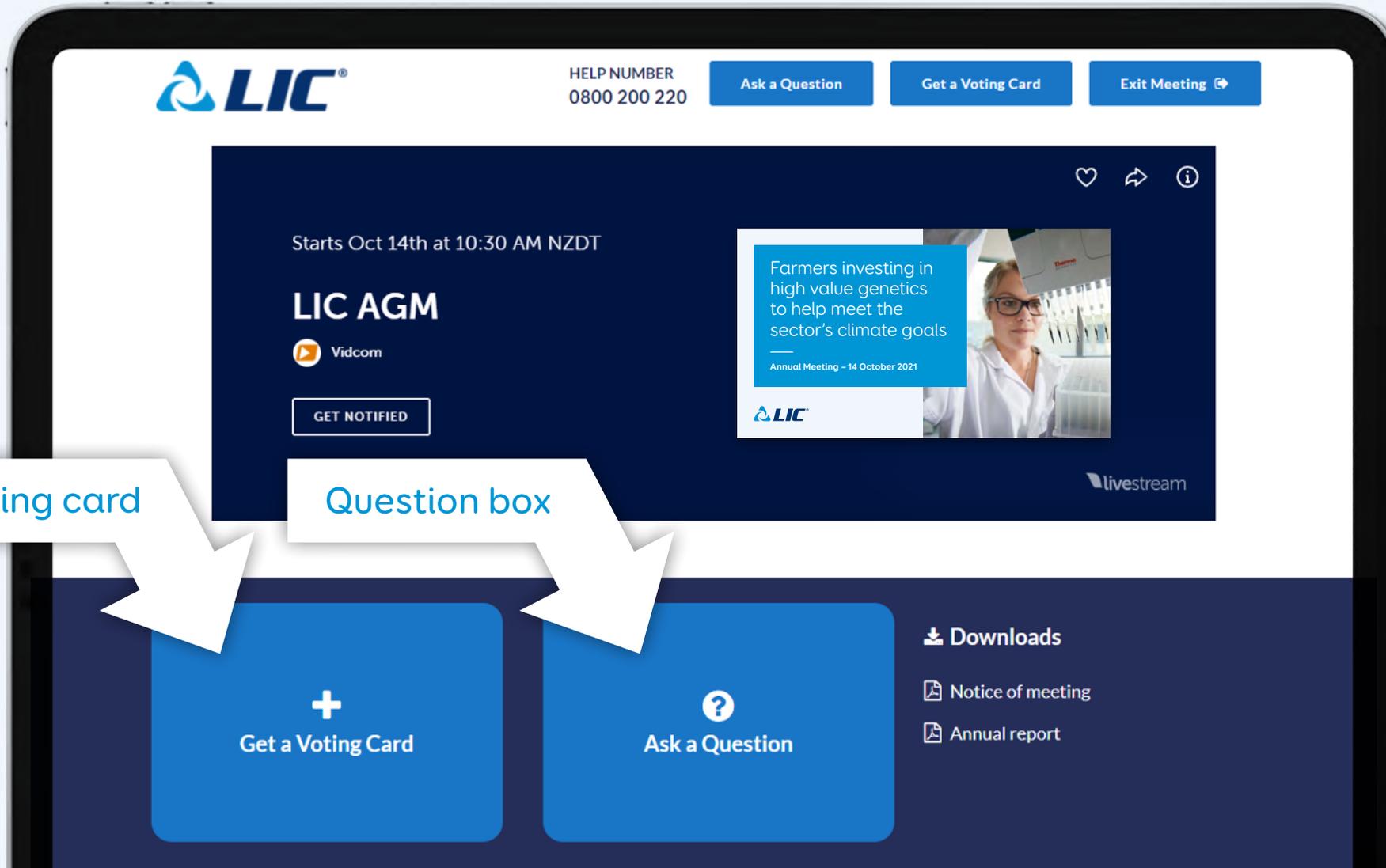


Farmers investing in high value genetics to help meet the sector's climate goals

Annual Meeting – 14 October 2021



Using the Online Platform



Welcome

Murray King – LIC Chair

Meeting Agenda

1. **Sustainability Report**
2. **Financial Overview**
3. **Business Highlights**
4. **Outlook**
5. **Strategy**
6. **Research & Development**
7. **Financial Detail**
8. **LIC Chief Executive**
9. **Honoraria Report**
10. **Voting Resolutions**
11. **General Business**

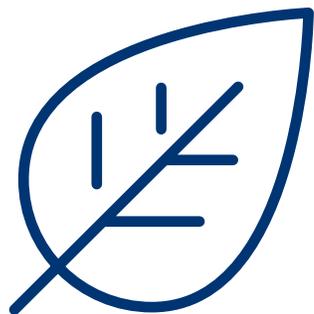
Sustainability Report

Wayne McNee – LIC Chief Executive

Purpose of the Report

To demonstrate to our shareholders our commitment to them when it comes to sustainability, in addition to meeting our annual reporting requirements as a member of the Sustainable Business Council.





ENVIRONMENT

Supporting shareholders to produce the most sustainable and efficient animals and reducing emissions at LIC.

Key highlights

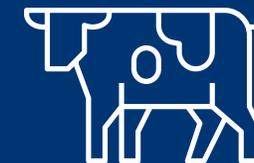
Record milk production in NZ in 2019-20, without increasing cow numbers.

An increased focus on efficiency means that cows around the country are better at converting grass into milk.

1.87%

Reduction in LIC's CO₂ Emissions

Change FY21 compared to FY20



Launched indexes to rank our artificial breeding bulls on their environmental efficiency.

We are working on a world-leading methane research programme, investigating the link between methane emissions from bulls and their genetics.



Caring for our staff
and our farmer
shareholders.

Key highlights

70

Organisational Health Index (OHI)

OHI is a McKinsey tool which measures the impact of our organisation practices and culture on performance against international benchmarks.

LIC is in the upper end of the second quartile of all tested companies by McKinsey worldwide.



3.49

Total Reportable Incident Rate

(Per 100 full time equivalent employees).
Down from 4.5 last year.



840+

Full time equivalent employees

Plus over 1,900 seasonal workers.



Results Overview & Business Highlights

Murray King – LIC Chair

Financial Overview

Presenting another strong result to our farmer shareholders for the fourth consecutive year

This result is in line with our market guidance and a credit to our shareholders for their support of significant initiatives in the last five years to transform LIC into a modern, progressive co-op. These initiatives have delivered the benefits we said they would, including focussed investment in the business and a better return for our farmers.



Financial Highlights

\$249m

Total Revenue from continuing operations (excl automation*)

↑ up 3.4% from \$240.9 million last year

\$382m

Total Assets

↑ 0.5% increase from \$379.9 million last year

\$22.9m

Net Profit After Tax (NPAT)

↑ up 31% from \$17.5 million last year

\$17.8m

12.51 c per share
Full Year Dividend

representing 80% of underlying earnings

\$22.3m

Underlying Earnings*

↓ down 1.9% from \$22.7 million last year after a one-off tax benefit

\$19-25m

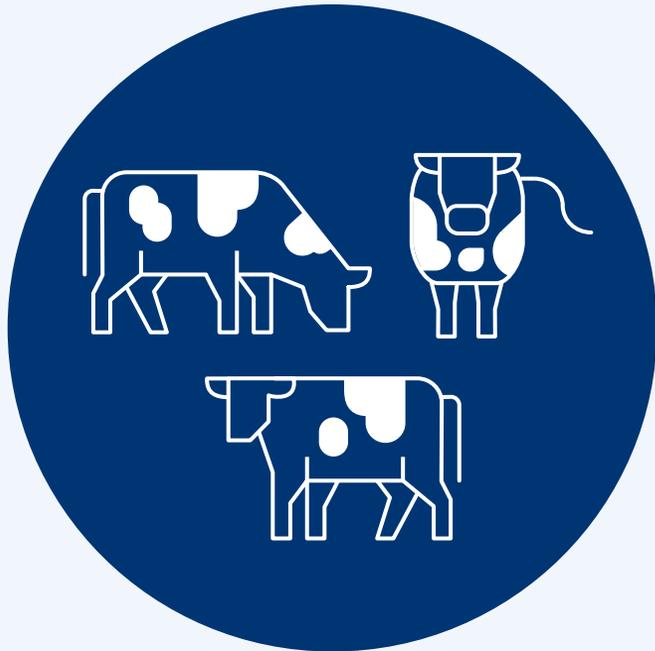
Expected Underlying Earnings*

for 2021-22

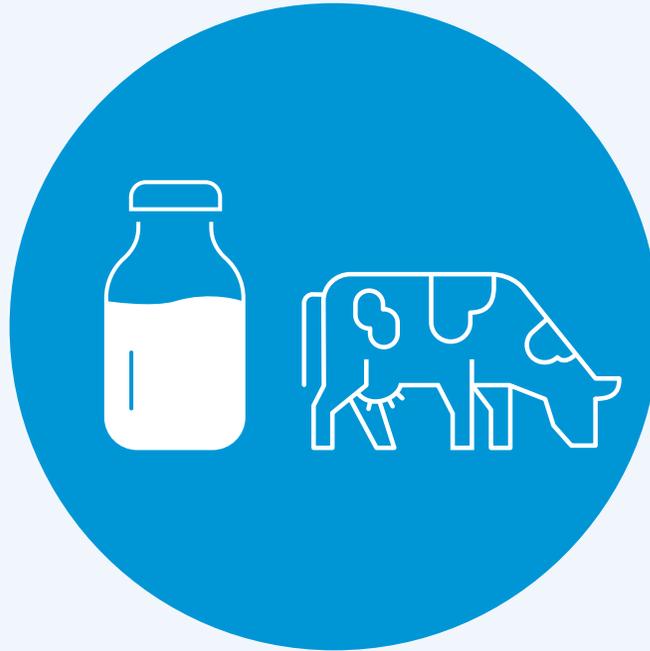
Business Highlights

LIC's premium genetics range accounted for almost half of the co-op's total artificial breeding inseminations.

Forward Pack



A2/A2 Bull Teams



Sexed Semen



Divestment of LICA

In June this year LIC announced that it had entered into an agreement to divest its automation business, LICA, to MSD animal health, for an amount of NZ\$38,100,000 and subject to a working capital adjustment.



Outlook

The co-op will be firmly guided by its primary focus of delivering value for farmer shareholders and delivering on our three commitments to farmers; operational excellence, faster genetic improvement and software reliability and performance.

LIC expects Underlying Earnings* in 2021-22 to be in the range of \$19-25 million.

Please refer to the **full market announcement** to read notes about financial information



Our three commitments to you

1

Operational Excellence

We commit to getting the basics right and delivering for you, on time, every time.

2

Faster Genetic Improvement

We commit to having your back when it comes to helping you meet the environmental challenges you face, in particular animal efficiency, and nitrogen and methane mitigation.

3

Software Reliability and Performance

We commit to being better at delivering our software to you. We renew our commitment to continuous improvement and transparency around delivery of new features.

Strategy, R&D and Financial Detail

Wayne McNee – LIC Chief Executive

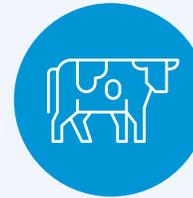
2021 Strategy

Doing what we are good at. Playing to our strengths.



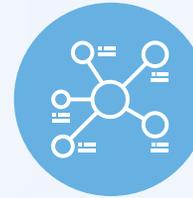
Our Farmers

Deepen our understanding of the current and future needs of all of our farmers.



Animal

Most sustainable & efficient animal. Highest value products.



Data & Digital

Modernising the animal data & digital capabilities.



Innovation

Research & development. Responsive innovation.

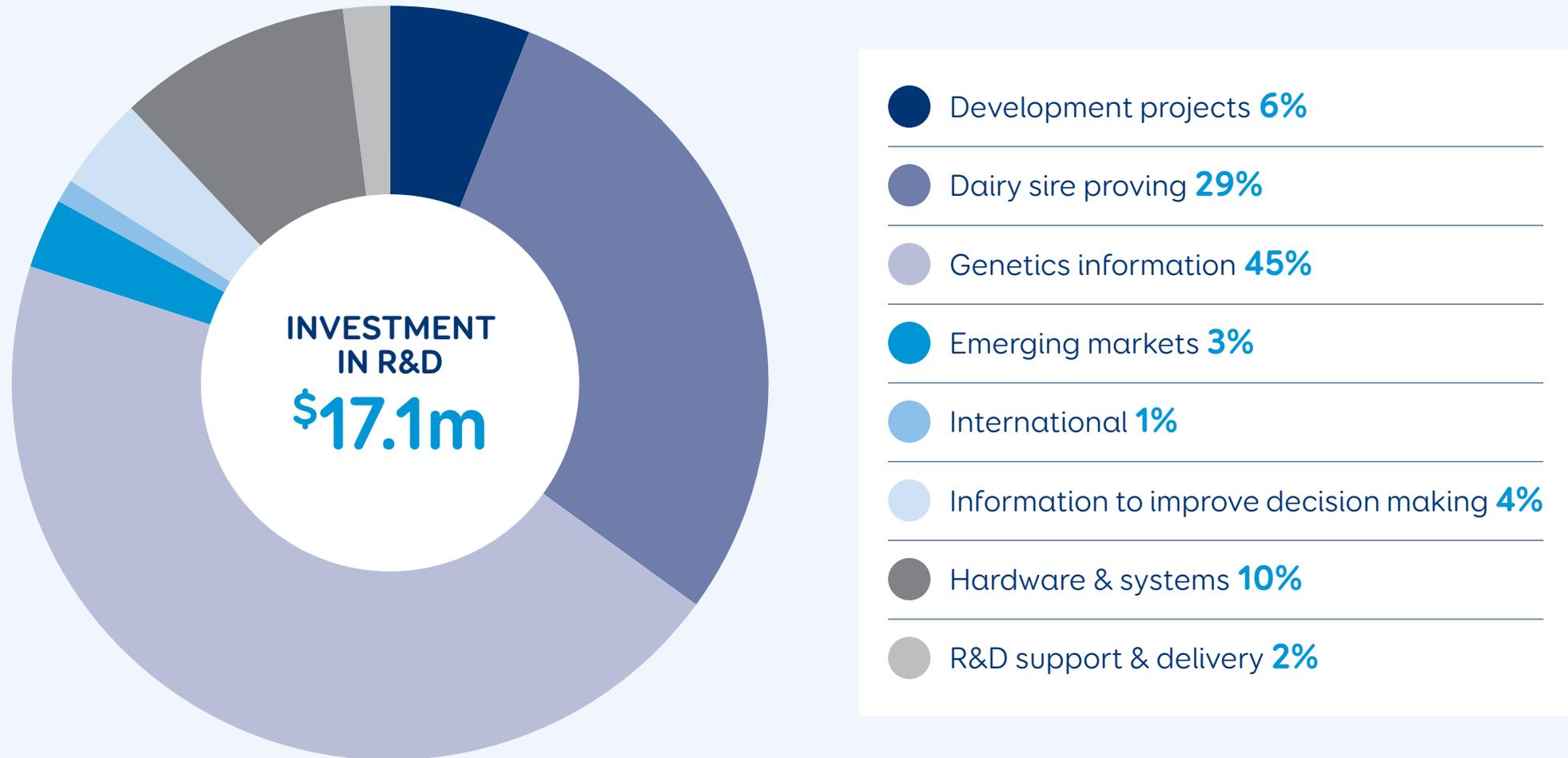
Genomics

LIC's investment of more than \$78 million over three decades into genomic science and genome sequencing technology is generating markedly increased productivity and health traits for dairy cows and better returns for dairy farmers.

Utilising genomics (DNA information) in animal evaluation is estimated to be worth \$180 million annually to the New Zealand industry.



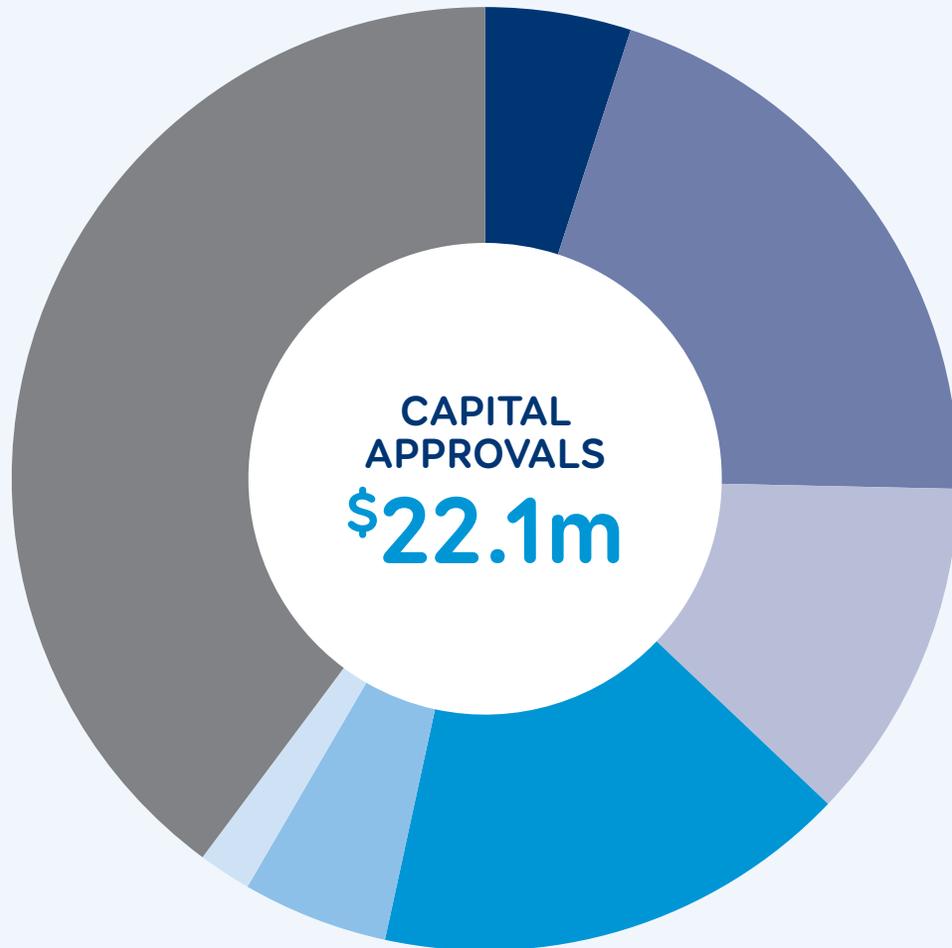
Investment in Research & Development



Methane Trial



Capital Approvals



- Computer hardware & office furniture **\$1.1m**
- MINDA Projects **\$3.6m**
- LICA Product development **\$2.6m**
- IP: Trademark & Patents, Software & Server upgrade **\$4.5m**
- Investment, Other Projects and Wash Line **\$1.1m**
- HT Pools, Analyser & Robot replacement **\$0.4m**
- Building improvement, vehicles, & other PPEs **\$8.8m**

Total Revenue



LIC Contribution to Value on farm

Genetic Merit
\$292m

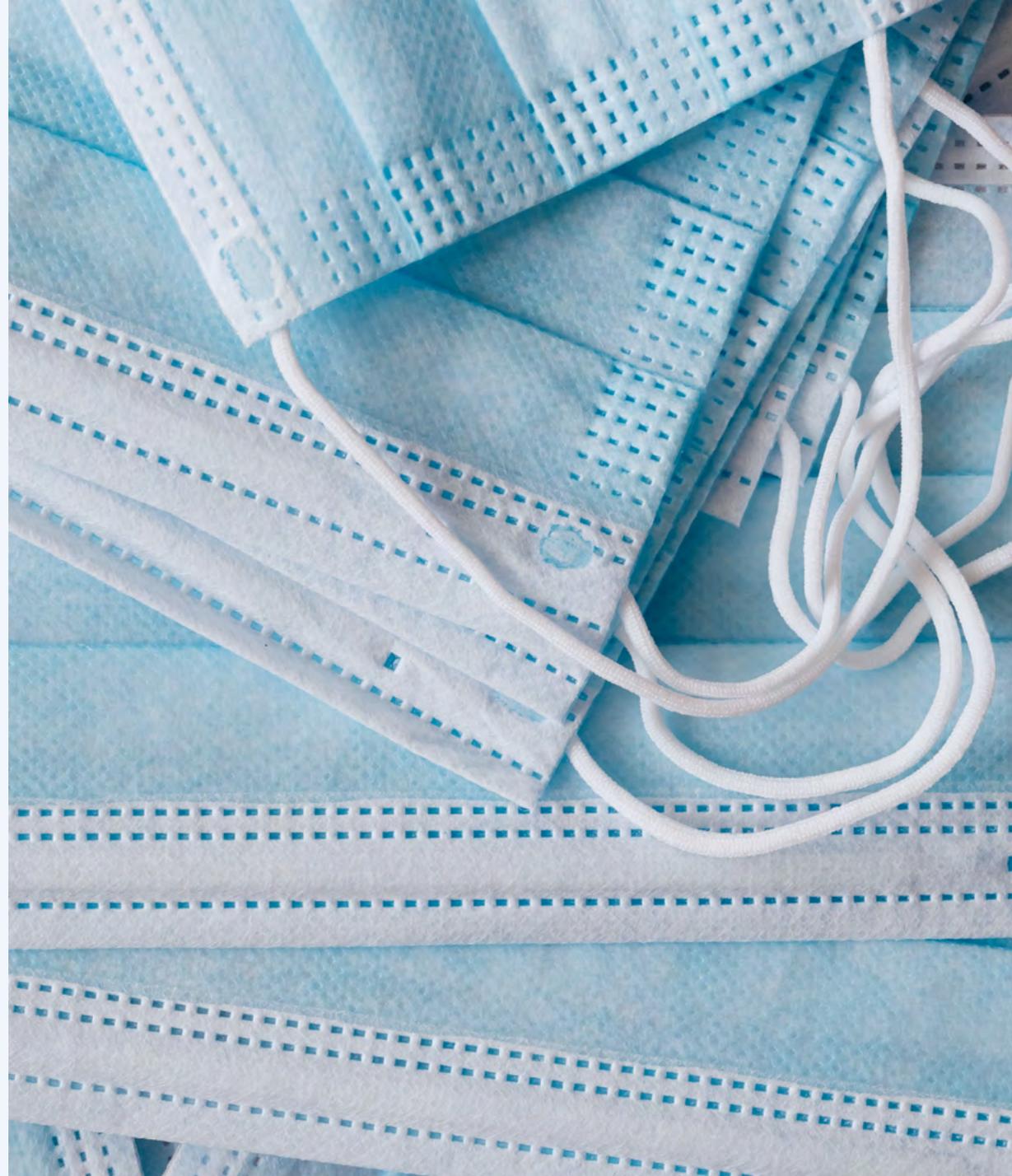
Reproductive
performance
\$35m

Health
(Johnes, BVD, Mastitis)
\$45m

Production
(Culling & SGL)
\$57m

SPACE
\$15m

Covid-19 Response





Reflections on eight years at LIC

LIC Chief Executive

- Farewell and thank you to Wayne McNee.
- Chief Executive appointment update.



Honoraria Report

Ian Brown – Honoraria Committee Chair

Meeting Resolutions

Murray King – LIC Chair

Resolution 1:

LIC Directors Remuneration

	Pre-Governance Review*	Proposed 2020 Increase**	Proposed 2021 Increase***	Proposed Remuneration post 2021 Annual Meeting***
Chair	\$123,600	\$6,400	\$2,500	\$132,500
Each of the other Directors	\$54,000	\$2,500	\$3,500	\$60,000
Maximum sum available to reimburse for additional duties & skills†	\$60,000	\$0.00	\$0.00	\$60,000
Total for LIC Board	\$669,600	\$26,400	\$30,500	\$672,500
Provision for potential 4th Appointed Director			\$60,000††	\$60,000
Total for LIC Board including additional 4th Appointed Director			\$90,500	\$732,500

* based on a Board of ten Directors, as approved by shareholders in 2019.

** based on a Board of nine Directors post governance changes.

*** based on a Board of nine Directors but with allowance for the Board to appoint a 4th Appointed Director if the Board should decide that the addition of further skills/expertise is necessary (taking the Board to ten Directors).

† maximum pool available to the Board to compensate Directors for additional attendances and/or special skills, including for roles as Committee Chairs.

†† to be paid on a pro-rata basis for appointments of less than one year.

Resolution 1:

Approval of LIC Directors Remuneration

To receive and consider the LIC Honoraria Committee's recommendation as to Director's remuneration, and if thought fit, to resolve by way of ordinary resolution to:

“Approve the total remuneration of all Directors being increased from \$669,600 to \$732,500 (with that remuneration to apply to up to 10 Directors in total, allowing for the option of an additional Appointed Director)”

Resolution 2:

LIC Shareholder Reference Group Remuneration

	Pre-Governance Review*	Proposed 2020 Increase **	Proposed 2021 Increase **	Proposed Remuneration post 2021 Annual Meeting**
Chair	\$30,000	\$2,500	\$2,500	\$35,000
Deputy Chair	\$9,000	\$1,000	\$6,000	\$16,000
Each of the other 10 SRG members	\$5,000	\$2,000	\$5,000	\$12,000
Total for Shareholder Reference Group as a whole	\$89,000**	\$23,500	\$58,500	\$171,000
Daily Allowance				
Daily Allowance	\$320	\$0	\$0	\$320

* Initial SRG remuneration was based on Shareholder Council remuneration levels as previously approved by shareholders

** based on the SRG of 12 members

Resolution 2:

Approval of LIC Shareholder Reference Group Remuneration

To receive and consider the LIC Honoraria Committee's recommendation as to Shareholder Reference Group's remuneration, and if thought fit, to resolve by way of ordinary resolution to:

“Approve the total remuneration of all Shareholder Reference Group members being increased from \$134,000 to \$171,000”

Resolution 3:

To reappoint KPMG as External Auditor

To consider, and if thought fit, to resolve by way of ordinary resolution to:

“Reappoint the chartered accountancy partnership KPMG as the Auditor until the conclusion of the Company’s next Annual Meeting, and that the Directors be authorised to fix its remuneration”

Resolution 4:

To ratify the reappointment of Candace Kinser as an Appointed Director

To consider, and if thought fit, to resolve by way of ordinary resolution to:

“Ratify the reappointment of Candace Kinser as an Appointed Director for a term expiring at the conclusion of the third Annual Meeting following this Annual Meeting (approximately three years)”

Resolution 5:

Appointment of Gordon Glentworth to the Honoraria Committee

To consider, and if thought fit, to resolve by way of ordinary resolution to:

“Approve the appointment of Gordon Glentworth to the Honoraria Committee, with effect from the conclusion of this Annual Meeting”

Resolution 6:

Re-appointment of Ian Brown to the Honoraria Committee

To consider, and if thought fit, to resolve by way of ordinary resolution to:

“Approve the re-appointment of Ian Brown to the Honoraria Committee, with effect from the conclusion of this Annual Meeting”

General Business

Helping farmers reduce their environmental footprint



Q & A



