



Australian Dairy Nutritionals is a vertically integrated producer of premium dairy products, located on prime dairy farming land alongside the Great Ocean Road in Victoria.

#### **OUR MISSION STATEMENT**

We create premium, innovative dairy products that embody the best of Australian agriculture, support regional manufacturing and contribute to the health and wellbeing of our customers.

Taste our Passion



#### **OUR VALUES**



WE ARE INNOVATIVE AND CREATE BRANDS AND DAIRY PRODUCTS THAT CONSUMERS NEED AND LOVE



WE CHAMPION
AUSTRALIAN
AGRICULTURE AND
MANUFACTURING



WE CELEBRATE
OUR CLEAN, GREEN
REPUTATION AND FOCUS
ON SUSTAINABILITY
AND ENVIRONMENTAL
PROTECTION FOR THE
NEXT GENERATION



WE STRIVE TO GROW OUR BUSINESS SAFELY AND PROFITABLY

#### AHF'S VERTICAL INTEGRATION JOURNEY - 2018 to 2022

Vertical integration strategy has required significant up front investment PRIOR to product sales



2022 future Gradulac Gentle launches in Chemist Warehouse



2022 Launch of Ocean Road Dairies in Chemist Warehouse



2020

Construction starts on infant formula building



2021 **Brucknell South Farm** achieves organic conversion



Commercial Production at Infant Formula Plant



2022



2018

Start 3 year organic farm conversion process



2019

Infant formula

plant relocated

2019 Yaringa Farm achieves organic

conversion





Commissioning of

infant formula

plant starts

2021

2021

Establish Ocean Road

**Dairy** joint venture

with Wellnex

AHF is now in a strong position to leverage this significant investment to grow securityholder value



2019 Purchase infant formula plant from overseas

AUSTRALIAN DAIRY NUTRITIONALS GROUP INVESTOR PRESENTATION PAGE 4

#### BENEFITS OF VERTICAL INTEGRATION STRATEGY

Vertical integration strategy has required significant up front investment PRIOR to product sales BUT it has many benefits including:

- Lower up front capital investment versus investment a larger plant
- Lower minimum production volumes
- Lower investment in inventory when launching a new brand to the market
- Quality control from our farms to the factory
- Significantly shorter supply chain for major ingredients (milk and milk powders)
- Highly flexible manufacturing schedule that can adapt to macroeconomic conditions and demand changes

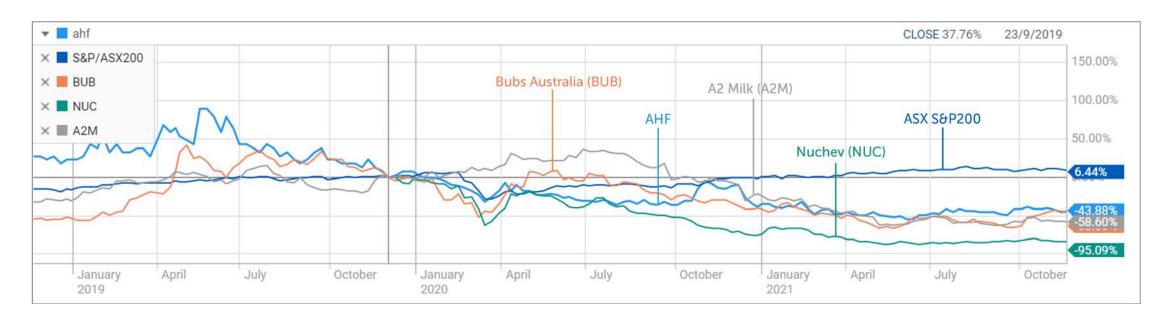
AHF is now in a strong position to leverage this significant investment to grow securityholder value

# VERTICAL INTEGRATION STRATEGY DELIVERED NOTWITHSTANDING SIGNIFICANT CHALLENGES

- We have delivered our vertical integration strategy during a period of significant challenges
- COVID-19 lockdowns and movement restrictions caused changes in consumer demand and preferences
- Border closures and labour issues
- Supply chain disruptions and delays
- Significant structural changes to the infant formula market both domestically and internationally

#### IMPACT OF COVID ON OTHER INFANT FORMULA BRAND OWNERS

- The last 2 years have been very difficult for listed infant formula companies
- AHF has delivered its strategy notwithstanding these challenges and is now very well positioned to leverage our investment as conditions normalise
- AHF has faired comparatively well compared to other ASX listed formula peers



#### **OUR BUSINESS – 2018 TO 2022**



#### **FY22 KEY ACHIEVEMENTS**

- ✓ Installation and commissioning of our infant formula plant completed
- ✓ Right sized our farm portfolio to ensure raw milk production is aligned to our manufacturing requirements
- ✓ Closed non-core operations to focus on infant formula & nutritionals
- Established the Ocean Dairy Joint Venture with Wellnex Ltd
- ✓ Secured ranging of both Ocean Road Dairies and Future Gradulac Gentle formula in Chemist Warehouse
- ✓ Launched Future formula in Chemist Warehouse nationally and the Chinese cross border e-commerce channel
- ✓ Launched Future Gradulac Gentle infant formula range in Chinese Cross Border E-Commerce (CBEC) Channel

#### **FY22 FINANCIAL RESULTS KEY HIGHLIGHTS**

Revalued Farm Portfolio

UP 59%

To \$20,491,617 at balance date

Assets

UP \$5.96m

Net

To \$39,948,487 on FY21

Net tangible asset backing per security

increased to 7.2 cents

per security (FY21: 6.7 cents)

Repaid

\$12m

**CBA** Finance facility in full

Consolidated EBITDA Loss of

\$3,020,918

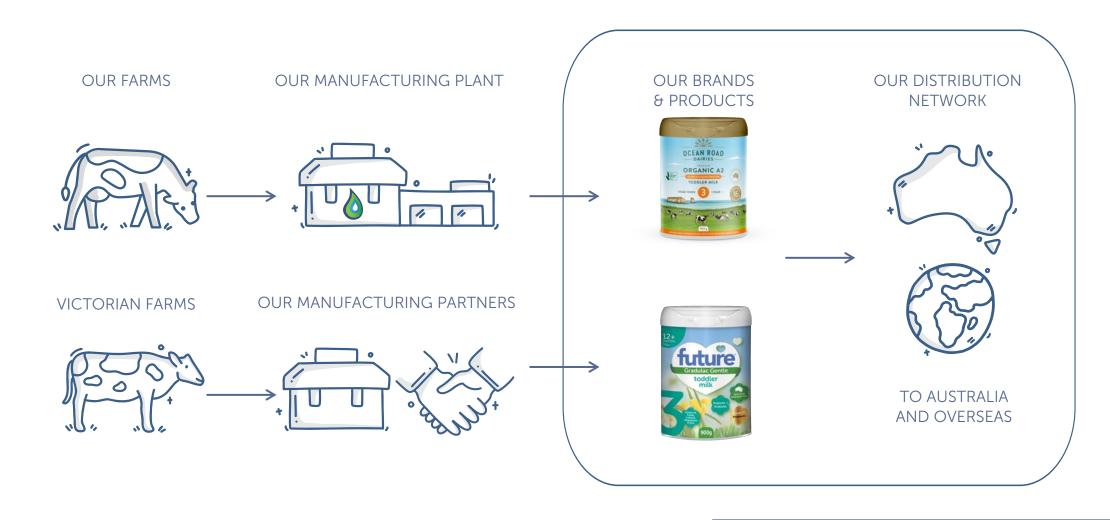
Was disappointing but an improvement on FY21 (\$5,342,519 loss)







#### **OUR BUSINESS – FY23 and BEYOND**



# OUR BRANDS, PRODUCTS & MARKETING















#### UNIQUE AUSTRALIAN ORGANIC A2 PRODUCT

Ocean Road Dairies, the way nature intended it to be.

Ocean Road Dairies Australian Organic A2 infant formula range is a unique synergy of nature's goodness, kind to both the planet and on little tummies.

What makes our 'farm to formula' range extra special is the highly nutritious combination of Australian organic cow's milk + A2 protein. Naturally, it takes a special kind of cow to produce our smooth nutritious premium milk, that's why our herds happily graze on chemical free organic pastures and only carry the unique A2 beta-casein protein type.

The power of 2, simply the way nature intended it to be.



#### Certified Organic Cow's Milk

Our organic methods of farming use only natural animal and plant products to help the plants and animals grow healthy, without the use of chemicals. We are certified by industry body NASAA.









#### A2 Beta-Casein Protein

There are two main types of protein found in cow's milk, casein and whey. The beta-casein protein can be present in two forms. A1 is the most common protein found in today's cow's milk. Historically however, cows naturally produced only the A2 beta-casein protein, the way nature intended.

#### UNIQUE AUSTRALIAN ORGANIC A2 PRODUCT





**AUSTRALIAN CERTIFIED** ORGANIC A2 COW'S MILK

**ADVANCED PREBIOTICS AND PROBIOTICS** 

**CONTAINS AHA + DHA** 



HYGIENICALLY SEALED SPOON **COMPARTMENT IN LID** 

**CONTAINS ESSENTIAL** VITAMINS A, B12, C, D, E AND MINERALS IRON & IODINE

PALM OIL FREE, DOES NOT CONTAIN SOY



#### **CONSUMER MARKETING PLAN**

#### **Digital Marketing**

Organic Social, Website SEO, Content Blogs, Social Media Marketing, Video, Influencer Campaign

#### **Advertising**

Social Media, Pay Per Click, Google Search & Display, Pharmacy & Retail Support

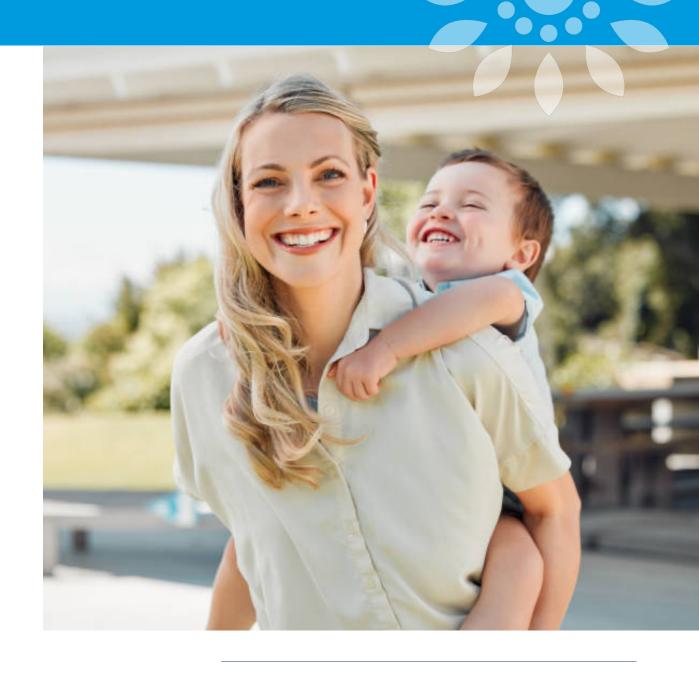
#### **Events, Education & Awareness**

Healthcare, Education, Trade Exhibitions

#### **Public Relation Campaigns**

#### **CBEC International Marketing**

Daigou campaigns, KOL/KOC influencers, digital marketing advertising & content





Gentle, like everything for them



#### UNIQUE INNOVATIVE INFANT FORMULA

# Gradually introducing lactose to little digestive systems

Australian made in Victoria, from fresh Australian milk.

Unique, 'Gradulac Gentle' formulation with less lactose, gradually introducing lactose to little digestive systems over the 3 stages.

Advanced, nourishing prebiotics and probiotics for gut health.

Probiotic: Lactobacillus Fermentum (LC40) Prebiotic: Stages 1 & 2 2'-FL / Stage 3 GOS

+ (ARA) Arachidonic Acid, (DHA) Docosahexaenoic

Contains over 13 essential vitamins and 12 minerals including B12, calcium, magnesium & zinc.

Hygienically sealed separate spoon compartment in lid, protection against contamination









Crafted from Australian milk, future® is a premium quality innovative infant formula, kind to little digestive systems.

Because they deserve everything to be gentle.



Premium nourishing prebiotics & probiotics + vitamins & minerals

#### **CONSUMER MARKETING PLAN**

#### **DIGITAL**

**SOCIALS** 



YOU TUBE CHANNEL FOR WEBINAR & VIDEO HOUSING



DIGITIAL CONTENT MARKETING (VIDEO / EDM / BLOGS)



HEALTHCARE ADVOCACY / INFLUENCER MARKETING



PAID PER CLICK (PPC) ADVERTISING & SEARCH ENGINE OPTIMIZATION (SEO) & ORGANIC SEARCH





WEBSITE – future®
COMMUNITY ENGAGEMENT & INFORMATION



#### **CONSUMER MARKETING PLAN**

#### **TRADITIONAL**

**PUBLIC RELATIONS** 





**EVENTS** 



#### **POINT OF SALE**



## DIGITAL MARKETING - SOCIAL, PAY PER CLICK (PPC) & SEO











future

Parents Info Centre

Subscriptions

Free Shipping Over \$50.

Great Recipes, Guides & More.



Ad - www.stureformula.com.au/infant\_formula - future@ Baby Formula | Gentle on Little Tummies Australian Made > 0 www.stureformer. Australian Made > 0 www.stureformer. futurell Gradulae Centle in Made From Australian Term Fresh Millio. Order of order order order of Lactore Formulae - furn Fresh Victiona Milki Australian Made > 0 www.stureformer.

Buy Formula Online

Free Shipping Over \$50.

Australian Gradual Lactose Formula.

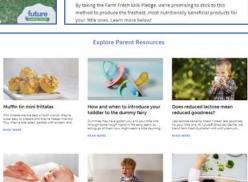
About future®



Everything you need to know



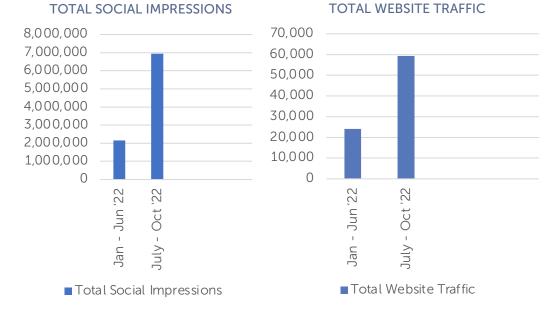
future



Tips & tricks for surviving the

terrible twos





A guide to feeding your 6-12-

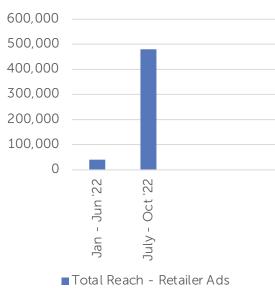
textures, & finger foods

#### DEDICATED RETAILER ADVERTISING SUPPORT

We support our retailers to sell through our product by creating dedicated social media posts which are directed to our retailer's online stores.

Additional participation in retailer programmes is present via catalogue advertising, online and instore opportunities.

#### TOTAL REACH - RETAILER ADS







Sponsored &









#### **SOCIAL MEDIA - Wechat**







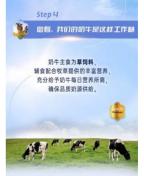












#### **SOCIAL MEDIA - LITTLE RED BOOK**













## ENDORSEMENTS – KEY OPINION LEADER (KOL) & KOC EXAMPLES

# KOLs & KOCs post every month on Little Red Book and other channels









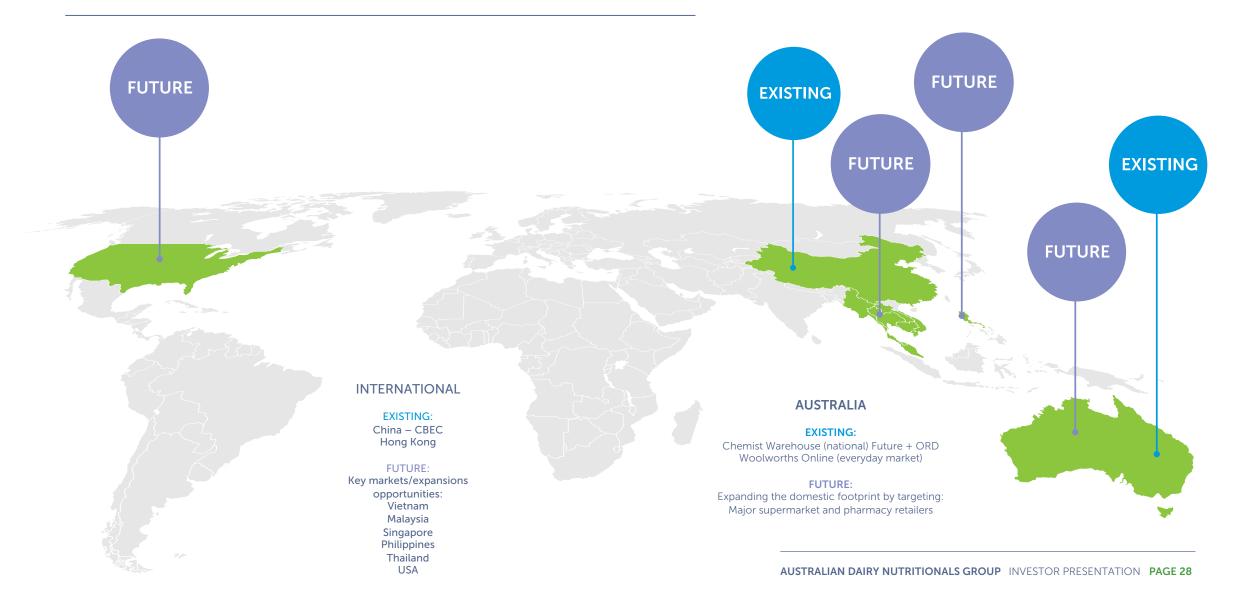






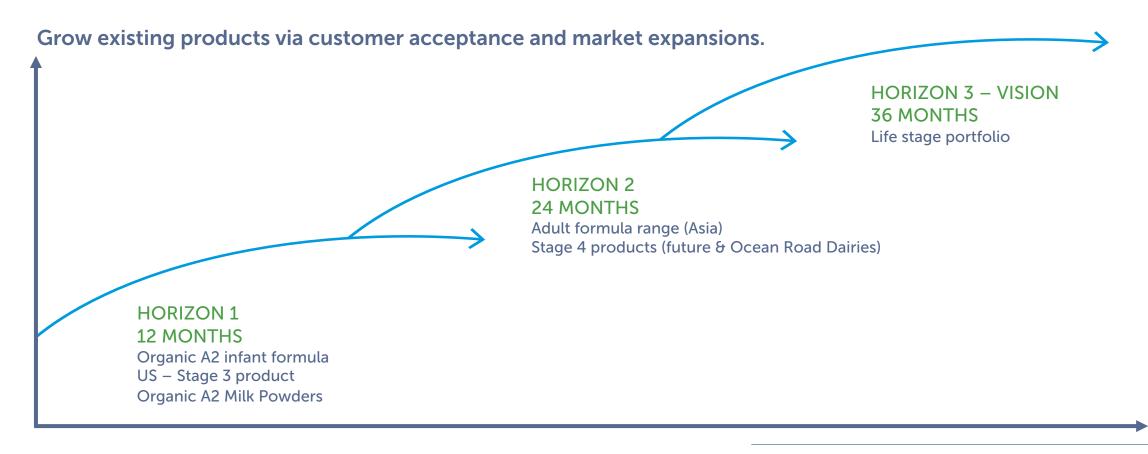


## **GROWING OUR DISTRIBUTION FOOTPRINT**



#### PRODUCT PIPELINE

We are focused on sustainable growth for our new brands.
We are also bringing "relevant and innovative" products to the market.





## **OUR DAIRY FARMS**





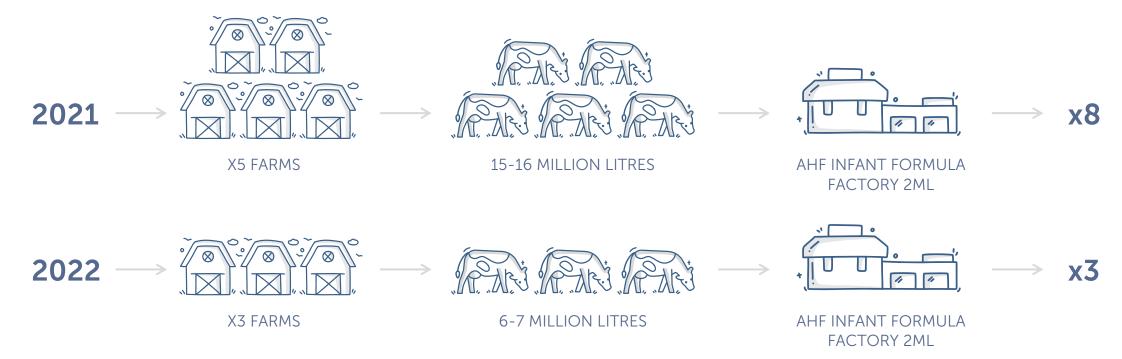




NAME	OWNERSHIP STATUS	SIZE (ha)	HERD (estimate)	AVERAGE ANNUAL PRODUCTION (L)**	ORGANIC CERTIFIED
Yaringa	Owned	333	400	2.5 mllion	September 2019
Brucknell South	Owned	275	430	2.5 mllion	October 2021
Brucknell North	Leased	259	430	1.5 mllion	October 2022

<sup>\*\*</sup>Actual organic milk volumes could vary by up-to 25% depending on seasonal conditions, stocking and feed rates

#### ALIGNING MILK PRODUCTION TO MANUFACTURING CAPACITY



Right sizing our farm portfolio has allowed us to pay back our \$12M finance facility and invest in our vertical integration strategy

Órganic A2 protein milk from AHF's farms supply more raw milk than is required at its infant formula plant even at maximum capacity

AHF has numerous options to increase organic A2 milk supply when needed

#### **ENVIRONMENTAL FOCUSED BUSINESS**

We are committed to ethical, responsible and sustainable practices.

We care where your food comes from and will always act with integrity to produce dairy products as pure as they can be.



## A BETTER ENVIRONMENT

We believe the health of the environment is intrinsically linked to human health

Our chemical free sustainable farming practices works with nature

– not against it



# BETTER FEED & HAPPIER COWS

Using a chemical free approach
Soil is nurtured to be nutrient rich

Results in nutrient rich pastures and high quality crops



# BETTER FOR THE FARMERS

As we transform our farming practices, we improve our food

Farmer's efforts are rewarded by being paid for quality and sustainability – rather than just quantity



# BETTER FOR THE RETAILERS

Higher returns

Strong sustainability credentials and consumer support



# BETTER FOR THE CONSUMERS

A socially conscious purchase

Better taste and nutrition

Healthy foods

Healthier people

Responsible environmental practices creating shared value

ADOPTING REGENERATIVE FARMING, WORKING TOWARDS CARBON NEUTRAL

