

## Half-Year Results Commentary and Chemist Warehouse Listings

- **Both Future Gradulac Gentle and Organic A2 infant formula ranges achieve national listings in Chemist Warehouse**
- **Consolidated net profit after tax for 1HFY22 of \$86,313 (2020: \$3,347,341 loss)**
- **Fair value increase in the farm portfolio of \$7,174,988, bringing total comprehensive income for 1HFY22 to \$7,261,301 (2020: \$3,347,341 loss)**
- **Group net tangible assets increase to 8.1 cents per stapled security**
- **Trial and testing of Infant Formula Plant progressing well**

Australian Dairy Nutritionals Group Limited (the **Group**) advises that it has today released the Appendix 4D and Interim Financial Report for the half-year ending 31 December 2021.

Included in the Group consolidated results is a net profit for the dairy farms segment of \$1,738,297, which includes the sale of the Ecklin South farm in September 2021. The farm sale brought the Group's farm portfolio in line with its future milk production requirements. The portfolio now consists of 3 farms; the two Brucknell farms and the Yaringa farm at Nirranda South. The proceeds of the Ecklin South sale allowed the Group to pay out its bank facility with the Commonwealth Bank of Australia, delivering a balance sheet with minimal borrowings.

Farm values in Southwest Victoria have risen strongly in the past few years, with the Group recording a \$7,174,988 increase in the fair value of the farms for the half-year. This increase has contributed to a 9% increase in the net tangible assets of the Group to 8.1 cents per stapled security.

Whilst the dairy processing segment recorded a net loss of \$1,652,614 for the period, this is a significant improvement on the \$4,476,882 net loss for the equivalent period in 2020, indicating consolidation activities in the processing segment are translating to improved financial performance. Manufacturing of The Collective products is anticipated to cease in March 2022, at which time further restructuring and consolidation will be undertaken to reduce costs and increase efficiencies in this segment.

### Chemist Warehouse ranging confirmed for the Group's infant formula ranges

It has been an exciting start to the year for the Group with confirmation that both its future Gradulac Gentle infant formula and Ocean Road Dairies organic A2 infant formula will be ranged in Chemist warehouse, Australia's largest infant formula retailer. Initial orders of the future range have been received and the products are expected to be on the shelves in Chemist Warehouse stores nationally in early March 2022.

The Ocean Road Dairies organic A2 infant formula range is in the final stages of development and is targeted for launch in Chemist Warehouse stores nationally from July 2022. The range will be manufactured at the Group's infant formula plant using organic A2 milk produced from

the Group's farms just 20 minutes away. The trial and testing phase of the infant formula plant is progressing well in anticipation of the launch of this exciting new range.

### **Organic conversion status of the Farms**

In October 2021, the Brucknell South farm joined the Yaringa farm in achieving full organic certification. The Brucknell North farm also achieved organic certification of its pastures in October 2021, however its herd is yet to commence the 6-month organic conversion process. The decision whether to commence this process will be made when the Group has better visibility of FY23 farmgate milk prices.

The release of this announcement was authorised by the Board of AHF.

### **Ends**

### **Further Details**

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### **Communications Policy**

AHF makes ASX market releases at times directors believe it would be helpful or necessary for investors and as required by the Listing Rules. For further information regarding our shareholder communications policy, please refer to AHF's website: [www.adnl.com.au](http://www.adnl.com.au).

### **About Australian Dairy Nutritionals Group**

**Australian Dairy Nutritionals Group (AHF)** (previously named Australian Dairy Farms Group) is a vertically integrated Australian dairy group which owns high quality dairy farms and a processing facility (Camperdown Dairy Company) located in Southwestern Victoria, the 'Golden Triangle' of Australia's dairy industry. The Group is a trusted source of premium quality branded dairy products using milk sourced fresh from its farms.

### **Disclaimer – Forward Looking Statements**

This announcement may include "forward looking statements" within the meaning of securities laws of applicable jurisdictions. These forward-looking statements are not historical facts but are based on AHF's current expectation, estimates and projections about the industry, in which it operates, and beliefs and assumptions. Readers are cautioned not to place undue reliance on forward looking statements.