

AHF executes contract of sale for Drumborg Farm

Australian Dairy Nutritionals Group (**AHF or Group**) advises that it has today, entered into a contract of sale for the Drumborg farm located at 20 Sinclair Road, Drumborg, Victoria. The sale includes the land and dairy for \$6 million plus livestock and associated equipment (subject to valuation prior to settlement). The purchaser is required to pay a 10% deposit, \$60,000 payable on execution of the sale contract and the balance (\$540,000) when the contract becomes unconditional.

The sale contract is conditional on the purchaser obtaining finance to fund the purchase, which must be obtained within 28 days from the date of execution of the sale contract. Provided the purchaser successfully obtains funding for the purchase, settlement of the sale is due to occur on 29 January 2021. The Board is pleased with the sale price for the Drumborg farm and believe it reflects the strong demand for quality dairy farms in South West Victoria.

The Board decided to sell the Drumborg farm as the milk produced by this farm is surplus to the Group's production requirements (both now and following commissioning of the Stage 1 infant formula plant) and, unlike the other Group farms, is located a significant distance (approximately 2 hours) from the Group's manufacturing operations in Camperdown, Victoria.

The sale proceeds will be used to strengthen the balance sheet by repaying part of the Group's debt facility. The A2 beta casein only producing livestock (**A2 cows**) currently on the Drumborg farm are not included in the sale and will be relocated to the Group's remaining farms close to Camperdown. When these farms achieve organic certification, the A2 cows will also be producing organic A2 milk.

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.

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.