



# Investor Presentation

Australia's only vertically integrated dairy  
company — from organic A2 farms to premium  
infant formula

ASX: AHF | October 2026

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This document was authorised for release by the Board.

# Investment highlights



01

## Vertically integrated

Australia's only vertically integrated dairy company: own organic A2 farms, factory and brands



02

## Hard-to-copy process

Single dried fresh milk process — no other Australian formula brand uses it



03

## Proven leadership

Chairman is an a2 Milk Company founder who led its growth from \$7M to \$1.7B revenue



04

## Strong momentum

FY26 nutritional revenue up 62% to 69% of total revenue; net loss down 47%



05

## Path to profit

Targeting annual profit and positive cash flow by FY28

# An ASX-listed, vertically integrated infant nutrition company

Australian Dairy Nutritionals Group Limited (ADNL, ASX: AHF) is based in Victoria and specialises in producing and selling premium infant nutrition. We control every step — from organic A2 protein milk to our own brands.



## Farm operations

Certified organic farms near the Victorian coast producing high-quality A2 protein milk from pasture-raised cows.



## Manufacturing

Our own formula plant using fresh milk single dried technology, with small-batch, customised production.



## Brands and sales

future™ and Ocean Road Dairies™ brands, exported to China and Vietnam, plus targeted distribution in Australia.



**Our vision** Set a new standard for premium infant formula: purer, more absorbable and naturally nourishing.

# Capital structure and net assets

| ASX code                            | AHF             |
|-------------------------------------|-----------------|
| Share price (30-day VWAP)           | <b>1.74c</b>    |
| Shares on issue (1 Oct 2026)        | <b>787.4M</b>   |
| Market capitalisation (30-day VWAP) | <b>\$13.67M</b> |
| Cash at 30 June 2026                | <b>\$1.16M</b>  |
| Net assets at 30 June 2026          | <b>\$21.74M</b> |
| Net assets per share                | <b>2.76c</b>    |
| Price to net assets                 | <b>0.63x</b>    |

## TOP SHAREHOLDERS

|                                          | Shares        | %             |
|------------------------------------------|---------------|---------------|
| 1. Fire Dragon Capital Pty Ltd           | 84.2M         | <b>10.69%</b> |
| 2. BNP Paribas Noms Pty Ltd              | 65.7M         | <b>8.34%</b>  |
| 3. Xin Yang                              | 45.5M         | <b>5.77%</b>  |
| 4. Scott Lai (IJ Funds Management)       | 42.5M         | <b>5.40%</b>  |
| 5. Xin Dong                              | 39.2M         | <b>4.98%</b>  |
| 6. Yongquan Pty Ltd                      | 32.1M         | <b>4.07%</b>  |
| 7. Peter Nathan (Spectre & Nathan Corp)  | 15.1M         | <b>1.92%</b>  |
| 8. Baradnil Pty Limited                  | 12.5M         | <b>1.59%</b>  |
| 9. HSBC Custody Nominees (Australia) Ltd | 11.4M         | <b>1.45%</b>  |
| 10. Jimmy Thomas & Ivy Ruth Ponniah      | 10.1M         | <b>1.28%</b>  |
| <b>Top 10 combined</b>                   | <b>358.1M</b> | <b>45.49%</b> |

Top 20 hold 53.01%. Share register as at 1 October 2026.

Share price and market capitalisation based on the 30-day VWAP to 10 September 2026 (\$0.01736). Net assets per share based on net assets at 30 June 2026 and shares on issue at 1 October 2026. Equity raisings completed in February and May 2026.

## OUR MODEL

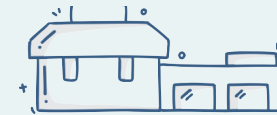
# From our farms to the tin, all in one place



*Prime dairy land alongside the Great Ocean Road, Victoria*



**Our own farms**  
Organic A2 protein milk

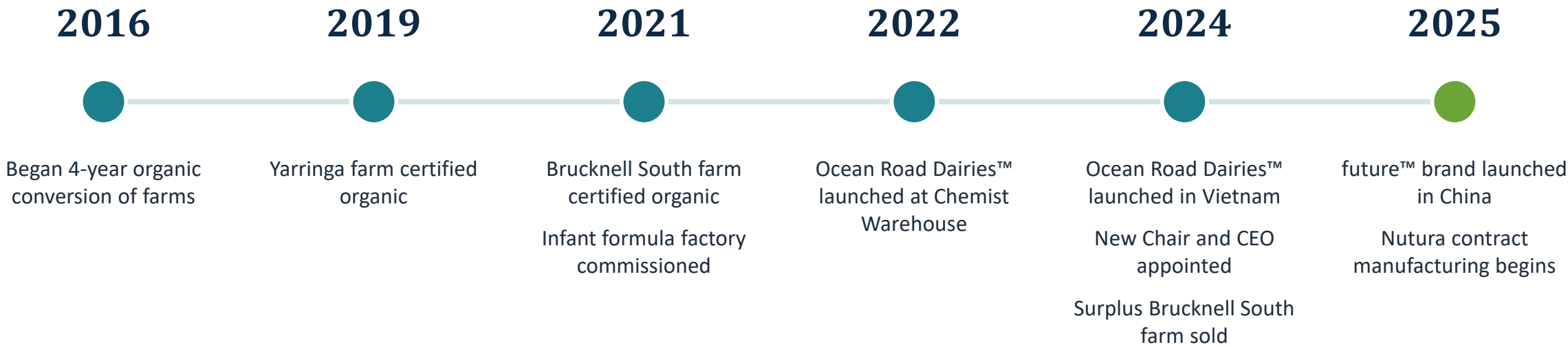


**Our own plant**  
Single dried manufacturing



**Our own brands**  
future™ and Ocean Road  
Dairies™

# A decade of building an integrated business



Products made in our plant



# An experienced team with a high-growth track record



**Peter Nathan**  
Executive Chairman

- A founder of The a2 Milk Company
- Former CEO Asia Pacific, The a2 Milk Company
- Led a2 to become the fastest-growing dairy company in the world, with revenue growing from \$7M to \$1.7B during his tenure
- Deep understanding of cross-border infant formula strategy in Asia



**Mahi Sundaranathan**  
Chief Executive Officer

- 30+ years in the dairy sector with Fonterra, Danone and The a2 Milk Company, across multiple geographies
- Former International Marketing Director, The a2 Milk Company
- Expertise in product development, consumer insights and communication development
- Deep understanding of infant formula, China cross-border sales and the Daigou channel



**Andy Zhang**  
GM China Operations

- 12+ years in infant formula in China and Australia
- Built distribution networks in China for multiple ANZ brands
- Deep knowledge of e-commerce, O2O and Daigou channels
- Strong in channel expansion and brand operations

# China: the world's largest infant formula market is growing again

~A\$25.5B

China IMF retail sales value: the largest category in the world, and still fragmented by brand and channel

+0.7%

China IMF market value growth in FY26<sup>1</sup>, the first rise after 4 years of decline, as premiumisation offset modest volume declines

22%

A2 protein share of China IMF market value<sup>1</sup>, up from 21% in FY25. Segment value grew 7% in FY26

20%

English label share of China IMF market value<sup>1</sup>, up from 19% in FY25. Segment value grew 5.7% in FY26

**Birth-rate outlook:** newborns fell 17.2%<sup>2</sup> as the prior year's Year of the Dragon boost cycled out. Marriages rose 11% in CY25<sup>2</sup>, supporting CY26 births, and the Central Government has made birth-rate stabilisation a policy focus in 2026.



**China remains our market of greatest focus:** its scale and fragmentation give the future™ brand a very attractive opportunity to build meaningful scale.

Sources: <sup>1</sup> Kantar Worldpanel 0–6 years old Baby & Kids panel: national IMF market tracking (Key & A + BCD cities), 52 weeks ending June 2026. <sup>2</sup> China National Bureau of Statistics.

# Free-roaming cows on natural organic pasture



**10,000 m<sup>2</sup>**

of grazing land per cow

**Organic**

A2 protein milk from  
certified organic farms

*Coastal pasture on the  
Great Ocean Road*

# Premium own brands, plus contract manufacturing

## OWN BRANDS



**future™ Organic**



**future™ A2 Protein**



**Ocean Road Dairies™**

*Made with fresh organic milk using our single dried process*

## CONTRACT MANUFACTURING



**Nutura Organic**  
Since Oct 2024



**Sprout Organic**  
Since May 2025

*Small-batch flexibility makes our plant attractive to partner brands and lifts utilisation*

# Single dried fresh milk process preserves key nutrients

## Our fresh milk process

Starts with fresh milk



Fresh liquid milk fortified with key nutrients



Dried to powder once



Packed into tins, ready for parents

## Conventional process

Starts with fresh milk



Dried to powder and stored (up to 2 years)



Powder reconstituted and fortified at manufacture



Dried to powder a second time



Packed into tins



### High entry barrier

Needs stringent standards across farm, transport and processing, and is only possible with milk supply and spray drying together at origin.



### Rare in Australia

No other formula brand in Australia has single drying capability, because of the higher cost and complexity.



### Better for consumers

No reconstitution of aged milk powders, delivering higher nutrient bioactivity and a fresh, natural taste.

# Building a high-growth infant formula brand in China



## Targeting the sweet spot

English label and A2 protein: the fastest-growing segments



## Innovative channel model

Our M2C app gives mother-and-baby stores leading retail profitability



## Premium, differentiated product

Single dried process, best-in-class formulation with HMOs, and vertical integration behind the premium position



# Our M2C sales app: a legal and tax-compliant system

**BRAND × CHANNEL × SYSTEM = SUSTAINABLE GROWTH**

Data and technology deliver great brands efficiently to great channels and on to consumers, creating a growing commercial ecosystem.



# China launch and marketing activities



## CBME (China Baby & Maternity Expo)

Our booth showcasing future™, Ocean Road Dairies™ to retailers and channel partners

**1,490**

mother-and-baby stores reached with the future™ brand



## FY26 results

**\$8.09M**

**Total revenue and other income**

Up 4% on FY25

**47%**

**Improvement in net loss**

\$2.79M loss vs \$5.26M in FY25

**+62%**

**Nutritional revenue growth**

\$4.98M, now 69% of total revenue

**2.5%**

**Corporate cost growth**

Held in line with CPI

**\$21.74M**

**Net assets at 30 June 2026**

Down \$1.91M on FY25

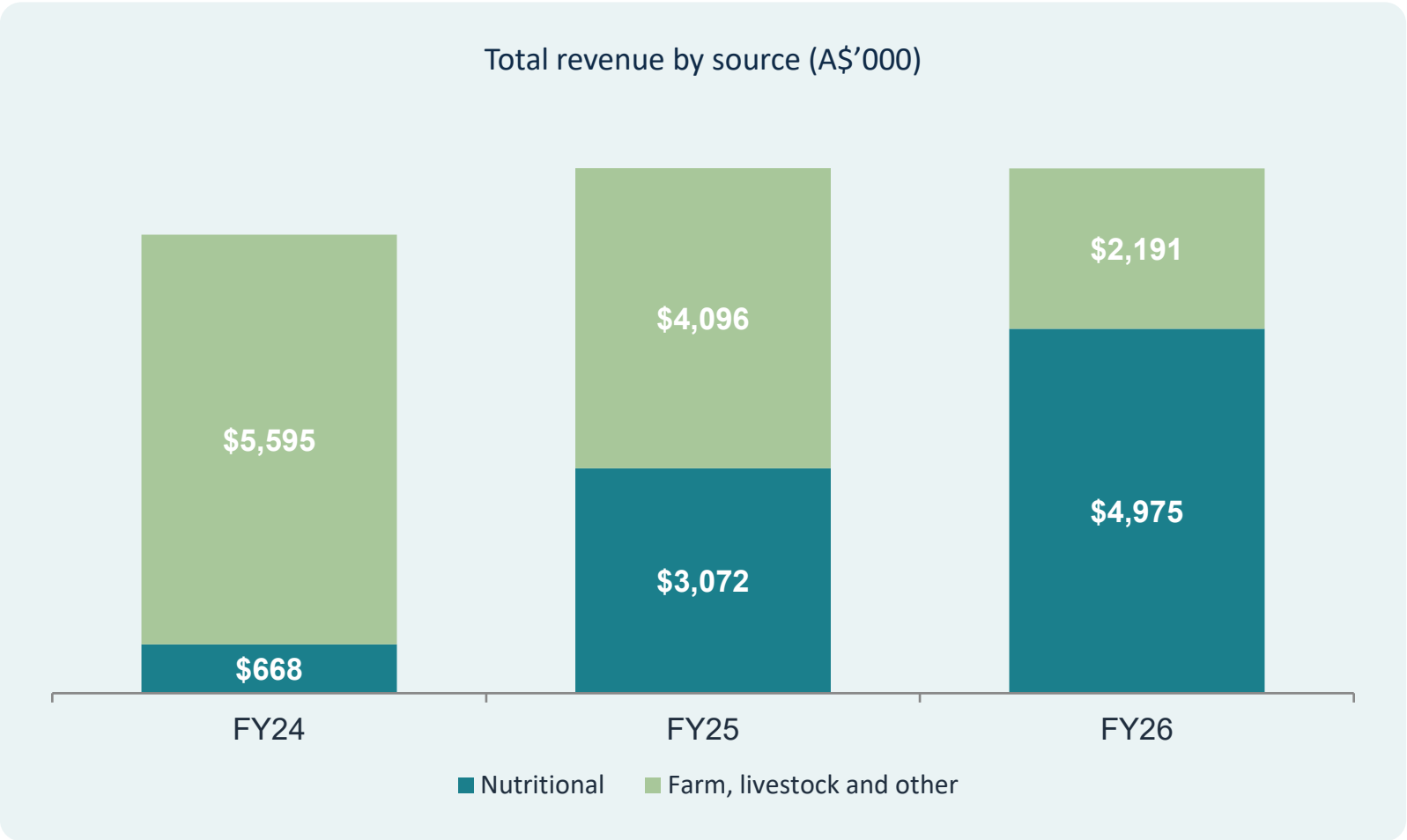
**\$1.16M**

**Closing cash**

vs \$2.69M at 30 June 2025

*Equity capital raisings were completed in February and May 2026. The Board continues to assess capital raising opportunities to fund the growth and operations of the business.*

# Nutritional sales now drive the business: 69% of FY26 revenue



Farm, livestock and other includes farm milk sales, livestock sales and interest income.

+62%

Nutritional revenue, FY26 vs FY25  
\$3.07M → \$4.98M

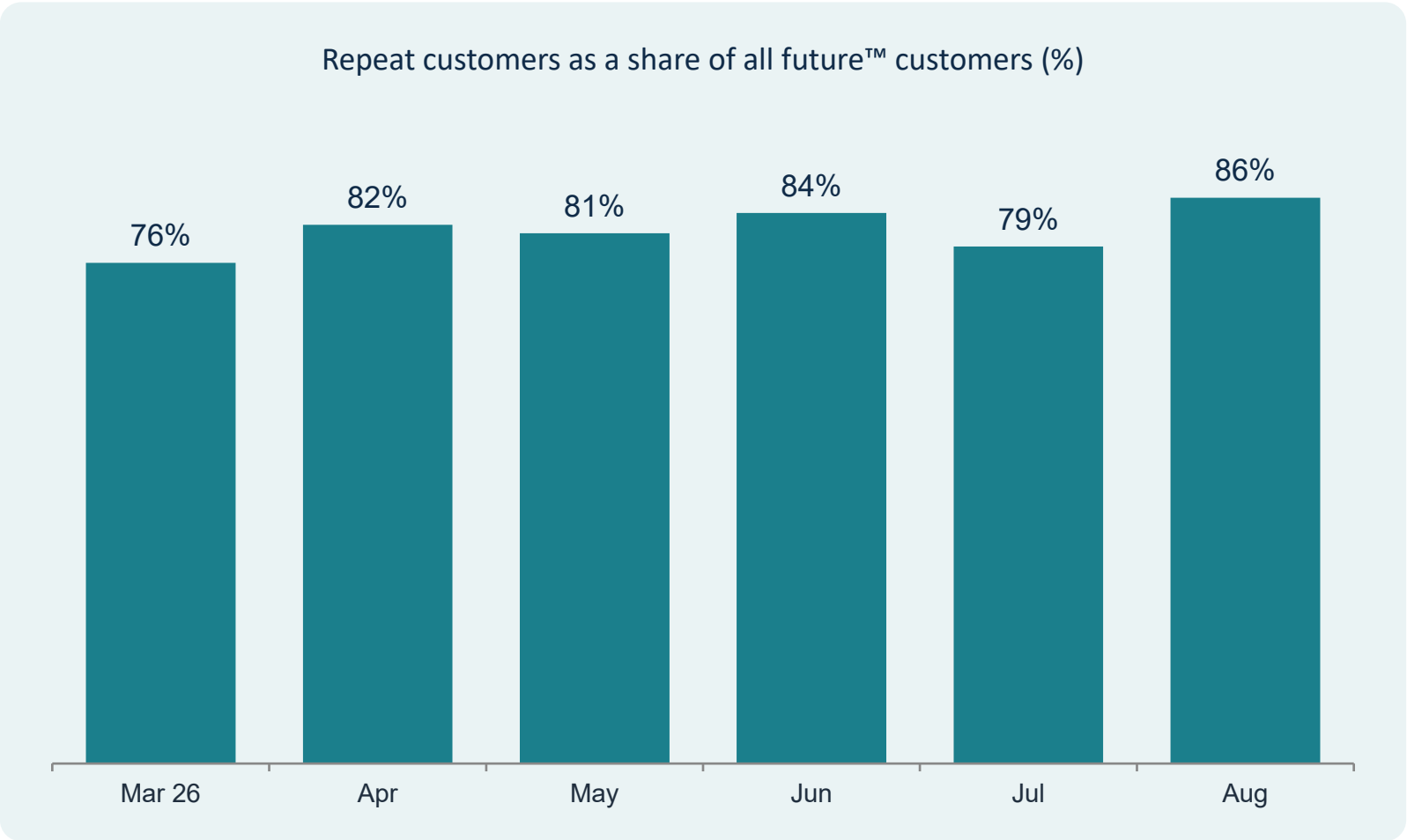
11% → 69%

Nutritional share of total revenue  
FY24 to FY26

\$7.17M

FY26 total revenue, flat on FY25  
While exiting fresh milk and livestock sales from Brucknell farm

# Strong retention: 86% of future™ customers are repeat buyers



86%

Repeat customers in August 2026  
Up from 76% in March 2026

81%

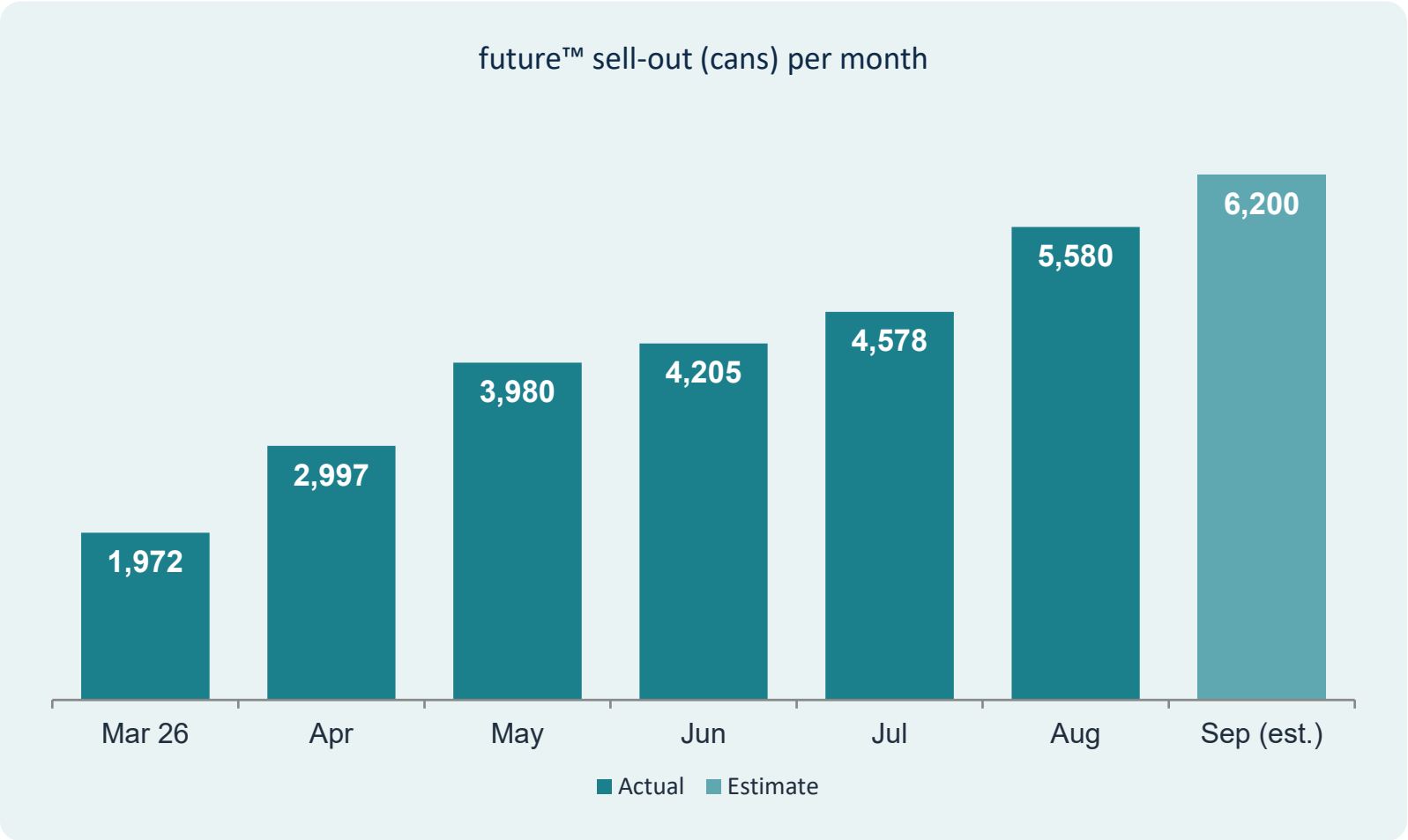
Average repeat share, March–August 2026  
Above 75% in every one of the last six months

86% / 86%

Repeat share in August, by formula  
future™ HMO 85.9%, future™ A2 Organic 86.4%

Source: ADNL M2C app, proportion of new and repeat customers, total future™ (HMO and A2 Organic), March to August 2026.

# The future™ brand proposition is resonating well with Chinese consumers



+46%

Cans sold, Q1 FY27 vs Q4 FY26

Jul-Sep 2026: 16,358 vs Apr-Jun 2026: 11,182  
(Sep estimated)

1,490

Distribution points reached

As at the end of August 2026

13.5

Cans per store per month, June 2026

Up from 3.2 in June 2025, across 312 active stores

Source: ADNL M2C app sales data. September 2026 is an estimate. FY26 = July 2025 to June 2026;

# Top-selling stores: strong repeat sales and fast-ramping new stores

| #  | Store            | Location            | Mar | Apr | May | Jun | Jul | Aug | Total |
|----|------------------|---------------------|-----|-----|-----|-----|-----|-----|-------|
| 1  | 贵阳宝妈时光           | Guiyang, Guizhou    | 2   | 6   | 12  | 16  | 33  | 260 | 329   |
| 2  | 夏邑县曹集好孩子         | Shangqiu, Henan     | 0   | 0   | 1   | 6   | 12  | 238 | 257   |
| 3  | 金贝儿伊亲购           | Shangqiu, Henan     | 2   | 2   | 35  | 62  | 55  | 235 | 391   |
| 4  | 宁陵熊爸母婴           | Shangqiu, Henan     | 2   | 2   | 50  | 42  | 43  | 231 | 370   |
| 5  | 鑫婴佳              | Shangqiu, Henan     | 0   | 0   | 1   | 70  | 25  | 225 | 321   |
| 6  | 亲亲宝贝             | Shangqiu, Henan     | 0   | 0   | 1   | 6   | 34  | 216 | 257   |
| 7  | 黄家爱婴岛            | Shangqiu, Henan     | 0   | 0   | 1   | 76  | 54  | 212 | 343   |
| 8  | Mik Family 利川米可家 | Lichuan, Hubei      | 62  | 146 | 221 | 205 | 216 | 210 | 1,060 |
| 9  | like you         | Enshi, Hubei        | 60  | 181 | 228 | 201 | 206 | 208 | 1,084 |
| 10 | infor进口优品        | Jiangmen, Guangdong | 162 | 224 | 240 | 336 | 266 | 204 | 1,432 |

 Month with more than 200 cans sold. The 10 stores selling more than 200 cans in August 2026, ranked by August sell-out.

**Objective:** 50 stores selling 200+ cans a month by the end of FY27 (June 2027)

## 3 → 10

**Stores selling 200+ cans a month**  
10 stores in August, up from 3 in July

## 4.9x

**Monthly sell-out growth, top 24 stores**  
676 cans in March → 3,349 in August

## 1,357

**August sell-out from 6 new Shangqiu (Henan) stores**  
Up from 4 cans in March

Source: ADNL M2C app, regular-order sell-out for the top 24 future™ stores, March–August 2026.

# Significant progress made in FY26

1

## Successful China launch

Well-executed launch of future™ Organic and future™ HMO in China, with positive consumer uptake & strong retention rates

2

## Distribution at scale

China distribution reached 1,490 mother-and-baby stores across 17 provinces

3

## Higher-margin mix

Business mix shifted decisively from fresh milk to higher-margin nutritional sales

4

## Better plant utilisation

Higher use of manufacturing capacity, significantly increasing overhead recovery



# Our strategic growth pillars



Nimble, fast-mover advantage



Efficient and single-minded:  
few brands, formulations and  
SKUs



Develop powerful brand assets



Key strategic partnerships with  
capable partners



Small-batch runs as an edge in  
contract manufacturing



A quality-focused culture and  
capability



Fully use and improve our  
manufacturing asset

**Goal:** create shareholder value, targeting annual profit and positive cash flow by FY28

# Shareholder value creation plan

1

## Grow the future™ brand in China

Rapid distribution build to 2,000 mother-and-baby stores in China by FY27

2

## Build gross margin

Better mix (brand vs co-pack), higher plant utilisation, yield improvement and targeted capex, moving to an outsourced manufacturing model once the plant reaches full capacity

3

## Grow contract manufacturing

Support the growth of the Nutura and other key co-manufacturing agreements

4

## Scale Ocean Road Dairies™ in Vietnam

Build volume with no additional investment, using distributor capability and brand engagement

5

## Selective new markets

Explore opportunities such as Singapore, Vietnam and Thailand for the future™ brand, with minimal investment



# A capital-light model built to scale profitably



01

## No further farm investment

Our organic A2 farm base is in place. No further capital is planned for farms.



02

## Plant at full capacity by FY28

Rising volumes take our plant to maximum utilisation, fully recovering its overheads.



03

## Outsource extra volume

Volume above plant capacity will be outsourced, lifting gross margins through scale.



04

## Low operating cost model

Operating costs forecast to grow about 3% a year while income more than doubles from FY27 to FY29.



05

## Few brands, premium focus

A small portfolio focused on high-growth premium segments: A2 protein and English label.



**Result:** targeting annual profit and positive cash flow by FY28



01

## Strong consumption growth delivered to date

*future™ sell-out up 46% in Q1 FY27 vs Q4 FY26, in 1,490 mother-and-baby stores*

### DRIVEN BY

- **Differentiated brand with strong growth momentum**  
Organic A2 and HMO formulas made from fresh milk; 86% of customers buy again
- **Unique channel strategy leveraging technology**  
Our M2C app connects consumers directly with the brand, with mother-and-baby stores facilitating sales, incentivised by high margins
- **Solid-growth segments in a super-sized category**  
A2 protein is 22% of market value (+7% in FY26) and English label 20% (+5.7%), within China's ~A\$25.5B infant formula market (+0.7%)



02

## Management with a career track record of delivery

Chairman a founder of The a2 Milk Company; CEO with 30+ years at Fonterra, Danone and a2



03

## Structurally efficient, very low opex

Operating and corporate costs of about \$3M a year, growing ~2% p.a. while revenue more than doubles: huge scale benefits



04

## No meaningful marketing investment yet

Growth so far with only \$0.45M of FY26 marketing. Meaningful investment will fast-track the brand to profitability

# Questions

& answers





# Thank you

Australian Dairy Nutritionals Group Limited

ASX: AHF

