

SYNLAIT PUBLISHES FULL YEAR 2023 RESULTS

Dear shareholders

Synlait today published its financial result for the 12 months ended 31 July 2023. It was an extremely challenging year for Synlait. Various factors contributed to our poor financial performance, including material reductions in customer demand, CO₂ shortages, extreme weather events, the COVID-19 pandemic, inflationary impacts on our cost base, and costs associated with the launch and stabilisation of our enterprise resource planning (ERP) system. Some factors were outside our control, and others were within our control.

Our Annual Report and Investor Presentation highlight work to create a more focused Synlait. Our financial results are challenging, and not where we need them to be, but tactically, we are building the foundations for a stronger Synlait, playing to our strengths while continuing to diversify our products, markets, and customers.

Our refreshed strategy leverages Synlait's strengths in our world-class capabilities and experience in partnering to produce high-value Advanced Nutrition and Foodservice products. Over the coming 12 months, the Board will support Management to continue building stronger foundations. We will address our balance sheet (through the intended divestment of Dairyworks and Temuka cheese assets); right sizing our cost base to current activities and near-term growth opportunities; delivering and building on current and prospective Advanced Nutrition and Foodservice customer opportunities; and lifting our overall operational performance.

We have a clear plan and an extremely capable leadership team to deliver stronger execution. We are committed to creating a more focused Synlait, for you, our shareholders. Thank you for your support.

Regards



Simon Robertson
Chair

KEY TAKEAWAYS FROM TODAY

FY 23

Extremely challenging financial year, with a poor financial result delivered.



Joyhana (UHT cream) launched, commercial sales underway.



State Administration for Market Regulation (SAMR) re-registration achieved.



*TRIFR reduced >30% since Synlait Safe launch in November 2022.



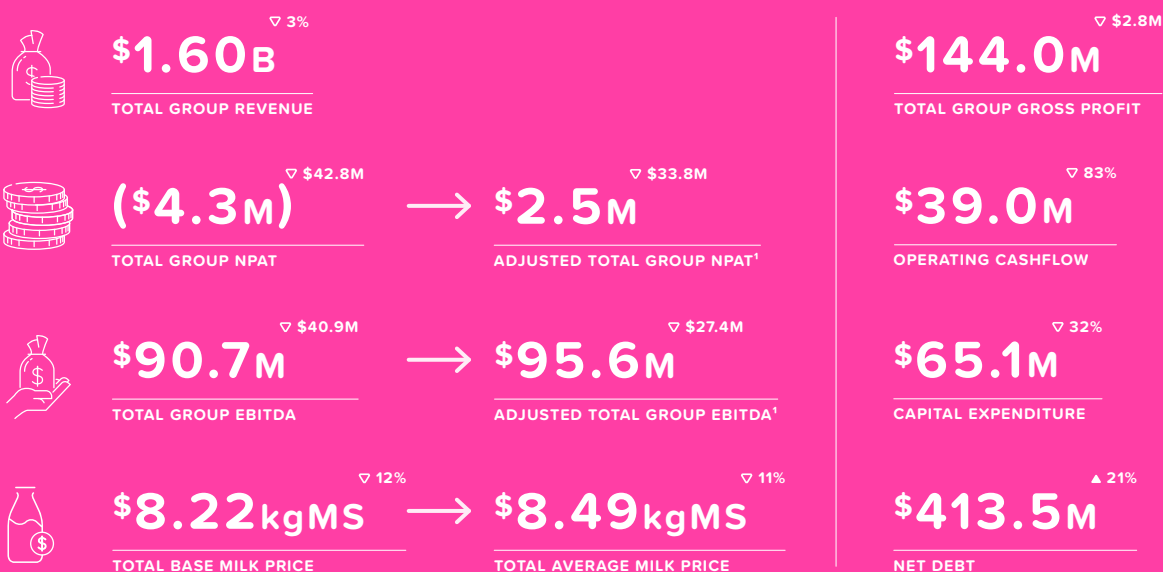
ELT renewal.

STRATEGY REFRESH COMPLETED

Creation of a more focused Synlait.

* TRIFR is Total Recordable Injury Frequency Rate, reduced to 10.6 at the end of FY 23.

RESULTS AT A GLANCE



All comparisons are to FY 22 and include the results of Dairyworks which has been treated as a discontinued operation.

¹ Refer to slide 5 for a reconciliation of adjusted NPAT and EBITDA.

Full Year 2024 (FY 24) Outlook

FY 23 was highly challenging for Synlait with material reductions in customer demand, CO₂ shortages, extreme weather events, the COVID-19 pandemic, inflationary impacts, ongoing investments in new product workstreams (i.e., UHT cream and Advanced Nutrition customer growth), and the launch and stabilisation of the company's new enterprise resource planning (ERP) system.

Looking ahead to the 2024 financial year, Synlait could still face challenging China market dynamics, softening global conditions more generally, and continued inflationary pressures across its cost base, which could impact future customer demand and the company's overall profitability. Synlait does, however expect Advanced Nutrition volumes to continue to grow at the Pokeno site in FY 24, and the company's overall EBITDA performance is also expected to improve in FY 24, compared to FY 23.

The a2 Milk Company's purported cancellation of the exclusivity arrangements under the Nutritional Powders Manufacturing and Supply Agreement (NPMSA) for the a2 Platinum[®] and other nutritional products is not expected to impact Synlait's FY 24 results. Synlait disputes that The a2 Milk Company has the right to cancel the exclusivity arrangements.

While Synlait is confident in its strategy to right-size its cost base to current activities and its near-term Advanced Nutrition and Foodservice growth opportunities, the uncertainty of broader macroeconomic factors means the company will not provide guidance at this time.

Synlait is committed to its refreshed strategy to create a more focused company and remains largely on track to meet its five-year (FY 28) strategic ambitions.

Annual Meeting

Our Annual Meeting will be held on Friday 1 December 2023 at 1.00pm. It will be held in person at Synlait Dunsandel (followed by a site tour) and online. The Notice of Meeting, released in early November 2023, will include further information.

Synlait