



Australian Dairy Nutritionals Group

31 January 2020

ASX Code: AHF

Commentary on Appendix 4C and Market Update

Appendix 4C

Australian Dairy Nutritionals Group (**AHF** or the **Group**) provides the following commentary on the Appendix 4C released to ASX on 31 January 2020:

- The Group achieved positive EBITDA in December 2019.
- Capital expenditure included works being undertaken in relation to the development of the infant formula plant at the Camperdown Dairy Park site including planning and survey costs, heritage and other consultancy fees.
- The Group received a research and development grant of \$300,000 in the quarter.

Appointment of CFO

The Company is pleased to advise that it has appointed Kathryn Davies as Chief Financial Officer commencing on Thursday 30th January 2020. Kathryn is an experienced Chief Financial Officer who has worked extensively with ASX Listed companies across a number of sectors. She holds a Bachelor of Business, is a CPA and a graduate of the AICD.

Farm Update

Whilst we are deeply saddened by the extent of the bushfires which continue to significantly impact NSW and parts of North Eastern Victoria, the Group's farms have continued to benefit from favourable weather conditions in South West Victoria. Good pasture growth on the farms through the winter season allowed the Group to cut above average grass for storage (referred to as silage) which will be utilised as feed through the balance of this financial year.

Supplemental (or bought in feed costs) were lower than anticipated due to good pasture growth and the Group has locked in a program for purchase of supplement feed which has minimised its exposure to the spike in feed prices which has resulted due to the drought and bushfire season.

Infant Formula Plant Update

Planning and development activities are progressing for the construction of the Infant Formula plant in Camperdown with final plans submitted to the Environment Protection Authority (EPA) and Corangamite Shire Council for approval. At this stage the Group expects that construction will commence in the current quarter (Q3FY20).

The release of this announcement was authorised by the Company Secretary, Kate Palethorpe on behalf of the Board of AHF.

Ends

Further Details

For additional company information or media enquiries, please contact:

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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.adfl.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 South Western 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. Forward looking statements may include indications of, and guidance on, future earnings or distributions and financial position and performance and involve known and unknown risks. Uncertainties and other factors, many of which are beyond the control of AHF, and its officers, employees, agents, or associates, that may cause actual results to differ materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and AHF assumes no obligation to update such information.