ADAPTING FOR GROWTH

INVESTOR DAY
27 OCTOBER 2021
THE a2 MILK COMPANY LIMITED
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<thead>
<tr>
<th>Acronym</th>
<th>Meaning</th>
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<tr>
<td>a2MC</td>
<td>The a2 Milk Company Limited</td>
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<tr>
<td>ANZ</td>
<td>Australia and New Zealand</td>
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<tr>
<td>ATL</td>
<td>Above the line marketing</td>
</tr>
<tr>
<td>ASP</td>
<td>Average selling price</td>
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<tr>
<td>AUD</td>
<td>Australian Dollar</td>
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<tr>
<td>AUS</td>
<td>Australia</td>
</tr>
<tr>
<td>B2C</td>
<td>Business to consumer</td>
</tr>
<tr>
<td>BCD</td>
<td>Lower tier cities in China</td>
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<tr>
<td>BHT</td>
<td>Brand Health Tracker</td>
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<tr>
<td>BTL</td>
<td>Below the line marketing</td>
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<tr>
<td>BU</td>
<td>Business unit</td>
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<tr>
<td>C2C</td>
<td>Consumer to consumer</td>
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<tr>
<td>CAHG</td>
<td>China Animal Husbandry Industry Co., Ltd.</td>
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<tr>
<td>CBEC</td>
<td>Cross-border e-commerce</td>
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<tr>
<td>CL</td>
<td>China label</td>
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<tr>
<td>CNADC</td>
<td>China National Agriculture Development Group Corp.</td>
</tr>
<tr>
<td>COGS</td>
<td>Cost of goods sold</td>
</tr>
<tr>
<td>CRM</td>
<td>Customer relationship management</td>
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<tr>
<td>CSFA</td>
<td>China State Farm Holdings Shanghai Co., Ltd.</td>
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<tr>
<td>DC</td>
<td>Distribution centre</td>
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<tr>
<td>DOL</td>
<td>Domestic online channel</td>
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<tr>
<td>DT</td>
<td>Distributor</td>
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<tr>
<td>EBITDA</td>
<td>Earnings before interest, taxes, depreciation and amortisation</td>
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<td>EC</td>
<td>E-commerce</td>
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<tr>
<td>EECA</td>
<td>Energy Efficiency and Conservation Authority</td>
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<td>EL</td>
<td>English label</td>
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<tr>
<td>ERP</td>
<td>Enterprise resource planning</td>
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<tr>
<td>ESL</td>
<td>Extended shelf life</td>
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<td>FX</td>
<td>Foreign exchange</td>
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<td>FY</td>
<td>Financial year</td>
</tr>
<tr>
<td>GB</td>
<td>“Guo Biao”, national standards of China</td>
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<td>GHG</td>
<td>Greenhouse gas</td>
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<tr>
<td>GIDI</td>
<td>Government Investment in Decarbonising Industry</td>
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<td>GM</td>
<td>Gross margin</td>
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<tr>
<td>HCM</td>
<td>Human Capital Management</td>
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<tr>
<td>HK</td>
<td>Hong Kong</td>
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<tr>
<td>HPEB</td>
<td>High Pressure Electrode Boiler</td>
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<tr>
<td>IMF</td>
<td>Infant milk formula</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
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<tr>
<td>KA</td>
<td>Key accounts</td>
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<td>Key&amp;A</td>
<td>Upper tier cities in China</td>
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<tr>
<td>KG</td>
<td>Kilogram</td>
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<tr>
<td>LFL</td>
<td>Like-for-like</td>
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<td>LKA</td>
<td>Local key accounts</td>
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<tr>
<td>MAT</td>
<td>Moving annual total</td>
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<tr>
<td>MBS</td>
<td>Mother &amp; baby stores</td>
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<tr>
<td>MNC</td>
<td>Multinational corporation</td>
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<td>MT</td>
<td>Modern trade</td>
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<td>MVM</td>
<td>Mataura Valley Milk Company</td>
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<tr>
<td>M’S/S</td>
<td>Mainstream</td>
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<tr>
<td>ND</td>
<td>Numeric distribution</td>
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<tr>
<td>NKA</td>
<td>National key accounts</td>
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<tr>
<td>NPD</td>
<td>New product development</td>
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<tr>
<td>NPS</td>
<td>Net Promoter Score</td>
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<tr>
<td>NZD</td>
<td>New Zealand Dollar</td>
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<tr>
<td>NZX</td>
<td>New Zealand Exchange</td>
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<tr>
<td>O2O</td>
<td>Offline to online</td>
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<td>P</td>
<td>Premium</td>
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<td>POSM</td>
<td>Point of sales marketing</td>
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<td>Q&amp;A</td>
<td>Questions and answers</td>
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<td>RKA</td>
<td>Regional key accounts</td>
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<tr>
<td>RMB</td>
<td>Official currency of China</td>
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<tr>
<td>ROI</td>
<td>Return on investment</td>
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<tr>
<td>RRP</td>
<td>Recommended retail price</td>
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<tr>
<td>RTM</td>
<td>Route-to-market</td>
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<tr>
<td>S1</td>
<td>Stage 1 infant milk formula</td>
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<tr>
<td>S2</td>
<td>Stage 2 infant milk formula</td>
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<tr>
<td>S3</td>
<td>Stage 3 infant milk formula</td>
</tr>
<tr>
<td>S4</td>
<td>Stage 4 infant milk formula</td>
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<tr>
<td>S&amp;OP</td>
<td>Sales and operations planning</td>
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<tr>
<td>SAMR</td>
<td>State Administration for Market Regulation</td>
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<tr>
<td>SG</td>
<td>Smeaton Grange</td>
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<tr>
<td>SG&amp;A</td>
<td>Selling, general and administrative expenses</td>
</tr>
<tr>
<td>SP</td>
<td>Super premium</td>
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<tr>
<td>TP</td>
<td>Taobao Partner</td>
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<tr>
<td>TRIFR</td>
<td>Total recordable injury frequency rate</td>
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<tr>
<td>UHT</td>
<td>Ultra-high-temperature treated milk</td>
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<td>UP</td>
<td>Ultra premium</td>
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<tr>
<td>USD</td>
<td>United States Dollar</td>
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<tr>
<td>WD</td>
<td>Weighted Distribution</td>
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<tr>
<td>YoY</td>
<td>Year on Year</td>
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Objectives for today

1. Introduce The a2 Milk Company Executive Leadership Team
2. Provide greater understanding of our business
3. Share latest insights on our key markets, categories and channels
4. Outline our ambition and revised growth strategy
5. Provide an opportunity for Q&A
Executive leadership team introduction

**Business leadership**
- David Bortolussi
  - Managing Director and CEO
- Kevin Bush
  - Executive General Manager – ANZ
- Xiao Li
  - Chief Executive – Greater China
- Bernard May
  - Chief Executive – Mataura Valley Milk
- Yohan Senaratne
  - Executive General Manager – International
- Blake Waltrip
  - Chief Executive – USA

**Functional leadership**
- Amanda Hart
  - Chief People & Culture Officer
- Shareef Khan
  - Chief Operations Officer
- Eleanor Khor
  - Chief Strategy Officer
- Jaron McVicar
  - Chief Legal and Sustainability Officer & Company Secretary
- Race Strauss
  - Chief Financial Officer
- Janelle Tong
  - Chief Marketing Officer (Interim)
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>09.00</td>
<td>Welcome</td>
</tr>
<tr>
<td>09.05</td>
<td>Strategic overview</td>
</tr>
<tr>
<td>09.30</td>
<td>Brand</td>
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<tr>
<td>09.45</td>
<td>Sustainability</td>
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<tr>
<td>09.55</td>
<td>People &amp; Culture</td>
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<td>10.00</td>
<td>China IMF market</td>
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<tr>
<td>10.10</td>
<td>China label</td>
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<tr>
<td>10.40</td>
<td>English label</td>
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<tr>
<td>11.00</td>
<td>Adjacent growth</td>
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<tr>
<td>11.10</td>
<td>Break</td>
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<tr>
<td>11.25</td>
<td>ANZ</td>
</tr>
<tr>
<td>11.35</td>
<td>USA</td>
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<tr>
<td>11.45</td>
<td>Mataura Valley Milk</td>
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<tr>
<td>11.55</td>
<td>Supply &amp; Operations</td>
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<tr>
<td>12.00</td>
<td>Finance &amp; IT</td>
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<tr>
<td>12.10</td>
<td>Q&amp;A</td>
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<tr>
<td>13.00</td>
<td>Closing</td>
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</table>
The a2 Milk Company overview

- We enrich lives by harnessing the nutritional wonders of nature – through the naturally occurring a2 Milk™ difference
- Portfolio of a2 Milk™ based products including fresh milk, UHT, ESL, IMF, milk powder and other nutritional products
- Sales primarily in New Zealand, Australia, Greater China and North America
- World class manufacturing facilities and international strategic partners in China and New Zealand
- Over 400 talented team members around the globe
- Revenue of NZD$1.2 billion in FY21
a2MC has had an extraordinary journey which was disrupted in FY21

- **IP Creators**
  - Company founded: FY00
  - a2MC historical revenue (NZDm): FY00

- **Australian branded fresh milk focus**
  - Transferred listing to NZX main board\(^1\): FY07
  - a2 Milk™ launches in UK and Ireland: FY11

- **China IMF and US liquid milk expansion**
  - Manufacturing agreement for IMF: FY12
  - China distribution agreement for IMF with China State Farm: FY13
  - IMF launched in ANZ and China: FY14
  - a2 Milk® launched in the US: FY15
  - Relationship announced (incl. NZ fresh milk licence): FY18

- **Adapting for growth**
  - Distribution agreement with Yuhan for South Korea: FY18
  - Relationship announced (incl. NZ fresh milk licence): FY18
  - Company exits UK: FY20\(^2\)
  - Company acquires stake in MVM with CAHG: FY22

\(^1\)Listed on the NZX alternative market (NZAX) in 2004 and transferred listing to NZX main board in 2012; \(^2\)Revenue from continuing operations only

Source: a2MC internal data
We have taken action to address the disruption

**Issues disrupting a2MC in FY21**

Cross-border trade was disrupted by COVID-19, creating substantial demand/supply volatility, which caused excess inventory, exacerbating the issue.

As a result of this disruption, a2MC experienced a significant decline in its English label IMF sales through both daigou/reseller and e-commerce channels.

At the same time, China infant nutrition market growth reduced significantly from globally high rates to be flat in value terms and to decline in volume terms, a trend that became clear following China’s release of 2020 birth numbers on 11 May 2021 which showed a reduction in the birth rate.

**Key actions we have taken**

- Recognised stock write-downs and deliberately slowed down sales in 4Q21, together with other planned initiatives, to reduce inventory levels and rebalance English label IMF pricing across channels.
- Swapped older distributor inventory with more recent stock to improve on-shelf product freshness.
- Increased brand investment with a significant campaign in 4Q21 to drive consumer demand.
- Bolstered leadership team with new internal and external talent.
- Reorganised our Asia-Pacific division for enhanced focus on our key business opportunities.
- Refreshed our growth strategy to realise the full potential of our business.
We have reorganised to enhance focus on our key business opportunities

David Bortolussi
Managing Director & CEO

Xiao Li
Chief Executive
Greater China

Yohan Senaratne
Executive GM
International

Kevin Bush
Executive GM
ANZ

Blake Waltrip
Chief Executive
USA

Bernard May
Chief Executive
MVM

With increased scale of our China label business, and potential expansion into new product categories, China team now focussed on China label

We now have a dedicated focus on managing our English label business as one eco-system, with one international team

A dedicated ANZ team allows us to consider what other opportunities exist in our core business and beyond fresh milk

FY21
Sales (NZD)
$412M
$563M
$169M
$64M

Acquired 30 July 2021

Former Asia-Pacific Business Unit

Note: Segment reporting based on geographic results where International sales are recorded in both the China and ANZ reporting segments
Source: a2MC internal data
We have undertaken a holistic review of our growth opportunities

Market
Continuing the journey to **focus on our China market opportunity** in particular

Brand
**Reviewing our brand positioning** to create continued distinctiveness amongst an evolving consumer base and new entrants in the category

Channel
Assessing our **route-to-market for English label IMF** and capturing the **full potential of our China label IMF** distribution in key channels

Product
**Re-imagining our infant formula product portfolio** in English label and China label to appeal to a broader set of consumers and maximise distribution potential

Adjacencies
Outside our core, we are also considering opportunities for **adjacent category growth in China, ANZ and USA** as well as assessing opportunities in new emerging markets
We have adapted our a2MC growth strategy

**Purpose**
To enrich lives by harnessing the nutritional wonders of nature

**Ambition**
Rebuild a2MC into an exciting, innovative and sustainable growth company

**Goals**

- **People**
  Create the safest and most diverse, inclusive and engaging place for our people to thrive

- **Sustainability**
  Support our farmers, protect our planet and cows, rethink packaging and contribute to our communities

- **Consumers**
  Bring the unique benefits of pure and natural a2 Milk™ to as many consumers as possible

- **Shareholders**
  Create long-term, enduring value for shareholders and a trusted, transparent relationship

**Strategic Priorities**

1. **Invest in people and planet leadership**
   - Invest in our people to enable them to thrive
   - Take direct action to lead the industry in GHG emissions reduction and farming practices

2. **Capture full potential in China IMF**
   - Gain more control over CL and EL distribution and get closer to our consumer
   - Increase investment in our brand, digital marketing and E-comm

3. **Ramp-up product innovation**
   - Expand our CL and EL IMF product portfolios
   - Enter adjacent product categories in relevant markets to drive growth

4. **Transform our supply chain**
   - Expand CL registered market access
   - Utilise MVM capability
   - Develop China supply capability over time

5. **Accelerate path to profitability**
   - Take action to realise potential in USA
   - Expedite insourcing and 3rd party volume to significantly increase MVM utilisation

**Enablers**

- Brand strength
- Science & innovation
- Strategic relationships
- Capability development

**Values**

- Bold Passion
- Pioneering spirit
- Humility
- Respect
- Integrity
Our strategy is designed to drive growth across multiple horizons

<table>
<thead>
<tr>
<th>FY22</th>
<th>FY23-24</th>
<th>FY25-26</th>
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<tbody>
<tr>
<td><strong>Stabilise and reset strategy</strong></td>
<td><strong>Full scale roll-out of growth &amp; other initiatives</strong></td>
<td><strong>Deliver “next wave” growth from innovation and supply chain transformation</strong></td>
</tr>
<tr>
<td>• Restore demand &amp; supply balance and attractive channel economics</td>
<td>• Launch new GB std. CL range and roll-out distribution initiatives</td>
<td>• Expand CL product portfolio with additional registrations</td>
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<tr>
<td>• Stabilise EL IMF decline</td>
<td>• Innovate in EL IMF and increase control of distribution</td>
<td>• Scale adjacent categories</td>
</tr>
<tr>
<td>• Commence CL in-market growth initiative pilots</td>
<td>• Scale innovation in USA</td>
<td>• Achieve profitability in USA and MVM businesses</td>
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<tr>
<td>• Focus on new user recruitment and Stage 4 penetration</td>
<td>• Innovate in ANZ core &amp; adjacencies</td>
<td>• Grow 2-3 new emerging markets</td>
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<tr>
<td>• Invest in content generation and always-on brand comm</td>
<td>• Implement MVM electrification</td>
<td>• Operationalise China supply capability</td>
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<tr>
<td>• Refresh strategic priorities and execution plan</td>
<td>• Deliver more sustainable packaging</td>
<td>• Achieve meaningful progress on Scope 1 &amp; 2 GHG emissions reduction</td>
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<tr>
<td>• Review China brand positioning</td>
<td></td>
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<tr>
<td>• Ramp-up innovation focus</td>
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<tr>
<td><strong>Enablers</strong></td>
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<tr>
<td>• Invest further in digital marketing and E-comm capability</td>
<td>• Create rolling innovation pipeline</td>
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<tr>
<td>• Increase investment in brand</td>
<td>• Leverage next level scientific research</td>
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<td>• Implement IT and data roadmap</td>
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Explore opportunities to accelerate strategy execution through M&A, JV and alliances
We are focused on five key non-financial measures of success over time

<table>
<thead>
<tr>
<th>People</th>
<th>Sustainability</th>
<th>Brand health</th>
<th>Market share</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety TRIFR &lt;10 with continuous improvement</td>
<td>GHG emissions reduction - Scope 1+2 net zero by 2030 - Scope 3 net zero by 2040</td>
<td>China unprompted awareness &gt;25% Australian fresh milk loyalty &gt;40% USA household penetration &gt;10% in premium milk</td>
<td>Top-5 CL IMF player with share &gt;5% Leading EL IMF range with share &gt;25% Australian fresh milk share &gt;15% USA premium milk share &gt;5% Incremental $100m revenue from existing and new emerging markets</td>
<td>Access to ≥3 CL registrations Expanded EL IMF portfolio Incremental $200m in revenue from dairy and other nutritionals to China &gt;25% of sales from new products in Australia and USA</td>
</tr>
</tbody>
</table>

Diversity and inclusion rated >4 out of 5 by team

100% completion of Farm Environmental Plans and Certified Animal Welfare Programs

100% reusable, recyclable or compostable packaging with 50% average recycled content

Source: Management estimates
Defining a specific timeline to achieve our financial goals is challenging

• The pace and degree of change in the China IMF market over the past 12 months is truly unprecedented – including from the prolonged COVID-19 impact and the reduction in the number of Chinese newborns

• There are key macro uncertainties impacting the future outlook, including:
  – How the China birth rate will evolve and the impact policy changes may have on this
  – The extent and pace of recovery in cross-border trade post COVID-19
  – How the competitive landscape will evolve in China including the outcome of the new GB registration process
  – The extent and pace of change in consumer product and channel preferences
  – How the China regulatory framework and international relations may evolve and impact trade

• Because of these uncertainties and the range of potential outcomes, it is very difficult to define future state targets and when they will be achieved – the path is also unlikely to be linear

• However, we remain confident that with our unique brand proposition, coupled with our team’s ability to execute, we are well placed to rebuild a2MC into an exciting, innovative and sustainable growth company
Notwithstanding, we have an ambition to grow sales to over NZD$2 billion

Medium-term indicative sales ambition (≥ 5 years)

EBITDA margin dynamics

- **Indicative range**
  - IMF sales, particularly EL, key driver of upside/downside risk
  - Target margins probably in the “teens” in the medium term due to expected market conditions, investment and innovation
  - Target margins possibly in the “low-to-mid 20s” in the medium-to-long term subject to higher than expected market recovery, EL channel growth and share gains

- **Key accretion drivers**
  - Operational leverage impact of share growth, cross-border trade recovery and/or increase in China birth rate
  - Mix impact on delivered margin (EL > CL > ANZ > USA)
  - Mitigation of USA losses and path to profitability
  - Nutritionals insourcing margin capture by MVM
  - Pricing, promotional activity, trading terms and FX

- **Key dilution pressures**
  - Operational de-leverage impact of China IMF market headwinds and regulatory risks
  - Mix impact on delivered margin (EL > CL > ANZ > USA)
  - Increasing brand reinvestment rate and margin pressure in China as competition intensifies
  - Innovation, reformulation and FX impact on margin
  - Supply chain transformation period
  - Investment in capability and sustainability

Source: Management estimates
Key messages for today

• The market landscape has experienced unprecedented change over the past 12 months, requiring us to adapt

• As a result, we have adapted our growth strategy to achieve the full potential of our business

• Importantly, our brand is strong, we have a relatively small share in China IMF and significant opportunity to capture

• We have reorganised to prioritise our most important growth levers and have a clear plan to execute

• We have a great leadership team and pioneering culture to lead the execution
BRAND
Janelle Tong (Chief Marketing Officer, Interim)
How it began…

• The a2 Milk Company was founded in New Zealand by two passionate pioneers – scientist Dr Corrie McLachlan and his business partner, Howard Paterson – who recognised that not all milk is the same

• Early scientific research revealed that there was a difference between beta casein proteins in cows’ milk with predominantly two types – A1 and A2 – and McLachlan discovered there was a safe and simple way to identify cows that produced milk that was naturally A1-protein free. From there The a2 Milk Company was born

• Since then we have worked alongside scientists from around the world to pioneer the scientific understanding of the unique benefits of A1-protein free milk and bring true benefits to our consumers

• To this day our purpose remains the same, to enrich lives by harnessing the nutritional wonders of nature – through the naturally occurring a2 Milk™ difference

Our founders’ sense of purpose continues to exist today

Howard Paterson’s contribution to the company was not merely that he….persuaded many of us to invest in the A2 story. Equally important were Howard’s boundless enthusiasm and his unshaking belief that A2 Corporation Limited...was also a company that was destined to do good for human health globally

Annual Report 2003
Our brand proposition

Our a2 Milk™ comes from cows specially selected to naturally produce milk with only the A2 beta-casein protein type.

Many people say they can feel the difference
Our proposition has enabled us to build a leading position in market

- Pioneer, innovator and leader in understanding the unique benefits of a2 Milk™ (single-minded focus)
- Premium and high quality product and brand experience
- Pure and natural dairy with superior taste and country provenance
- Aspirational and progressive values and lifestyle positioning
We have maintained this leadership despite multiple challengers.
Our brand foundations have been built on three main areas

Underpinned by developing science

Advocated by others

Celebrated by us
The a2 Milk™ difference goes beyond the selection of a cow

The a2 Milk™ difference

The difference starts with selecting the right cow…

…but it doesn’t stop there; The a2 Milk Company also applies expertise, proprietary know-how and care to deliver consistently high quality across all our products.

Our process

Typical cow herds produce conventional milk containing a mix of A1 and A2-protein types.

Our branded milk is sourced from herds producing milk naturally containing only the A2-protein type and no A1.
We continue to invest in further understanding the a2 Milk™ difference

1980’s
Prof. Robert (Bob) Elliott begins research into differing health effects of milk protein types

1990’s
Dr Corrie McLachlan joins Prof. Elliott in furthering the understanding of different beta casein protein types

2000’s
a2 Milk™ brand is launched and later enters China and the USA

2006-2013
Consumer experiences begin to inform further research hypotheses

2003-2006
A series of animal studies report digestive benefits of A1-protein free milk to gut function

2013-2015
Mechanistic work on cell culture identified A1 protein derived BCM-7 interaction with human cells identifying the potential mechanism

2016
Human clinical trial in China reports post-dairy digestive discomfort was reduced in milk intolerant adults when drinking A1-protein free milk (compared to conventional milk)

2017
Larger scale human clinical research is published in China (600 adults) which showed a reduction in acute GI symptoms after consuming A1-protein free milk

2018-2020
Human clinical trial conducted amongst 5-6 year old Chinese children showing consistent results to adult studies. Commenced study with Deakin University to examine potential benefits of a2 Milk™ on gut-brain axis in women

2021
Future research
Investing into further clinical research and patent development

1999
Lab studies focus on better understanding how A1 and A2-protein types break down during digestion

2006
Note: A subset of key research milestones that the Company and others have sponsored can be seen above; the Company remains focused on continuing to build the scientific evidence across age groups, populations and consumer benefit areas

1960’s
Early work identifying different beta casein protein types exist (A1 and A2-protein)

2018
Infant milk formula clinical trial in China initiated to better understand the benefit of a2 Platinum® on infant digestion and comfort

2021 INVESTOR DAY
Our products create a positive wave of advocacy

“This Milk is great!!! If you like milk but can’t drink regular milk....you really need to try this....”
Noelle (USA)

“This Milk is great!!! If you like milk but can’t drink regular milk....you really need to try this....”
Noelle (USA)

“Completely changed my stomach problems, since using a2 Milk™ never been better”
Wendy (Australia)

“I considered myself lactose intolerant for a long time, but I felt well after drinking a2 Milk™ by accident. Now I’ve decided to purchase it regularly, and it turns out that I’m not intolerant to lactose but to A1 BCM-7 instead”
YiyiTiara (China)

“a2™ makes my tummy happier than regular milk!!”
Michelle (USA)
Our brand naturally sits at the heart of macro consumer trends

**NATURAL & WHOLEFOOD REVOLUTION**
Increasing demand for “real” wholefood goodness, minimally processed, “clean” label and transparency

**PROACTIVE WELLNESS**
Consumers are proactively addressing their health in a holistic and personalised way with tailored products that meet physical needs

**RISE OF PROTEIN POWER**
Protein is consumers' short-cut super-hero, shifting beyond quantity and into quality and optimal protein types

**AWARENESS OF GUT-HEALTH IMPORTANCE**
Increased awareness of gut-immune health has triggered demand for “digestion” solutions to protect consumer health and wellness

**PURPOSE-DRIVEN BRANDS**
Consumers now look beyond “what” a brand does to “why” it exists, with an expectation that brands will stand for something “more” than functional benefits
We deeply understand our consumers and their needs

Implemented robust and comprehensive **brand health tracking** across China, USA and Australia

Invested in **Consumer Segmentation**

Introduced comprehensive and detailed **portfolio tracker of broader dairy categories** in China

Undertaken **consumer usage & attitude studies** and other insight innovation

Enhanced our analytical ability to isolate and measure **communication effectiveness** and **test & learn initiatives** in China

Invested in **data analytics** to track consumer and market trends, NPD and competitor actions
We have consistently invested in and celebrated our brand in positive and uplifting ways in advertising
We will continue to go beyond “A2” to drive a more purposeful brand

Sustainability from farm to consumer

Processing innovation to eliminate waste

Smarter recyclable packaging

Playing a bigger role in our community
SUSTAINABILITY

Jaron McVicar (Chief Legal, Sustainability Officer & Co.Sec)
Our sustainability program has evolved significantly including updated commitments to achieve net zero by 2030 for Scope 1 & 2 and by 2040 for Scope 3.

<table>
<thead>
<tr>
<th>Our purpose</th>
<th>Supporting OUR PEOPLE, consumers and communities to be healthy and safe to thrive</th>
<th>Protecting nature and THE PLANET for future generations utilising The a2 Impact Fund™</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our focus</td>
<td>Passionate people</td>
<td>Quality nutrition</td>
</tr>
<tr>
<td></td>
<td>Safety TRIFR &lt; 10 Engagement &gt; 80% A minimum of 40% women and 40% men in leadership positions Sustainability Champions at all worksites</td>
<td>Highest quality products with the A2-protein difference from the A2-protein pioneers Relentless focus on product quality &amp; safety</td>
</tr>
<tr>
<td>Our targets &amp; commitments</td>
<td>Safety and wellbeing Human Synergistics Culture Amp Employee &amp; sustainability committee</td>
<td>Scientific research Innovation and new product development stage and gate Quality systems</td>
</tr>
<tr>
<td>Our programs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All underpinned by the highest standards of governance and doing business the right way.

Source: Management estimates
We are supporting the role our farmers play in our supply chain

Our holistic approach to assist farms and farmers to thrive

Farm environmental plans

- Lower GHG emissions
- Manage water quality and efficiency
- Manage soil quality
- Boost on-farm biodiversity
- Improve nutrient (effluent) management

100% of farms supplying raw A1-protein free milk to have a farm environmental plan in place by the end of 2023

Animal welfare program

Program designed to:

- Meet globally recognised standards set by the World Organisation for Animal Health and uphold the Five Freedoms framework for animal welfare
- Our approach is to drive improvement, reduce risk and ensure farmers are welfare centric – this is achieved through the combination of increased audits, wider audit scope, milk monitoring, on-farm technology and training

100% of farms to be certified under an upgraded program by the end of 2023
We are investing to significantly reduce our GHG emissions

**New High Pressure Electrode Boiler**

- New Zealand’s first High Pressure Electrode Boiler (HPEB) will replace all current coal-fired heat duties on the MVM site by October 2023
- HPEB is a clean and 100% renewable energy alternative which will reduce MVM’s processing emissions to almost zero
- Co-funding from the New Zealand Government Investment in Decarbonising Industry (GIDI) Fund, which is administered by EECA (the Energy Efficiency and Conservation Authority)
- Project total capital expenditure: NZD16.3 million

**Boiler conversion to biomass**

- Boiler 2 at Dunsandel will be converted from coal-fired to biomass
- Wood pellets are a more sustainable fuel than coal and will significantly reduce carbon emissions at the Dunsandel site
- Co-funding from the New Zealand GIDI Fund
- a2MC contribution of NZD1.2 million
We are committed to making a meaningful change in our packaging

**Progress in sustainable packaging**

- Continue to investigate and look towards innovative packaging design for sustainable solutions
- Operationalise sustainable packaging initiatives within our supply chain
- Target setting for products sold outside of Australia

**Committed to Australia’s 2025 National Packaging Targets**

- **100%** Reusable, recyclable, or compostable packaging
- **70%** Plastic packaging being recycled or composted
- **50%** Average recycled content, included in packaging\(^1\) (revised from 30% in 2020)
- Phase out of the problematic and unnecessary single-use plastics packaging

---

Note: (1) APCOs recycled content targets vary by component (between 10% and 60%) with an average of 50% recycled content
We support the communities in which we operate

**FOODBANK**
- Supported Foodbank since 2015
- FY21 became a Foodbank National Donor Partner
- FY22 sponsorship of their School Breakfast Program

240,219kgs of product donations to people in need in FY21 equivalent to 432,830 meals

**CURE KIDS**
- Supported Cure Kids over the past two years to research digestive health for children, with a special focus on coeliac disease and irritable bowel disease

$200k donated to Cure Kids towards research

**FEED THE CHILDREN**
- Supported Feed the Children to give struggling families the supplies they need to send their kids back to school with confidence

10% of every carton of a2 Milk® purchased, up to $100k, was donated to Feed the Children

**MORE GOOD FOR RURAL SCHOOLS**
- Partnered with rural schools in China and Guangming Daily to support school children with nutrition stations to help drive better educational outcomes

Product donations and customised health care plans for families and their children

Providing disaster relief support in our communities including:
- NZD1M donation to assist in the development of a COVID-19 vaccine
- AUD350K donation to support the Bushfire Relief

Source: a2MC internal data
PEOPLE & CULTURE

Amanda Hart (Chief People Officer)
Our team is powered by its purpose

OUR PURPOSE
We enrich lives by harnessing the nutritional wonders of nature

OUR VALUES

Bold passion
Driven to realise our amazing potential as a Company and individuals

Pioneering spirit
Unconventional open-minded thinking that re-imagines the possibility, outcome driven

Humility
We're never done growing and discovering and we have a willingness to continually iterate and learn

Respect
Seek to understand difference in all its forms

Integrity
Do the right thing for our consumers, partners, people... and our cows
We have held onto this, whilst scaling for growth

We have more than doubled our relatively small team over the past five years

We have retained existing teams whilst introducing new talent

"I’m passionate about working for The a2 Milk Company because I really am making a difference. We not only change the lives of our consumers but we also change the lives of our farmers, adding value back into dairy.”
Russel Ebel, National Field Sales Manager – Australia (15 years)

“The a2 Milk Company is a place where I can be an integral part of building an innovative and game changing brand.”
Carly Hofstedt, Senior Manager, Innovation – US (4 years)

“I am most impressed by the passionate, driven and motivated people who have come together to deliver on our shared a2 vision.”
John Zhang, Head of Legal and Compliance – China (2 years)

Source: a2MC internal data; FY21 total employee headcount per FY21 annual report
Our strategy is to attract passionate people, provide opportunities for them to grow and maintain an environment which celebrates diversity and inclusion.

Our People Strategy

- Harness the substantial passion people bring to The a2 Milk Company into opportunities for our team to grow with the business to achieve their potential.

- Continue to treat each member of our small team as an extension of our own families, maintaining the highest health and safety standards so that everyone goes home each night safe and well.

- Build on the natural energy that comes with working at The a2 Milk Company and promote an environment that allows people to thrive personally and professionally.

- Leverage the unique attributes of working at a big “small” company, including through accelerated learning, development and leadership opportunities.

- Celebrate diversity in all its forms, create an environment of inclusion and in doing so, continue to attract and retain the highest quality talent.
Summary of key messages

1. While the China IMF market remains the largest and most attractive in the world, FY21 marked an inflection point where volume growth started to decline.

2. With declining volumes, retail pricing is also now under pressure, as premiumisation through price band trade-up is not enough to offset ASP decline.

3. Making conditions even more challenging is the fact that consumers are no longer actively prioritising international brands. Instead, consumers are looking for brands that resonate, and local competitors are more effectively connecting with consumers in their home market than MNCs.

4. This is potentially unsurprising given the speed at which the consumer landscape is evolving. Generations are getting “shorter” and the market is now made up of mostly post-90s mums with very different attitudes and behaviours.

5. Regulatory environment remains a watching brief and anticipated to change more rapidly.
The China IMF market is the largest and most attractive in the world

Estimated China IMF market retail value sales (FY21)

<table>
<thead>
<tr>
<th>Channel</th>
<th>Estimated Value (NZD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCD</td>
<td>$7B</td>
</tr>
<tr>
<td>Key&amp;A</td>
<td>$20B</td>
</tr>
<tr>
<td>BCD</td>
<td>$7B</td>
</tr>
<tr>
<td>BCD</td>
<td>$7B</td>
</tr>
<tr>
<td>BCD</td>
<td>$3B</td>
</tr>
<tr>
<td>BCD</td>
<td>$3B</td>
</tr>
</tbody>
</table>

Total: NZD 47B

Commentary

• **China is the biggest, most premium IMF market in the world**
  - China has a huge population with a strong desire for high quality, premium nutrition for their children
  - In addition, Chinese children tend to use IMF for longer, staying on Stage 3 for ~20 months. In contrast, while Europeans have relatively high retail price points, children quickly switch from IMF to other foods

• **The competitive landscape in China is fragmented, creating opportunity for brands that resonate with consumers**
  - China is a uniquely fragmented market with the top 5 brands representing ~45% of the market
  - In addition, consumers in China are generally more open to trying new brands, creating a path to growth for brands that can connect with consumers

Note: Market size based on a2MC internal estimation approach; channel and regional splits based on Kantar
Source: Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities) for the 52 weeks ending 18 June 2021
IMF channels are experiencing very different growth trends

C2C (incl. Daigou)
- Recruits new users, leveraging network of brand “promoters”
- Provides brand buzz and endorsement

CBEC
- Traffic and volume sales contributor
- Allows “show-rooming”, through flagship store content

MBS
- Recruits new users, through “higher-touch” offline sales model
- Enables education and image building

MT
- Recruits new users, in provinces where offline sales skew to MT (vs MBS)
- Enables convenience for other consumers

DOL
- Traffic and volume sales contributor
- Allows “show-rooming”, through flagship store content

Growth trends (FY20-FY21)
-40% volume sales
-42% value sales

-7% volume sales
+3% value sales

+7% volume sales
+9% value sales

-10% volume sales
-5% value sales

+8% volume sales
+19% value sales

Source:
For C2C/Daigou and MT channels: Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities)
For CBEC and DOL channels: Smartpath China IMF online market tracking: domestic online and cross-border platform sales (by value and volume)
For MBS: Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value and volume)
IMF market volumes impacted by decline in newborns, which should partly recover over time

Number of newborns in China has declined and future is uncertain

Commentary

- The number of newborns in China has declined, primarily due to changing socio-demographics.

- Further pressure on the birth rate is anticipated in the near term, following COVID-19 impact and earlier advice relating to pregnancy and vaccination, followed by some recovery in the birth rate.

- Longer term birth rate may recover following the introduction of the 3rd child policy and the potential for further measures to stimulate the birth rate which are likely to have a positive impact.
IMF market will skew to BCD cities, in line with the number of newborns

Key/A city market outlook subdued

Volume by stage/ mn tins (by calendar year)

BCD city market supported by higher birth rate

Volume by stage/ mn tins (by calendar year)

Note: Market includes S1-S4
Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales by volume (for 2020); management estimates for potential future scenarios
We are already seeing diverging Stage 1 growth rates in Key/A vs BCD cities

Key/A and BCD cities MBS monthly Stage 1 value growth vs pcp

Commentary

- Key&A cities typically have higher cost of living, with birth rate typically negatively correlated with the costs of raising a child
- In addition, a higher rate of the population in Key&A cities are college-educated, and therefore, more likely to prioritise career and professional development over raising a child
- In contrast, lower tier cities have greater affordability and include a higher mix of rural areas, which are both generally associated with a higher birth rate

Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value)
Provincial differences also exist in terms of birth rates across China

Latest official provincial birth rate (2019)\(^1\)

<table>
<thead>
<tr>
<th>Province</th>
<th>Birth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>1.06%</td>
</tr>
<tr>
<td>Ningxia</td>
<td>1.37%</td>
</tr>
<tr>
<td>Beijing</td>
<td>0.81%</td>
</tr>
<tr>
<td>Tianjin</td>
<td>0.67%</td>
</tr>
<tr>
<td>Shanghai</td>
<td>7.0%</td>
</tr>
<tr>
<td>Guangdong</td>
<td>1.0%</td>
</tr>
<tr>
<td>Fujian</td>
<td>1.1%</td>
</tr>
<tr>
<td>Liaoning</td>
<td>0.82%</td>
</tr>
<tr>
<td>Xinjiang</td>
<td>1.26%</td>
</tr>
<tr>
<td>Hebei</td>
<td>1.04%</td>
</tr>
<tr>
<td>Shandong</td>
<td>2.0%</td>
</tr>
<tr>
<td>Hubei</td>
<td>0.91%</td>
</tr>
<tr>
<td>Inner Mongolia</td>
<td>0.57%</td>
</tr>
<tr>
<td>Guizhou</td>
<td>1.05%</td>
</tr>
<tr>
<td>Jiangxi</td>
<td>0.65%</td>
</tr>
<tr>
<td>other</td>
<td>0.57%</td>
</tr>
</tbody>
</table>

Provincial birth rate driven factors:

- **Economy driven**
  - Birth rate negatively correlated with cost of living; expect increasing gap between developed provinces vs. others
  - More births in lower cost provinces: Guizhou, Jiangxi, etc
  - Fewer births in higher cost provinces: Beijing, Shanghai, etc

- **Social factors driven**
  - Birth rate driven by social demographic factors; expect existing social factors to remain in force
  - More births in provinces biased towards larger family units: Guangdong, Fujian, etc.
  - Fewer births in provinces with lower marriage rates, younger generation emigration, etc: Liaoning, Xinjiang, etc.

- **Policy driven**
  - Historically, significant uplift from 2\(^{nd}\) child policy including in provinces such as Hebei, Shandong, Hubei, Inner Mongolia
  - However, although there was an immediate uplift post implementation of the policy, the trend did not continue in all provinces in subsequent years

Note: 1. Birth rate = # of new born / average total population in the province in 2019; 2. Arithmetic mean of all provinces; this is the most recent data available

Source: National Health Commission of the People’s Republic of China (historical)
There continues to be a clear trade-up to ultra-premium segments

IMF market by price segment

China IMF retail value sales by price band (FY21)

- Ultra Premium (51%)
- Super Premium (25%)
- Premium (23%)

IMF market by city tier and price band

China IMF retail value sales by city tier by price band (FY21)

- Ultra Premium
- Super Premium
- Premium

Note: Price tier based on Stage 1 price: Ultra premium >=390RMB/KG; Super premium 290-390RMB/KG; Premium 190-290RMB/KG; Mainstream <190RMB/KG

Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value); Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities)
However, like-for-like ASP is under pressure

**Nielsen ASP trend for UP/SP***

* RMB per KG

**Ultra Premium sample:** Astrobaby, Enifinitas, Profutura, Zhichu, Illuma Blue Diamond

**Super Premium sample:** Super Feifan, Beta Star, Aptamil Classic

- **Ultra Premium** (>390 RMB/KG)
- **Super Premium** (290-390 RMB/KG)
- **Premium** (190-290 RMB/KG)
- **Mainstream** (<190 RMB/KG)

<table>
<thead>
<tr>
<th>Average RRP</th>
<th>Dec’20</th>
<th>ASP</th>
<th>Jun’21</th>
</tr>
</thead>
<tbody>
<tr>
<td>~460</td>
<td>~380</td>
<td>~365</td>
<td>~280</td>
</tr>
<tr>
<td>~17% discount shifts ASP into SP</td>
<td>~15% discount shifts ASP into P</td>
<td>~4% ASP drop over time</td>
<td>~2% ASP drop over time</td>
</tr>
</tbody>
</table>

Actual ASP likely to be lower than what is recorded by Nielsen.

Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales
Focus of competitors’ innovation is generally in the ultra-premium segment

- Aptamil
  - May 20, RMB 450/900g
  - Organic
  - Sep 20, RMB 121/800g
  - Liquid IMF
  - EL & CL, RMB ~25 / serve

- Feihe
  - Jul 20, RMB 173/700g
  - Organic
  - Oct 20, RMB 305/800g
  - Astrobaby A2-protein + OPO
  - Dec 20, RMB 338/708g

- Wyeth
  - EL, RMB 429/850g
  - CL, RMB 358/800g
  - S26 DHA Lutein
  - CL, RMB 199/800g
  - EL, RMB 375/850g
  - Illuma A2-protein OPN
  - CL, RMB 343/850g
  - CL, RMB ~420/850g

- Mead Johnson
  - Mar’20, EL, RMB 289/800g
  - Organic
  - Nov’20, CL, RMB 309/850g
  - MFGM
  - CL, RMB 348/800g

Current focus on next generation ingredients
Expanding into new milk bases
Participating in high growth categories
Expand into A1-protein free milk base

Source: Literature search
Local brands are taking share from MNCs

China IMF market share (incl. CL and EL)

- **FY19**: MNC (71%), Local (29%)
  - Percentage of top 10 players: 71%
- **FY20**: MNC (64%), Local (36%)
  - Percentage of top 10 players: 70%
- **FY21**: MNC (56%), Local (44%)
  - Percentage of top 10 players: 70%
- **FY21**: Other MNC (19%), Other Local (11%), a2MC (5%), Friso (6%), Wyeth (6%), Mead Johnson (6%), Nutricia (13%), Junlebao (4%), Ausnutria (4%), H&H (5%), Yili (5%), Feihe (16%)

Note: Kantar data based on a panel of 9,000 consumers covering 0-6 year olds and only seeks to project ~40% of the population.

Source: Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking.
However, “local vs MNC” is less important than building a brand that resonates

Extreme product choice exists for Chinese parents

• There are an extremely high number of brands for Chinese parents to consider (>400 registered brands)

• However, research suggests consumers ultimately only want to assess 3-5 brands

China now the most trusted IMF country, followed by NZ

Most trusted source country for IMF

- China: 43%
- New Zealand: 16%
- Netherlands: 14%
- Australia: 11%
- Germany: 7%
- Denmark: 2%
- UK: 2%
- USA: 2%
- Japan: 2%
- Korea: 1%

Note: Relative importance of an individual attribute indicates the ranking in consumers’ minds when they make an IMF purchase decision

Source: a2MC purchase driver quantitative survey (n=3000); a2MC internal country sentiment tracking (n=1000)

Ultimately consumers look for “brands” that resonate

IMF purchase importance driver

- Brand: 26%
- Unit price: 23%
- Milk base: 13%
- Product source: 11%
- Ingredients claims: 10%
- Ingredients: 8%
- Consumer messaging: 8%

26% of IMF decisions made with brand as primary driver
Brands must seek to connect with a rapidly evolving consumer landscape

Mix of new births in China by generation of mother

Comments

• A unique feature of the IMF category is that consumers “graduate” relatively quickly and new users must constantly be recruited into the brand funnel.

• Complicating this further is that brands must communicate with a constantly evolving consumer base, with new “generations” of mothers entering the category.

• Each generation of consumer has grown up in a different environment, has different values and obtains information from different sources – brands must adapt to stay relevant across generations of consumers.

Note: Post-70s, 80s, 90s, 95s, 00s refers to the mother’s year of birth
Source: National Health Commission of the People’s Republic of China (historical); management estimates (future)
### Post-90-95s mothers are very different to post-80s mothers

<table>
<thead>
<tr>
<th>Category</th>
<th>Post-80s parents</th>
<th>Post-90s parents</th>
<th>Post-95s parents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Upbringing</strong></td>
<td>• Parents from the 1950s, who tended to be more traditional than future generations</td>
<td>• Parents from the 1960s, who tended to be more open-minded than earlier generations</td>
<td>• Parents from the 1970s, some of whom have benefited from the economic boom</td>
</tr>
<tr>
<td></td>
<td>• Books as a major tool in education, using fewer number of sources than what is available today</td>
<td>• Online boom occurred during later childhood, so although “digitally savvy”, can find today’s large number of information sources somewhat overwhelming</td>
<td>• Highly digitally savvy, and extremely efficient at navigating the endless number of information sources available online today</td>
</tr>
<tr>
<td><strong>2. Social environment</strong></td>
<td>• Focused on achieving success through hard work</td>
<td>• Focused on “experiences” for life enrichment</td>
<td>• Less defined life goals and ambitions. However, this is also due to post-95s parents currently still &lt;30 years old</td>
</tr>
<tr>
<td></td>
<td>• Economic success as a measure of overall success</td>
<td>• Questioning whether economic success is the end goal</td>
<td></td>
</tr>
<tr>
<td><strong>3. Parenting mindset</strong></td>
<td>• Potential for “tiger-mum” parenting approach, wanting their children to “win” from the beginning</td>
<td>• Perceives pressure to be a “perfect mum”, delivering on all dimensions for themselves and their child</td>
<td>• Being younger in absolute age, post-95s parents are more focused on experiencing their children’s development</td>
</tr>
</tbody>
</table>

Source: a2MC brand consultant
We are already seeing this evolution in the way current consumers approach IMF

Online becoming bigger first purchase channel

<table>
<thead>
<tr>
<th>Channel for first time IMF purchase</th>
<th>Key &amp; A cities</th>
<th>BCD cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>C2C (21%)</td>
<td>C2C (20%)</td>
<td>C2C (16%)</td>
</tr>
<tr>
<td>Online (24%)</td>
<td>Online (12%)</td>
<td>Online (14%)</td>
</tr>
<tr>
<td>Offline (55%)</td>
<td>Offline (68%)</td>
<td>Offline (70%)</td>
</tr>
</tbody>
</table>

MAT as at end of 2019 MAT as at end of 2020 MAT as at end of 2019 MAT as at end of 2020

Fragmented ecosystem for educating online shoppers

Consumer sources for "discover and research" (% used most often)

- Online sources

sources: Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities); a2MC priority platform survey (n=1000)

This includes C2C channel

Offline most used source even for online shoppers
CHINA LABEL

Xiao Li (Chief Executive – Greater China)
Summary of key messages

1. **We have built a significant business in China over a relatively short period**, and have been the exception to the trend of MNC brands losing share to domestic brands.

2. **There are several key drivers of our growth, with clear runway remaining**
   - Footprint expansion has been the biggest driver of our offline growth, with opportunity to expand further.
   - Like-for-like growth in mature stores has been relatively flat, making this an increased future focus for us.
   - We have had strong performance in Key&A cities and in key accounts, enabled by our in-market investment; however, we under-index in lower tier cities, providing a further growth opportunity.
   - We have performed particularly well in select provinces, which provide “proof points” of our potential.
   - Good progress in building online capability; however, our DOL share is underweight relative to our MBS share, suggesting more work is required to over-index in online.

3. **Underpinning our growth has been the strength of our brand, our differentiated product and the increasing investment we are making to increase consumer awareness and understanding of our unique difference**
   - We have invested to refine our understanding of our target consumers, enhanced our brand tracking capability to understand how our proposition resonates, and are continuously improving the effectiveness by which we communicate with our consumers.
   - With these key tools in place, we have stepped up our China marketing investment and brand health tracking reveals that we have done so while maintaining market leading brand health measures, which is critical given the importance of “brand” when making IMF purchase decisions.
   - Effectiveness of our brand investment and activation is also evident in our strong growth in early-stage products (despite the decline in newborns) and Stage 4, giving us confidence in our ability to recruit and retain users.

4. **In addition to opportunities to grow within our current portfolio, further opportunity exists with an expanded portfolio.** However, this is dependent on our ability to access more CL registrations over time.
a2MC has built a significant business in China in a short period

China label IMF revenue (NZD)

<table>
<thead>
<tr>
<th>Year</th>
<th>MBS value share</th>
<th>DOL value share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>$5M 0.6%</td>
<td>Data not available 0.5%</td>
</tr>
<tr>
<td>FY17</td>
<td>$25M 1.3%</td>
<td>1.3%</td>
</tr>
<tr>
<td>FY18</td>
<td>$84M 2.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>FY19</td>
<td>$168M 2.5%</td>
<td>2.0%</td>
</tr>
<tr>
<td>FY20</td>
<td>$338M</td>
<td></td>
</tr>
<tr>
<td>FY21</td>
<td>$390M</td>
<td></td>
</tr>
</tbody>
</table>

Source: a2MC internal data; Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value); Smartpath China IMF online market tracking: domestic online platform sales (by value)
a2MC has been the exception to the trend of domestic brands winning share from MNCs; new A2-protein IMF competitors are helping to grow the category

Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value)
We have continued to expand our store footprint, which has been the primary driver of our growth offline.

### a2MC CL IMF offline footprint

**China distribution (store count ‘000)**

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.8</td>
<td>10.0</td>
<td>16.4</td>
<td>18.2</td>
<td>22.8</td>
<td>22.8</td>
</tr>
</tbody>
</table>

### Drivers of a2MC distributor sell-out (i.e. sales to retailers)

**Key initiatives to drive LFL sales growth**

- Improve in-store execution, pricing/promo activity and trade marketing effectiveness
- Utilise data and analytics to continuously optimise mix of trade marketing activities to allow precise deployment of investment
- Leverage partnerships with key accounts into new opportunities for joint business growth; extend learnings to underperforming accounts
- Deepen brand and trade marketing investment in higher priority areas

**AR%**

<table>
<thead>
<tr>
<th>FY20 distributor units sold</th>
<th>Annualisation of new stores in FY20</th>
<th>New stores in FY21</th>
<th>Mature (entered FY19 and earlier) stores LFL</th>
<th>Deactivated stores during FY21</th>
<th>FY21 distributor units sold (excl. inventory change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>15%</td>
<td>14%</td>
<td>2%</td>
<td>-8%</td>
<td>123%</td>
</tr>
</tbody>
</table>

Note: Difference between distributor sales to retailers and a2MC ex-factory sales is inventory held by distributors

Source: a2MC internal data tracking of stores with active sales in the past 6 months. Restated store numbers for December 2020 and June 2020 reflecting enhanced data capture and updated internal tracking methodology.
Runway remains to further expand our footprint

Estimated number of offline stores for ultra premium brands (FY21)

<table>
<thead>
<tr>
<th>Brand</th>
<th># of ranges under same brand</th>
<th>Numeric distribution</th>
<th>Weighted distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feihe Astrobaby</td>
<td>16</td>
<td>66%</td>
<td>84%</td>
</tr>
<tr>
<td>Wyeth Illuma Blue Diamond</td>
<td>4</td>
<td>31%</td>
<td>56%</td>
</tr>
<tr>
<td>Aptamil Profutura</td>
<td>2</td>
<td>30%</td>
<td>52%</td>
</tr>
<tr>
<td>MJ Enfinitas</td>
<td>4</td>
<td>26%</td>
<td>51%</td>
</tr>
<tr>
<td>Nestle NAN HA</td>
<td>2</td>
<td>21%</td>
<td>39%</td>
</tr>
<tr>
<td>Abbott Eleva Green</td>
<td>2</td>
<td>17%</td>
<td>38%</td>
</tr>
<tr>
<td>Friso Prestige</td>
<td>2</td>
<td>17%</td>
<td>39%</td>
</tr>
<tr>
<td>a2 Zhi Chu</td>
<td>1</td>
<td>18%</td>
<td>38%</td>
</tr>
<tr>
<td>JunLeBao Perfeito A2 protein</td>
<td>~12</td>
<td>6%</td>
<td>24%</td>
</tr>
<tr>
<td>Wyeth Illuma Atwo</td>
<td>4</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>a2MC</td>
<td>~30-35K stores with a WD ~50%</td>
<td>~13K</td>
<td>~8K</td>
</tr>
</tbody>
</table>

Note: Numeric distribution is the percent of stores in China that sell the item; Weighted distribution is the percent of stores in China that sell the item weighted by the sales of the stores. Source: ND% and WD% from Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value) as at end of FY21; estimated number of stores assumes ~140K MBS stores (except for a2MC where actual number of active stores has been shown).
Performance in national key accounts (NKAs) has been an important growth driver; however, opportunity remains in some chains

We have focused our efforts on building share in national key accounts

a2MC CL offline IMF volume sales from distributors to retailers

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>15%</td>
<td>23%</td>
</tr>
<tr>
<td>NKA</td>
<td>41%</td>
<td></td>
</tr>
</tbody>
</table>

YoY growth

However, opportunity remains to grow in some underpenetrated chains

a2MC share in NKAs (FY21)

<table>
<thead>
<tr>
<th>NKA</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11.6%</td>
</tr>
<tr>
<td>2</td>
<td>8.0%</td>
</tr>
<tr>
<td>3</td>
<td>7.9%</td>
</tr>
<tr>
<td>4</td>
<td>7.4%</td>
</tr>
<tr>
<td>5</td>
<td>7.0%</td>
</tr>
<tr>
<td>6</td>
<td>5.6%</td>
</tr>
<tr>
<td>7</td>
<td>5.4%</td>
</tr>
<tr>
<td>8</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Source: a2MC internal data
Strong performance in Key&A cities, however, opportunity remains in BCD cities

Majority of growth driven by sales in Key&A cities

- a2MC CL offline IMF volume sales from distributors to retailers

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key&amp;A</td>
<td>4.7%</td>
<td>5.8%</td>
</tr>
<tr>
<td>BCD</td>
<td>1.5%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Nielsen MBS value share (MAT)

YoY growth

- BCD: 23%
- Key&A: 34%

However, a2MC is under-indexed in BCD cities

- Value sales
  - BCD: 84%
  - Key&A: 16%

Key initiatives for BCD growth

- Further develop our distributor network to enable strong coverage of lower tier cities
- Partner with distributors to continue to expand our CL footprint
- Apply learnings from NKAs to relevant regional key accounts
- Deepen marketing investment in select, higher priority areas for accelerated growth
- Strong channel and inventory management
## a2MC’s share position also varies widely by province

### Value share by province (MAT Jun 2021)

<table>
<thead>
<tr>
<th>Province</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Feihe</strong></td>
<td>17%</td>
<td>17%</td>
<td>32%</td>
<td>27%</td>
<td>19%</td>
<td>19%</td>
<td>23%</td>
<td>9%</td>
<td>21%</td>
<td>22%</td>
<td>25%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Junlebao</strong></td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
<td>13%</td>
<td>7%</td>
<td>11%</td>
<td>10%</td>
<td>8%</td>
<td>9%</td>
<td>5%</td>
<td>14%</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Yili</strong></td>
<td>4%</td>
<td>8%</td>
<td>12%</td>
<td>10%</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
<td>10%</td>
<td>16%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Nutricia</strong></td>
<td>10%</td>
<td>10%</td>
<td>7%</td>
<td>3%</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Wyeth</strong></td>
<td>10%</td>
<td>8%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
<td>8%</td>
<td>2%</td>
<td>9%</td>
<td>3%</td>
<td>4%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Mead Johnson</strong></td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
<td>6%</td>
<td>4%</td>
<td>9%</td>
<td>2%</td>
<td>5%</td>
<td>2%</td>
<td>7%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>a2</strong></td>
<td>3.5%</td>
<td>4.3%</td>
<td>4.0%</td>
<td>2.7%</td>
<td>1.9%</td>
<td>1.3%</td>
<td>2.0%</td>
<td>2.8%</td>
<td>1.2%</td>
<td>3.4%</td>
<td>0.6%</td>
<td>2.2%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value)
Key account growth enabled by investment in activation

ROADSHOWS
• High impact events designed to build brand awareness and engagement
• **877** events run in FY21 across **158** cities

MAMA CLASSES
• Provide an opportunity for deeper brand education
• Range in size from <20 people to "mega" classes with >100 people
• **42.3K** events run in FY21

BRAND AMBASSADORS
• In-store consultants to provide mothers with advice, sales support and connect them with other mothers
• **4.5K** a2MC consultants as at the end of FY21

IN-STORE EXPERIENCE
• Ranging from in-store shelf displays and brand banners to flagship fitouts
• a2MC rolled out **106** flagship stores in FY21

Source: a2MC internal data
We have made good progress in growing sales via domestic online channels; however, we still under-index relative to our MBS channel share.

**a2MC DOL sales growth**

- a2MC CL online IMF sales from distributors to platforms (lins)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tmall</th>
<th>JD</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY21</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Retail sales mix by local vs MNC players**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Local Players</th>
<th>MNC Players</th>
<th>a2MC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DOL</td>
<td>MBS</td>
<td></td>
</tr>
<tr>
<td>Brand 1</td>
<td>(83%)</td>
<td>(17%)</td>
<td>(17%)</td>
</tr>
<tr>
<td>Brand 2</td>
<td>(85%)</td>
<td>(15%)</td>
<td>(39%)</td>
</tr>
<tr>
<td>Brand 3</td>
<td>(83%)</td>
<td>(17%)</td>
<td>(33%)</td>
</tr>
<tr>
<td>Brand 4</td>
<td>(61%)</td>
<td>(33%)</td>
<td>(48%)</td>
</tr>
<tr>
<td>Brand 5</td>
<td>(67%)</td>
<td>(33%)</td>
<td>(48%)</td>
</tr>
<tr>
<td>Brand 6</td>
<td>(52%)</td>
<td>(48%)</td>
<td>(52%)</td>
</tr>
</tbody>
</table>

Source: a2MC internal data; Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value); Smartpath China IMF online market tracking: domestic online platform sales (by value)

a2MC DOL share of 2.0% and MBS share of 2.5%
We take an integrated approach to investing in our brand

- Historically leveraged broadcast media for awareness building, supplemented by in-market events, which can be deployed at a city-level
- Recent focus on improving our capability in social and digital media to engage consumers throughout their brand journey
- Targeted deployment of online and offline investments in purchase conversion
- Improving monitoring of effectiveness and efficiency of marketing spend, to drive continuous improvement, and to ensure we get maximum impact from our investment
Our brand investment begins with a deep understanding of our consumers

### Original segmentation

<table>
<thead>
<tr>
<th>Archetype</th>
<th>Defining drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resourceful mum</td>
<td>Prefers imported products</td>
</tr>
<tr>
<td></td>
<td>Overseas natural, imported sourcing critical</td>
</tr>
<tr>
<td>Savvy rational</td>
<td>Focused on product-features</td>
</tr>
<tr>
<td></td>
<td>Prefers formulations based on latest IMF science</td>
</tr>
<tr>
<td>Peacock mum</td>
<td>Prefers expensive and exclusive brands</td>
</tr>
<tr>
<td></td>
<td>Driven by status</td>
</tr>
<tr>
<td>Balanced progressive mum</td>
<td>Progressive mindset against lifestyle and parenting</td>
</tr>
<tr>
<td></td>
<td>Open-minded and willing to try innovative brands</td>
</tr>
<tr>
<td>Carefree mum</td>
<td>Practical</td>
</tr>
<tr>
<td></td>
<td>Values convenience and availability</td>
</tr>
</tbody>
</table>

### New archetypes added

<table>
<thead>
<tr>
<th>Archetype</th>
<th>Defining drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value seeker mum</td>
<td>Prefers value-for-money</td>
</tr>
<tr>
<td></td>
<td>High price sensitivity</td>
</tr>
<tr>
<td></td>
<td>Skews to local brands</td>
</tr>
<tr>
<td>China Pride mum</td>
<td>Prefers local brands designed and manufactured in China</td>
</tr>
<tr>
<td></td>
<td>Proud of Chinese lifestyle</td>
</tr>
</tbody>
</table>

---

Source: a2MC quantitative survey (n=3000)
We have enhanced our brand health and competitor tracking capabilities

- Conduct **quarterly IMF brand health and equity tracking** in China as well as **quarterly global competitor NPS and trend tracking**

- **Robust sample sizes** and **broad geographic coverage** with **9600 IMF mothers surveyed per quarter** across all regions, city types (both K&A and BCD cities) and provinces

- Key performance indicators for tracking and diagnosis include: **loyalty through the funnel**, **net promoter score (NPS)** and **brand equity measures**

- Enhanced analytical capabilities that enable us to **isolate and measure communication effectiveness**, **test & learn** marketing and **trade initiatives**

- **Track new IMF formulation, ingredients and milk bases** to consider in connection with our product innovation and scientific research programs
We are also continuously improving our approach to measuring marketing effectiveness along the brand funnel

<table>
<thead>
<tr>
<th></th>
<th>Awareness</th>
<th>Consideration</th>
<th>Trial/purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcast media</td>
<td>• Assess impact with BHT</td>
<td>• Review impact of investment on search indices, brand buzz, engagements and EC traffic</td>
<td>• Analyse effectiveness and efficiency of triggering purchase, mix of new purchasers</td>
</tr>
<tr>
<td></td>
<td>• Compare by province</td>
<td>• Conduct social listening of positive and negative sentiment</td>
<td></td>
</tr>
<tr>
<td>Digital/social</td>
<td></td>
<td>• Analyse effectiveness and efficiency of driving traffic and recruiting new fans/members</td>
<td></td>
</tr>
<tr>
<td>E-commerce</td>
<td></td>
<td>• Analyse effectiveness and efficiency of driving traffic and recruiting new fans/members</td>
<td>• Analyse effectiveness and efficiency of triggering purchase, mix of new purchasers</td>
</tr>
<tr>
<td>POSM</td>
<td>• Conduct BHT correlation analysis to understand impact on awareness</td>
<td>• In-store sales analysis to assess impact of POSM post-installation</td>
<td>• Measure direct ROI (based on GM value of sales) and indirect ROI (incl. new user value)</td>
</tr>
<tr>
<td>Roadshows</td>
<td></td>
<td>• Conduct BHT correlation analysis to understand impact on consideration</td>
<td>• Compare effectiveness and efficiency across provinces</td>
</tr>
<tr>
<td>Mama classes</td>
<td></td>
<td></td>
<td>• Cross-check with BHT correlation analysis against purchase metrics and change in Stage 1 share</td>
</tr>
<tr>
<td>In-store consultants</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: BHT = Brand Health Tracker
With these tools in place, we have stepped up our investment in marketing

Marketing has increased over the past 5 years

China marketing investment - both CL & EL (NZD)

- Although we have increased our marketing spend, we estimate that we are still underinvesting compared with competitors
  - Our research suggests we invest less than half of other MNC brands and a fraction of leading domestic brands

- Our intention is to further increase our marketing investment as well as adapt our marketing mix
  - Historically, strong investment in online content by our EL resellers has allowed us to focus on building awareness and driving purchase conversion
  - Following EL channel disruption, we are increasing our brand-led digital and social media investment to supplement efforts from resellers

Marketing mix weighted to in-channel activities

Comments

- Intention to increase further in FY22

Source: a2MC internal data
Investments are deployed across the brand funnel

**ATL marketing to build awareness**

**In-market events to engage and educate consumers**

**In-store POSM and brand ambassadors to convert**
Marketing effectiveness evident in strong brand health metrics

Brand awareness

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan-19</th>
<th>Apr-19</th>
<th>Oct-19</th>
<th>Apr-20</th>
<th>Sep-20</th>
<th>Dec-20</th>
<th>May-21</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness %</td>
<td>25</td>
<td>25</td>
<td>33</td>
<td>43</td>
<td>45</td>
<td>47</td>
<td>49</td>
<td></td>
</tr>
</tbody>
</table>

Ever trialled

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan-19</th>
<th>Apr-19</th>
<th>Oct-19</th>
<th>Apr-20</th>
<th>Sep-20</th>
<th>Dec-20</th>
<th>May-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>a2MC ever trialled %</td>
<td>8</td>
<td>7</td>
<td>12</td>
<td>16</td>
<td>17</td>
<td>17</td>
<td>18</td>
</tr>
</tbody>
</table>

Brand used most often

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan-19</th>
<th>Apr-19</th>
<th>Oct-19</th>
<th>Apr-20</th>
<th>Sep-20</th>
<th>Dec-20</th>
<th>May-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>a2MC brand used most often %</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: IPSOS China brand health quarterly tracker
We have significant room to grow awareness with encouraging “proof points” around conversion and loyalty when consumers do become aware.

**Brand awareness**
- Unprompted awareness % as at May 21:
  - Brand 1: 45%
  - Brand 2: 37%
  - Brand 3: 27%
  - Brand 4: 27%
  - Brand 5: 21%

**Trial conversion**
- Trial conversion % as at May 21 (awareness to trial):
  - Brand 1: 38%
  - Brand 2: 36%
  - Brand 3: 34%
  - Brand 4: 31%
  - Brand 5: 30%

**Loyalty conversion**
- Loyalty conversion % as at May 21 (trial to brand use most often):
  - Brand 1: 63%
  - Brand 2: 51%
  - Brand 3: 50%
  - Brand 4: 48%
  - Brand 5: 45%
We also have the highest NPS across all brands

Source: IPSOS China brand health quarterly tracker (n= 9750 respondents)
Key brand equity measures are also encouraging

**a2MC equity statements vs. category**

- Is a brand I will recommend to others
- Is the closest to breast milk
- A natural brand
- Provides superior nutrition
- Innovative brand
- Easy to digest
- Helps baby brain development / learning development
- Is a premium brand
- Has superior milk source
- Strengthen immunity/prevent illness
- Helps reduce constipation/diarrhea
- A brand I can trust
- Contains A2 protein
- Helps baby brain development / learning development
- Provides superior nutrition
- Innovative brand
- Easy to digest
- Helps baby brain development / learning development
- Is a premium brand
- Has superior milk source
- Strengthen immunity/prevent illness
- Helps reduce constipation/diarrhea
- A brand I can trust
- Contains A2 protein

Source: IPSOS China brand health quarterly tracker (June 2021); based on those aware of a relevant brand (a2MC = 4696)
Strong growth in early-stage products (despite fewer newborns) and fast ramp-up of Stage 4 (launched Dec-20) demonstrates ability to recruit and retain users.

Positive growth in early stage products

a2MC CL distributor sell-out by stage (units millions)

![Graph showing a2MC CL distributor sell-out by stage (units millions)]

Growth reflected in market share gains

a2MC CL value share by stage

![Graph showing a2MC CL value share by stage]

Source: a2MC internal data; Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value); Smartpath China IMF online market tracking: domestic online platform sales (by value)
Overall, performance to date gives us “proof points” that we can be successful, as well as highlighting a clear pathway to future growth.

**Cross-channel growth**

<table>
<thead>
<tr>
<th>Channel</th>
<th>MBS</th>
<th>DOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>a2MC value share by channel (MAT, FY21)</td>
<td>2.5%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

**Cross-tier growth**

<table>
<thead>
<tr>
<th>Tier</th>
<th>Key&amp;A</th>
<th>BCD</th>
</tr>
</thead>
<tbody>
<tr>
<td>a2MC MBS value share by city tier (MAT, FY21)</td>
<td>5.8%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

**Cross-province growth**

<table>
<thead>
<tr>
<th>Province</th>
<th>Province 1</th>
<th>Province 2</th>
<th>Province 3</th>
<th>Province 4</th>
<th>Province 5</th>
<th>Province 6</th>
<th>Province 7</th>
<th>Province 8</th>
<th>Province 9</th>
<th>Province 10</th>
<th>Province 11</th>
<th>Province 12</th>
<th>Province 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>a2MC MBS value share by province (MAT, FY21)</td>
<td>4.3%</td>
<td>4.0%</td>
<td>3.5%</td>
<td>3.4%</td>
<td>2.8%</td>
<td>2.7%</td>
<td>2.2%</td>
<td>2.0%</td>
<td>1.9%</td>
<td>1.3%</td>
<td>1.2%</td>
<td>1.2%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value); Smartpath China IMF online market tracking: domestic online platform sales (by value)
Further opportunities exist with an expanded portfolio, subject to registrations

RRP\(^1\) / 900g tin per brand (MBS, FY21, RMB)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Ultra premium</th>
<th>Super premium</th>
<th>Premium</th>
<th>Mainstream</th>
</tr>
</thead>
<tbody>
<tr>
<td># of brands/labels</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>P12M share change(^3)</td>
<td>+0.4 ppt</td>
<td>-1.8 ppt</td>
<td>+0.2 ppt</td>
<td>-1.4 ppt</td>
</tr>
</tbody>
</table>

Note: Price tier based on Stage 1 price RMB / 900g tin: Ultra premium >350; Super premium 260-350; Premium 170-260; Mainstream <170. 1. Using each sub-brand’s stage 1 IMF original selling price, converting to price per kg; 2. From Nielsen MBS data (high level estimation to directionally show comparison); 3. Value share change from Nielsen value share data MAT Jun 2020 to MAT Jun 2021

Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value)

Bubble size: FY21 IMF retail sales^2
There are multiple directions into which we could expand our portfolio

Commentary

- We are seeking to innovate our CL IMF portfolio
- There are several directions under review, including:
  - Additional ultra premium ranges (sitting alongside our current CL brand)
  - Extending into the super premium price segment to extend further into BCD cities
  - Considering whether our brand can stretch into other A1-free IMF offerings

Est. China CL MBS IMF market by price band and product type (FY26F)

- We are seeking to innovate our CL IMF portfolio
- There are several directions under review, including:
  - Additional ultra premium ranges (sitting alongside our current CL brand)
  - Extending into the super premium price segment to extend further into BCD cities
  - Considering whether our brand can stretch into other A1-free IMF offerings

Note: *Assume goat/sheep/plant has same split of CL MBS sales with that of cow milk IMF
Source: Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value); management estimates used to extrapolate into FY26
Our China strategic partners are key to enabling portfolio expansion

- Strong partnership formed in China with CNADC and through its subsidiaries, China State Farm and China Animal Husbandry Group
- China State Farm has been our strategic logistics and distribution partner in China since 2013 as our exclusive import agent for our China label IMF products
- Recent MVM acquisition has initiated a relationship with the China Animal Husbandry Group, who retains a 25% interest
- a2MC has a 19.8% share in Synlait; Bright holding a 39.0% share
- Foundational IMF partnership since 2012 and supply rights for defined IMF products into ANZ & China
- Work to progress re-registration of our China label product is on-track, targeting SAMR approval in late 2022 with new product in market in early 2023
Our CL IMF strategic priorities

<table>
<thead>
<tr>
<th>Ambition</th>
<th>To be a top-5 CL IMF brand in China</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic priorities</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Continue to invest in &amp; nurture our brand</td>
</tr>
<tr>
<td></td>
<td>Evolve a2MC brand promise and establish clear positioning with consumers and trade</td>
</tr>
<tr>
<td>2</td>
<td>Achieve full potential in key accounts</td>
</tr>
<tr>
<td></td>
<td>Optimise marketing, strengthen joint business planning, and deploy “best practice” across more chains to improve LFL growth</td>
</tr>
<tr>
<td>3</td>
<td>Capture opportunity in lower tier cities</td>
</tr>
<tr>
<td></td>
<td>Further develop distributor network and deepen investment in higher priority areas</td>
</tr>
<tr>
<td>4</td>
<td>Accelerate online growth</td>
</tr>
<tr>
<td></td>
<td>Further increase capability online, including omni-channel management and social/digital media strategy</td>
</tr>
<tr>
<td>5</td>
<td>Broaden our IMF portfolio</td>
</tr>
<tr>
<td></td>
<td>Address untapped consumer segments and broaden distribution footprint with wider product portfolio</td>
</tr>
<tr>
<td><strong>Measures of success</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achieve top quartile awareness whilst maintaining strong trial and loyalty metrics</td>
</tr>
<tr>
<td></td>
<td>Expand footprint to 30-35K stores (~50% WD), with positive LFL growth</td>
</tr>
<tr>
<td></td>
<td>Outperform in DOL, with higher DOL share than MBS</td>
</tr>
<tr>
<td></td>
<td>Achieve total CL share of &gt;5%</td>
</tr>
</tbody>
</table>

**Enablers**
- Relentless commitment to highest quality product and safety standards
- Expand China market access with additional registrations
- IMF innovation capability and supply chain
- Continued management of sales channels and inventory
- Maximise impact from marketing investment
- Leverage data and analytics to drive continuous improvement
While the **China IMF market remains the biggest, most premium IMF market in the world**, current and near-term headwinds are making growth challenging.

Overseas manufacturing is no longer a primary decision driver for consumers. Instead, **consumers are looking for brands that resonate and have a distinctive product proposition**.

Once consumers become aware of our brand, **we have category-leading brand health metrics** and, combined with our relatively low CL market share, we are confident that **significant opportunity remains for us in China**.

**We have identified how to deliver this opportunity**, across different city-tiers, channels and through development of our brand and product portfolio.

We will increase our level of investment and are confident in our team and ability to achieve **our full potential in China**.
ENGLISH LABEL

Yohan Senaratne (Executive General Manager – International)
Summary of key messages

1. The EL market is more than just daigou and CBEC and, critically, it has developed well beyond the traditional “suitcase trade”. The “daigou” channel is more appropriately described as a “reseller network”, referencing the complex routes-to-market developed to supply Chinese consumers with EL IMF. These include developing direct e-commerce platforms, leveraging existing C2C and B2C e-commerce platforms, pioneering development of O2O channels, as well as providing drop-ship services to “closed network” C2C sales (e.g. conducted via WeChat).

2. EL channel disruptions during FY21 had a profound impact on our business, prompting us to take significant steps to reduce inventory build-up. Pleasingly, these efforts are yielding results with improved EL pricing, increasing demand, improved brand health and a more optimal sales mix across stages. We remain confident that we have a compelling IMF proposition for consumers seeking a premium brand, high quality product, at a more accessible price point, and this is demonstrated in our consumer tracking.

3. Outside of the inventory write-down, we are taking other measures to support EL recovery:
   - Improving our ability to manage inventory in the channel in the future, enabled by traceability
   - Actively working to increase brand support to the reseller network, and incorporate EL into our China marketing
   - Increasing focus and investment in other EL routes-to-market (including O2O)
   - Working to simplify and increase control over distribution and “get closer” to our consumers

4. We are also reviewing opportunities for growth through an expanded portfolio
**EL market is significantly more consolidated than the CL IMF market**

**Estimated breakdown of EL IMF channels in China market**

<table>
<thead>
<tr>
<th>Channel</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>C2C (incl. Daigou)</td>
<td>22%</td>
</tr>
<tr>
<td>CBEC*</td>
<td>18%</td>
</tr>
<tr>
<td>O2O^</td>
<td>14%</td>
</tr>
<tr>
<td>Others (36%)</td>
<td></td>
</tr>
<tr>
<td>Mead Johnson (4%)</td>
<td></td>
</tr>
<tr>
<td>Aptamil (38%)</td>
<td></td>
</tr>
<tr>
<td>a2MC (22%)</td>
<td></td>
</tr>
<tr>
<td>Others (33%)</td>
<td></td>
</tr>
<tr>
<td>Friso (5%)</td>
<td></td>
</tr>
<tr>
<td>Mead Johnson (9%)</td>
<td></td>
</tr>
<tr>
<td>Aptamil (35%)</td>
<td></td>
</tr>
<tr>
<td>a2MC (18%)</td>
<td></td>
</tr>
<tr>
<td>Others (45%)</td>
<td></td>
</tr>
<tr>
<td>Abbott (3%)</td>
<td></td>
</tr>
<tr>
<td>Friso (3%)</td>
<td></td>
</tr>
<tr>
<td>Mead Johnson (5%)</td>
<td></td>
</tr>
</tbody>
</table>

**Estimated EL geographic split**

<table>
<thead>
<tr>
<th>Geographic Split</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key&amp;A (57%)</td>
<td></td>
</tr>
<tr>
<td>Key&amp;A (58%)</td>
<td></td>
</tr>
<tr>
<td>BCD (43%)</td>
<td></td>
</tr>
<tr>
<td>BCD (42%)</td>
<td></td>
</tr>
</tbody>
</table>

*Note: There are variations between CBEC data shown here from Kantar and Smartpath. Kantar data has been used here for a single-source view of the EL IMF market. Smartpath CBEC MAT value share as at end of FY21 was 21.1%

*Note: Due to the lack of clear channel definition between O2O/C2C (incl. Daigou)/CBEC, O2O sales may also be captured in C2C (incl. Daigou) and CBEC channels

Source: Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities) for the 52 weeks ending 18 June 2021
Different EL channels play distinct roles

- **Image building & price anchor**
  - Brand equity showroom
    - with official market content, guaranteed authenticity and price stability

- **Traffic & volume contributor**
  - Sales booster channels
    - with high traffic, large consumer bases and large basket sizes

- **New user reaching / endorsement**
  - Awareness building channels
    - with targeted consumers and rich content, but not typically sales conversion channels

- **New user sell-through**
  - Awareness building channels
    - with effective education / word of mouth as well as high sales conversion

- **Discount platforms**
  - Discount platforms
    - with volatile pricing and sales trends

Source: a2MC management
EL routes-to-market are complex and rapidly evolving

### BRAND

<table>
<thead>
<tr>
<th>Image building &amp; price anchor</th>
<th>Traffic &amp; volume contributor</th>
<th>New user reaching / endorsement</th>
<th>New user sell-through</th>
<th>Discount platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBEC FSS</td>
<td>Major CBEC</td>
<td>Content EC</td>
<td>Vertical EC</td>
<td>Niche social EC</td>
</tr>
<tr>
<td>Brand / TP operated flagship on CBEC</td>
<td>High traffic mainstream cross-border B2C (largely platform-owned inventory)</td>
<td>Content-heavy, with both KOL network &amp; selling channel</td>
<td>Mom &amp; baby or medical-focused platforms with targeted audiences</td>
<td>Cross-border focused, social retail platforms leveraging individual shop owners' personal networks</td>
</tr>
<tr>
<td>Tmall Global Flagship</td>
<td>Tmall</td>
<td>JD</td>
<td>Miya</td>
<td>DXY</td>
</tr>
</tbody>
</table>

### CONSUMER

Source: Management estimates
The daigou channel has itself evolved from the traditional “suitcase trade” to a sophisticated reseller network.

- **Suitcase trade**: Daigou began as a suitcase trade for family and friends.
- **Corporate daigou**: “Pick-and-Pack” emerged with scale logistics and supply chains.
  - **E-commerce platforms** (~5% of sales)
  - **“Open-network” C2C** (e.g. Taobao) (~25% of sales)
  - **“Closed-network” C2C** (e.g. WeChat) (~30% of sales)
  - **O2O** (~40% of sales)

Source: Management estimates
Case study: MYAZ.COM comprises an e-commerce sales platform, C2C sales enabled by digital applications as well as O2O

MYAZ.COM

China online  China offline (O2O)  AZ Global

AZ Global APP  AZ Global distribution  AZ ANZ APP

Corporate / personal reseller network  Regional agent  AU pharmacy, corporate network  Daigou

 Supported by livestreaming  Supported by livestreaming  Supported by livestreaming

O2O store  Centralised Packing and Distribution

Example: O2O store activation
Market disruption has had a profound impact on our business in the past year

Commentary

- In FY21 there was significant disruption to cross-border trade which had a profound impact on the Company’s results

- a2MC was impacted by a significant decline in cross-border English label IMF and other nutritional sales through reseller channels

- Decline in market shares has been more modest, with C2C value share declining by ~2%pts, and CBEC value share declining by 0.6%pts

- This is because reseller network sales were impacted by a channel reduction (40-50% decline), and CBEC sales were down as a result of cycling a high comparative period and as a result of the actions taken in 2H21 to rebalance inventory within the channel

Source: a2MC internal data; For CBEC data: Smartpath China IMF online market tracking: for cross border e-commerce platforms only retail sales (by value); For Daigou/C2C and O2O data: Kantar Worldpanel 0-6 years old Baby & Kids panel; National IMF market tracking (Key&A + BCD cities)

Note: Daigou MAT value share of 22.4% was reported as at end of FY21 in our FY21 results release. Following internal SKU data cleansing and reclassifying at Kantar, this number has been restated to 22.5%
We have taken significant steps to reduce inventory build-up which has improved freshness and EL market pricing.

EL inventory written down to reduce stock in supply chains

- EL inventory units; millions
  - a2MC inventory written off: 6.6M
  - Inventory swapped with distributors: 1.0M
  - Total: 7.6M

Freshness has improved

- Distributor inventory holdings by age profile (Aug 21)
  - Expiry > 18 months
  - Expiry 16-18 months
  - Expiry 13-15 months
  - Expiry <12 months

EL prices have also improved

- Stage 1 RMB/tin

Note: CBEC average price calculated excluding Pinduoduo; Inventory written off reflects EL only.
Source: a2MC internal data, including data collected from distributors and from publicly available EC platforms.
Disruption evident in our sales mix; some improvement can be seen in 1Q22 although this has not yet been reflected in our share

- In addition to addressing inventory build-up, we are also increasing brand-building efforts in EL channels, including providing more reseller network content support, and stepping up investment in new user recruitment activities on CBEC
- Key focus is working towards consistency of brand messages across channels

Commentary

<table>
<thead>
<tr>
<th>Stage 1 MAT value share</th>
<th>1Q21</th>
<th>2Q21</th>
<th>3Q21</th>
<th>4Q21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EL MAT value share</td>
<td>23.1%</td>
<td>22.0%</td>
<td>22.0%</td>
<td>20.3%</td>
</tr>
</tbody>
</table>

Source: a2MC internal data; Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities)
EL disruption also visible in brand health; recent tracker suggests improvement

Source: IPSOS China brand health tracker
Consumer research confirms the unique role EL plays in our portfolio

**a2MC CL users’ rationale for purchase:**

- The A2-protein leader
- **Premium lactoferrin** for immunity (designed for Chinese babies)
- **Highest quality and natural** New Zealand milk source
- Easy to find and explore (face-to-face information)
- “Only the best” – a necessary step-up from EL

“**A2 leader designed with lactoferrin to be the best**”

**a2MC EL users’ rationale for purchase:**

- **Brand buzz** and “Hermes” status
- **Imported** New Zealand quality milk source
- The A2-protein leader
- A “smart” choice – do not see “just lactoferrin” as a reason to justify a price increment

“**a2 as a brand is already premium and trusted**”

---

*The Chinese label formulation is better for the baby than the English label; it designed with premium lactoferrin which is for immunity and strength.*

Shanghai mother, 2021

*a2 is already a good enough product. I don’t really see why just having some lactoferrin being added would mean it is that much better.*

Shanghai mother, 2021

Source: Consumer focus groups (n= 8 groups)
Traceability measures will further enhance our channel management

Introduced QR code technology, unique to each tin

Activating functionality in FY22 to support channel management

- Traceability at tin, carton and pallet level from manufacturing through to distributor sale
- Monitoring program for product sold across authorised channels
- Introducing scanning technology at first-tier distributors to increase visibility through the supply chain and channels
- Traceability-enabled product in CBEC currently being sold into our authorised distributors and platforms via Hong Kong and this will be available in reseller and other EL channels during 1H22
Actively working to increase support to reseller network

Increasing reseller support

- Upgrading content and other brand assets to be used across CBEC and reseller networks
- Expanding team resources to provide direct channel marketing support to reseller networks
- Reviewing ways to leverage China in-market investment to also promote EL IMF sales
- Integrating English label images in China ATL campaigns to provide further brand building support to reseller networks

Example content support provided to resellers

Integration of EL IMF in China OOH

Provenance video created as content support for resellers
Increasing our focus and investment in other EL channels

Investing further in O2O

- Opportunity exists to leverage offline stores as EL "showrooms" for purchase through CBEC (O2O)
- O2O provides a good mechanism to increase awareness of a2MC’s lower-priced EL product amongst consumers in China
- Pilot studies suggest that growth is incremental, with limited cannibalisation of existing CL sales
- We are increasing resources to expand the brand-led O2O rollout

Case study: Introduction of EL at major retail chain in China

a2MC monthly retail sales volume (tins) indexed

Source: a2MC internal data
We are working to simplify and de-layer our current EL RTM, which is complex and limits visibility over, and engagement with, end consumers.

Source: a2MC internal data; management estimates
We are also reviewing opportunities for growth through an expanded portfolio.

Note: Price tier based on Stage 1 price: Ultra premium >390RMB/KG; Super premium 290-390RMB/KG; Premium 190-290RMB/KG; Mainstream <190RMB/KG; Using each sub-brand’s stage 1 IMF original selling price from Tmall/JD, converting to price per kg

Source: Internal analysis
## Our EL IMF strategic priorities

<table>
<thead>
<tr>
<th>Ambition</th>
<th>To be the no.1 EL product range in China</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic priorities</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Maintain tight control of EL inventory across channels</td>
</tr>
<tr>
<td>2</td>
<td>Remain the preferred brand for the EL reseller network</td>
</tr>
<tr>
<td>3</td>
<td>Accelerate online growth with omni-channel mindset</td>
</tr>
<tr>
<td>4</td>
<td>Focus on developing O2O channel</td>
</tr>
<tr>
<td>5</td>
<td>Broaden our IMF portfolio</td>
</tr>
<tr>
<td><strong>Measures of success</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stable channel pricing</td>
</tr>
<tr>
<td><strong>Enablers</strong></td>
<td></td>
</tr>
<tr>
<td>Relentless commitment to highest quality product and safety standards</td>
<td>Continue team capability build</td>
</tr>
</tbody>
</table>
Key takeaways

EL channels have been disrupted across the industry

We are working to address a2MC EL challenges and improvements have already been seen in pricing, product freshness and sales mix

Our brand proposition remains compelling and brand health is strong

We are implementing actions to address our route-to-market and management model
Adjacent Growth Opportunities

Eleanor Khor (Chief Strategy Officer)
Outside our core, a2MC is considering other opportunities for growth

- Deliver full potential in our core
- Pursue near-in adjacencies
- Consider other opportunities for transformative growth

Focus our time, energy and resources on achieving full potential in our core IMF business

Prioritise adjacent growth opportunities, where we can leverage existing strengths, as well as reinforce our core

Selectively invest in other opportunities, where they could transform our business; ensure the investment is "right-sized" for the prize
In China, we are expanding our portfolio into dairy-based nutrition for the whole family

Pre-birth
Infants and toddlers
Young children
Families

Targeting NZD ~$200 million in sales growth from non-IMF product categories in China over time
There are proof points to suggest we can achieve meaningful scale outside IMF (although EL market disruption impacted FY21 performance)

<table>
<thead>
<tr>
<th>Year</th>
<th>Key Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>- Early launch of whole milk powder, with EL launched in FY15, and CL launched in FY16</td>
</tr>
<tr>
<td>FY18</td>
<td>- a2 Platinum® pregnancy formula initially launched in FY18 (and subsequently relaunched in FY20 as a broader concept of Nutrition for Mothers™)</td>
</tr>
<tr>
<td></td>
<td>- CL fresh milk sales also commenced in FY15</td>
</tr>
<tr>
<td>FY19</td>
<td>- EL Smart Nutrition™ launched in FY19, with a CL version launched in FY20</td>
</tr>
<tr>
<td></td>
<td>- UHT pilot launched in FY20 to better understand opportunity</td>
</tr>
<tr>
<td>FY20</td>
<td>- FY21 saw the full scale launch of UHT as well as the introduction of CL skim milk powder</td>
</tr>
<tr>
<td></td>
<td>- FY21 sales impacted by reseller network disruption</td>
</tr>
<tr>
<td>FY21</td>
<td>- Relaunched EL Manuka Honey in Feb 2021</td>
</tr>
</tbody>
</table>

Revenue from other dairy and nutritionals to China

- FY17: EL $31.3M, CL $0M
- FY18: EL $56.0M, CL $0M
- FY19: EL $65.1M, CL $0M
- FY20: EL $82.5M, CL $0M
- FY21: EL $0M, CL $54.0M

Source: a2MC internal data
We are leveraging learnings to adapt our model to operate outside IMF

Building capability in modern trade is key

- Majority of non-IMF sales occur in the modern trade channel
- We have added distributors to support MT and in FY21, increased our adult milk powder distribution footprint by >3x

Need a new “playbook” to launch new products

- Precise targeting critical to recruit users into our ultra premium price points
- We are using "test and learns" to refine approach to winning users online, whilst leveraging IMF investment for offline sales

We are still testing our brand's ability to “stretch”

- As we enter new product categories, we must learn as much from what "is" working as well as from what "isn't" working
- We are applying learnings to inform our overall future innovation pipeline
Recent launch of UHT in China has exceeded expectations

- UHT was launched in China in Oct 2020 both in-store and online

- Initial response has been extremely positive with monthly sales volumes increasing

- Key focus of the launch has been building an online consumer base through digital marketing campaigns

- Marketing campaigns have been ROI positive, with average monthly offtake in online platforms up >500% from a small base since investment began

- We continue to review our supply chain for best fit as demand increases

Source: a2MC internal data
Expanding our portfolio in China provides opportunities to differentiate our IMF marketing for S3 and S4 and leverage “halo” benefits from our S3 strengths

- *a2™* conducted a **Trial Endorsement Amplification Campaign** in China in August 2021

- The purpose of the campaign was to **encourage fresh milk trial as a way to increase confidence in a2™ IMF** in China

- Given that *a2™* IMF is fortified directly from *a2 Milk™*, parents in China have the opportunity to try the milk source for themselves
Outside China, we are also reviewing opportunities to expand into new markets.

**Leverage existing products**

Use our current product portfolio to enter new markets (i.e. fresh milk, IMF, milk powder, UHT)

**Choose the right route-to-market**

Consider different route to market options to access markets (i.e. distributor-led, licence model, etc)

**Invest selectively**

Invest when there are enough “green shoots” to increase confidence in ROI of investment.
We have successfully expanded into South Korea in close cooperation with YuhanCare acting as our exclusive distributor.

**IMF-led launch into South Korea**

- In December 2019, a2MC successfully launched Stages 1-3 IMF in Korea with our exclusive distributor YuhanCARE (Yuhan).
- At the end of FY21, a2MC had a market share of ~3% in the South Korea IMF market.
- As a result, we have also successfully launched a2 Milk™ skim milk powder (1kg) and a2 Milk™ UHT (1L and 200mL).

**Monthly IMF volume has increased**

a2 Platinum® volume sold in YuhanCARE

Source: a2MC internal data
Several markets have been prioritised for further evaluation

<table>
<thead>
<tr>
<th>Country</th>
<th>Key Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>• Rapid economic growth is projected to bolster affluent population and willingness to pay for premium products</td>
</tr>
<tr>
<td></td>
<td>• Vietnamese consume more dairy than others in Asia-Pacific</td>
</tr>
<tr>
<td></td>
<td>• Sizeable shelf-stable milk and IMF categories</td>
</tr>
<tr>
<td>Indonesia</td>
<td>• Affluent population forecast to grow from ~12% to ~21% by 2030</td>
</tr>
<tr>
<td></td>
<td>• Dairy increasingly associated with health and wellness, and digestive health is a key consideration</td>
</tr>
<tr>
<td></td>
<td>• Very large IMF market, dominated by MNC brands</td>
</tr>
<tr>
<td></td>
<td>• However, regulatory environment more complex than other SEA markets</td>
</tr>
<tr>
<td>Malaysia &amp; Singapore</td>
<td>• Smaller than other SEA markets in region, but high degree of affluence, especially Singapore, and large community of Chinese-Malaysians</td>
</tr>
<tr>
<td></td>
<td>• High willingness to pay for IMF (Malaysia and Singapore)</td>
</tr>
<tr>
<td></td>
<td>• High modern trade penetration</td>
</tr>
<tr>
<td></td>
<td>• Comparatively fewer regulatory hurdles</td>
</tr>
</tbody>
</table>

Targeting NZD ~$100 million in sales growth from existing and new emerging markets over time
Key takeaways

We continue to prioritise core growth, with IMF to China remaining our biggest focus.

A broader product range allows us to “grow-up” with existing consumers, leverage our brand to acquire new consumers, and bring further value to our retailer and distributor partners.

A diverse set of geographies will set us up for “Horizon 3” growth – but we are pacing our expansion to primarily focus on our core growth engine of China IMF.
ANZ
Kevin Bush (Executive General Manager - ANZ)
Summary of key messages

1. The Australian fresh milk market is mature, with total volume declining over recent years and growth primarily in specialty segments.

2. Despite overall market decline, a2 Milk™ has consistently grown ahead of the market, resulting in significant market share gains.

3. Growth enabled by ongoing investment in our brand, leading to strong loyalty measures; however, new user recruitment remains challenging.

4. With growing sales, we are investing to expand our manufacturing network and increase our production capacity.

5. We are also working on leveraging our brand strength into an expanded product portfolio.
Australian supermarket milk market consists of fresh milk and long life milk

Australian supermarket milk FY21 retail sales (NZD)

Fresh Milk Market ($1,923M sales)
- Norco
- Pauls
- Dairy Farmers
- Other
- a2 Milk
- Private Label

Long Life Milk ($757M sales)
- Dairy UHT
- Non-Dairy UHT

Source: IRI Australian Grocery Weighted Scan for the 12-months ending 30 June 2021
The Australian fresh milk market has experienced some small declines over recent years.

Overall, fresh milk volume in decline

Australian fresh milk retail volume (Million Litres)

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (Million Litres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,520</td>
</tr>
<tr>
<td>2017</td>
<td>2,507</td>
</tr>
<tr>
<td>2018</td>
<td>2,493</td>
</tr>
<tr>
<td>2019</td>
<td>2,476</td>
</tr>
<tr>
<td>2020</td>
<td>2,477</td>
</tr>
</tbody>
</table>

However, grocery sales up in FY21 due to COVID-19

Australian supermarket fresh milk retail sales (NZD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (NZD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>$1.87B</td>
</tr>
<tr>
<td>FY21</td>
<td>$1.92B</td>
</tr>
</tbody>
</table>

Source: Dairy Australia December 2020; IRI Australian Grocery Weighted Scan
**Key consumer trends**

### Lactose-free milk
- Lactose-free growth driven by an increase in the number of people being diagnosed (self or medically-diagnosed) as lactose intolerant (+14.8% YoY) and high price points

### Plant-based milk substitutes
- Plant-based growth has been driven by more consumers switching to plant-based milk substitutes for proclaimed health and environmental benefits
- While almond and soy milk have been the key drivers of growth historically, oat milk substitutes are becoming increasingly popular with consumers

---

**Value share of total Australian fresh milk and fresh milk substitutes market**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Label</td>
<td>44.7%</td>
<td>45.5%</td>
<td>43.8%</td>
</tr>
<tr>
<td>Mainstream Brands</td>
<td>36.8%</td>
<td>35.7%</td>
<td>35.5%</td>
</tr>
<tr>
<td>a2 Milk™</td>
<td>11.2%</td>
<td>11.3%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Lactose free</td>
<td>5.5%</td>
<td>5.9%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Plant-based</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Organic</td>
<td>1.8%</td>
<td>1.6%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Note: Totals will not add up to 100% as there is overlap between private label and organic, private label and lactose free

Source: IRI Australian Grocery Weighted Scan
Our fresh milk sales have grown ahead of the market

a2MC sales growth year on year

a2MC Australia fresh milk net revenue (NZD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value share</th>
<th>Value (NZD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>9.7%</td>
<td>$116M</td>
</tr>
<tr>
<td>FY18</td>
<td>10.3%</td>
<td>$124M</td>
</tr>
<tr>
<td>FY19</td>
<td>11.2%</td>
<td>$134M</td>
</tr>
<tr>
<td>FY20</td>
<td>11.3%</td>
<td>$153M</td>
</tr>
<tr>
<td>FY21</td>
<td>12.2%</td>
<td>$169M</td>
</tr>
</tbody>
</table>

Resulting in significant market share gains

Value market share % (Australian grocery weighted)

- a2MC is the only brand that is distributed in all major national retail chains

Source: a2MC Internal Data, IRI Australian Grocery Weighted Scan
Australian sales skew to the supermarket channel in NSW and VIC

a2MC FY21 sales by type, pack, channel

a2MC value share by state

Source: IRI Australian Grocery Weighted Scan for the 12-months ending 30 June 2021
We are also making progress in NZ with our licensed product to Anchor™

*a2 Milk™* brought to NZ by Anchor™ retail sales (NZD)

- **Launched in July 2018**
- **FY19**: $3.9M
- **FY20**: $7.1M
- **FY21**: $7.9M

Note: a2MC receives licensing fees from this partnership and does not account for the sales.
Source: NielsenIQ homescan
Our brand health remains strong

High brand awareness

...and high brand loyalty

Brand loyalty
(regular purchase for past 2 years)

Source: EY Sweeney research December 2020 (n=2000 respondents)
We have a strong share of voice linked to ongoing investment

Our share of voice is high at 62%

Total a2MC share of voice

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Voice</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>65%</td>
</tr>
<tr>
<td>2017</td>
<td>76%</td>
</tr>
<tr>
<td>2018</td>
<td>69%</td>
</tr>
<tr>
<td>2019</td>
<td>62%</td>
</tr>
<tr>
<td>2020</td>
<td>62%</td>
</tr>
</tbody>
</table>

We continue to invest in key partnerships

Source: Nielsen media totals by calendar year
We are investing to expand our manufacturing network

Smeaton Grange

• Smeaton Grange is a2MC’s first liquid milk processing facility in our network based in New South Wales
• Smeaton Grange has a current capacity of 44ML/annum with a capex program underway to increase this to 60ML/annum by 2024
• This manufacturing facility alone supplies 29 of the 60 national customer DC’s
• In FY21, solar panels were installed to increase the Company’s use of renewable energy

Kyabram

• In September 2020, a2MC acquired the Kyabram manufacturing facility from the Kyvalley Dairy Group, a2MC’s long-term fresh milk supplier in Victoria
• Kyvalley continues to operate the facility under a long-term operating lease with an associated long-term supply agreement in place
• Under the agreement, a2MC will be expanding and upgrading the Kyabram facility
We are reviewing opportunities to expand our ANZ product portfolio

- Protect and grow our fresh milk “hero”
- Consider close adjacencies
- Understand brand “stretch”
- Continuously refine and invest in our brand to defend share and capture new consumers
- Leverage our brand and credentials to expand into near-in adjacencies, starting with UHT
- Consider other categories where we can stretch our brand
We have recently introduced UHT into the Australian market

a2MC has recently launched UHT a2 Milk™ in the Australian market

A trial has been completed in a major retailer with a bulk pack of 24x200mL

1L UHT a2 Milk™ has been presented to other major retailers and is expected to be launched nationally in 1Q22
# Our ANZ strategic priorities

<table>
<thead>
<tr>
<th>Ambition</th>
<th>Maintain the no.1 position in fresh milk with expansion into new categories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic priorities</strong></td>
<td></td>
</tr>
</tbody>
</table>
| 1 | Maintain brand leadership  
Continue to grow our brand with category-leading investment and partnerships |
| 2 | Increase household penetration  
Increase trial and conversion through marketing and innovation |
| 3 | Drive product innovation  
Develop new core fresh milk offerings for existing and new consumers and explore leveraging brand into adjacent categories to expand share of consumer |
| 4 | Invest in sustainability  
Accelerate sustainability investment, particularly in packaging, which will assist with ongoing brand resonance |
| 5 | Expand capacity in our supply chain  
Invest in our manufacturing network to increase capacity and capability in core |

<table>
<thead>
<tr>
<th>Measures of success</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty rate &gt;40%</td>
<td>Market share &gt;15% in milk</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enablers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Relentless commitment to highest quality product and safety standards</td>
<td>Maximise impact from marketing investment</td>
</tr>
</tbody>
</table>
Key takeaways

- We have a very **established and well-loved brand** in Australia
- Our **production capacity is stretched but we are investing in expansion**
- We have an opportunity to extend our brand outside our core fresh milk offer
- Our new restructure will assist to **deliver on our full potential in our local market**
USA
Blake Waltrip (Chief Executive – USA)
Summary of key messages

1. While the USA has a very large premium milk market, it is highly competitive and there are a number of scaled and well-known specialty milk brands.

2. Our liquid milk net revenue declined in FY21 following a shift in execution approach in response to COVID-19 market conditions (volume sales were +13% vs FY20).

3. We are approaching our optimal distribution footprint. However, further investment in our brand will drive trial and household penetration and in turn, increase velocities.

4. We are also actively working to innovate our product portfolio in core liquid milk and adjacent categories to scale our business, with other opportunities existing to further expand our portfolio.

5. Participation in manufacturing over time will be an enabler to improving margin and innovation capability.
The USA premium milk market is large, with a number of scaled specialty brands

USA FY21 retail milk sales (NZD)

**Premium** ($4,328M sales)

**Regular** ($14,136M sales)

*Fairlife is lactose-free and ultra-filtered

Source: SPINS US MULO
The category is changing due to specialty players and shifting consumer trends

Regular milk declining except for COVID-19 bump and specialty milk growing

COVID-19 has led to significant shifts in consumer behaviour

- Initially, COVID-19 caused in home consumption to increase
- Trips to grocery retailers have recently declined back to pre-COVID-19 levels as consumers shift towards other outlets (e.g. Mass, Club)
- Increasing vaccination levels and the nation re-opening has led to increased eating out and less cooking and eating at home

Source: SPINS US MULO
In FY21, a2MC reduced its effective retail prices, which resulted in increased volume sales but a reduction in net revenue (also impacted by FX)

Source: a2MC internal data

### USA net revenue declined between FY20-FY21

<table>
<thead>
<tr>
<th>Volume (units)</th>
<th>a2MC USA net revenue (NZD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>$6M</td>
</tr>
<tr>
<td>FY18</td>
<td>$13M</td>
</tr>
<tr>
<td>FY19</td>
<td>$35M</td>
</tr>
<tr>
<td>FY20</td>
<td>$66M</td>
</tr>
<tr>
<td>FY21</td>
<td>$64M</td>
</tr>
</tbody>
</table>

On a constant currency basis, net revenue increased 5.6% to $70M

### Key drivers

- FY21 represented a **shift in execution approach** with lower marketing investment and increased price investment to improve conversion and household penetration

- a2MC leveraged trade investment to **reduce price to an affordable premium** with key retail customers in exchange for more shelf presence and position which will benefit the business over time

- The revenue decline represents the **loss of distribution in a major club customer due to a shift to private label** (with underlying volume in other channels still increasing) and unfavourable FX

Source: a2MC internal data
**a2MC USA sales driven by whole milk in the Grocery channel**

<table>
<thead>
<tr>
<th>Unit sales by type</th>
<th>Unit sales by channel</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole milk (65%)</td>
<td>Grocery (63%)</td>
<td>• The percentage of Club unit volume has decreased vs. prior year reducing our sales concentration with a single customer.</td>
</tr>
<tr>
<td>Reduced fat 2% (30%)</td>
<td>Club (26%)</td>
<td>• The majority of volume has been driven by two key SKUs with significant distribution across the major channels of distribution for milk consumption.</td>
</tr>
<tr>
<td>Fat free (1%)</td>
<td>Mass (11%)</td>
<td>• Increases in Grocery and Mass channels (14% in USD and 26% in volume) diversifies our customer base and demonstrates mainstream adoption of the a2 Milk® brand.</td>
</tr>
<tr>
<td>Coffee creamers (2%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** (1) The Mass channel is comprised of mass merchandise retailers (e.g. Walmart, Target, etc) (2) For this analysis, the Grocery channel includes smaller channels of trade (e.g. Military, Natural and Convenience)

Source: a2MC internal data
Our distribution is approaching an optimal productive level of ~30K stores

*a2 Milk®* is now in over 26K stores across the USA

This includes every major chain in the Grocery, Mass and Natural channels of trade

Source: a2MC internal data
Our brand health remains strong

Awareness has increased
- a2 Milk® awareness (prompted) %
  - Jun-20: 38%
  - Jun-21: 42%

Conversion has remained flat
- a2 Milk® conversion %
  - Jun-20: 30.0%
  - Jun-21: 28.0%

HH penetration has increased
- a2 Milk® household penetration %
  - Jun-20: 1.5%
  - Jun-21: 2.1%

Repeat purchasing at category high levels
- a2 Milk® repeat purchasing %
  - Jun-20: 50.6%
  - Jun-21: 49.2%

Source: Mindsight Research, US brand health quarterly tracking (n=2100)
While a2 Milk® has comparable equity measures, it is clear that existing specialty brands are also delivering on consumer needs.

Loyalty

<table>
<thead>
<tr>
<th>Brand 1</th>
<th>Brand 2</th>
<th>Brand 3</th>
<th>Brand 4</th>
<th>Brand 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>59%</td>
<td>54%</td>
<td>49%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Net promoter score

<table>
<thead>
<tr>
<th>Brand 1</th>
<th>Brand 2</th>
<th>Brand 3</th>
<th>Brand 4</th>
<th>Brand 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>57</td>
<td>55</td>
<td>51</td>
<td>47</td>
<td>47</td>
</tr>
</tbody>
</table>

Satisfaction score

<table>
<thead>
<tr>
<th>Brand 1</th>
<th>Brand 2</th>
<th>Brand 3</th>
<th>Brand 4</th>
<th>Brand 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>87</td>
<td>86</td>
<td>85</td>
<td>84</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: Mindsight Research, US brand health quarterly tracking (n=2100)
a2 Milk® continues to maintain high equity attributes amongst a2 Milk® consumers

- A brand I trust: 81% Jun-20, 77% Jun-21
- A premium brand: 77% Jun-20, 79% Jun-21
- A brand worth paying more for: 75% Jun-20, 67% Jun-21
- High quality brand: 81% Jun-20, 82% Jun-21
- Great tasting brand: 77% Jun-20, 75% Jun-21
- A natural brand: 76% Jun-20, 72% Jun-21

Source: Mindsight Research, US brand health quarterly tracking (n=2100)
We continue to invest to both build our brand and increase household penetration

**Drive targeted awareness**
- New breakthrough campaign
- Broader media target to expand household penetration potential
- CTV, YouTube and PR to stay top of mind

**Educate on brand benefits**
- Leverage social and digital to drive awareness and conversion
- Optimise search to capture consumers at point of interest
- Evolve creative message to drive consumers through purchase funnel

**Win in store**
- Leverage online grocery to drive trial of products
- Custom shopper plans integrated with trade programs
- Leverage point of purchase marketing in store to take advantage of 80% of purchase decisions made at shelf
We have launched a2 Milk® Half and Half

• Total Half and Half market has annual sales of $1.1B and annual growth of +5%; there is currently limited innovation in the category

• Consumers are in search of a natural, easier on digestion Half and Half product

• a2MC has introduced a new product which is 100% real milk and cream and with natural A2-protein

• It has been accepted in over 5K stores so far

• First shipped in June 21 with further expansion expected in 2H22
We are excited to announce our Hershey’s a2 Milk® Partnership

• Hershey’s a2 Milk® partnership is the perfect combination to meet consumers’ needs for health and taste

• Total branded chocolate milk category has annual sales of $745M and YoY growth of 9%

• a2MC will introduce a 2% reduced fat chocolate milk in 3Q22 leveraging Hershey’s chocolate (Americas #1 chocolate brand)

• 4 product sizes to be introduced; 59oz multi-serve, 8oz, 6pk (8oz) and 18pk (8oz)

It is a milk for the whole family, it is a brand that kids love and parents’ trust
Our co-manufacturing supply chain has served us well

Commentary

- The US product portfolio is ESL (extended shelf life) milk that comes with an extended code date to adequately travel the market in the USA but must be refrigerated.
- a2MC currently contracts with multiple farms and three processors to supply its milk.
- The current co-manufacturing supply chain provides flexibility and optimised distribution locations to cover the US with a refrigerated ESL milk product range.
- However, co-packing limits margin potential and innovation.
- A key part of the path to profitability in the USA is further optimisation of manufacturing and the associated cost structure, and potential participation in manufacturing.
# Our US strategic priorities

<table>
<thead>
<tr>
<th>Ambition</th>
<th>To be a top-5 premium milk brand with &gt;10% EBITDA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic priorities</strong></td>
<td>1. Educate consumers on the a2 Milk® difference - Bring to life the distinctiveness and value proposition of a2 Milk® for US consumers 2. Increase conversion and household penetration - Drive targeted awareness together with brand education to increase trial 3. Continue to drive in-store velocities - Deliver consumers a premium experience to maintain loyalty rates and drive in-store velocities 4. Extend brand into new categories - Broaden product mix to achieve scale and win new users 5. Explore participation in manufacturing - Explore participation in manufacturing as an enabler to achieve profitability and increase innovation</td>
</tr>
<tr>
<td><strong>Measures of success</strong></td>
<td>Grow household penetration to 10% Achieve 5% share of the premium milk category Achieve 25% of sales from innovation Achieve profitability during FY25/FY26</td>
</tr>
<tr>
<td><strong>Enablers</strong></td>
<td>Relentless commitment to highest quality product and safety standards Maximise impact from marketing investment on awareness and trial Deepen capability to innovate and launch new products Retain key talent and capabilities</td>
</tr>
</tbody>
</table>
Key takeaways

We are continuing to **drive growth in the USA** despite COVID-19 unwind impact on overall market growth

Growth is supported by **ongoing brand development** with penetration, awareness and repeat purchasing having momentum

We are **expanding into adjacent categories** through innovation and partnerships to drive scale

We are reviewing options to **participate in manufacturing** over time
MATAURA VALLEY MILK

Bernard May (Chief Executive – MVM)
a2MC acquired 75% of Mataura Valley Milk (MVM) in July 2021

- MVM is a world-class dairy nutritionals manufacturing facility located in Southland, New Zealand

- The MVM plant is a purpose built nutritionals facility with unique design features – one of the most technically advanced nutritional sites globally

- The processing plant took its first milk in August 2018

- MVM today manufactures both commodity products (such as whole milk powder and skim milk powder) as well as nutritionals (such as IMF base powder)

- MVM is exploring additional business development opportunities and will seek to work with additional third parties to improve financial performance

- MVM is transitioning from coal to full site electrification – a first for the industry in NZ
Strategic rationale for a2MC acquisition of MVM

- A unique opportunity to acquire a **new world-class nutritional manufacturing capability**

- **Existing supply agreements with local farmers** engaged to supply the highest quality milk and significantly transition to A1-protein free in three seasons

- **Supplier and geographic diversification** (within New Zealand) – dual supply to complement existing supply from Synlait

- **Innovation and new products** pathway for a2MC

- Enables a2MC to capture **manufacturing margins**

- The opportunity to build and enhance our **relationships with key partners in China** including China Animal Husbandry Industry Co., Ltd. and China National Agriculture Development Group Corp.

- Further **enhance and protect a2MC intellectual property** (extending to formulation, manufacturing, on farm)

- **Greater control over our destiny** with respect to our China brand registrations
MVM short-term outlook will be challenging; utilisation will increase over time

Short-term outlook for MVM to be more challenging than anticipated

- MVM’s IMF customers have been impacted by China IMF market dynamics, which has resulted in a reduction in MVM’s 3rd party nutritional demand as these customers work through their own inventory issues
- The decline in a2MC volumes in FY21 has also reduced the potential volume that can be transferred to MVM
- Given these conditions are expected to continue in the short-term, the factory will need to produce commodity products, which will adversely impact earnings
- Plans are being developed for the plant to reach profitability during FY26 or earlier

a2MC has a plan to increase MVM utilisation over time

- MVM currently operates as a manufacturer of commodity and nutritional base powders
- During FY22 we are targeting to start MVM production of a2™ instant whole milk powder
- As we continue to expand our product portfolio in the future, MVM will play a key role in the production process, particularly for nutritional product innovation
- a2MC is reviewing ways for MVM to play a role alongside Synlait in supplying our IMF portfolio (EL and CL)
- Intention for MVM to invest in blending and canning facilities and achieve SAMR registration for CL product
SUPPLY & OPERATIONS

Shareef Khan (Chief Operations Officer)
Acquisition of MVM marks the continued evolution of a2MC’s supply chain and operations

<table>
<thead>
<tr>
<th>Region</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater China</td>
<td>Products sold into China sourced predominantly from NZ and distributed through China State Farm</td>
</tr>
<tr>
<td>North America</td>
<td>Three processors located across the US to support our national ESL liquid milk business</td>
</tr>
<tr>
<td>Australia</td>
<td>Fresh milk business supplied by two owned-sites (Smeaton Grange &amp; Kyabram) and supported by other supply partners across Australia</td>
</tr>
</tbody>
</table>
| New Zealand     | • Synlait: IMF production  
• Fonterra: Fresh milk & ingredient supply  
• MVM: Nutritionals facility acquired recently in partnership with CAHG |
We continue to evolve our operations to support business objectives

**Capital Smart Approach**
- Innovative approach to supply chain through both strategic partnerships and direct ownership
- Our supply chain also acts as a critical enabler for market access into the China market through the registrations it accesses

**Quality systems & processes**
- Strict focus on quality
- The a2 System™ includes a proprietary suite of knowledge and know-how
- Extends from on-farm, through to manufacturing and down to branding and marketing to consumers

**Inventory management & traceability**
- Implementation of a new traceability system
- Enhanced inventory management systems
- Measures to improve channel inventory in progress
- Continuously seeking opportunities to improve S&OP systems and processes

**Australia & New Zealand sourcing**
- Australia and New Zealand sourcing profile for Asia-Pacific markets
- All our IMF is sourced and manufactured in New Zealand
- Longer-term business context and strategy will likely require China supply chain capability
We are working to optimise our end-to-end supply chain

**Indicative IMF inventory flow**

**Synlait**

- **CL – MBS & DOL**
  - QA Release ➔ Transit Time ➔ CSF ➔ DT/TP ➔ SUB-DISTRIBUTORS/ RETAILERS/ EC PLATFORMS

- **EL – CBEC**
  - QA Release ➔ Transit Time ➔ LOGISTICS PARTNER ➔ DT/TP ➔ EC PLATFORMS

- **EL – RESELLERS**
  - QA Release ➔ Transit Time ➔ LOGISTICS PARTNER ➔ RESELLERS ➔ MARKETPLACE / CONSUMER
We are currently managing COVID-19 related operational challenges

<table>
<thead>
<tr>
<th>Challenges</th>
<th>What we are doing to manage this</th>
</tr>
</thead>
<tbody>
<tr>
<td>New COVID-19 practices and regulations</td>
<td>• Complying with all local Government COVID-19 requirements&lt;br&gt;• Engaging proactively with our suppliers on potential COVID-19 impacts&lt;br&gt;• Adopting risk-averse practices at Smeaton Grange to avoid potential COVID-19 impacts, including: deferral of non-essential factory visitors or maintenance, non-essential staff working remotely and encouraging all staff to get vaccinated (with high vaccination rates among site staff)</td>
</tr>
<tr>
<td>Unreliable schedules and port congestions</td>
<td>• Providing accurate forecasts to avoid last minute offload&lt;br&gt;• Utilising a combination of ports (AKL, CHC, TRG)&lt;br&gt;• Continuing open and frequent dialogue with partners in NZ, AU and HK; leveraging relationships where possible&lt;br&gt;• Seeking opportunities to bring flexibility back along the chain (compensating for flexibility lost from shipping side)&lt;br&gt;• Reusing containers as much as possible in our network rather than discharge and return</td>
</tr>
<tr>
<td>Escalating logistics and shipping costs</td>
<td>• Limiting the level of shipping cost increases through negotiation&lt;br&gt;• Improving forward planning to create cost savings in logistics</td>
</tr>
<tr>
<td>Labour and driver shortages (US)</td>
<td>• Implemented a consolidation model (shared trucks)&lt;br&gt;• Requesting full pallet order and reduction in distance travelled per order</td>
</tr>
<tr>
<td>Farm audits, assessments and sampling</td>
<td>• Implemented virtual audits and assessments where possible&lt;br&gt;• Increased communication and desktop surveillance through the raw milk supply program&lt;br&gt;• Training for farmers to self sample</td>
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</table>
FINANCE & IT
Race Strauss (Chief Financial Officer)
## Our Finance and IT priorities largely focus on enabling decision support

<table>
<thead>
<tr>
<th>Priority</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving data and insight capability</td>
<td>We are improving our data availability, analytics and insights to help drive results in the business</td>
</tr>
<tr>
<td>Expand finance capabilities</td>
<td>We are expanding our finance capabilities, particularly in treasury and supply chain finance</td>
</tr>
<tr>
<td>Build IT capability</td>
<td>We are building IT capability and developing a blend of insource vs outsource, to be more cost effective and be able to operate faster</td>
</tr>
<tr>
<td>Enhance our cyber security defence</td>
<td>We are continuing to enhance our cyber security defence and have made headway over the past 18 months</td>
</tr>
<tr>
<td>Build our cloud-based systems</td>
<td>We are building out our cloud-based systems capabilities, including applications to support ERP, HCM, S&amp;OP, CRM and Farm Services</td>
</tr>
<tr>
<td>Integrate acquisitions seamlessly</td>
<td>We are focused on integrating MVM into a2MC’s IT strategy and operations to leverage our existing investment and capability</td>
</tr>
</tbody>
</table>
FY22 trading update

• There is no material change to the FY22 position as outlined at the FY21 August results announcement – however, we are seeing a different mix of our business, favouring English label IMF

• English label IMF sales in 1Q22 were down on 1Q21, but were significantly up on 4Q21, which was constrained to reduce channel inventory levels. English label IMF sales are expected to be down in 1H22 vs pcp, but ahead of expectations

• As flagged in our FY21 results release, China label IMF sales in 1Q22 have been constrained to reduce channel inventory levels further with sales significantly down on 1Q21 and 4Q21. Whilst distributor offtake and retailer sales were up double digits during 1Q22 vs 1Q21, they are lower than expected. As a result, China label IMF sales are now expected to be significantly down in 1H22 vs pcp

• IMF Tier 1 distributor inventory levels are now at required levels for both English label and China label

• ANZ fresh milk volumes were up in 1Q22 vs 1Q21, in part benefitting from extended lockdowns – however, sales in 1Q22 were flat vs 1Q21 due to FX movements

• US liquid milk volumes were down in 1Q22 vs 1Q21 due mainly to an expected reduction in ranging by a club channel customer. Separately, distribution cost pressures continue in the US market

• MVM nutritional demand has reduced and active steps are being taken to secure additional volume
Strong and robust balance sheet to support growth initiatives ahead of returning capital to shareholders

Grow the core business in existing markets
- Investment in building core business
- Participate in infant nutrition manufacturing
- Enabling investment in systems, infrastructure, quality, safety and expertise
- Organic growth – existing and new products/new retail channels
- Assess M&A opportunities to support core business growth and supply chain evolution

Expand the boundaries
- Adjacent new product categories in existing markets
- Geographic expansion of existing products into new markets
- Assess M&A opportunities to expand boundaries

Balance sheet strength and flexibility
- Capacity to support business growth and risk management initiatives
- Maintain a conservative cash reserve to manage in an uncertain environment

Operating cash flow generation
Capital funding
Excess cash flow
Shareholder returns
Q & A
Key takeaways

• The market landscape has experienced **unprecedented change over the past 12 months**, requiring us to adapt

• As a result, we have **adapted our growth strategy** to achieve the full potential of our business

• Importantly, our **brand is strong**, we have a relatively small share in China IMF and **significant opportunity** to capture

• We have **reorganised to prioritise** our most important growth levers and have a clear plan to execute

• We have a **great leadership team and pioneering culture** to lead the execution
ADAPTING FOR GROWTH

INVESTOR DAY
27 OCTOBER 2021
THE a2 MILK COMPANY LIMITED