Australian Dairy Nutritionals

2023 Annual General Meeting

Thursday 23 November 2023

Agenda

Welcome & Chairman's Address

CEO Presentation

Consideration of Items of Business per Notice of Meeting

- Item 1: 2023 Annual Report
- Resolution 1: Adoption of the Remuneration Report
- Resolution 2: Conditional Spill Meeting
- Resolution 3: Re-election of Director – Scott Lai
- Resolution 4: Re-election of Director – Jason Dong
- Resolution 5: Ratification of First Placement
- Resolution 6: Ratification of Second Placement
- Resolution 7: Approval of 10% Placement Facility

Questions

Close

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Chairman’s Address

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CEO’s Address

FY23 A YEAR OF MIXED FORTUNES

- Commercial production at Depot Road Manufacturing Facility in September 23
- Ocean Road Dairies range launched in Chemist Warehouse stores nationally in October 23
- Export certification of Depot Road factory in February 2023
- Distribution Agreements signed for Vietnam and Canada, product registration in progress
- JD.co.hk store launched in China
- Capital – 2 placements to sophisticated investors and SPP

AUSTRALIA'S FIRST PREMIUM ORGANIC A2 FORMULA
MADE WITH AUSTRALIAN MILK

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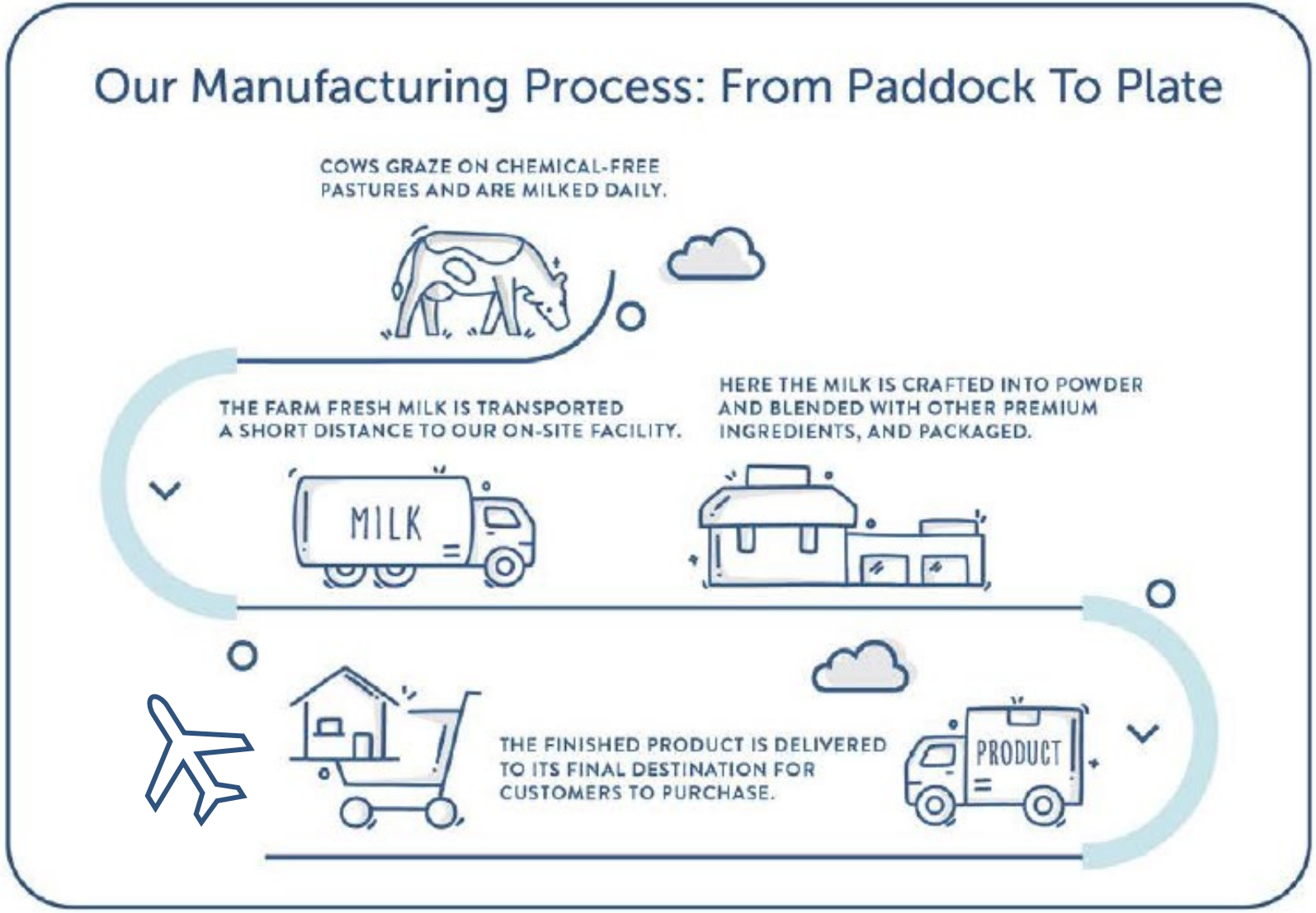
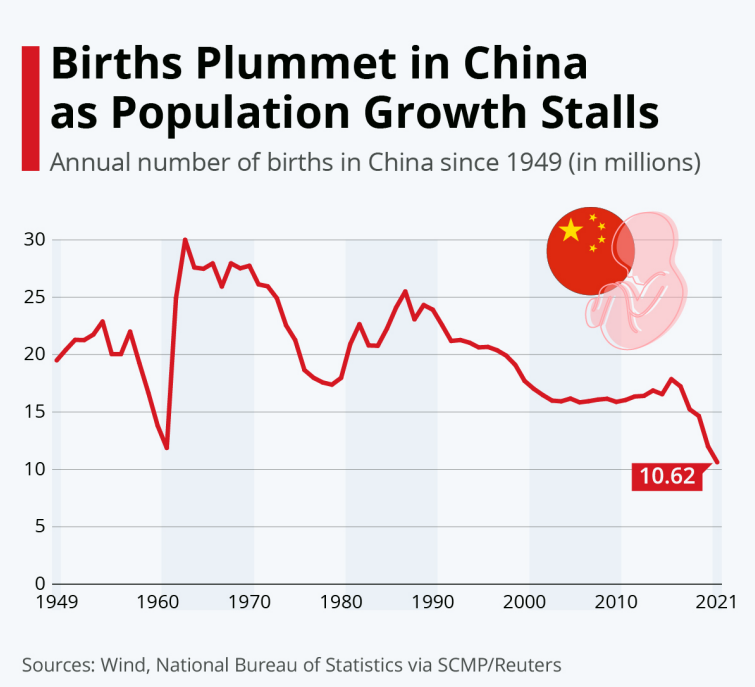
OCEAN ROAD
DAIRIES
PREMIUM AUSTRALIAN ORGANIC A2 INFANT FORMULA
SIMPLY THE WAY NATURE INTENDED IT TO BE.

PADDOCK TO PLATE UNIQUE PROPOSITION



FY23 A YEAR OF MIXED FORTUNES

- Domestic sales revenue slower to build than anticipated
  - Challenging retail conditions amid cost of living pressures
  - Loss of daigou channel fundamentally changed the infant formula category for large domestic supermarkets and retail pharmacy retail
- China market challenges
  - Cost of living pressures and low birth rate
  - Locally produced Chinese formula sales rising
- International infant formula registration makes it very difficult to predict timing of international market access
- Future Gradulac Gentle unique formulation difficult for consumers to understand



FY23 PERFORMANCE SNAPSHOT

Vertical Integration

Completed October 2022

- Ocean Road Dairies infant formula ranged nationally in Chemist Warehouse
- First organic A2 protein formula using Australian fresh milk
- Export certification of Depot Road manufacturing facility

Total Net Assets

$33.5 million (FY22: 39.9M)

- Net tangible assets of 5.2 cents per share
- Dairy farm portfolio valued at $15M
- Depot Road facility valued at $5.2M

Consolidated Result

Loss of $8.2M (FY22: $5.2M loss)

- Loss from discontinued operations of $2.3M
- Loss from continued operations of $6.9M
- $1M gain on sale of Bucknell North farm
- Lack of material infant formula sales

Fresh Dairy Closure

Proceeds of $1.05M

- Closure of fresh dairy processing in Sept 22
- Discontinuing operations loss of $2.3M
- Sale of residual assets and transfer of Manifold Street lease net $1.05M proceeds before costs (completed July 23)

REVISED STRATEGY: FY24 AND BEYOND

Stabilise Cash Position

- Debt facility to be finalised imminently
- Brucknell South farm listed for sale
- Operational cost savings including insurance, wages and compliance

Grow Sales

- Domestic sales of Ocean Road Dairies in Chemist Warehouse
- Market entry in Vietnam and Canada (subject to registration)

Increase Utilisation

- Contract manufacturing and B2B arrangements for Depot Road manufacturing facility
- Complementary product extensions

Consolidation

- Proactively investigate synergistic consolidation opportunities
- Spread corporate and administration costs(~$2.2M) over larger base

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Business of Meeting

Items of Business per Notice of Meeting

- Item 1: 2023 Annual Report
- Resolution 1: Adoption of the Remuneration Report
- Resolution 2: Conditional Spill Meeting
- Resolution 3: Re-election of Director – Scott Lai
- Resolution 4: Re-election of Director – Jason Dong
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- Resolution 6: Ratification of Second Placement
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Resolution 1 – Adoption of the Remuneration Report

"That for the purposes of section 250R(2) of the Corporations Act 2001 (Cth), the Remuneration Report set out in the Directors' Report for the financial year ending 30 June 2023 be adopted."

For:	140,273,545
Against:	94,401,383
Open Useable:	5,531,971
Abstain:	368,203

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Resolution 2 – Conditional Spill Meeting

*"Subject to, and conditional on 25% or more of the votes validly cast on Resolution 1 (**Remuneration Report**) for the year ended 30 June 2023 being cast against that Resolution, to hold an extraordinary general meeting of the Company (**Spill Meeting**) within 90 days, at which:*

a) all the Non-executive Directors in office when the resolution to approve the Directors Report for the financial year ended 30 June 2023 was passed and who remain in the office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and

b) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting are put to the vote at the Spill Meeting".

For:	88,858,646
Against:	145,214,307
Open Useable:	5,319,484
Abstain:	1,182,665

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Resolution 3 – Re-election of Director – Scott Lai

"That Scott Lai who, having been appointed by the Board on 7 August 2023, retires in accordance with Article 49(d) of the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director, be elected as a Director."

For:	160,937,073
Against:	84,104,371
Open Useable:	5,472,026
Abstain:	635,583

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Resolution 4 – Re-election of Director – Jason Dong

"That Jason Dong, who retires in accordance with Article 49(b)(i) of the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director, be elected as a Director."

For:	160,794,959
Against:	84,966,485
Open Useable:	4,752,026
Abstain:	635,583

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Resolution 5 – Ratification of First Placement

"That, for the purpose of Listing Rule 7.4, Securityholders approve, ratify and confirm the prior issue of 45,454,454 Stapled Securities pursuant to Listing Rule 7.1 on the terms set out in the Explanatory Statement which accompanies and forms part of the Notice of this Meeting."

For:	126,682,006
Against:	71,012,193
Open Useable:	5,672,026
Abstain:	2,328,283

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Resolution 6 – Ratification of Second Placement

"That, for the purpose of Listing Rule 7.4, Securityholders approve, ratify and confirm the prior issue of 32,272,727 Stapled Securities pursuant to Listing Rule 7.1 on the terms set out in the Explanatory Statement which accompanies and forms part of the Notice of this Meeting."

For:	152,436,551
Against:	71,024,193
Open Useable:	5,672,026
Abstain:	2,316,283

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Resolution 7 – Approval of 10% Placement Facility

"That, for the purposes of Listing Rule 7.1A, the issue of Equity Securities (as that term is defined in the Listing Rules), totalling up to 10% of the issued capital of the Company at the time of the issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 be approved."

For:	171,533,885
Against:	71,639,859
Open Useable:	5,634,026
Abstain:	2,341,283

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Questions

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Thank you