

## Market and Trading Update

Australian Dairy Nutritionals Limited (**AHF** or the **Group**) is pleased to provide the following market and trading update.

### **Board renewal process.**

The Group wishes to provide an update on the current Board renewal process. Following the recent appointment of CEO Peter Skene as Interim Executive Chairman, the Board has taken steps to increase independence on the Board, which include plans to recruit new independent directors.

The search process continues to be progressed and the Company is engaging with potential candidates to recruit new directors with relevant industry experience including the appointment of a Non-Executive Chairman with a focus on executing the strategy to a next stage of growth and development.

### **Trading update – Vietnam (Products approved for market and initial orders dispatched).**

Immediately following completion of the extensive approval process for the Ocean Road formulas to be sold in Vietnam, the Group received and has dispatch 4 orders over the last 2 months and is making encouraging progress on initial Vietnamese sales through an experienced infant formula distributor. The distributor has provided excellent feedback on the products and prospects. The fifth full order is due to be shipped to Vietnam in June 2024.

### **Strategic objectives.**

As previously announced, the Group conducted a strategic review in 2023 which culminated in a clearly defined strategy focussing on four strategic pillars:

1. **Stabilise:** stabilise operations and ensure the Group is adequately capitalised to pursue its revised strategy;
2. **Grow Sales:** grow domestic and international distribution of the Ocean Road Dairies infant formula range;
3. **Increase Utilisation:** increase utilisation of the Depot Road manufacturing facility through contract manufacturing and complementary product extensions; and
4. **Consolidation:** proactively investigate consolidation opportunities with synergistic businesses.

The Company is continuing to seek synergistic consolidation opportunities and are currently evaluating several potential arrangements. Whilst each may be different the key elements we are looking for include: access to new customers; access to new markets; increased utilisation of the Depot Road manufacturing facility; and operational cost savings. The objective in investigating complementary arrangements is to work with parties where we can achieve more together than if

we continue to advance on our own. Overall, these strategic priorities and activities are focused on restoring and growing shareholder value.

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

**Ends**

### **Further Details**

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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 processing facility located in Southwestern Victoria, the 'Golden Triangle' of Australia's dairy industry. The Group produces the Ocean Road Dairies Organic A2 infant formula range, Australia's first Organic A2 infant formula made with farm fresh Australian milk from our organic dairy farms and manufactured at our infant formula factory in Camperdown, Victoria.*

#### **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.*