

Chair's Speech

I will now make a short introduction before I hand over to our Chief Executive Officer for his review of the business.

I am proud to report that we delivered another strong result in FY23. This is particularly pleasing given the very challenging macroeconomic landscape and external headwinds we faced, and continue to face in our key markets.

I also want to acknowledge up front that we understand how our recent share price decline has caused frustration amongst shareholders, as it has for us as well. I want to assure you that we are doing everything we can to continue driving this business, according to our strategy, to deliver shareholder value and I want to convey to you my personal and the board's confidence in the actions we are taking to deliver against that.

Our business has demonstrated an unwavering commitment to executing our growth strategy, delivering strong results and several important achievements in the areas we can control ourselves. In fact, almost all the measures of business performance that are in our hands have shown significant improvement such as IMF brand share in China, brand awareness and attribute scores and continued distribution expansion. All of these measures also remain in an upward trend. As a result of these important gains, I am confident in the business' continued growth in the years ahead.

I want to highlight that despite the challenging macroeconomic environment and market conditions, the strong financial results we delivered in FY23 were in line with the medium-term ambitions we have set for the business.

The results were underpinned by our strategic China label infant milk formula brand which delivered another year of double-digit growth in a market which showed double digit declines. This growth lifted our China label sales to over half a billion New Zealand dollars in revenue across the year. In fact, our China & Other Asia segment, which includes our China label business, along with sales in the English label channels of cross-border e-commerce and offline to online, reported sales of over one billion New Zealand dollars, representing year-on-year growth of 38 per cent and nearly two-thirds of sales overall for the Group.

During the year, we also achieved a number of important regulatory milestones. The highlight was receiving the re-registration for our upgraded China label infant milk formula (IMF) product from China's State Administration for Market Regulation (SAMR) in June 2023.

The achievement of this re-registration was an enormous team effort over a number of years. I would like to acknowledge the support we received from SAMR, New Zealand's Ministry for Primary Industries, our strategic partners in China, China National Agriculture Development Group Co., Ltd and China State Farm Agribusiness, and our manufacturing partner, Synlait and its major shareholder Bright Dairy, throughout the process.

During FY23, significant progress was made to further bolster the Executive Leadership Team (ELT). This included the appointment of David Muscat as Chief Financial Officer and Chopin Zhang as Chief Supply Chain Officer, the role expansion for Eleanor Khor as Managing Director – ANZ and Strategy, and Kevin Bush taking on the role of Managing Director – USA.

In addition to strong operational and financial performance, we also undertook an important capital management activity, completing the NZ\$149 million share buyback programme in the year.

Given our strong balance sheet and the amount of net cash we are holding, it is entirely reasonable for shareholders to want to better understand how we plan to use that capital and, also, for shareholders to want to better understand the prospect and potential timing for further capital returns, including dividends.

Our capital management framework continues to prioritise investments in growth initiatives and maintaining balance sheet flexibility ahead of shareholder capital returns. Our immediate priority for capital is to drive the transformation of our supply chain, by expanding our China label registered market access through additional registrations and better utilising our capacity at Mataura Valley Milk (MVM) through additional investment in our capability.

When we acquired MVM in 2021, we indicated at the time that we would also need to invest in a blending and canning solution and associated infrastructure, in order to realise the full benefits of that acquisition. At the time we indicated that we intended to build our own blending and canning facility. Since then, we have developed plans for such an investment. However, we have also considered other options such as a commercial arrangement or the acquisition of a blending and canning facility in New Zealand, China and/or other markets to accelerate our ability to potentially gain additional China label registrations. In the interim, we have also established additional relationships with partners in New Zealand to provide blending and canning services to accelerate utilisation of MVM as we consider the best option for deploying capital to invest directly and expand the capability of our supply chain.

We believe it is prudent for the Company to first solve this supply chain transformation to set us up for further growth in the future, and then to consider, with the remaining capital, the most appropriate mechanism to implement further capital returns to shareholders in the future. We are not in a position today to provide a full update on this. I trust shareholders will understand, that while we are working hard on this objective, we are not quite ready to outline our plan in further detail. I can assure you this is a strong focus of the Board and management team, and as soon as we can, we will provide further details.

I know that a number of shareholders have also, quite rightly I might add, asked why, with the recent share price decline, and at the same time, having such a strong balance sheet, why we are not committing to another share buyback programme. In addition to what I have already outlined in terms of our firm belief that we need to invest in supply chain transformation first, we are also somewhat constrained in being able to undertake another meaningful on-market share buyback given our limited available subscribed capital which was utilised in the previous share buyback.

Rest assured, we will continue to make a disciplined assessment of the potential to return capital to shareholders and the most appropriate option to do so.

Moving now to the topic of Board renewal, which has also been a strong focus over the past couple of years. During the year, we delivered on succession plans for long serving Directors and announced several new appointments. As we announced in November 2022, following the Annual Meeting today, I will step down as a Director and Chair of the Board after almost ten years and Pip Greenwood will replace me as Chair of the Board. During FY23, David Wang and Kate Mitchell were appointed as Directors. David was elected by shareholders at last years' Annual Meeting and Kate is seeking election in the meeting today. Kate has also taken on the important role of Chair of the Audit and Risk Management Committee, replacing Julia Hoare who stepped down earlier this year. I would like to take this opportunity, on behalf of my fellow Directors, the Company and all shareholders, to again thank Julia for her service to The a2 Milk Company. Julia was an outstanding Director and we all miss her dearly.

I would like to extend my gratitude to all my fellow Directors for their efforts and significant contributions during the past year, and in fact for all the years we have worked together.

At the last Annual Meeting, we announced that the Board would be reviewing the Chief Executive Officer's (CEO's) remuneration framework. As a result, the short-term incentive plan structure for the CEO in FY23 included a percentage of deferral as cash. In today's meeting, the Board is also voluntarily putting the CEO's FY24 long-term incentive grant to shareholders for vote on an advisory basis.

On behalf of the Board, I would like to express my sincere gratitude to David Bortolussi, our Managing Director and CEO, for his leadership and impactful contribution which has been immense through a particularly challenging time for our Company. And I extend my thanks and gratitude to the whole ELT and every member of the a2MC team in all of our regions for their contributions this year.

Reflecting on the past decade for me at The a2 Milk Company, it has been a truly extraordinary journey. It is perhaps worth reflecting that at the start of this journey, the Company had revenues of only just over \$100 million dollars and generated profit less than \$5 million. I know that the COVID-19 period and current downward phase that almost all the world's stock markets are facing have been tough and your Board is determined to see the Company through these tough times stronger and more ready to grow again in the future. But in all this, it is worth just reminding ourselves of just how far we have come, despite these short-term setbacks and the confidence it should give all of us that the future for the Company and its shareholders will surely be brighter again in the future.

As the pioneer and leader of the A2 protein category, we have transformed from a fresh milk business in Australia to a global nutritional dairy products company and developed a leading brand in China, the largest IMF market in the world.

In FY23, we embraced our refreshed purpose to pioneer the future of dairy for good and our vision to create an A1-free world where dairy nourishes all people and our planet. These guiding principles are now living through our business, guiding the Company to execute our goals and thrive to seize additional market opportunities more effectively in the years ahead. Your Board and the ELT are committed to the Company's purpose and vision.

As demonstrated by the achievements thus far, I'm confident that the Company will continue to adapt, pivot and work through future challenges to be successful.

We have achieved a great deal together over the years. That is not to say that it has all been easy, and certainly we have also faced significant challenges. As I look back on my 10 years as a Director and Chair of this great Company, I recall many of the challenges but reflect fondly on our many achievements. My time with The a2 Milk Company has been one of the highlights of my career. Indeed, it has been my privilege and my honour to have been a Director and Chair of your Company through this transformative period. At the end of the meeting today, I will hand the reins over to Pip Greenwood as our incoming Chair. Pip is well known to many of you. She is an outstanding Director and I am confident that she will lead the Board and Company to even greater success.

Finally, I would like to thank you, our shareholders, for your continued support.

I will now invite David Bortolussi to present his address.