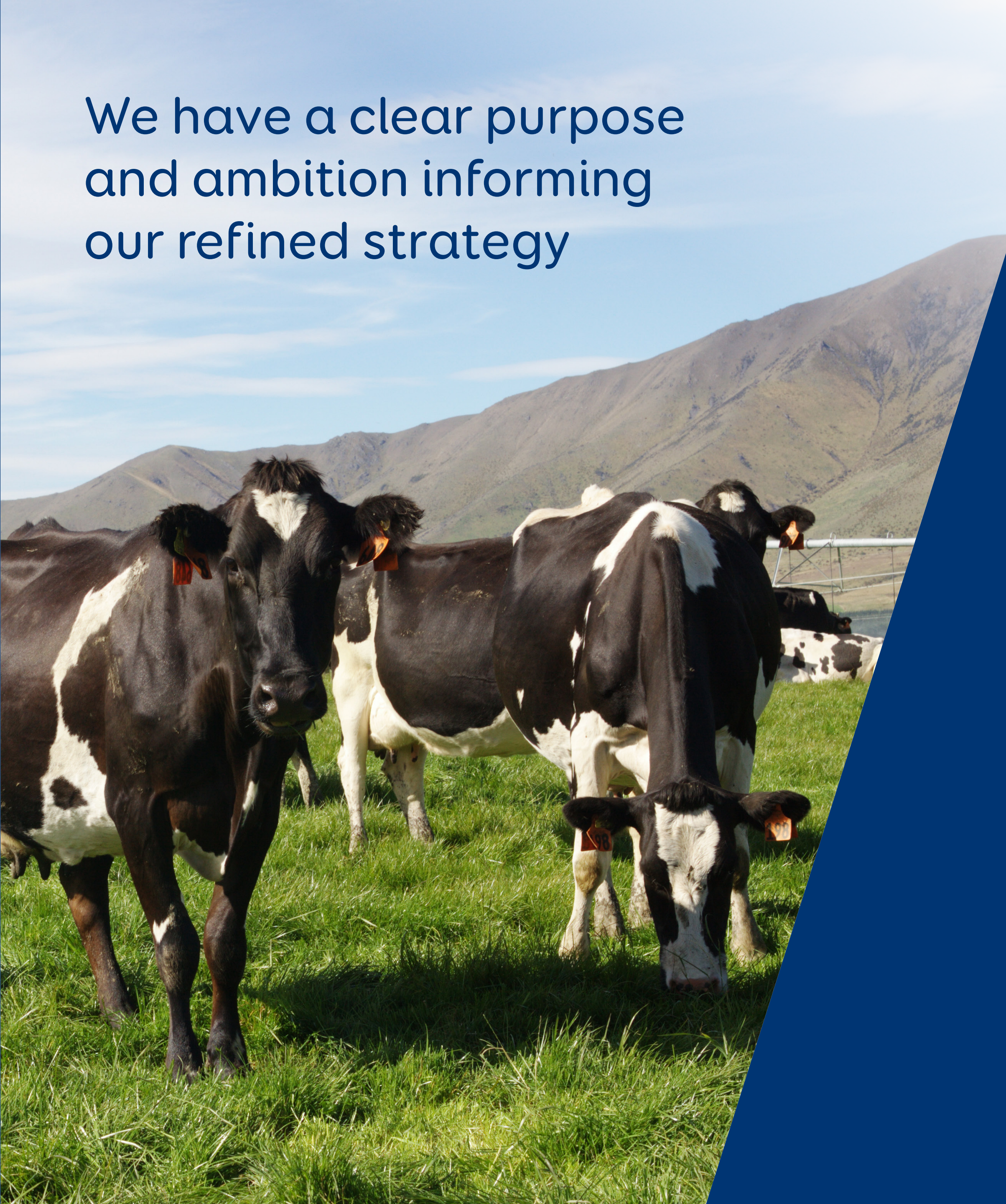




LIC 2021 Strategy Refinement





We have a clear purpose
and ambition informing
our refined strategy

Why we exist

To deliver superior genetics and technological innovation to help you sustainably farm a profitable animal.

What is our strategy in service of?

Building a strong sustainable co-operative, leading the world in our field and delivering outstanding value for our customers, shareholders and industry, next year, in 5 years and for another 100 years.

Thanks, here's what we've achieved together

Over the past 5 years with the support of shareholders we've transformed LIC into a modern, progressive co-operative with a focus on the core NZ Dairy Industry.

Strategy Roadmap



LIC is now in a position of strength



Deep
customer
relationships



World
leading
capabilities



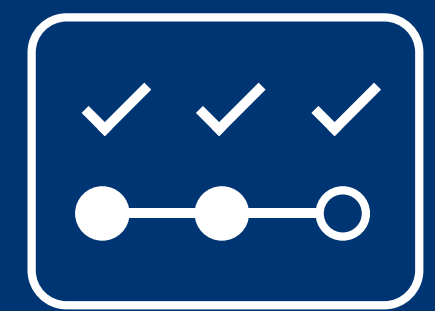
A strong
balance
sheet



Forecast
ongoing
growth



Key
assets



A proven
history

However, LIC must now respond to local and global shifts impacting on our customers, the industry and our co-operative

1



Consumer

Changing consumer expectations and behaviours, driven by sustainability and health

2



COVID-19

Long term shifts accelerated by COVID-19, including the role of the primary sector in rebuilding our economy

3



Industry

The changing shape of the dairy industry

4



Technology


Rapid technology shifts bringing challenges and opportunities

5



Regulation

Increasing regulatory requirements are leading to pressure and uncertainty on farm



To respond effectively, our refined business strategy builds on our strengths, our clear differentiating capabilities and key assets.

World leading capabilities

LIC is a world leader in pasture based dairy genetics and herd management.

- Pasture dairy genetics
- Genomics R&D
- Customer reach and scale
- Data acquisition



Key assets

Over our history LIC has built up a portfolio of key assets that have allowed for successful outcomes for our customers.

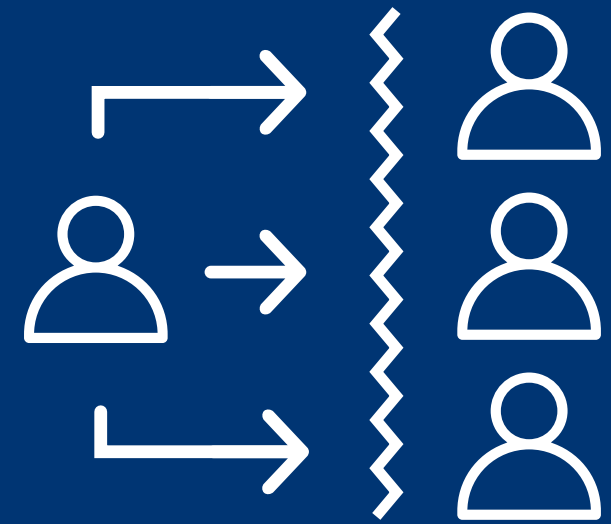
- Genetic and genomic data set
- MINDA database
- MINDA software
- Market leadership in key areas of genetics, software and testing
- Co-operative structure
- International reputation
- Trusted brand with farmers
- Deep, long term customer relationships
- High throughput capacity (milk testing, animal health, DNA lab)
- Team, talent and passion
- Liquid semen production system



But we're also clear on the challenges we face to respond to change and deliver on our strategy



Weakness in customer sentiment




Challenged shareholder engagement



Digital and data capabilities



Focusing on the right things that drive value for farmers

A woman on the left and a man on the right are leaning on a metal railing. The woman is smiling and looking towards the man. The man is also smiling and looking towards the woman. They appear to be in an outdoor setting, possibly a farm or a rural area, with a green field and a blue sky in the background. The image has a dark blue overlay.

We've listened to you, our shareholders.
To overcome our challenges we must
sharpen our focus, strengthen our core
and enhance our capabilities.

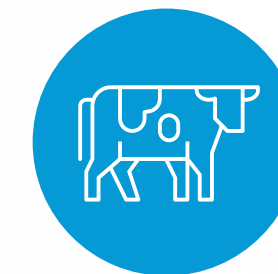
LIC 2021 Strategy

Doing what we are good at.
Playing to our strengths.



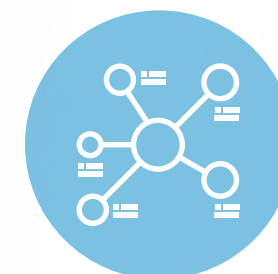
Our Farmers

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.

What are our foundations?



Sustainable Co-operative

This means fully leveraging our co-operative strength and potential for the long term sustainability of our farmers, our environment & our industry in New Zealand.

We have a responsibility to our farmers & shareholders to ensure LIC is strong next year, in five years and over the next 100 years.

What are our foundations?



People

We invest in our people to develop their talent and foster a culture that embraces change, builds capabilities and drives results to deliver greater customer value.

What are our foundations?



Environment

We help farmers to meet the current and future challenges, in particular water quality and methane. We will focus our research and investment and provide tools to help farmers meet these challenges.

What are our foundations?



Partnership

We will work with others to deliver to farmers' needs, partnering with other companies in our sector to deliver a seamless service to farmers. This will require more focus on relationships with other sector companies such as processors, fertiliser companies and device companies.

How we will drive value for farmers?

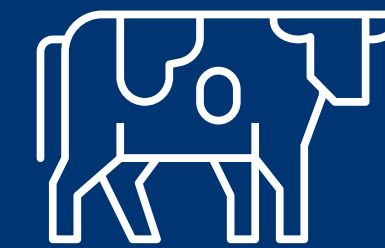


Our Farmers

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

- Keep our farmers and future farmers at the heart of what we do.
- Operational excellence - Continuously improve our operational excellence for our current and future farmers by doing the basics right the first time, every time.

How will it drive value for farmers?

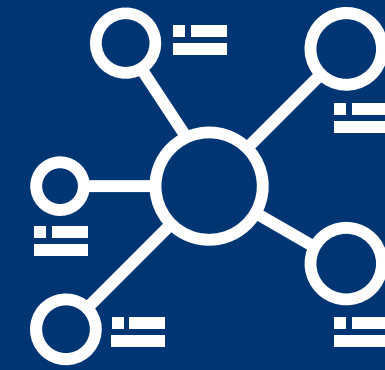
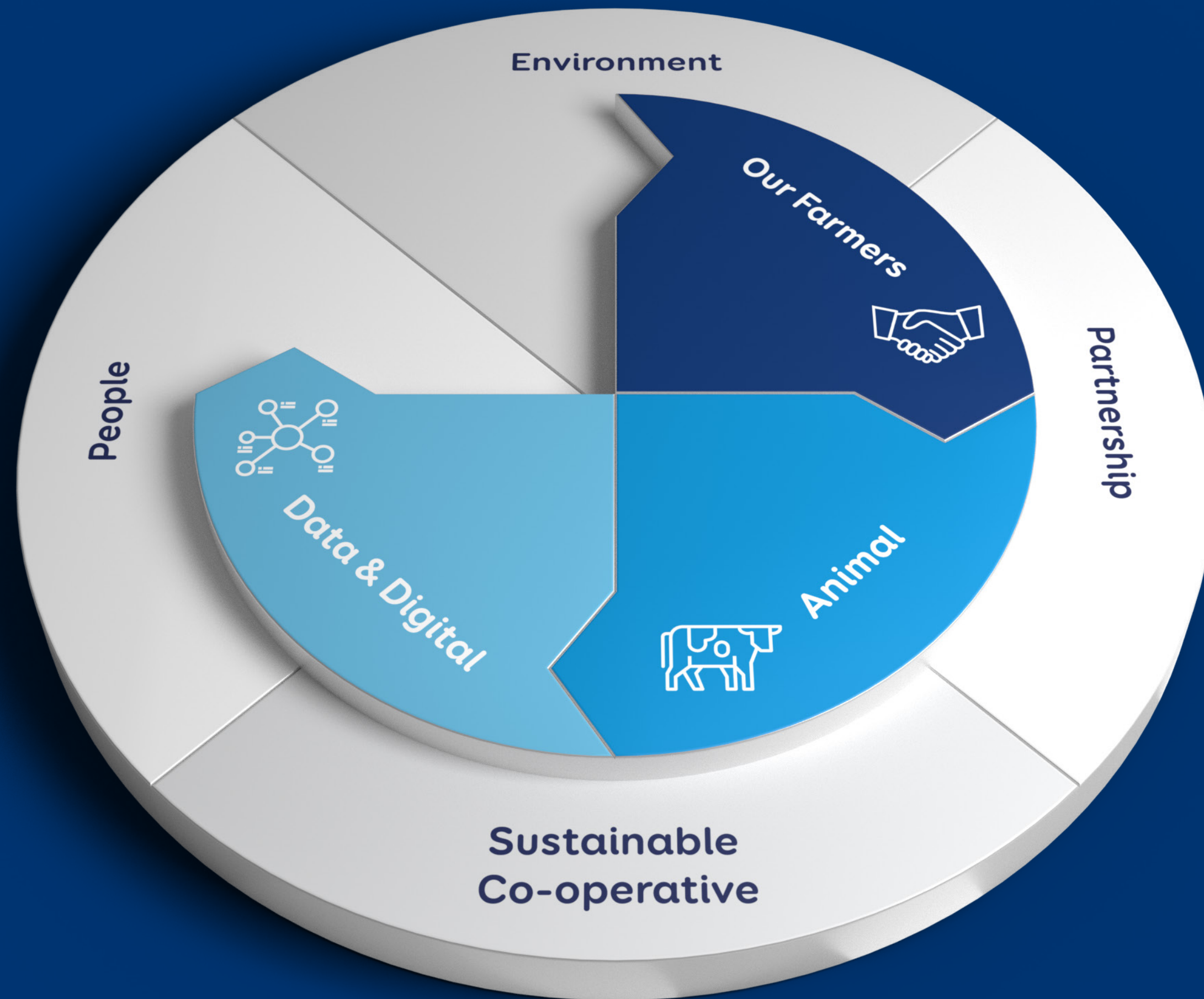


Animal

**Most sustainable & efficient animal.
Highest value products.**

Support our farmers through genetics, genomics, milk testing and diagnostics to produce the most sustainable and efficient animals and the highest value product.

How will it drive value for farmers?

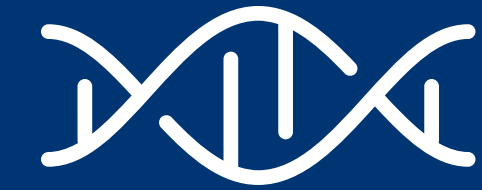
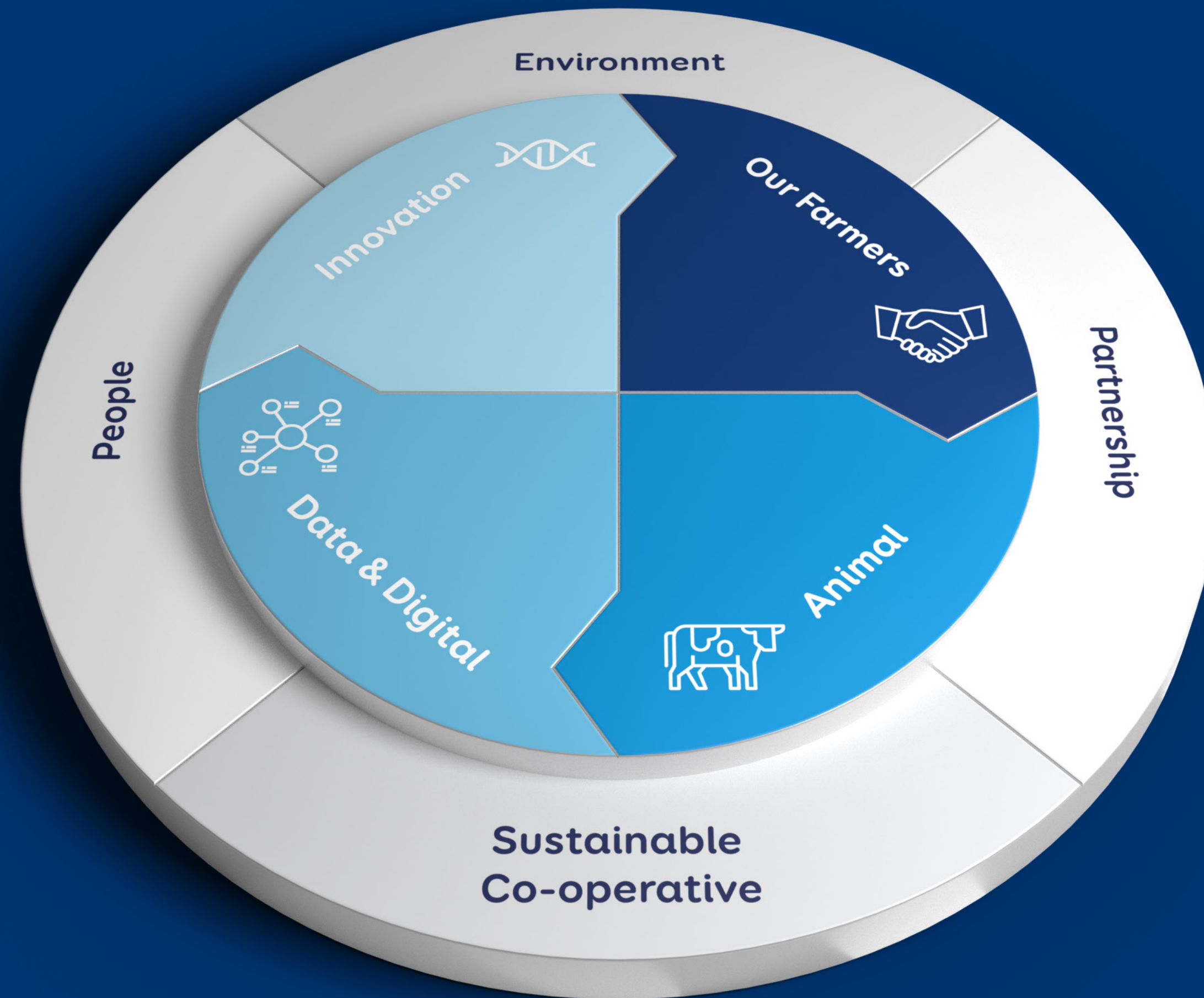


Data & Digital

Modernising the animal data & digital capabilities.

Data and digital means investing in and modernising the animal data & digital capabilities of our business to enrich our products, and support enhanced customer value.

How will it drive value for farmers?



Innovation

Research & development.
Responsive innovation.

Using our capabilities and assets to develop new products, services and technology that drive long term and sustainable customer value.

What is at the heart of our strategy?



Value for our Farmer Shareholders

Drive value, innovate and deliver a positive impact for our customers and shareholders by: Focussing on helping our farmers optimise value from their livestock by enabling them to produce the most sustainable and efficient animals and the highest value product.

What's going to be different?

Key areas of change



Sharpen our focus
and play to our strengths



Strengthen our core
and improve our ability to
respond to change



Enhance our capabilities
and find new opportunities for
innovation and growth

How will we do it?

- Develop world class talent and culture
- Focus only on what really drives customer value
- Better understand consumers and sustainability
- Truly understand our customers
- Do fewer things better
- Engage our shareholders
- Enable our customers' licence to operate
- Do the basics right, every time
- Continually improve data and digital capabilities

Our three commitments to you

We will be guided by our primary focus of delivering value for our farmer shareholders



1

Operational Excellence

We commit to getting the basics right and delivering for you, on time, every time.

2

Faster Genetic Improvement

We commit to having your back when it comes to helping you meet the environmental challenges you face, in particular animal efficiency, and nitrogen and methane mitigation.

3

Software Reliability and Performance

We commit to being better at delivering our software to you. We renew our commitment to continuous improvement and transparency around delivery of new features.

