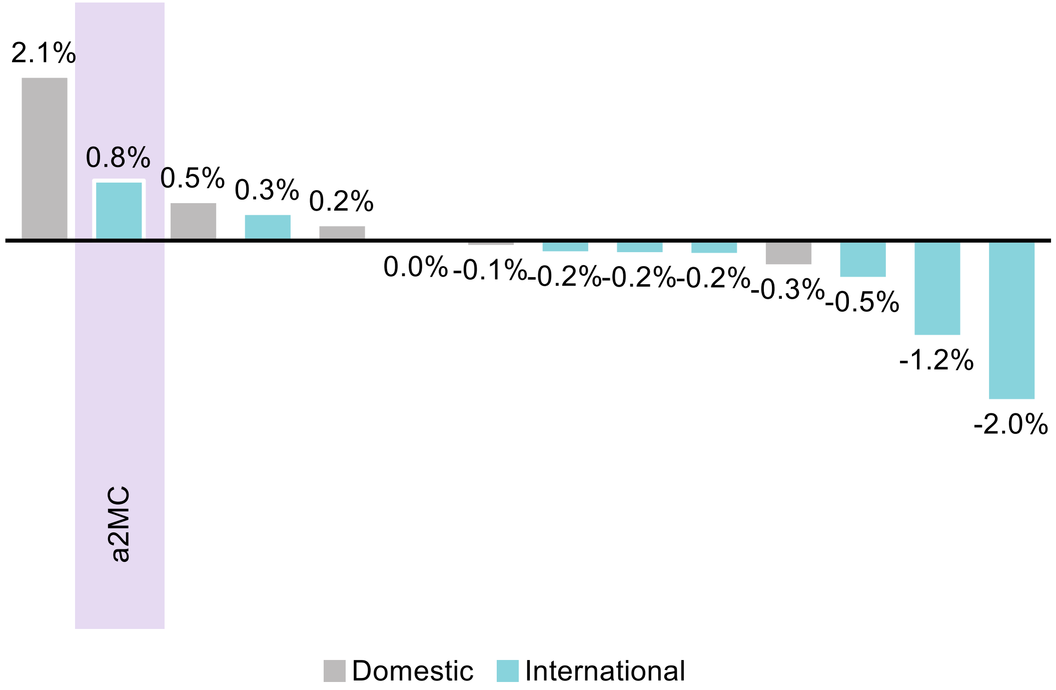
Market share movements by IMF brand in MBS channel

Change in MBS value share in FY23 (% pts)[1]



Market share movements by IMF brand in DOL channel

Change in DOL value share in FY23 (% pts)[2]



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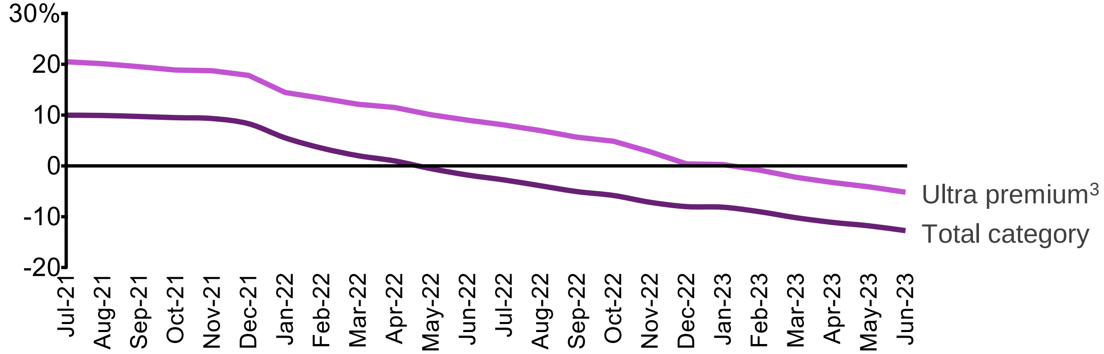
[1] Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value). MAT Jun-22 to MAT Jun-23.

[2] Smart Path China IMF online market tracking: domestic online platform sales (by value). MAT Jun-22 to MAT Jun-23.

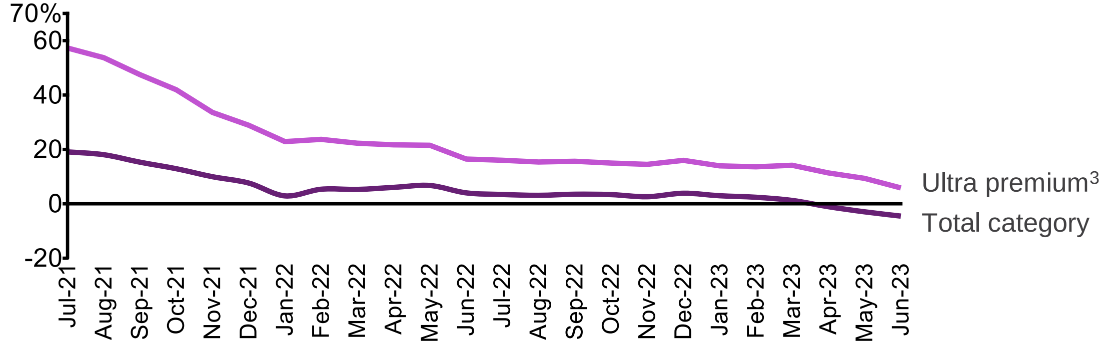
China label IMF has been very challenging recently driven by cumulative impact of fewer newborns and market-wide new GB transition

China label IMF market declines in store and online

Nielsen MBS channel value growth vs pcp (rolling MAT)[1]

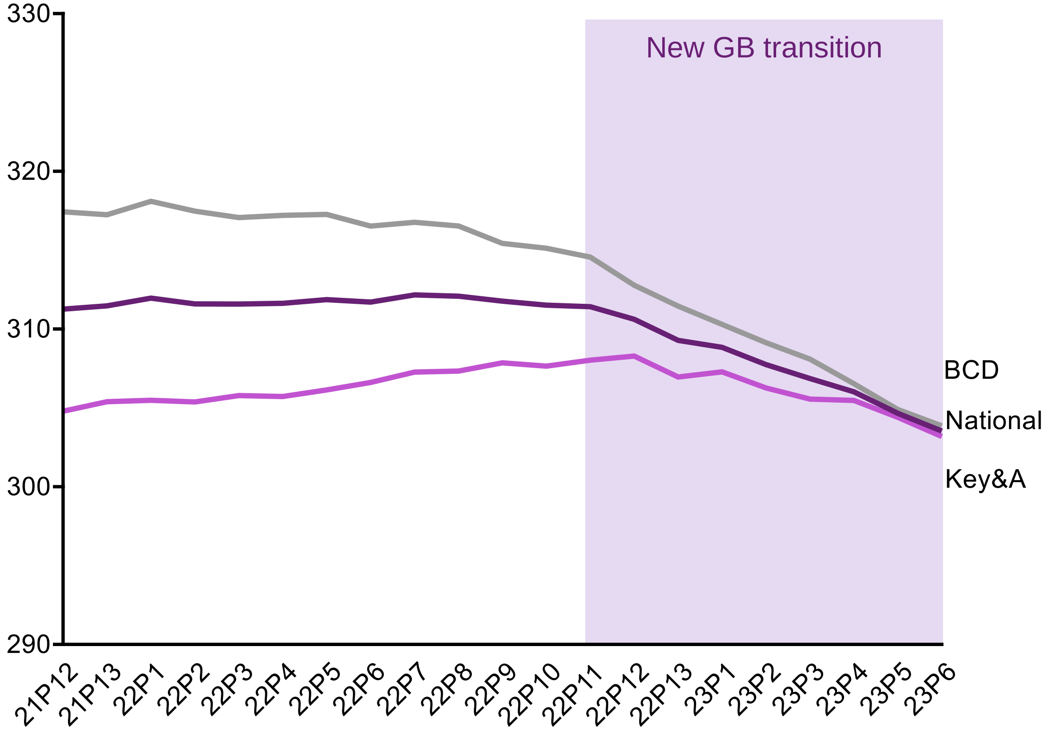


Smart Path DOL channel value growth vs pcp (rolling MAT)[2]



IMF market prices under more pressure during GB transition

Average IMF ASP/kg in RMB (rolling MAT)[4]



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[1] Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value).

[2] Smart Path China IMF online market tracking: domestic online platform sales (by value).

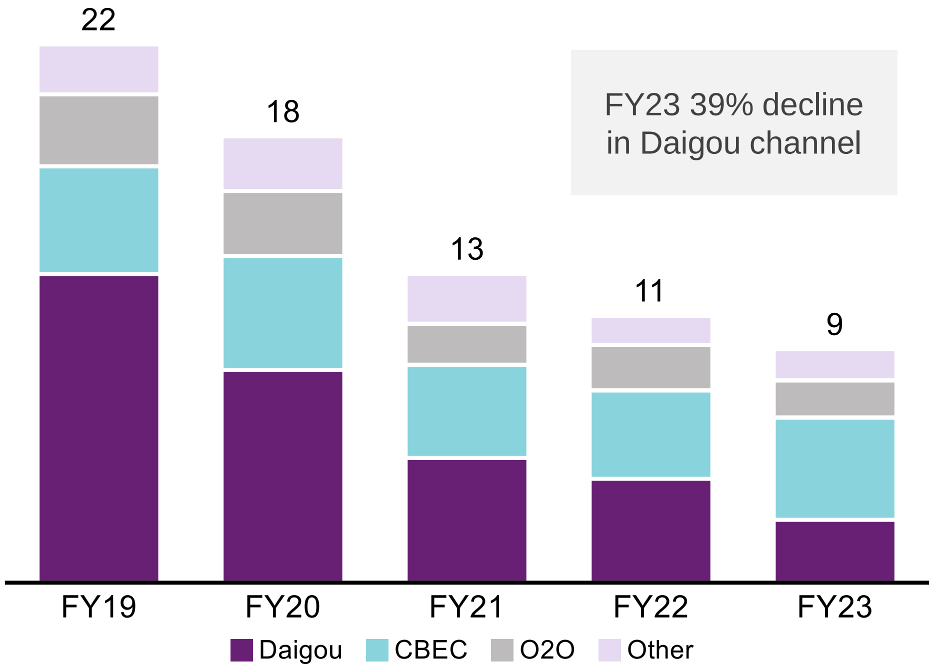
[3] Ultra premium price segment based on Stage 1 average selling price ≥390RMB/kg

[4] Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities).

English label IMF market impacted by sharp decline in Daigou channel

English label market decline driven by Daigou channel…

English label market value; RMB billions

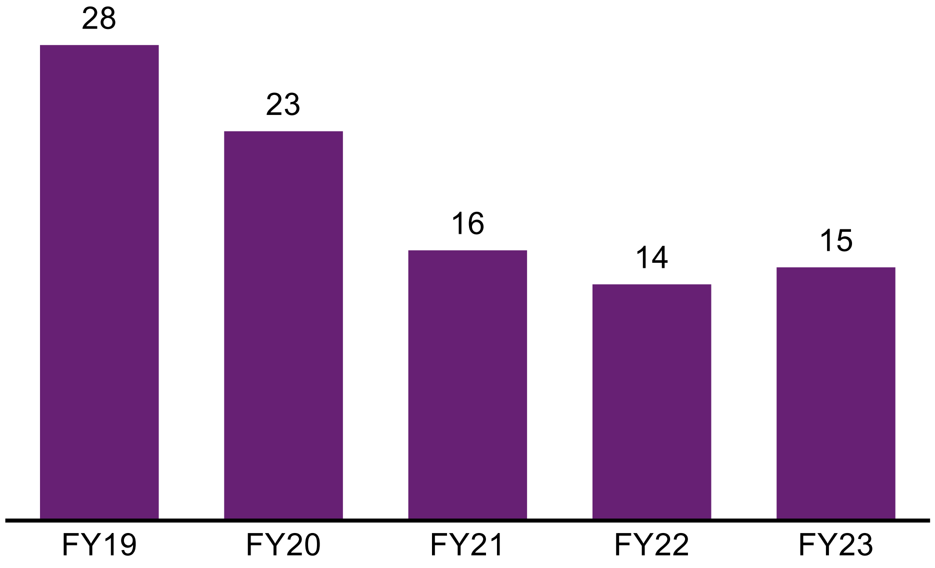


FY23 39% decline in Daigou channel

Daigou % of market	57	48	40	39	27

…but English label share of total IMF market stabilising

English label share of total China IMF market value^1; Percent



a2MC share in CBEC and Daigou + O2O channels improved in FY23 (refer page 11)

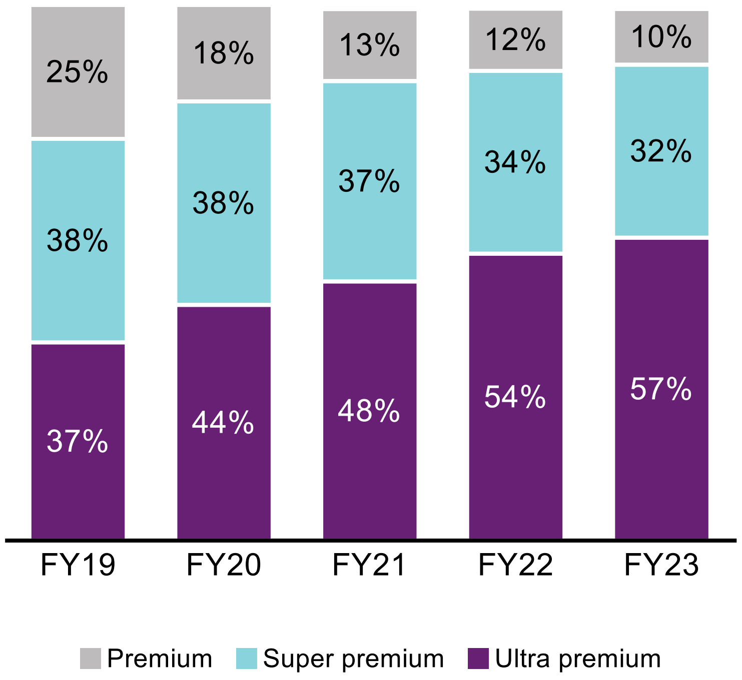
Source: Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities) which covers most but not all of the market.

[1] English label IMF value market share expressed as a percent of English label + China label IMF market value.

However, key segment trends continue to support a2MC growth strategy

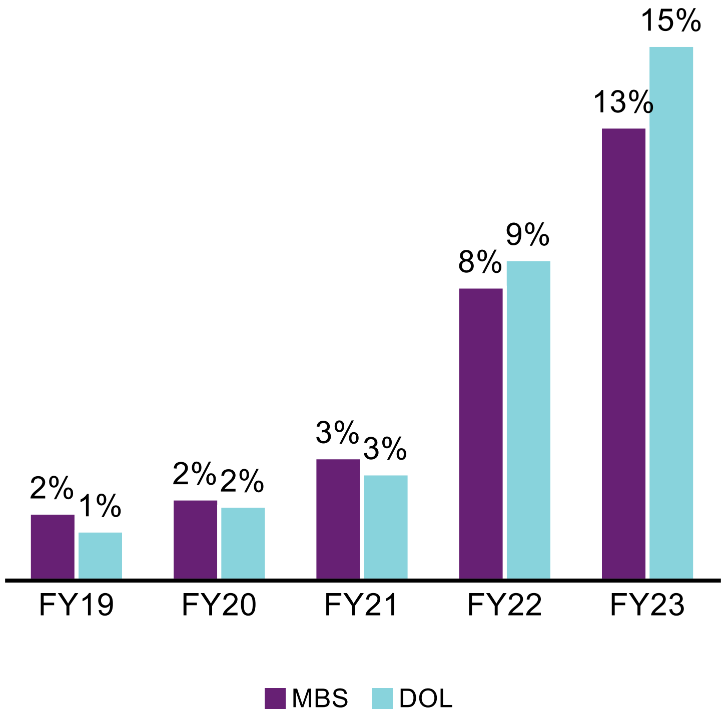
a2MC China label competes in the ultra premium segment

MBS value sales by price segment[1,2,3]



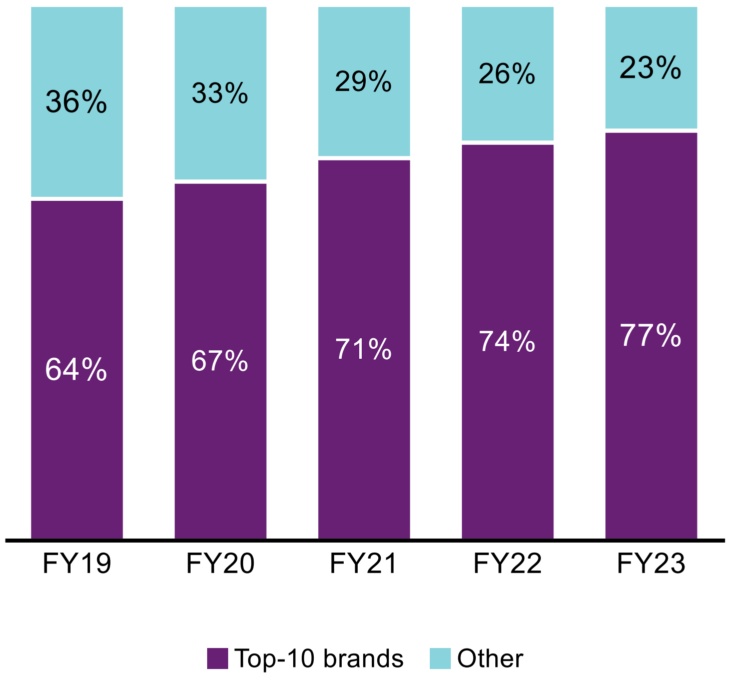
A2 protein segment continues to gain share in the category

A2 protein segment % value share of channel[1,4]



Brand concentration increasing

MBS value sales mix[1]



Note: Periodic data upgrades at Nielsen result in minor variations in data from time to time. All data has been restated with the most recent available Nielsen report.

[1] Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value).

[2] Price segments based on Stage 1 average selling price: Ultra premium >=390RMB/KG; Super premium 290-390RMB/KG: Premium 190-290RMB/KG; Mass <=190RMB/KG.

[3] Numbers within the chart may not add to the total due to rounding.

[4] Smart Path China IMF online market tracking: domestic online platform sales (by value).

Continued growth expected in FY24 in a very challenging market

See full outlook statement including market conditions, business and category sales, key financials and key risks in results commentary and outlook announcement dated 21 August 2023

Outlook provided at full year results

- Expecting low single-digit **revenue growth** in FY24
- Expecting **EBITDA margin** % to be broadly in line with FY23
- Operational **cash conversion** is expected to be higher in FY24

Annual meeting update

- **No change** to FY24 outlook provided at full year results
- Launch of **new China label product is progressing well**, including inventory transition, marketing activities and consumer reaction
- **Double 11** performance overall in line with plan

Growth strategy unchanged except for BOLD values refresh

Purpose — **We pioneer the future of Dairy for good**

Vision — **An A1-free world where Dairy nourishes all people and our planet**

Goals

PEOPLE	PLANET	CONSUMERS	SHAREHOLDERS
Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities	Protect our planet and cows, rethink packaging, achieve net zero and become nature positive	Bring the unique benefits of pure and natural *a2 Milk*™ to as many consumers as possible	Create long-term, enduring value for shareholders and a trusted, transparent relationship

Strategic priorities

1	2	3	4	5
Invest in people and planet leadership	**Capture full potential in China IMF**	**Ramp-up product innovation**	**Transform our supply chain**	**Accelerate path to profitability**
- Invest in our people to enable them to thrive - Take direct action to lead the industry in GHG emissions reduction, farming practices and sustainable packaging	- Gain more control over CL and EL distribution and get closer to our consumer - Increase investment in our brand, digital marketing and e-commerce	- Expand our CL and EL IMF product portfolios - Enter adjacent product categories in relevant markets to drive growth	- Expand CL registered market access - Utilise MVM and invest in New Zealand capability - Develop China supply capability over time	- Take action to realise potential in USA - Expedite insourcing of *a2*™ product and 3rd party volume to significantly increase MVM utilisation

Enablers

Quality & Service	Brand strength	Science & Innovation	Strategic relationships

Values

B Bold passion	**O** Ownership & agility	**L** Leading constructively	**D** Disruptive thinking

Significant progress made towards achieving goals reflected in measures of success

PEOPLE

1
- Safety TRIFR ●
- Engagement ●
- Diversity & inclusion ●

PLANET

2
- GHG emissions reduction ●
- Environmental plans on farms ●
- Animal welfare programmes ●
- Sustainable packaging ▲

CONSUMERS

BRAND HEALTH

3
- China unprompted brand awareness ●
- AU household penetration ▲
- USA household penetration ▲

MARKET SHARE

4
- MBS share ●
- DOL share ●
- CBEC share ●
- O2O + Daigou share ●
- Australian fresh milk share ▲
- USA premium milk share ▲

INNOVATION

5
- China other dairy / nutritionals growth ▲
- Emerging markets development ▲
- USA sales from new products ●
- ANZ sales from new products ●

SUPPLY CHAIN

6
- Access to ≥3 CL registrations ▲
- CL inventory management ●
- EL inventory management ●
- Quality outcomes ●
- Supply chain efficiency ▲

SHAREHOLDERS

7
- Medium term sales ambition of ~$2.0b (≥FY26)[1] ●
- EBITDA margin goal in the 'teens' targeting year-on-year improvement[1] ●
- USA profitability during FY25 / FY26 ●
- MVM profitability during FY26 ●

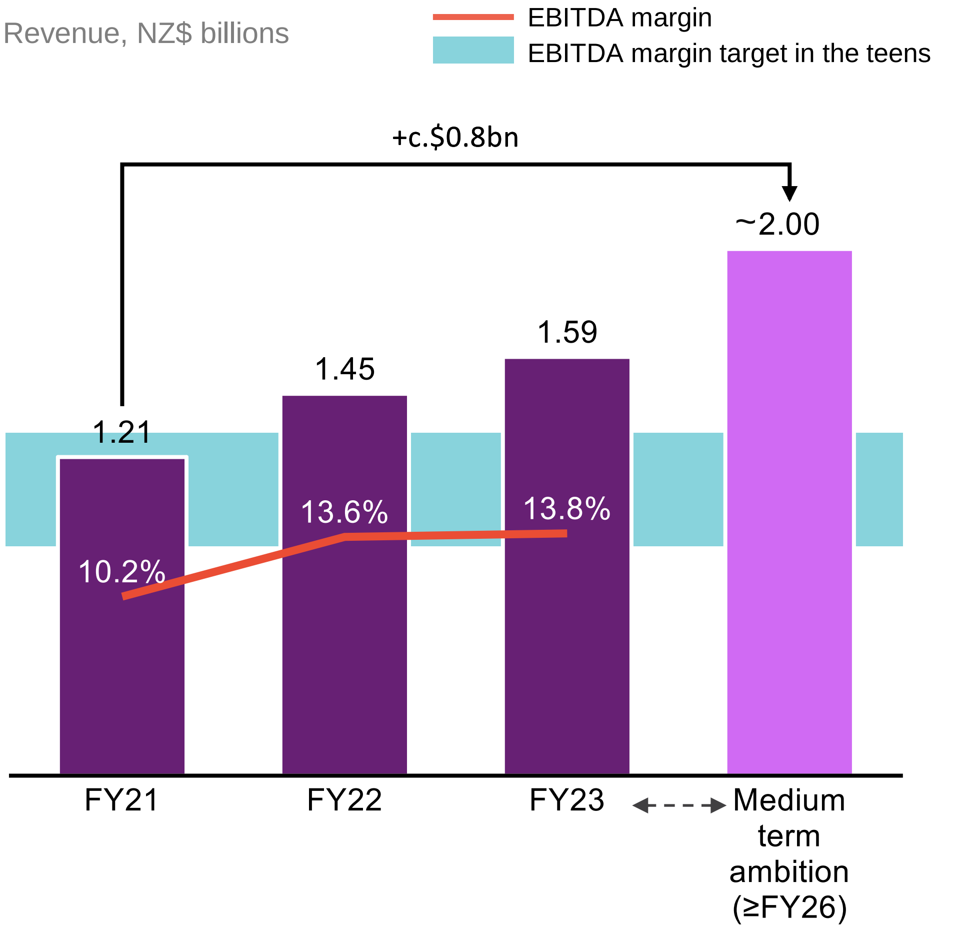
● On track ▲ Work in progress

Note: Progress as at FY23 Results announcement (21 August 2023).

[1] Refer to following page.

On track to achieve ambition to grow sales to $2 billion and improve EBITDA margins in the ‘teens’ over the medium term

Medium-term revenue and EBITDA margin ambition



Areas of planned revenue growth

Market / category	Growth ambition (FY21 to ≥FY26)[1]	Tracking
China label IMF	$0.4	●
English label IMF	$0.3	▲
China and other nutritionals	$0.2	▲
Emerging markets	$0.1	▲
ANZ	$0.1	●
USA	$0.1	●
Non-specific risk	$(0.4)	
Net growth	**~$0.8bn**	●

● On track ▲ Work in progress

Commentary

- Market conditions from FY21 to FY23 have been more challenging than expected
  - English label IMF market value down 25%[2]
  - China label IMF market value down 16%[2]
- Significant progress has been made in executing growth strategy resulting in market share gains
- $2 billion revenue goal now requires a 3-year CAGR of 7.9% if achieved by FY26
- EBITDA margin goal in the ‘teens’ and targeting year-on-year improvements

Refer to Investor Day materials communicated to the market on 27 October 2021 for further information on medium-term ambition, strategy, risks and opportunities

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[1] Incremental revenue ambition growth bridge from $1.21 billion in FY21 to ~$2.0 billion in ≥FY26 provided in Investor Day materials in October 2021. Provided for tracking purposes and should not be added to FY23 actual revenue result of $1.59 billion.

[2] Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities).

Successful SAMR re-registration critical to capturing full potential of China IMF opportunity

- Received **approval from SAMR** on 6 June 2023 for re-registration of the Company's China label IMF product *a2 至初® under* new GB standard
- SAMR approval will allow Synlait to manufacture *a2 至初®* for a2MC **until September 2027**
- **Production commenced** in late June and is on track with transition in market planned to occur in 2Q24
- Re-registration allows **continue to access** the registered domestic market that accounts for ~**85% of the China IMF market**, with English label IMF accounting for the remaining ~15%
- Overall, the registration process is likely to lead to a significant **reduction in the number of China label competitor products**
- **a2MC thanks** SAMR, MPI, its China strategic partners (CNADC and CSF), and its manufacturing partner (Synlait) and its major shareholder (Bright Dairy) for their support throughout the process

New *a2 至初®* product

New China label IMF product *a2 至初®* available on flagship stores with market wide launch to commence post Double 11 sales event

Pre-launch flagship store availability

New product available from 10 October

TMall flagship store

Douyin / TikTok flagship store

Inventory phase-in / phase-out

- Ceased production of old product in February 2023
- Commenced production of new product in June 2023 and ramped up in 1Q24
- Air freighted new product for pre-launch
- Commenced new product shipping to distributors in October 2023 and retailers from November 2023
- Soft changeover of product occurring from Double 11
  - Stage 3 first
  - Other stages after

New product launch

Buy with Confidence pre-campaign in 1Q24

New product launch campaign post Double 11

Innovation has been ramped up significantly to support future growth

a2 Platinum® refreshed range
launched in 1Q23 in ANZ and China

a2 Milk® Lactose free
launched in 1Q23 in Australia

a2 ™ *Nutrition for Mothers* ™ *孕产妇配方奶粉* CL
launched in 1Q23 in China

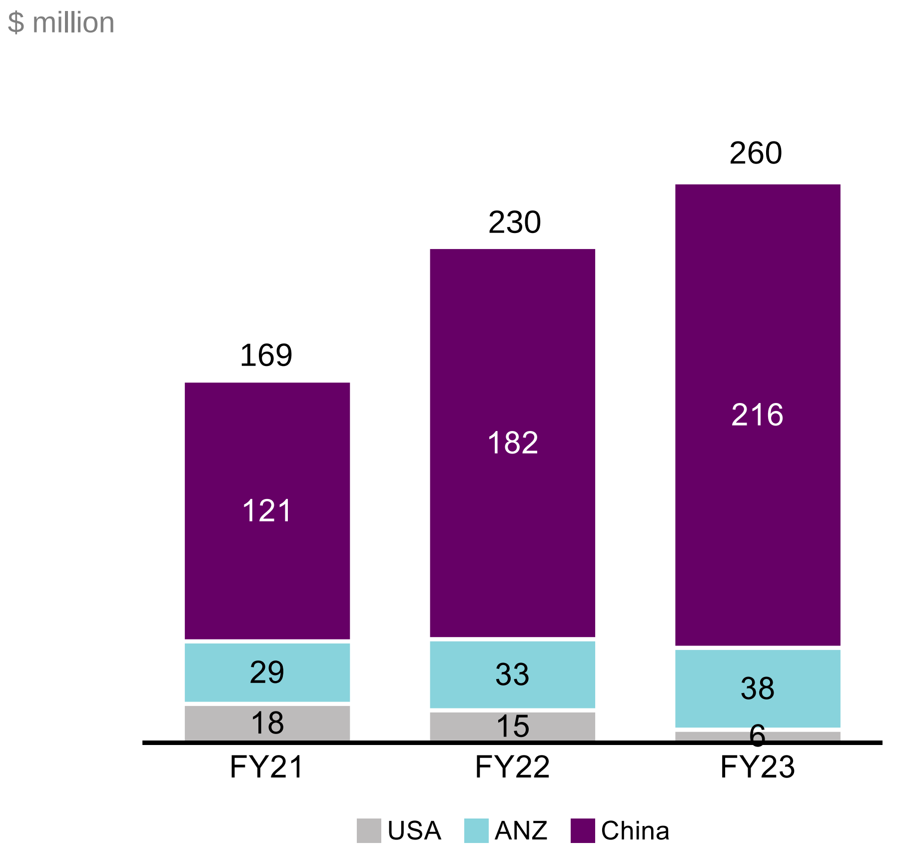
a2 Smart Nutrition® EL
relaunched in 2Q23 in ANZ and China

a2 Milk® Full cream EL in a tub
launched in 2Q23 in ANZ and China

a2 Milk® Grassfed
launched in 3Q23 in the USA

Increased brand investment to record levels to support significant marketing activity

Marketing investment



% of sales revenue	14.0%	15.9%	16.4%

Marketing activity examples

Further progress made in transforming our supply chain

- **Accelerated supply chain transformation strategy** following Chopin Zhang's appointment as Chief Supply Chain Officer
  - Increased raw A1 protein free milk supply to MVM
  - Completed insourcing of a2 Milk® Whole & Skim milk powder
  - Production commenced for insourcing Stage 4 English Label IMF product with MVM and a new supply partner
  - Completed production trials for a new EL IMF range with MVM and a new supply partner for launch in 2H24
  - Commenced development of an additional new EL IMF range with MVM and a new supply partner for launch in 1H25
- **Accelerating MVM's path to profitability** by FY26 or earlier is a key strategic priority for the Company
- **Exploring M&A, joint venture and alliance opportunities** to increase market access and gain additional CL registrations, supported by strong balance sheet

Mataura Valley Milk – Southland, New Zealand

Meaningful progress towards achieving sustainability goals

Investing to significantly reduce GHG emissions

- Commenced installation of **100% renewable energy boiler** (high-pressure electrode) at MVM which will move a2MC close to Scope 1 and 2 net zero
- Commenced on-farm **methane inhibitor study** in Victoria, Australia (Scope 3)

Expanded climate & nature targets and progressed Thriving Farms programmes

- Introduced **interim on-farm Scope 3 GHG emissions reduction target** – 30% reduction by 2030 (intensity basis)
- Introduced initial nature target for **nitrogen loss** to waterways (intensity basis)
- Conducted pilot assessments for **nature risk** and opportunity analysis
- Established research partnership with **Lincoln University**
- Commenced pilot trials of **measurement tools** for water quality & GHG emissions
- Increased **farmer grants** for sustainable dairy farming projects in ANZ

Committed to making meaningful change in packaging

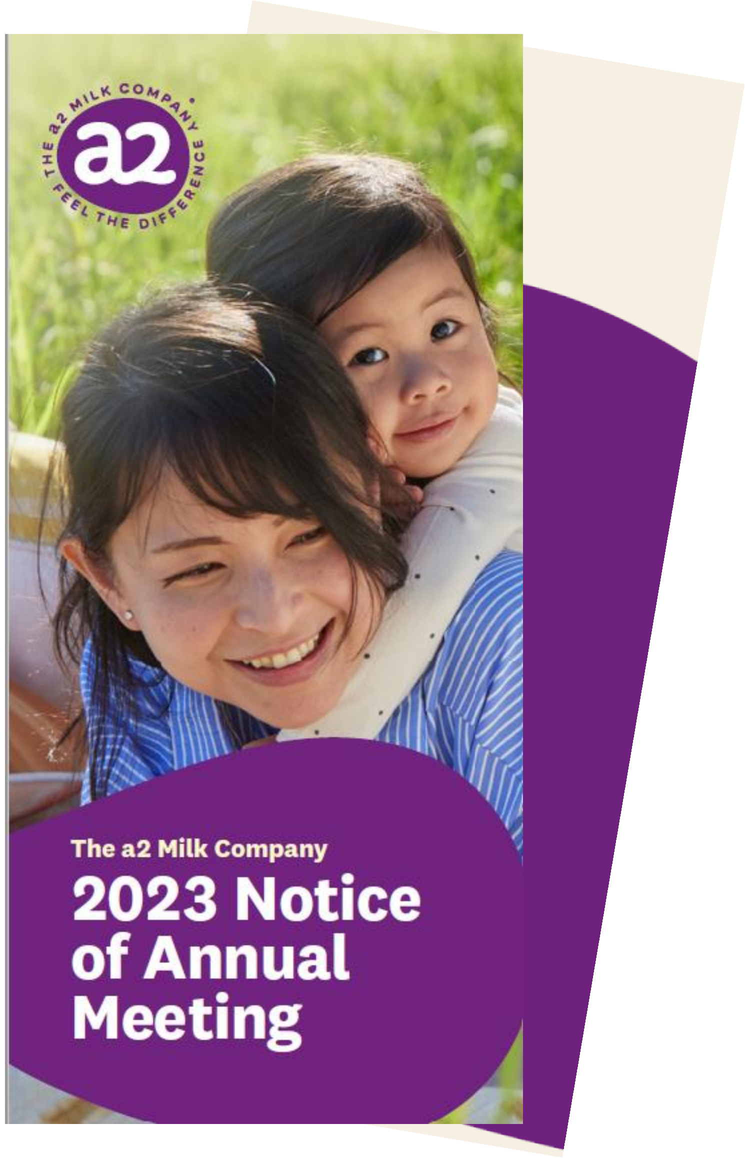
- Developed a sustainable **packaging** roadmap aligned to APCO targets
- Exploring options for inclusion of **recycled HDPE** in milk containers

MVM boiler installation project

FORMAL BUSINESS

DAVID HEARN

Notice of Meeting and voting instructions



The a2 Milk Company

2023 Notice of Annual Meeting

Resolution 1

Auditor's Fees and Expenses

Ernst & Young, the current auditor of the Company, will be automatically reappointed under section 207T of the Companies Act 1993. Resolution 1 authorises the Directors to fix the fees and expenses of Ernst & Young as the Company's auditor in accordance with section 207S of the Companies Act 1993.

Resolution 2

Election of Director – Kate Mitchell

Kate was appointed as a Director by the Board, under clause 17.2(a) of the Company's constitution, with effect from 1 June 2023. Kate will retire from office at the meeting and offers herself for election as required by the Company's constitution and NZX Listing Rule 2.7.1.

The other members of the Board unanimously support Kate's election.

The Board considers Kate to be an Independent Director.

Resolution 3

Grant of performance rights to David Bortolussi, Chief Executive Officer and Managing Director

The approval of shareholders is sought, on an advisory basis and for the purpose of ASX Listing Rule 10.14 and for all other purposes, to permit the Chief Executive Officer and Managing Director, David Bortolussi, or an associate named in this Notice of Meeting, to acquire 690,066 performance rights (**Rights**), as calculated below, by grant under the Company's Long Term Incentive Plan (**LTI Plan**).

The LTI Plan is one component of David Bortolussi's total remuneration package and Rights will be granted for no consideration. The LTI plan is designed to reward performance in support of the achievement of the Company's growth strategy, targeting long-term revenue and EPS growth as key drivers of shareholder value creation.

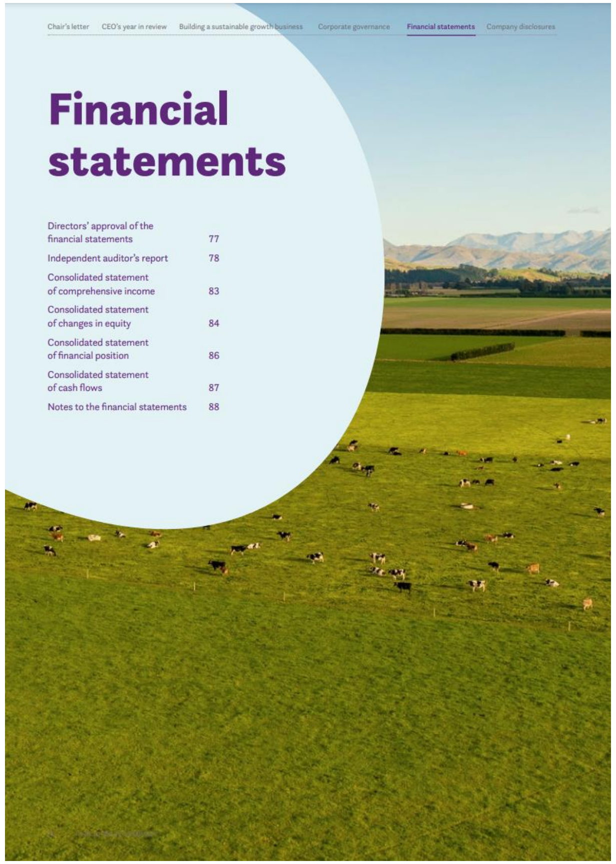
If shareholder approval is obtained, the Rights will be issued by grant as soon as practicable after the 2023 Annual Meeting. ASX Listing Rule 10.15.7 requires the issue to occur no later than three years after the date of the meeting.

If shareholders do not approve the proposed issue of Rights to David Bortolussi, the Board will instead provide David with alternative remuneration arrangements which are equivalent (taken overall) to the proposed Rights, which may include Rights that are required to be satisfied following vesting only from shares purchased on-market, or payment of a cash amount equivalent to the value of the Rights.

Shareholder approval to the grant of Rights to David Bortolussi and any subsequent issue or transfer of shares following vesting is not required under the NZX Listing Rules (as those actions comply with, and are permitted by, NZX Listing Rule 4.6.1).

Financial Statements and reports

“To receive and consider the Company’s financial statements for the year ended 30 June 2023, together with the Directors’ and Auditor’s reports.”



Financial statements

Resolution 1: Auditor’s Fees and Expenses

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That the Directors of the Company be authorised to fix the fees and expenses of the Company’s auditor, Ernst & Young, for the ensuing year.”

Resolution 2: Election of Director – Kate Mitchell

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"That Kate Mitchell, who was appointed a Director of the Company by the Board during the year, and who will retire at the meeting in accordance with the Company's constitution, be elected as a Director of the Company."

Resolution 3: Grant of performance rights to David Bortolussi, Chief Executive Officer and Managing Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"That, on an advisory basis and for the purpose of ASX Listing Rule 10.14 and for all other purposes, the acquisition of 690,066 performance rights by the Company's Chief Executive Officer and Managing Director, David Bortolussi, or an associate named in the Notice of Meeting, by grant under the Company's Long Term Incentive Plan be approved."

QUESTIONS

CHAIR ELECT SPEECH

PIP GREENWOOD

CLOSE

DAVID HEARN

THE a2 MILK COMPANY®

a2

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Chair's Speech

I will now make a short introduction before I hand over to our Chief Executive Officer for his review of the business.

I am proud to report that we delivered another strong result in FY23. This is particularly pleasing given the very challenging macroeconomic landscape and external headwinds we faced, and continue to face in our key markets.

I also want to acknowledge up front that we understand how our recent share price decline has caused frustration amongst shareholders, as it has for us as well. I want to assure you that we are doing everything we can to continue driving this business, according to our strategy, to deliver shareholder value and I want to convey to you my personal and the board's confidence in the actions we are taking to deliver against that.

Our business has demonstrated an unwavering commitment to executing our growth strategy, delivering strong results and several important achievements in the areas we can control ourselves. In fact, almost all the measures of business performance that are in our hands have shown significant improvement such as IMF brand share in China, brand awareness and attribute scores and continued distribution expansion. All of these measures also remain in an upward trend. As a result of these important gains, I am confident in the business' continued growth in the years ahead.

I want to highlight that despite the challenging macroeconomic environment and market conditions, the strong financial results we delivered in FY23 were in line with the medium-term ambitions we have set for the business.

The results were underpinned by our strategic China label infant milk formula brand which delivered another year of double-digit growth in a market which showed double digit declines. This growth lifted our China label sales to over half a billion New Zealand dollars in revenue across the year. In fact, our China & Other Asia segment, which includes our China label business, along with sales in the English label channels of cross-border e-commerce and offline to online, reported sales of over one billion New Zealand dollars, representing year-on-year growth of 38 per cent and nearly two-thirds of sales overall for the Group.

During the year, we also achieved a number of important regulatory milestones. The highlight was receiving the re-registration for our upgraded China label infant milk formula (IMF) product from China's State Administration for Market Regulation (SAMR) in June 2023.

The achievement of this re-registration was an enormous team effort over a number of years. I would like to acknowledge the support we received from SAMR, New Zealand's Ministry for Primary Industries, our strategic partners in China, China National Agriculture Development Group Co., Ltd and China State Farm Agribusiness, and our manufacturing partner, Synlait and its major shareholder Bright Dairy, throughout the process.

During FY23, significant progress was made to further bolster the Executive Leadership Team (ELT). This included the appointment of David Muscat as Chief Financial Officer and Chopin Zhang as Chief Supply Chain Officer, the role expansion for Eleanor Khor as Managing Director – ANZ and Strategy, and Kevin Bush taking on the role of Managing Director – USA.

In addition to strong operational and financial performance, we also undertook an important capital management activity, completing the NZ$149 million share buyback programme in the year.

Given our strong balance sheet and the amount of net cash we are holding, it is entirely reasonable for shareholders to want to better understand how we plan to use that capital and, also, for shareholders to want to better understand the prospect and potential timing for further capital returns, including dividends.

Our capital management framework continues to prioritise investments in growth initiatives and maintaining balance sheet flexibility ahead of shareholder capital returns. Our immediate priority for capital is to drive the transformation of our supply chain, by expanding our China label registered market access through additional registrations and better utilising our capacity at Mataura Valley Milk (MVM) through additional investment in our capability.

When we acquired MVM in 2021, we indicated at the time that we would also need to invest in a blending and canning solution and associated infrastructure, in order to realise the full benefits of that acquisition. At the time we indicated that we intended to build our own blending and canning facility. Since then, we have developed plans for such an investment. However, we have also considered other options such as a commercial arrangement or the acquisition of a blending and canning facility in New Zealand, China and/or other markets to accelerate our ability to potentially gain additional China label registrations. In the interim, we have also established additional relationships with partners in New Zealand to provide blending and canning services to accelerate utilisation of MVM as we consider the best option for deploying capital to invest directly and expand the capability of our supply chain.

We believe it is prudent for the Company to first solve this supply chain transformation to set us up for further growth in the future, and then to consider, with the remaining capital, the most appropriate mechanism to implement further capital returns to shareholders in the future. We are not in a position today to provide a full update on this. I trust shareholders will understand, that while we are working hard on this objective, we are not quite ready to outline our plan in further detail. I can assure you this is a strong focus of the Board and management team, and as soon as we can, we will provide further details.

I know that a number of shareholders have also, quite rightly I might add, asked why, with the recent share price decline, and at the same time, having such a strong balance sheet, why we are not committing to another share buyback programme. In addition to what I have already outlined in terms of our firm belief that we need to invest in supply chain transformation first, we are also somewhat constrained in being able to undertake another meaningful on-market share buyback given our limited available subscribed capital which was utilised in the previous share buyback.

Rest assured, we will continue to make a disciplined assessment of the potential to return capital to shareholders and the most appropriate option to do so.

Moving now to the topic of Board renewal, which has also been a strong focus over the past couple of years. During the year, we delivered on succession plans for long serving Directors and announced several new appointments. As we announced in November 2022, following the Annual Meeting today, I will step down as a Director and Chair of the Board after almost ten years and Pip Greenwood will replace me as Chair of the Board. During FY23, David Wang and Kate Mitchell were appointed as Directors. David was elected by shareholders at last years' Annual Meeting and Kate is seeking election in the meeting today. Kate has also taken on the important role of Chair of the Audit and Risk Management Committee, replacing Julia Hoare who stepped down earlier this year. I would like to take this opportunity, on behalf of my fellow Directors, the Company and all shareholders, to again thank Julia for her service to The a2 Milk Company. Julia was an outstanding Director and we all miss her dearly.

I would like to extend my gratitude to all my fellow Directors for their efforts and significant contributions during the past year, and in fact for all the years we have worked together.

At the last Annual Meeting, we announced that the Board would be reviewing the Chief Executive Officer's (CEO's) remuneration framework. As a result, the short-term incentive plan structure for the CEO in FY23 included a percentage of deferral as cash. In today's meeting, the Board is also voluntarily putting the CEO's FY24 long-term incentive grant to shareholders for vote on an advisory basis.

On behalf of the Board, I would like to express my sincere gratitude to David Bortolussi, our Managing Director and CEO, for his leadership and impactful contribution which has been immense through a particularly challenging time for our Company. And I extend my thanks and gratitude to the whole ELT and every member of the a2MC team in all of our regions for their contributions this year.

Reflecting on the past decade for me at The a2 Milk Company, it has been a truly extraordinary journey. It is perhaps worth reflecting that at the start of this journey, the Company had revenues of only just over $100 million dollars and generated profit less than $5 million. I know that the COVID-19 period and current downward phase that almost all the world's stock markets are facing have been tough and your Board is determined to see the Company though these tough times stronger and more ready to grow again in the future. But in all this, it is worth just reminding ourselves of just how far we have come, despite these short-term setbacks and the confidence it should give all of us that the future for the Company and its shareholders will surely be brighter again in the future.

As the pioneer and leader of the A2 protein category, we have transformed from a fresh milk business in Australia to a global nutritional dairy products company and developed a leading brand in China, the largest IMF market in the world.

In FY23, we embraced our refreshed purpose to pioneer the future of dairy for good and our vision to create an A1-free world where dairy nourishes all people and our planet. These guiding principles are now living through our business, guiding the Company to execute our goals and thrive to seize additional market opportunities more effectively in the years ahead. Your Board and the ELT are committed to the Company's purpose and vision.

As demonstrated by the achievements thus far, I'm confident that the Company will continue to adapt, pivot and work through future challenges to be successful.

We have achieved a great deal together over the years. That is not to say that it has all been easy, and certainly we have also faced significant challenges. As I look back on my 10 years as a Director and Chair of this great Company, I recall many of the challenges but reflect fondly on our many achievements. My time with The a2 Milk Company has been one of the highlights of my career. Indeed, it has been my privilege and my honour to have been a Director and Chair of your Company through this transformative period. At the end of the meeting today, I will hand the reigns over to Pip Greenwood as our incoming Chair. Pip is well known to many of you. She is an outstanding Director and I am confident that she will lead the Board and Company to even greater success.

Finally, I would like to thank you, our shareholders, for your continued support.

I will now invite David Bortolussi to present his address.

Slide 6: MD & CEO’s Address

Thank you David.

Good morning everyone, and thank you for joining us, particularly those here with us in Auckland today.

It’s my great honour to be addressing you at my third Annual Meeting as your Managing Director and Chief Executive Officer.

To start with, I also wanted to say that I understand that our shareholders are disappointed with the Company’s share price. So am I and the rest of your management team.

As David Hearn noted up front, I want to assure you that we are doing everything we can to continue to drive growth in line with our strategy and to create shareholder value.

So, before I get into the detail of my presentation, I wanted to share with you a few higher level thoughts on the Company’s performance and the future ahead:

- Firstly, the context that led to a2MC’s extraordinary growth up to FY20 has changed materially from a consumer, channel and competitive perspective
- COVID-19 had a substantial impact on our business in FY21 disrupting particularly our cross-border English label business which was our largest and most profitable business
- Since then, we have been working hard to return our business to growth and have taken many actions and achieved a lot over the past couple of years. In particular, we have:
    - Delivered double-digit growth in sales and earnings in FY22 and FY23
    - Addressed channel inventory levels in IMF
    - Refreshed our growth strategy and laid out a plan to get to $2 billion in sales in the medium term
    - Renewed our ELT with all members either new to role or new to Company
    - Re-registered our China label product & extended our strategic partnerships
    - Increased brand investment and achieved new highs in brand health metrics
    - Reshaped our distribution and achieved record China label market share instore and online, and improved English label market share

  - Ramped up innovation and launched new products in all markets
  - Increased investment in science and sustainability programmes
  - Commenced the transformation of our IMF supply chain
- In most aspects we are executing extremely well and I couldn't be more proud of what our team has achieved, particularly in our core IMF market in China where we are one of the top share gainers in a fiercely competitive market
- The key challenge, for us and our competitors, is that the IMF market in China has declined significantly, being down double-digits in FY23 essentially due to the cumulative impact of fewer newborns and lower market pricing which is a significant headwind
- These category issues – coupled with challenging macro-economic conditions, global geopolitical concerns and capital market dynamics – have weighed heavily on our share price over time
- Notwithstanding this backdrop, we have a significant opportunity to grow our business and create shareholder value going forwards:
  - The IMF category in China is still over ~$30 billion in retail sales, we only have a 5-6% share and it is our biggest growth opportunity;
  - We have an exciting pipeline of innovation projects in our core IMF business; in kids, adult and seniors' nutrition; liquid milk and other adjacencies; and
  - We have growth opportunities in other markets that we are working on which would ideally leverage existing products into new markets
- I genuinely believe that a2MC has the right strategy and a great future as market conditions hopefully stabilise and we execute on our strategy
- I hope this provides better context for reviewing our FY23 performance which I will move on to now

Slide 7: Strong performance in a very challenging market

FY23 was a big year for the Company and we were pleased to report that our result was in line with our guidance delivering double digit revenue and earnings growth.

The result was driven by strong growth in our China & Other Asia segment. Sales increased by 38% and we achieved record market share in China label IMF.

In the past year we stepped up marketing investment by $30 million to $260 million, which was a record level of brand investment for the Company and achieved new highs in our China brand health metrics.

Total IMF sales grew by over 8% in a market that declined by 14%, which is a remarkable achievement resulting in a2MC being a top-3 share gainer in the China label and English label market overall for the year based on Kantar data.

And of course, a key highlight for the year was the successful re-registration of our China label IMF product by SAMR which we are very pleased about.

Slide 8: FY23 double digit revenue and earnings growth driven by China segment

Moving to slide 8 which summarises our financial results for FY23 and improvement over the past 2 years.

Revenue for the year was $1.59 billion, up 10%.

Earnings before interest, tax, depreciation and amortisation was $219.3 million, up 12% with an EBITDA margin of 13.8%.

Net profit after tax attributable to owners of the Company was up 27% to $155.6 million.

Our earnings per share was up 29% to 21.2 cents.

And our closing net cash position was $757 million, which was after completing a $149 million on-market share buyback during the year.

Moving to the next slide.

Slide 9: Significant China label IMF growth and shift to China & Other Asia segment from ANZ

This slide highlights the significant change in our business mix since 2019.

You can see in the charts on the righthand side that:

- Our IMF sales composition has evolved from 16% China label and 84% English label in FY19 to an equal 50:50 split in FY23; and

- From a geographical perspective revenue recognised in China has grown from 32% in FY19 to 63% in FY23 driven by growth in China label IMF and cross-border ecommerce (or CBEC) sales in English label IMF.

Slide 10: High quality FY23 result underpinned by many operational achievements

Despite the challenges we have experienced in the market, we have achieved a lot in FY23 with many highlights called out on this page, some of which I mentioned at the beginning particularly in relation to brand health improvements and market share gains.

What I didn’t mention before are the many operational achievements in our IMF business in areas such as distribution processes, channel inventory levels, product freshness, early-stage share, market pricing etc.

We were also very pleased to extend our strategic partnership with China State Farm and CNADC Group, and to accelerate our MVM utilisation with China Animal Husbandry Group.

In the US, we achieved FDA Enforcement Discretion to import IMF product and progressed our long-term FDA approval whilst also reducing our operating losses.

And from a sustainability perspective, we advanced our programmes significantly which I’ll come back to shortly.

Slide 11: Growth strategy driving significant China brand health and market share increases

In terms of China brand health, our significant investment in marketing in FY23 and changes in approach, have continued to translate into new highs across all metrics.

We have an incredibly strong brand in China with our ‘brand used most often’ or loyalty metric in IMF increasing to 16%.

In addition to strong brand health, executing against our growth strategy is driving significant China IMF market share increases.

We delivered significant growth in our market share in China label channels in FY23 with our share in Mother and Baby Stores (or MBS) increasing to 3.4%, up from 3.0%, and our share in domestic online (or DOL) increasing to 3.3%, up from 2.5%.

This slide also shows that our share in English label channels recovered with our share in CBEC increasing to 22.6%, up from 19.4% and our share in the combined O2O and Daigou channel increasing to 20.8%, up from 19.5%.

Slide 12: Resulting in a2MC being a leading share gainer in MBS and DOL channels

Overall, our performance has resulted in a2MC being a leading share gainer in FY23.

This slide highlights the market share movement for major IMF brands over FY23.

The grey bars on the graph are domestic brands and the turquoise are international brands such as a2MC which is highlighted. You can see that in the MBS and DOL channels we were a leading share gainer over the year, top-3 overall.

This is important as we continue to drive towards our ambition of being a top-5 brand in China IMF.

Slide 13: China label IMF has been very challenging recently driven by cumulative impact of fewer newborns and market-wide new GB transition

Our achievements in FY23 were all against the backdrop of very challenging IMF market conditions in China.

As we noted back in August, this has been mainly driven by the cumulative impact of a lower birthrate in China, as well as the market-wide transition to new GB registered product which has been an extraordinary change in the market with all brands having to phase-out old and phase-in new product.

The charts on the left show the significant market declines in the MBS and DOL channels from July 2021 through to June 2023, and particularly over the past year, with a decline in the ultra-premium segment for the first time.

The chart on the right shows average market selling prices for IMF from the end of 2021 to the end of FY23.

This highlights the decline in average selling prices in the market coinciding with the beginning of the GB transition process around Double 11 last year, as brands started to increase their promotional activity and discounting to clear old GB inventory.

Despite the challenging market conditions, we are delivering against our growth strategy and are proud of our achievements in FY23, particularly in China label IMF.

Slide 14: English label IMF market impacted by sharp decline in Daigou channel

Moving to the next slide on the English label market. It’s important that shareholders, especially those that have followed us for several years, understand just how much the English label market has changed since 2019.

The chart on the left highlights how significantly the English label market has been impacted by the contraction in the Daigou channel over the past 5 years, including a further sharp decline in FY23 of 39%.

This has resulted in the Daigou channel as a proportion of total English label sales more than halving from 57% in FY19 to 27% in FY23.

It also highlights the shift towards the CBEC channel with more English label users preferring to shop online, which is where we have been investing in our execution capability and growing share. This is consistent with our distribution strategy to shift to more controlled channels in CBEC and O2O.

That said, English label share of the total IMF market has stabilised at 15%, and our share in CBEC and Daigou + O2O channels improved in FY23.

Slide 15: However, key segment trends continue to support a2MC growth strategy

Notwithstanding these market challenges, there are several key segment trends which continue to support our growth strategy.

Firstly, our China label products compete in the ultra-premium segment which now represents well over half the total market.

Secondly, the continued growth in the A2-protein segment, which has grown rapidly in China label product in particular, now accounting for 13% and 15% of the MBS and DOL channels respectively.

Thirdly, brand concentration is increasing, with the top-10 brands continuing to gain a greater share of the market, and with concentration within the top-10 also increasing.

Despite the significant challenges in the China IMF market, we are well positioned from a strategic perspective.

Slide 16: Continued growth expected in FY24 in a very challenging market

Moving now to our outlook for FY24. As stated at the time of our results release:

- We expect China IMF market conditions to be more challenging in FY24 compared to FY23 with a further double-digit decline in market value;
- Despite these headwinds, we expect to continue to gain market share in IMF; and
- At the group level, we are expecting low single-digit revenue growth, EBITDA margins to be similar to FY23 and an improvement in cash flow.

There is no material change to our FY24 outlook, but I will provide a couple of updates:

- Firstly, the launch of our new China label product is progressing well, including inventory transition, marketing activities and consumer reaction; and
- Secondly, our Double 11 performance overall has been in line with our plan.

Slide 17: Growth strategy unchanged except for BOLD values refresh

Slide 17 shows our strategy on a page. We first shared this in October 2021 with a few incremental changes since then.

Capturing the full potential of China IMF is central to our strategy, and we are also focused on driving innovation to capture growth opportunities in other nutritional products, including kids and seniors, and by entering new markets.

In FY23, we undertook an extensive process to refresh our BOLD values and standards of behaviour – which are included here at the bottom of the page, underpinning our strategy and execution which has been very well received by our team.

Otherwise, it remains unchanged and is how we articulate internally and externally our purpose, vision, goals and strategic priorities.

Moving to the next slide.

Slide 18: Significant progress made towards achieving goals reflected in measures of success

This slide shows our measures of success in executing our strategy which are a balanced scorecard of non-financial and financial metrics.

There have been a number of progress updates since the Annual Meeting last year that we shared at our FY23 results announcement:

- In the People goal
    - Our team engagement improved from FY22 to FY23
- In the Planet goal
    - We have continued to make meaningful progress in emissions reduction, animal welfare and farm environmental plans, and although we have made some progress on sustainable packaging, there is more work to do
- Across our Consumer goals
    - We are pleased with our strong China brand health as previously mentioned, but are working on improving our household penetration and share in Australia and the US
    - Importantly, market share across IMF is in good shape and continues to improve
    - We have worked hard to develop our innovation pipeline over the past couple of years from a standing start
    - And we have a lot of work to do to transform our supply chain in IMF and other nutritional products

- Finally for our Shareholder goal
  - Whilst we always want to achieve more, overall we are pleased with the progress we are making towards our medium term sales and profitability goals which I will move to in the next slide, but I acknowledge that the recent share price has been frustrating for shareholders

Slide 19: On track to achieve ambition to grow sales to $2 billion and improve EBITDA margins in the 'teens' over the medium term

Back in 2021, we set our financial ambition to grow sales to $2 billion by FY26 or later and to improve our EBITDA margin. We're still on track to achieve our medium-term sales ambition and improve EBITDA margin in the 'teens' with year-on-year improvements which is tracked in the chart on the left side of the page.

In middle of the page, we provide tracking of how key components of our business are tracking towards our growth ambition.

Our China label business has been the standout performer and is ahead of plan. ANZ and USA sales are in line with plan.

Conversely, our English label business has been more challenging than we had envisaged when we set these targets back in 2021.

We also have more work to do over the next few years to realise the opportunities in other nutritional products and emerging markets which I am optimistic about.

I'd now like to touch on some additional key highlights from FY23. Moving to slide 20.

Slide 20: Successful SAMR re-registration critical to capturing full potential of China IMF opportunity

As you know, our strategy focuses on realising the full potential of our China IMF opportunity. Maintaining market access and continuing to grow our China label business is obviously critical to our strategy with the domestic registered market accounting for 85% of the total market.

After all the work we put into the registration process with Synlait, it was very pleasing to receive approval from China's State Administration for Market Regulation (or SAMR) in June this year.

Our new GB product transition continues to be the highest priority initiative for our team in FY24. For those of you who are not aware, GB is the shorthand reference to China's national standard which changed for IMF and became effective in February this year.

The registration process was supported by our brand strength and market position in China, as well as our strategic partners which David Hearn acknowledged in his address.

Slide 21: New China label IMF product a2 至初® available on flagship stores with market wide launch to commence post Double 11 sales event

Moving to the next slide, we are pleased to update shareholders today that our new China label IMF product has been available in the market since 10 October.

You can see images on the left of our new product on our Tmall and Douyin or TikTok flagship stores. We air freighted some of our new product earlier for those consumers who wanted to transition to our new GB product earlier, particularly for early-stage users.

In terms of the overall transition approach, we are managing a soft change over process where old product will phase-out and new product will phase-in as seamlessly as possible starting this month after the Double 11 sales period.

In preparation for this, new product commenced shipping to distributors in October and we are commencing shipments to retailers now. Stage 3 product will transition first in November/December, with early and late stage product in December/January.

We are excited to launch our upgraded product over the next few months and have a significant marketing campaign planned for December and January building on various pre-launch initiatives.

Slide 22: Innovation has been ramped up significantly to support future growth

While our new China label product has been a key focus, and important from an innovation perspective, we have also refreshed and/or introduced a range of new products in other categories and markets over the past year.

The most important new products introduced during the year were our refreshed *a2 Platinum®* IMF range, our new lactose free milk in Australia, our upgraded *a2 Smart Nutrition®* for kids, our new full cream milk powder in a tub, and lastly our *a2 Milk® Grassfed* product in the US.

We will continue to focus on capturing opportunities not only in IMF, where you should expect to see important new products introduced in the next calendar year, but also in adjacent categories and new markets.

Slide 23: Increased brand investment to record levels to support significant marketing activity

Consistent with our growth strategy, our marketing investment has increased significantly.

Marketing investment for the group was up 13% in FY23. In China, we increased our marketing spend by 19%, with a significant uplift in consumer marketing and a further shift in our mix towards more targeted digital channels.

As a percentage of revenue, marketing investment increased by half a point to 16.4% for the year.

Some of our China marketing initiatives are shown on the right of this slide. Our team has executed some very creative campaigns increasing our share of voice well above our share of spend in the category. Our marketing capability and execution are a real source of competitive advantage.

Slide 24: Further progress made in transforming our supply chain

We are also pleased to have made significant progress against our strategic priority of transforming our supply chain following the appointment of Chopin Zhang during the year as our Chief Supply Chain Officer. Highlights to date include:

- Increasing our raw A1 protein free milk supply with our farming community
- Completing the insourcing of all a2 Milk® Whole and Skim milk powder products
- Commencing manufacturing of Stage 4 English label IMF product at MVM with a new supply partner
- Undertaking production trials for a new English label IMF product with MVM and another new supply partner

Accelerating MVM's path to profitability by FY26 or earlier is a key strategic priority for the Company.

As David Hearn noted, we are also exploring M&A, joint venture and alliance opportunities to gain additional China label registrations and to accelerate the development of our supply chain.

Moving to slide 25.

Slide 25: Meaningful progress towards achieving sustainability goals

Lastly, I want to highlight the continued progress we're making towards a2MC becoming a more sustainable business. We are determined to pioneer the future of Dairy for good and our efforts in sustainability support our purpose.

We have continued to invest to reduce greenhouse gas emissions within our supply chain. Importantly, we are nearing completion of the installation of a high-pressure electrode boiler in Southland and completing the full electrification of the MVM site powered by renewable sources such as hydro and wind.

We have also commenced an on-farm methane inhibitor feasibility study and are scoping additional studies.

We had already set targets to be net zero for Scope 1 and 2 emissions by 2030 and for Scope 3 emissions by 2040. In FY23 we expanded on these targets across climate and nature.

We have introduced an interim on-farm Scope 3 GHG emissions reduction target of a 30% reduction by 2030 on an intensity basis. We have also introduced an initial nature target for nitrogen loss to waterways on an intensity basis.

Given our presence across New Zealand, a great deal of the work we have undertaken in sustainability supports New Zealand farmers and the dairy industry.

We thank our partners and suppliers for their collaboration across a number of projects that have been undertaken over the past 12 months including our farmer grants programme – the a2™ Farm Sustainability Fund in New Zealand which is managed by Lincoln University and a similar programme in Australia with Landcare.

We also commenced a research partnership with Lincoln University and an initial research project aimed at improving environmental impact on farm.

Finally on sustainability, we remain committed to making meaningful change in packaging. In FY23 we developed a sustainable packaging roadmap and have plans to include recycled HDPE in milk containers in Australia.

* * *

That's it from me. I hope my presentation has provided you with a good summary of our achievements in FY23 and I look forward to answering any questions you may have after the formal business section of the Annual Meeting or after the meeting closes if you prefer.

Thank you very much for your time, and I'll now hand back to our Chair.