

## FY2020 FINANCIAL RESULTS UPDATE - NON-CASH GOODWILL IMPAIRMENT

As part of Australian Dairy Nutritionals Limited's (AHF or the Group) audit of its financial results for the year ended 30 June 2020 AHF provides this update regarding a non-cash impairment of the value of the goodwill associated with its acquisition of Camperdown Dairy Company (CDC) in April 2016.

AHF has concluded an intangible asset testing process required by the Australian Accounting Standards on CDC and advises that the carrying value of the goodwill on acquisition of CDC will be impaired by \$4.26 million to \$2.35 million.

The Board has taken a conservative approach to the underlying calculations including the discount rate and has taken into account the uncertain conditions impacting the Australian economy as a result of COVID-19. The writedown has no impact on the cash position of the business or its future operations and the directors believe there is significant value in the Camperdown plant operations and portfolio of brand names not recorded on the balance sheet.

The Board remains optimistic about the prospects of CDC including positive changes to the range of The Collective yoghurts in Woolworths stores from October 2020, introduction of the Group's new Ecklin South yoghurt in Coles stores nationally and growth in its home delivery distribution channel. Furthermore, the Board is also expecting a positive financial impact of the Group's new nutritionals and infant formula plant expected to be operational in FY22 and beyond.

The Group will lodge its Appendix 4E and Annual Report on Monday 31 August 2020.

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

**Ends**

### Further Details

For additional company information or media enquiries, please contact:

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### Communications Policy

AHF makes ASX market releases at times directors believe it would be helpful or necessary for investors and as required by the Listing Rules. For further information regarding our shareholder communications policy, please refer to AHF's website: [www.adfl.com.au](http://www.adfl.com.au).

### About Australian Dairy Nutritionals Group

**Australian Dairy Nutritionals Group (AHF)** (previously named Australian Dairy Farms Group) is a vertically integrated Australian dairy group which owns high quality dairy farms and a processing facility (Camperdown Dairy Company) located in South Western Victoria, the 'Golden Triangle' of Australia's dairy industry. The Group is a trusted source of premium quality branded dairy products using milk sourced fresh from its 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.*