

## Market Update

### Fresh Processing Update –The Collective

The Board of Australian Dairy Nutritionals Group (**AHF**) believes that with the completion of its infant formula plant imminent and launch of its new infant formula ranges, it is critical that the business operations are strongly aligned with the strategic priorities of the Group moving forward.

The Board wishes to advise that following a review of the Group's wholly owned subsidiary Camperdown Dairy Company Pty Ltd (**CDC**), CDC has provided notice to terminate its license agreement to manufacture and sell The Collective yoghurt products in Australia. The parties have considered ongoing options and are currently working together to agree an appropriate wind down and transition plan however, at this stage, CDC estimates manufacture of The Collective products will cease in Q1CY2022.

Sales performance of The Collective products has been impacted by ongoing Covid-19 restrictions in New South Wales and Victoria, particularly for the 100g probiotic pouch products targeted at school children.

### Commissioning of Infant Formula Plant

Commissioning of the Group's infant formula plant is progressing well despite the ongoing COVID-19 restrictions in Victoria. The restrictions have added significant complexity to the management of this project, particularly site access by contractors and coordinating the sequence of works.

The Board is pleased that the commissioning and trial process has only been delayed by approximately 4-6 weeks because of the ongoing restrictions, with the plant expected to be operational for milk powders and infant formula in Q1CY22. The Group is also finalising the specification and artwork for its Organic A2 infant formula range in readiness for production when the infant formula plant is complete.

The Board is otherwise pleased with the progress of the project – all services have not been installed and remaining fit out works completed. Power cabling has also been distributed and connected throughout the plant and PLC programs have been reviewed and re-written in preparation for initial trial runs.



Figure 1: Completed and polished equipment and pipework



Figure 2: Completed and polished equipment and pipework

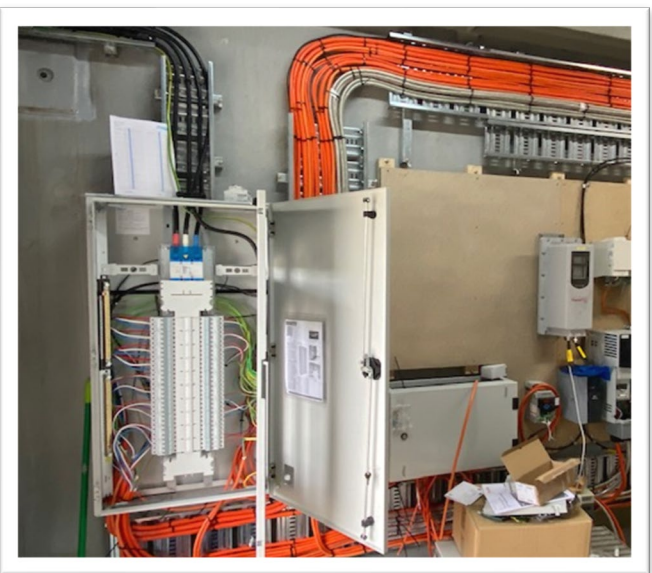


Figure 3: One of many connected power distributor boards

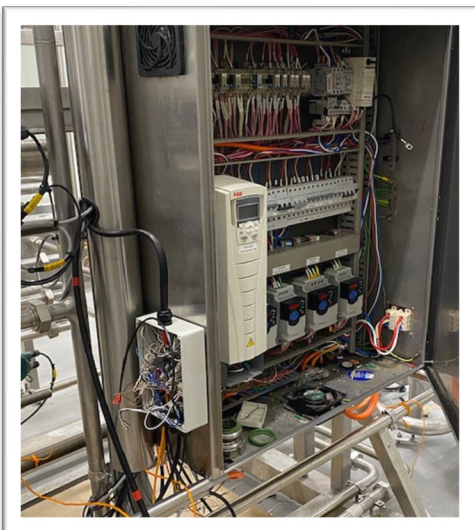


Figure 4: One of many PLC cabinets for equipment controls

## Success at the National Product Awards

The Board of AHF is also pleased to advise that Camperdown Dairy has received several gold and silver medals and trophies in the National Product Awards.

CDC won the Chr Hansen Award for the highest scoring yoghurt product for The Collective's Mango and Turmeric Kefir yoghurt as well as the Roha Award for the highest scoring product containing natural flavourings. Each of the other products in the 700ml Kefir range also achieved gold status in this category.

For fresh milk, CDC placed second for the best milk in Australia for its Organic Full Cream milk while it's Low-Fat Milk placed second in the modified milk category.

The Board congratulates the team at CDC for their hard work and dedication, particularly during a challenging year for food manufacturers. The awards are a testament to the passion and dedication of all the team at CDC.

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)** (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.*