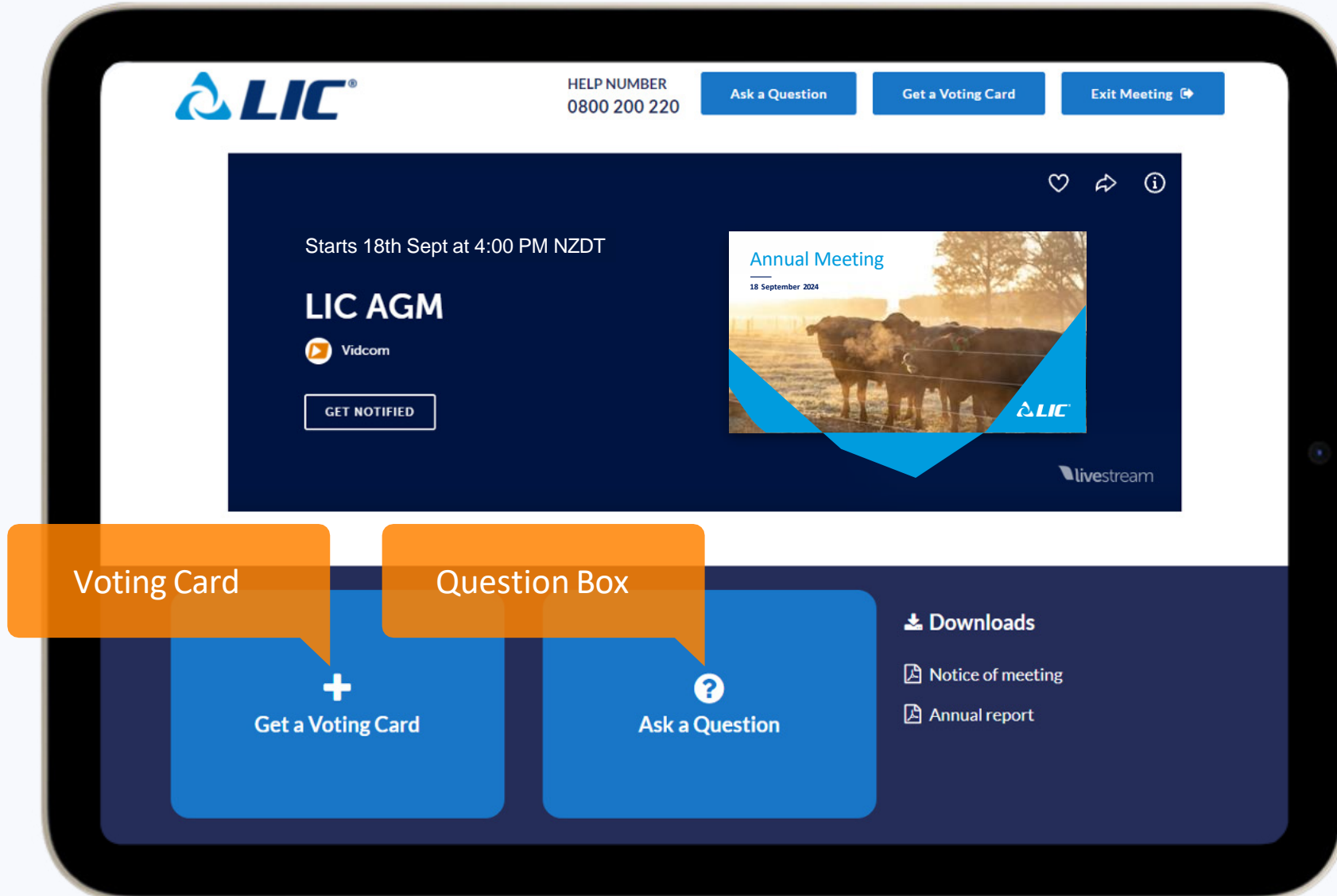


Annual Meeting

18 September 2024



Using the Online Platform



Welcome

Corrigan Sowman
Board Chair



Meeting Agenda

- 1. Year in Review**
- 2. Financial Overview**
- 3. Looking Ahead for LIC**
- 4. Honoraria Report**
- 5. Meeting Resolutions**
- 6. General Business**





Year in Review

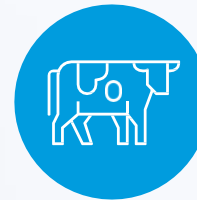
David Chin
Chief Executive

Value for You is at the Heart of What We Do



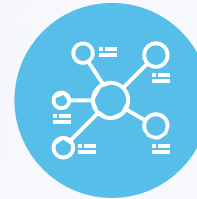
Our Farmers

Deepen our understanding of the current and future needs of all of our farmers.



Animal

Most sustainable & efficient animal. Highest value products.



Data & Digital

Modernising the animal data & digital capabilities.



Innovation

Research & development. Responsive innovation.

Our Three Commitments to You

1

Operational
Excellence

2

Faster Genetic
Improvement

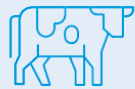
3

Software Reliability
and Performance

How We Performed 2023/24

Operational Excellence

Herd Testing



50% reduction in negative feedback received on Herd Testing set ups

38%

Achieved



Milk Pregnancy Testing



10 working day turnaround time for test results (from the sample being collected on-farm)

99.2%

Achieved



Johne's Disease Testing



10 working day turnaround time for test results (from the sample being collected on-farm)

99.4 %

Achieved



Customer Experience Centre



Answer 70% of calls within 30 seconds

75%

Achieved



How We Performed 2023/24

Operational Excellence

Artificial Breeding

Deliver a Non-Return Rate (at an AB Tech group level) within +/- 9.99% of the AB Supervisor average for the area

99.9%

of AB Tech groups
(1 AB technician near low group)

Achieved



Artificial Breeding

Achieve a sexed semen NRR differential of <=5% compared to conventional fresh semen



3.3%

Achieved



Artificial Breeding

98% of frozen semen straws on-farm at least one day prior to the required-on-farm date



99.8%

Achieved



(for all orders placed 7 days in advance of the required-on-farm date)

GeneMark®

4-week turnaround time for test (from booking week) for 95% of samples



99%

Achieved



How We Performed 2023/24

Faster Genetic Improvement

Sire Proving Scheme Bull Team genetic gain

3-year rolling average rate of increase in the gBW of the Sire Proving bulls to exceed the 10-year historical average rate of increase by 20%, resulting in 29.2% target



31. %

Achieved



Premier Sires Bull Team genetic gain

3-year rolling average rate of increase in the gBW of the Premier Sires bull teams to exceed the 10-year historical average rate of increase by 20%, resulting in 31.7% target



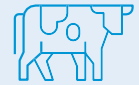
34%

Achieved



Rate of genetic gain on farm

17 gBW 5-year rolling average gain (for herds with >80% replacements sired by LIC bulls)



20.5_{gBW}

Achieved



How We Performed 2023/24

Software Reliability and Performance

MINDA® availability including allowable downtime



99.9 %

Achieved



Available 99% of time

MINDA® Roadmap



100 %

Achieved



All features in MINDA® roadmap released

MINDA® availability excluding allowable downtime



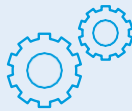
98.9 %

Achieved



Available 97% of time

Integrated software partners



99.9 %

Achieved



LIC systems are available to receive information from integrated partners 99% of time

MINDA® performance



97.7 %

Achieved



95% of events are processed through the holding pen within 5 minutes



Financial Overview

Brent Mealings
Chief Financial Officer

Financial Overview

Delivering value for our farmers is at the centre of everything we do and we stay laser focused on balancing our value proposition for farmer shareholders.



Sustainable Dividend



Products and Services



R&D Investment

Financial Highlights



\$26.8^m

**Total
Dividends**

Includes the \$18.5m
Special Dividend paid
earlier this year



\$267.3^m

Total Revenue

Down 3.3% from
\$276.5m last year



\$7.7^m

**Net Profit
After Tax**

Down 71.7% from
\$27.4m last year



\$13.9^m

**Underlying
Earnings**

Down 41.6% from
\$23.7m last year



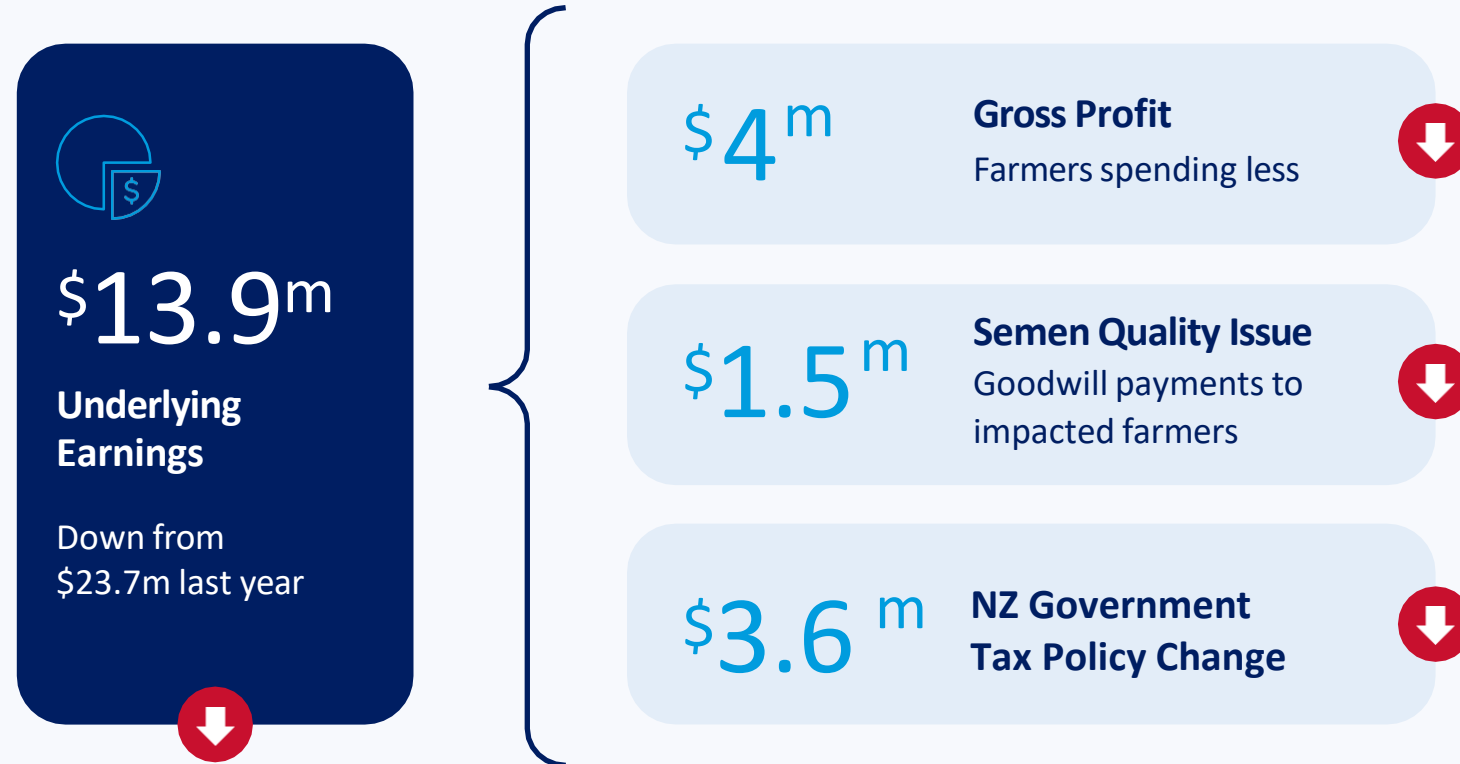
\$358.6^m

Total Assets

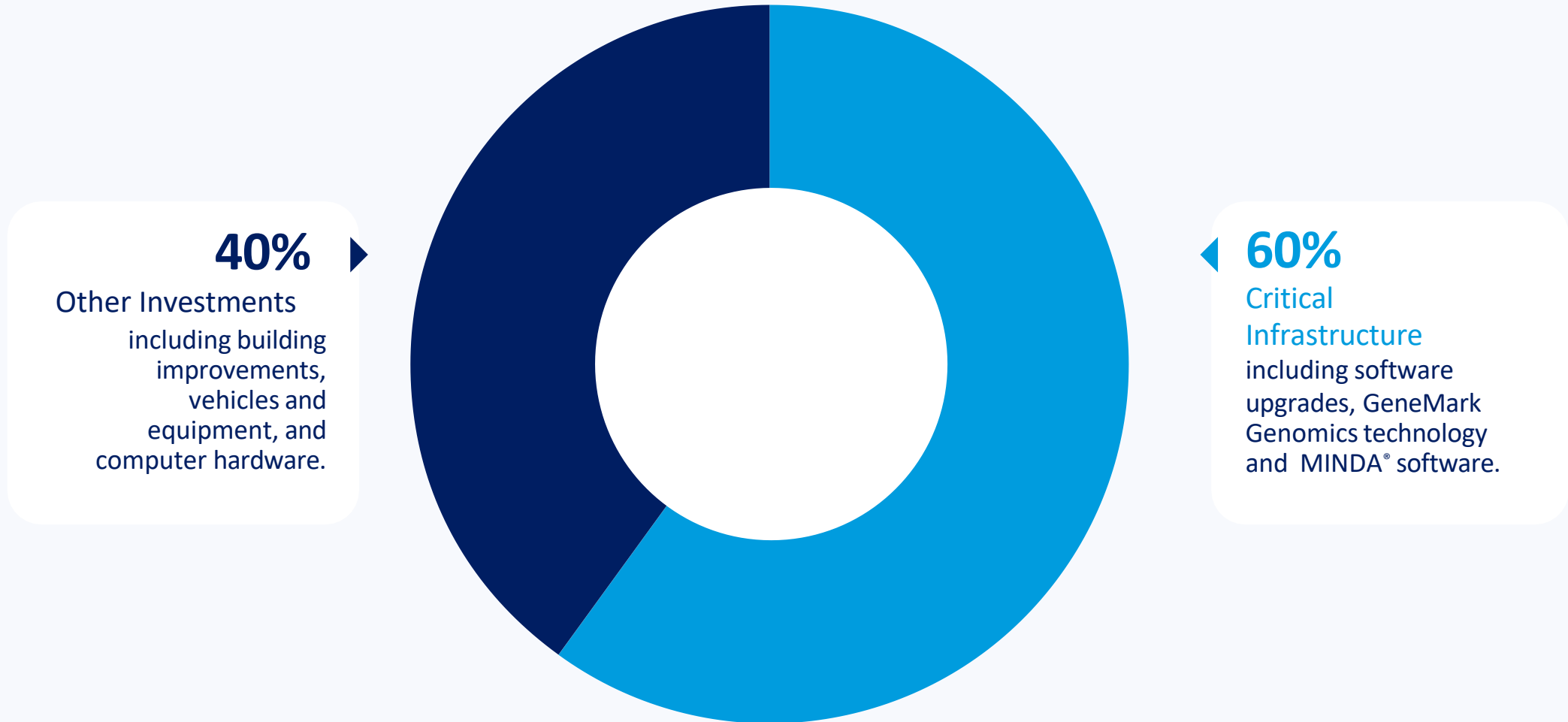
Down 6.2% from
\$382.3m last year



Underlying Earnings - Key Movements on Last Year



Critical Investments for the Future





Investment in Research and Development

\$21.2 million investment in R&D representing 7.9% of revenue, up from \$18.2 million.

LIC is one of the largest private investors in R&D for the primary sector.

Outlook

- ➔ 2024/25 likely to continue to be volatile with cost pressures on farm
- ➔ **LIC focus:** operational excellence, faster genetic improvement, software reliability and performance
- ➔ Expected underlying earnings for 2024/25 to be in the range of \$16-22m
(assuming no significant events including climate events or milk price change takes place between now and then).

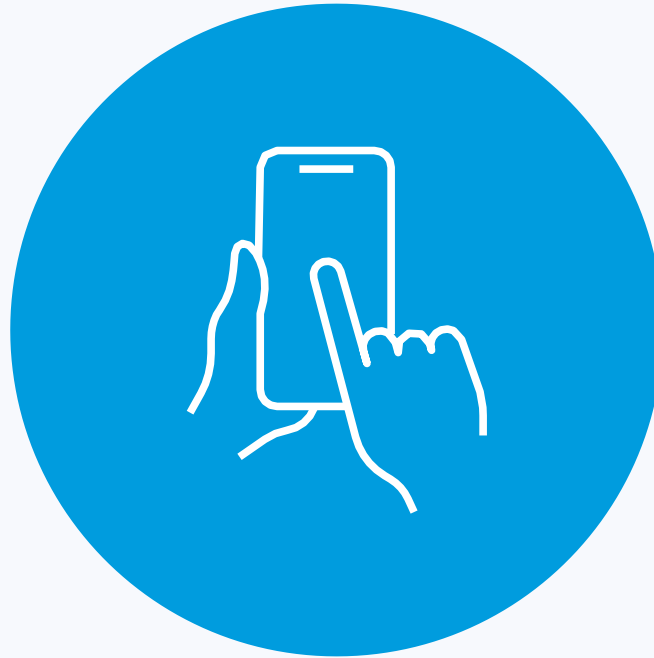
Delivering Value for Our Shareholders

As your cooperative, we have continued to look ahead and invest for the future.

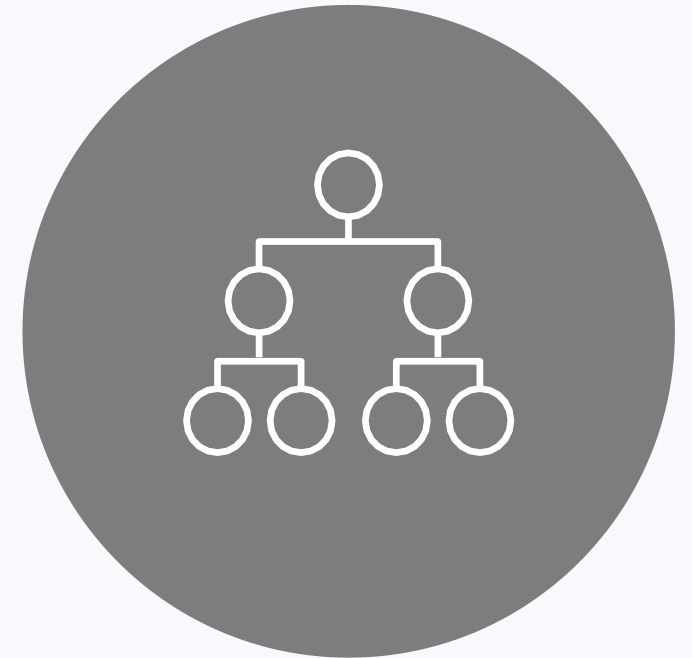
GeneMark® Genomics



MINDA® Integrations



Breeding for the Future

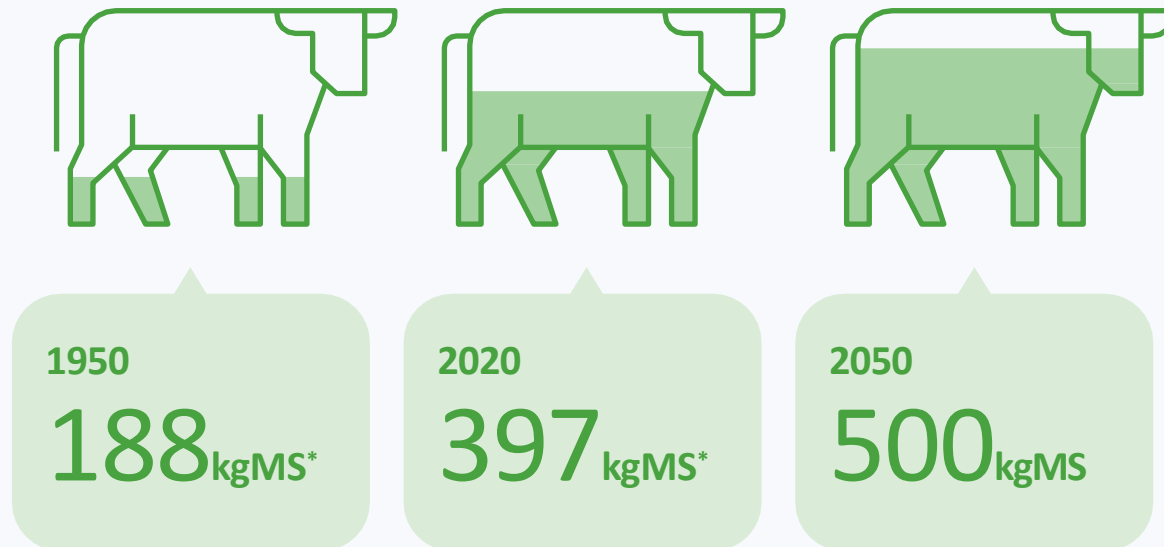




The Year Ahead

LIC will continue to focus on new and existing research projects with an aim to deliver sustainable advantage to our dairy sector.

Our Challenge



*Source: Dairy Statistics

1 Cow **Efficiency**
Reduce emissions intensity

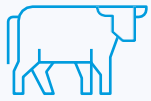
2 **Adapt** to Changes
Breed heat tolerant cows

3 **Mitigate** Emissions
Breed low methane cows

4 Use Technology to **Enable**
Innovation

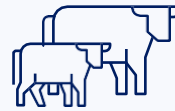
Short Gestation Length Semen

Idea



Mating/Conception

Day 0



Calving

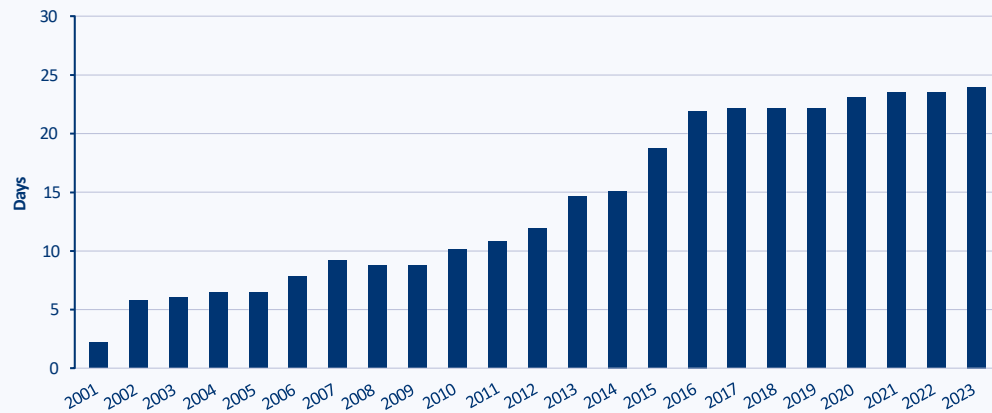
272

282

← Additional days in milk
Productivity gains &
Fertility gains

Focus

Average Gestation Length of Dairy SGL Sires



Result

6 years in a row we have exceeded 1 million days in milk

12.3m additional days in milk

At 1.5kgMS/day **18.4m** additional milksolids since inception

The Opportunity: All Cows Aren't Created Equal

Holstein Friesian Cows

	Average BW	Average kgMS	Average Liveweight	Average Fertility
Quartile 1 - The Top 25%	221	493	33.9	0.3
Quartile 2	157	457	34.7	-0.3
Quartile 3	111	441	35.9	-0.9
Quartile 4 - The Bottom 25%	36	425	41.1	-2.0

↑ +68 kgMS (16%)
-17.2kg liveweight

The best cows are more efficient at turning feed into milk - **they produce more milksolids, weigh less and have a fertility advantage.** They also have a lower emissions footprint and lower amount of urinary nitrogen per kilogram of milksolid.



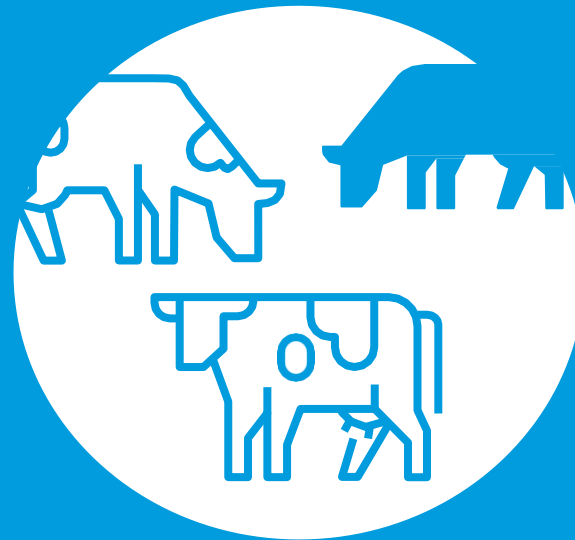
Dairy herds recorded in MINDA® with herd test results in 2022-2023 season: 186,808 cows (2014-2018-born), ranked by gBW.

The Size of the Prize for New Zealand — A Profitable and Sustainable Dairy Sector

What it's worth if we accelerate the rate of genetic gain and only breed the best cows:



**Increase Cow Production
Relative to Liveweight**

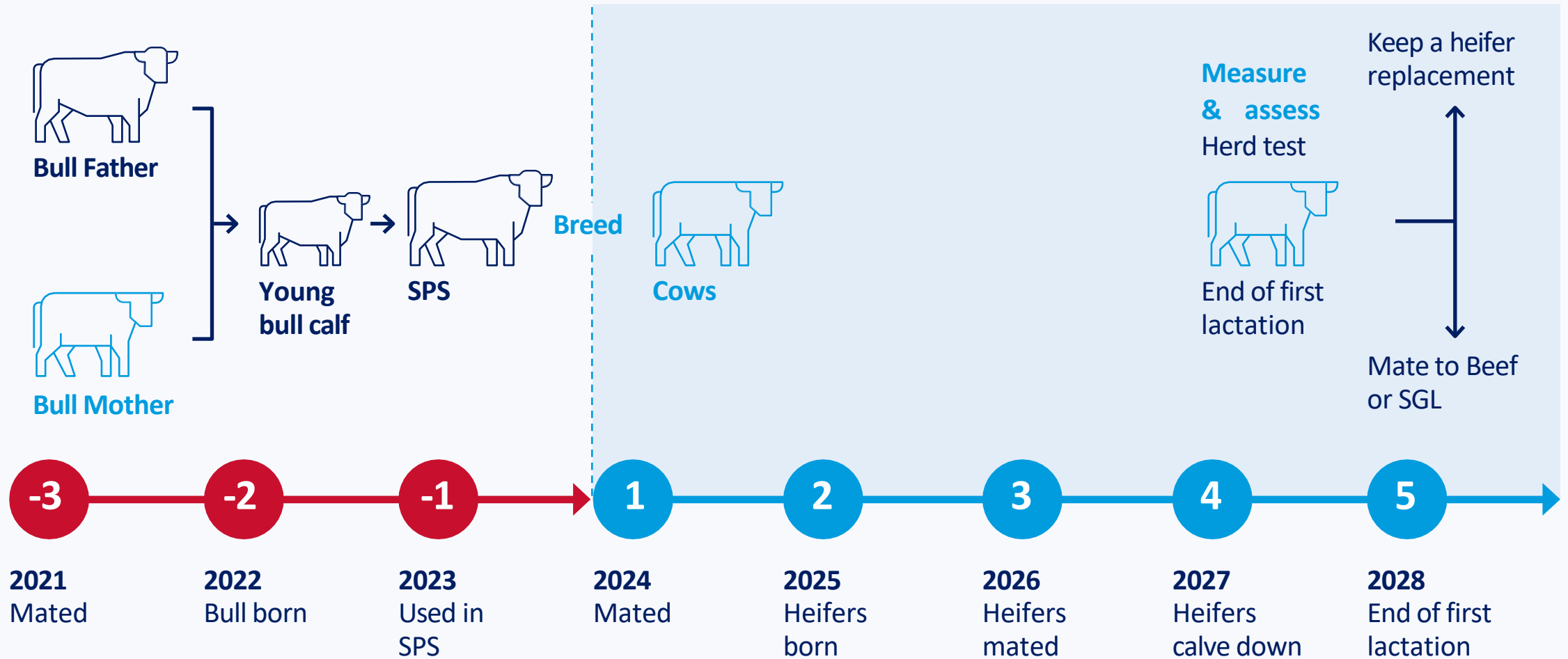


**Maintain Total Milk
Production from Fewer Cows**



**Reduce Agricultural
Emissions**

Genetic Improvement Takes Time - So Let's Get Started



Honoraria Report

Ian Brown

Honoraria Committee Chair

Meeting Resolutions

Corrigan Sowman
Board Chair



Resolution 1:

Approval of LIC Directors' Remuneration

To receive and consider the LIC Honoraria Committee's recommendation as to Directors' remuneration, and if thought fit, to resolve by way of ordinary resolution to:

“Approve the total remuneration of all nine Directors to be a maximum of \$783,000 per annum”

Resolution 1:

Directors' Remuneration

	Current	Recommended	\$ Increase
Chair	\$143,000	\$145,000	\$2,000
Director	\$65,000	\$71,000	\$6,000
Discretionary Pool*	\$60,000	\$70,000	\$10,000
Total for LIC Board	\$723,000	\$783,000	\$60,000

*Maximum pool available for additional duties and specialist skills, including roles as Committee Chairs.

Resolution 2:

Approval of LIC Shareholder Reference Group Remuneration

To receive and consider the LIC Honoraria Committee's recommendation as to Shareholder Reference Group's remuneration, and if thought fit, to resolve by way of ordinary resolution to:

“Approve the total remuneration of all Shareholder Reference Group members being increased from \$199,000 to \$213,000 and the daily allowance remains the same at \$400 per day.”

Resolution 2:

Shareholder Reference Group Remuneration

	Current	Recommended	\$ Increase
SRG Chair	\$40,000	\$42,000	\$2,000
SRG Deputy Chair	\$19,000	\$21,000	\$2,000
SRG Member	\$14,000	\$15,000	\$1,000
Total	\$199,000	\$213,000	\$14,000
Daily Allowance			
Daily Allowance*	\$400	\$400	\$0

*Paid for time spent on extraordinary duties.

Resolution 3:

To Re-appoint KPMG as External Auditor

To consider, and if thought fit, to resolve by way of ordinary resolution to:

“Re-appoint the chartered accountancy partnership KPMG as the auditor until the conclusion of the Company’s next Annual Meeting, and that the Directors be authorised to fix its remuneration”

Resolution 4:

To Elect One Elected Director for the North Island Region

To consider, and if thought fit:

“Elect ONE (1) candidate representing the North Island as an Elected Director to the Board of Directors with effect from the conclusion of this Annual Meeting”

Note: That only shareholders in the North Island are eligible to vote on this resolution.
This resolution is determined using First Past the Post, as described at (c) of the Procedural Notes.

Resolution 5:

To Elect One Elected Director for the South Island Region

To consider, and if thought fit:

“Elect ONE (1) candidate representing the South Island, as an Elected Director to the Board of Directors with effect from the conclusion of this Annual Meeting”

Note: That only shareholders in the South Island are eligible to vote on this resolution.
This resolution is determined using First Past the Post, as described at (c) of the Procedural Notes.

Resolution 6:

To Elect One Member of the Shareholder Reference Group for the Upper North Island Territory

To consider, and if thought fit:

“Elect ONE (1) candidate from the Upper North Island Territory to the Shareholder Reference Group with effect from the conclusion of this Annual Meeting”

Note: That only shareholders in the Upper North Island Territory are eligible to vote on this resolution. This resolution is determined using First Past the Post, as described at (c) of the Procedural Notes.

General Business

Corrigan Sowman
Board Chair



Q & A



