



MAINLAND
GROUP

Business Overview

March 2025

Disclaimer

Disclaimer

You must read this disclaimer before reading or making any use of this document (“**Document**”). Statements in this Document are made only as at 10 March 2025.

This Document has been prepared by Fonterra Co-operative Group Limited (“**Fonterra**”) solely for the use of the parties to whom Fonterra (or any of its advisors) delivers it, and is not intended to be used by any other person. Any use of this Document, whether authorised or unauthorised is subject to, and you are deemed to have accepted, the provisions set out below.

The information contained in this Document is of a general nature and is being delivered for information purposes only. This Document has no regard to the investment objectives, financial situation, particular needs or particular circumstances of any recipient and does not constitute, and must not be interpreted as, a recommendation or advice by any person on any matter or thing, including investment, financial, legal, taxation or accounting advice.

This Document is not exhaustive and does not contain all of the relevant information that you may request or require in determining whether to pursue a further investigation of **Mainland Group**, being Fonterra’s consumer and associated businesses which are proposed to be divested by Fonterra and which are the subject of this Document.

This Document is provided on a non-reliance basis. It is your responsibility to conduct and rely upon your own investigation and analysis of Mainland Group and the Consumer Business, and any information (including information in this Document) or other matters that you may consider relevant, including the economic, financial, regulatory, legal, taxation and accounting consequences of such information and matters, and you will be taken by Fonterra to have done so without any reliance whatsoever on anything in this Document. Independent expert advice (including from accountants, lawyers and other professional advisors) should be sought before making any decisions in connection with Mainland Group.

This Document is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities or other financial products in any jurisdiction and neither this Document nor any of the information contained herein shall form the basis of any contract or commitment. In particular, this Document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

This Document is not a prospectus, product disclosure statement or other disclosure document required to be lodged with the Australian Securities and Investments Commission under the Corporations Act 2001 (Aus), the Financial Markets Authority or the New Zealand Companies Office under the Financial Markets Conduct Act 2013 (NZ) or the law of any other jurisdiction.

This Document contains certain forward-looking statements and comments about future events, including with respect to the financial condition, results, operations and business of Mainland Group. Forward-looking statements can generally be identified by use of words such as ‘project’, ‘foresee’, ‘plan’, ‘expect’, ‘aim’, ‘intend’, ‘anticipate’, ‘believe’, ‘estimate’, ‘may’, ‘should’, ‘will’, ‘forecast’, ‘target’ or similar expressions. Guidance or outlook on future earnings or financial position or performance are also forward-looking statements. Forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of Fonterra, and which may cause the actual results or performance of Fonterra or Mainland Group to be materially different from any results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as at the date of this Document. Forward-looking statements should not be relied on as an indication or guarantee of future performance. As such, no reliance should be placed on any forward-looking statement. Past performance is not a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements.

Fonterra and its affiliates, shareholders and related bodies corporate, and their respective officers, directors, employees, advisors, agents, contractors and other representatives (each a “**Relevant Party**” and together the “**Relevant Parties**”) do not make any representation or warranty (whether express or implied) as to the accuracy, reliability, fairness or completeness of this Document. No Relevant Party makes any representation that this Document is complete or that it contains all information that a prospective investor may require in evaluating Mainland Group. You agree that (to the maximum extent permitted by law) no liability of any form is, or will be, accepted by any Relevant Party to any person or entity for any loss, damage, cost, charge, expense of any kind or any other liability whatsoever (including negligence) arising out of, or in connection with the use of, or reliance upon, the information contained in this Document, the distribution or possession of this Document in or from any jurisdiction, or any information contained, omitted, referred to, or reflected in it, or supplied or communicated orally or in writing to you (or your affiliates) or any other person in connection with it, including without limitation for any false, misleading or deceptive statements (including by omission). You agree that you release and waive, and will not take any action in relation to, any rights (whether arising in tort, contract or under law or otherwise) you may have against any Relevant Party in connection with this Document and the information contained within it (and will ensure that your affiliates do the same). You indemnify each Relevant Party from and against any and all claims, actions, demands, remedies, losses, liabilities or other matters (whether arising in tort, contract or under law or otherwise) suffered or incurred by a Relevant Party as a result of you or your affiliates taking or seeking to take any action against a Relevant Party in connection with this Document or the information contained within it.

None of Fonterra’s advisors have authorised, permitted or caused the issue, lodgement submission, dispatch or provision of this Document, make or purport to make any statement in this Document and there is no statement in this Document which is based on any statement by any of them.

In providing this Document to you or making this Document available to you, Fonterra does not undertake to provide access to any additional information or to update this Document or to correct any inaccuracies which may become apparent, nor does the delivery of this Document create or constitute any implication, representation or warranty (whether express or implied) that there has been no change in the information contained in this Document since the date of this Document, and any information contained in this Document may be changed without notice or without providing you with an updated version of this Document. Fonterra and the Relevant Parties reserve the right to provide further information to any person and will be under no obligation to treat all interested persons equally or provide the same information to all recipients.

By receiving this Document, you acknowledge and agree that (a) you understand the contents of this notice and that you agree to abide by its terms and conditions; and (b) Fonterra and the Relevant Parties are relying on you complying with the contents of this notice and its terms and conditions and on the truth and accuracy of the representations, warranties, undertakings and acknowledgements given by you.

Presenting today



René Dedoncker
CEO elect

René brings more than 30 years of experience in the food industry

Joined Fonterra in 2006 and has held global leadership roles managing businesses and customers in more than 50 countries

Assumed role of Managing Director of Fonterra Australia in 2016 and Managing Director of Global Markets – Consumer & Foodservice in 2024



Paul Victor
CFO elect

Paul brings more than 30 years of experience across finance, treasury, tax, IT, M&A, and investor relations

Most recently the CFO of ASX-listed Incitec Pivot Limited

Over 20 years of experience in a variety of leadership roles at global chemicals and energy company Sasol, including Group CFO, Group Financial Controller and CFO of Sasol Synfuels

Mainland Group at a glance

A large-scale and profitable dairy platform backed by an established asset base

1



NZ\$4.9bn¹

Net revenue FY24A



916k MT

Sales volume FY24A

2



~NZ\$200m¹

EBIT FY24A



~4%

EBIT margin FY24A

3



15

Manufacturing sites



20+

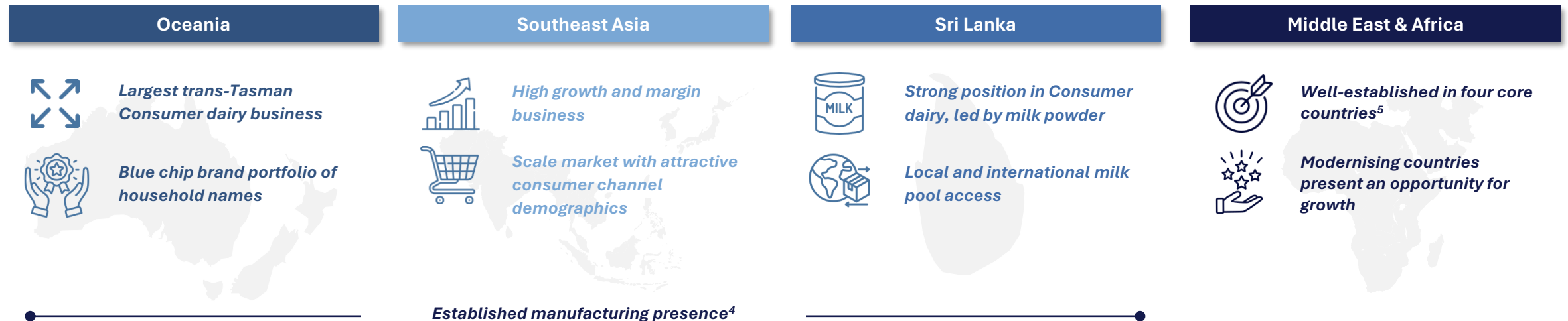
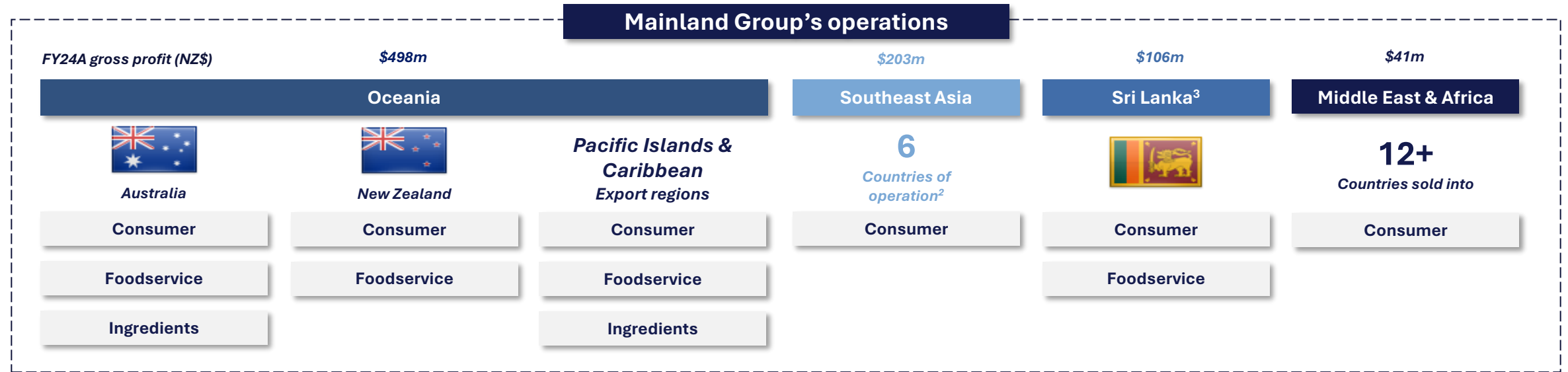
Countries where products are sold



Notes: ¹ Historical pro-forma financial information presented differs from the previous disclosures made by Fonterra relating to the In Scope and Out of Scope businesses. This is primarily due to further refinement of what is included within the In Scope businesses (including removal of China Consumer business and Fonterra retaining the Dammam plant in Saudi Arabia), allocation of SKUs, and the proposed contractual arrangements post separation from Fonterra. All historical pro-forma financial information presented is indicative only.

Overview of Mainland Group's operations

Diversified and vertically integrated¹

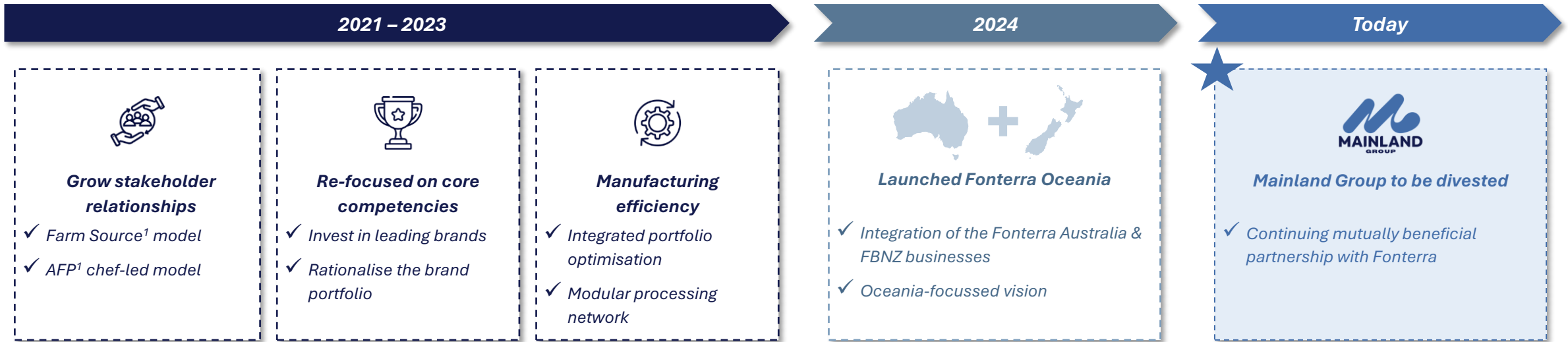


Note all historical pro-forma financial information presented is indicative only.

Notes: ¹ Only Australia and Sri Lanka are vertically integrated ² Includes Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam ³ Includes export sales into countries including Mauritius, Maldives, Seychelles and Bangladesh ⁴ Manufacturing sites across Australia, New Zealand, Malaysia, Indonesia and Sri Lanka ⁵ Saudi Arabia, UAE, Iraq, Azerbaijan.

Mainland Group's milestones

Strategically focused on operational improvement, with demonstrated capability across the value chain



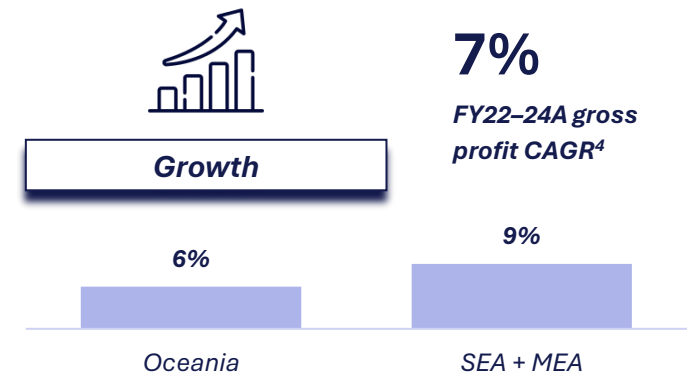
Demonstrated capability across Mainland Group's integrated value chain²



- ✓ Significant NPS growth since the launch of Farm Source
- ✓ Stable share of milk pool



- ✓ Increased production efficiency
- ✓ Capacity for flexibility and growth



Note all historical pro-forma financial information presented is indicative only.

Notes: ¹ Farm Source and AFP will be owned by Fonterra, with Mainland Group to rebrand over an agreed transition period, with the potential for reseller arrangements for AFP ² Only Australia and Sri Lanka are vertically integrated ³ Net promoter score ("NPS") as at October 2024 ⁴ Excludes Sri Lanka due to significant impacts of currency movements in FY22

Key trends driving the global dairy industry

Five key trends are prevalent in consumer dairy, with Mainland Group well-positioned to benefit



Health and wellness



Brands that cater to each of the consumer life stages, including in infant / maternal products, adult milk and healthy aging



Premium and artisanal products



Premium products, with strong brand value, and access to high-quality inputs



Innovation in dairy products



Historically strong focus on product innovation, NPD and R&D



Globalisation and emergence of new markets



Established presence in Southeast Asia and Middle East & Africa



Digital marketing and E-commerce



Growing E-commerce sales channels in Oceania, Southeast Asia and Middle East & Africa

Business highlights



Business highlights

A leading Asia-Pacific (“APAC”) dairy platform that is well placed to capitalise on attractive industry tailwinds



Prominent player in APAC dairy



Underpinned by a portfolio of blue chip consumer brands



Exposure to growth regions with attractive sector dynamics



Supported by an extensive manufacturing network



Supplied by globally recognised, quality grass-fed milk¹



Focus on ESG and Health and Safety



Diverse and large revenue base that supports margin stability



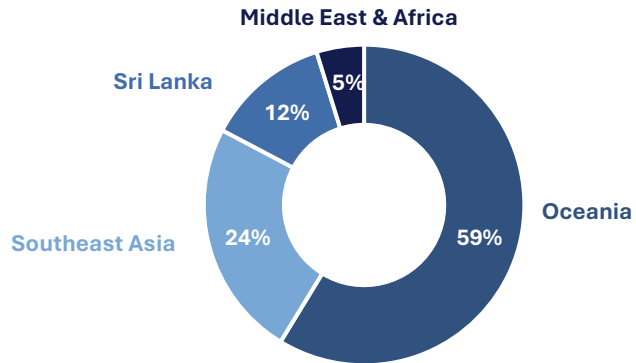
Well positioned for the next phase of growth

Notes: ¹ On average, cows supplying Fonterra New Zealand are 96% grass fed (calculated on an ‘as consumed’ basis), and cows supplying Fonterra Australia are on average, 90% grass fed (on an ‘as consumed’ basis). Grass is defined as grass, grass silage, hay and forage crops. Grass-fed means cows grazing on grass and crops in paddocks where they roam. To help support cows’ nutrition, some farmers may use small amounts of supplementary feed. Visit [Fonterra.com/grass-fed](https://www.fonterra.com/grass-fed) for more information.

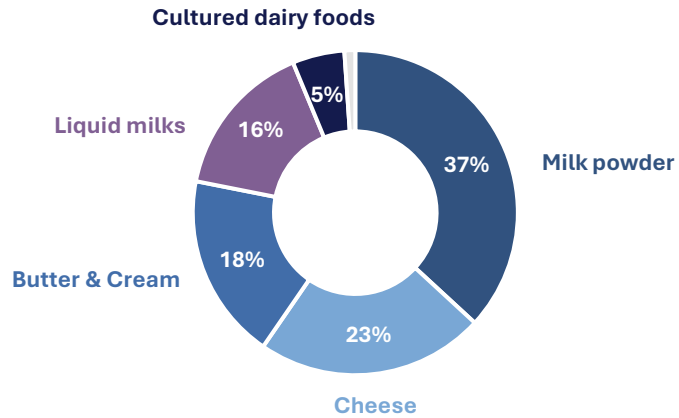
Prominent player in APAC dairy

Strength from diversity of product and geography across Mainland Group's dairy portfolio

Gross profit composition by geography¹



Gross profit composition by subcategory¹



Oceania



Anchor
Since 1886

Milk, cream & milk powder



Fresh Fruity

Yoghurt



MAINLAND

Premium specialty cheese



KAPITI
A NEW ZEALAND ORIGINAL

Everyday & specialty cheese, butter

A leader in Consumer dairy

Southeast Asia





One of the key players in milk powder

Sri Lanka




A leader in Consumer dairy

Middle East & Africa



Presence in milk powder and cheese

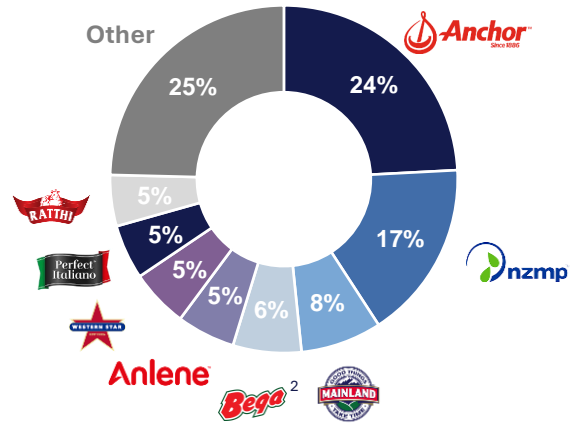
Note all historical pro-forma financial information presented is indicative only. Select brands presented only.

Notes: ¹ Calculated as individual geographic, subcategory or channel gross profit divided by total gross profit (FY24) ² The Bega brand is licenced in Australia from Bega Cheese Limited.

Underpinned by a portfolio of blue chip consumer brands

Portfolio of widely recognised brands spanning a broad range of product subcategories

Revenue composition by brand¹



Brand highlights



1 Portfolio of 'household names' in Oceania



2 Presence across all of Mainland Group's key regions, positioned at the premium end of the market



3 Anlene and Annum have a strong presence in Southeast Asia

	Oceania		Southeast Asia	Sri Lanka	Middle East & Africa
	New Zealand	Australia			
Liquid milk ³	Anchor, Simply Milk, Dairy Dale		Anchor, Anlene, Fernleaf, Annum	Anchor	
Milk powder	Anchor, Annum	nzmp	Anchor, Anlene, Fernleaf, Annum	Anchor, Anlene, RATHI	Anchor, Anlene
Flavoured milk	Anchor, PRIMO		Anlene, Fernleaf, Annum	Anchor	
Cheese	Mainland, Anchor FP, KAPITI, GALAXY, Perfect Italiano	Bega, nzmp, Holy Cow, Perfect Italiano	Anchor, Mainland, Chesdale, Perfect Italiano	Anchor, FP	Anchor, الصقر FALCON
Butter & Spreads	Mainland, Anchor FP, Anchor Country Soft	Mainland, Allowite, Western Star, Anchor	Anchor	Anchor, FP	Anchor
Cream	Anchor, Anchor FP	Western Star, Anchor FP	Anchor	Anchor, FP	
Yoghurt	Anchor, KAPITI, De Winker		Anlene, Fernleaf, Annum	RATHI, Anchor	

Note all historical pro-forma financial information presented is indicative only. Select brands presented only. AFP and NZMP will be owned by Fonterra, with Mainland Group to rebrand over an agreed transition period, with the potential for reseller arrangements.

Notes: ¹ Calculated as individual brand revenue divided by total revenue (FY24) ² The Bega brand is licenced in Australia from Bega Cheese Limited ³ Liquid milk includes fresh and UHT milk where applicable.

Exposure to growth regions with attractive sector dynamics

Complementing Mainland Group’s strong position in Oceania is its exposure to key dairy consumption growth regions across Southeast Asia, Sri Lanka and Middle East & Africa

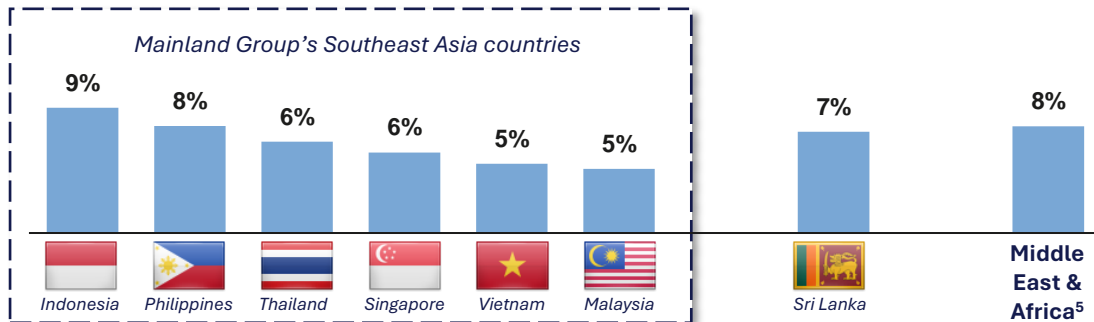
1 Growth in Consumer dairy across Mainland Group’s key growth operating regions¹

- Southeast Asia has a **scale addressable market with attractive consumer demographics** driving growth
- Sri Lanka is **one of Asia’s fastest growing dairy markets**, with a stabilising economic landscape and growing tourism driving growth
- Modernising countries** in the Middle East & Africa provide an **opportunity for growth**

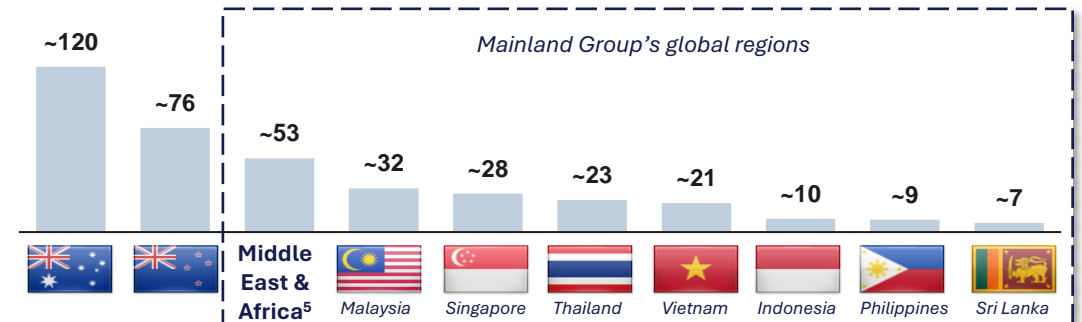
2 Opportunity for dairy consumption in key growth operating regions to grow towards more mature regions

- Growth in population and household income** has historically resulted in **higher dairy consumption per capita**
- Population growth in Mainland Group’s growth regions¹ is expected to outperform** Western Europe, UK, North America and select Asian countries (Japan, China, South Korea)³
- GDP per capita across Mainland Group’s countries in Southeast Asia is expected to grow at ~5% p.a. from 2023 – 2029, outperforming the global average of 3.6%^{3,4}**

Consumer dairy market value growth CAGR 2022 – 2024 (%)²



Dairy consumption per capita (kg p.a.)



Source: Euromonitor International Limited, 2025 edition of Passport, Dairy Products and Alternatives.

Notes: ¹ Southeast Asia, Sri Lanka, Middle East & Africa ² Growth presented in retail value RSP including sales tax in local currency value except for Middle East & Africa countries which are converted into USD and presented on a weighted average basis ³ Average of 38 countries globally ⁴ IMF World Economic Outlook (October 2024) ⁵ Mainland Group’s Middle East & Africa countries presented here include UAE, Saudi Arabia, Iraq, Bahrain.

Supported by an extensive manufacturing network

15 Mainland Group-owned manufacturing sites globally, with Oceania as the core manufacturing base

Key

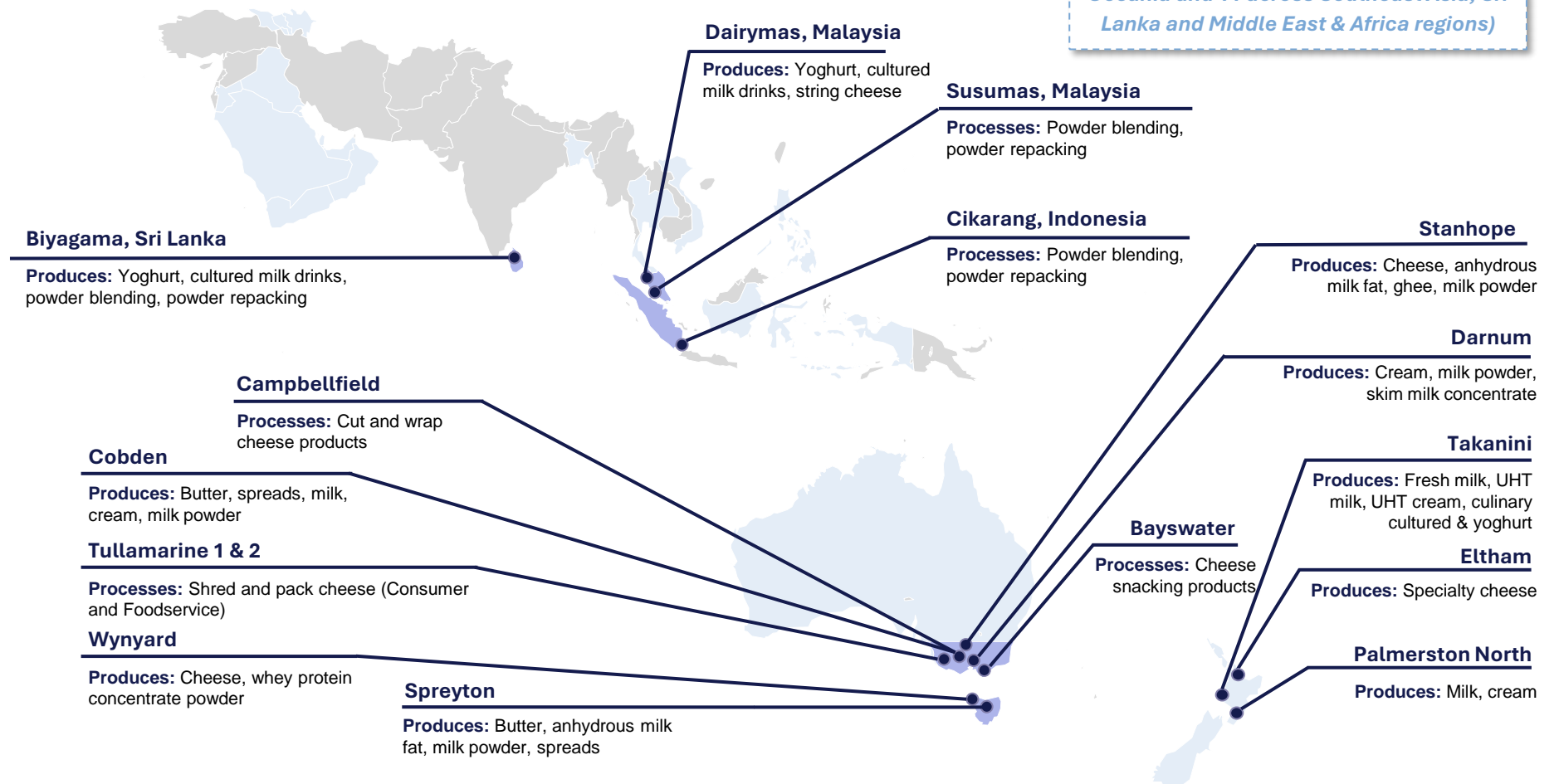
- Manufacturing presence
- Countries Mainland Group sells into^{1,2}

In addition, Mainland Group has 27 third party manufacturing relationships (16 in Oceania and 11 across Southeast Asia, Sri Lanka and Middle East & Africa regions)

Local production		
Oceania	Australia	New Zealand

Local production & importer model		
Southeast / South Asia ³	Indonesia	Malaysia
	Sri Lanka	

Importer model ²		
Southeast Asia	Philippines	Singapore
	Thailand	Vietnam
Middle East & Africa	Armenia	Azerbaijan
	Bahrain	Georgia
	Iraq	Qatar
	Kuwait	UAE
	Saudi Arabia	Yemen



Notes: ¹ Countries that Mainland Group sells in to without local manufacturing capability, noting an extensive list of countries import Mainland Group products ² Representative of key countries only ³ Includes export sales into countries including Cambodia, Myanmar, Mauritius, Maldives, Seychelles and Bangladesh.

Supplied by globally recognised, quality grass-fed¹ milk

Using globally renowned Oceania provenance for dairy to deliver high-quality products

Mainland Group milk supply

FY24A milk supply (kgMS):



Mainland Group highlights:

- ✓ Access to multi-geographical milk pools, providing a cost advantage and flexibility to manage supply and demand
- ✓ Trusted relationships with farmers in Australia

- ✓ Supply agreement with Fonterra for raw milk, benefiting from Fonterra New Zealand's high sustainability standards⁴

Grass and Pasture Fed Standards



Requires cows supplying Fonterra NZ to be on average at least 80% grass-fed^{1,2,6}, and spend on average at least 90% of non-milking time grazing outdoors on pasture⁶

Cows supplying Fonterra NZ are on average, 96% grass fed^{5,6} and on average spend 97% of non-milking time outdoors on pasture⁶

Cows supplying Fonterra Australia are on average, 90% grass-fed⁶

Cared for Cows Standard



Fonterra NZ maintains a standard that formalises the process for assessing and managing animal wellbeing

This standard commits that cows have access to pasture, space to roam, freedom to exhibit natural behaviours and their welfare is monitored to align to World Health Organisation Five Freedoms model

Drivers of Oceania dairy provenance value



Favourable climates supportive of a pasture-based system



Emphasis on animal wellbeing



Sustainable dairy practices



High quality control standards



Robust on-farm regulatory framework



Export marketing with provenance and sustainability elements

Notes: ¹ Grass is defined as grass, grass silage, hay and forage crops. Grass-fed means cows grazing on grass and crops in paddocks where they roam. To help support cows' nutrition, some farmers may use small amounts of supplementary feed. Visit Fonterra.com/grass-fed for more information ² Calculated on a 'dry matter' basis ³ Other milk supply is predominantly from Sri Lanka ⁴ Fonterra's milk in New Zealand is independently certified against the described Standards by AsureQuality, an independent Conformity Assessment Body accredited by JAS-ANZ ⁵ On an 'as consumed' basis, 89% on a dry weight basis ⁶ On a rolling 3-year average.

Focus on ESG and Health and Safety

Fonterra has laid foundations in ESG and Health and Safety, demonstrating commitment to global climate goals and caring for its employees, which Mainland Group can build upon

Key ESG highlights and initiatives

	Emissions: New Zealand and Australian farmers are amongst the world's most emissions-efficient dairy producers ¹
	Farm Environment Plans in place for Fonterra's farmer suppliers: over 50% in Australia and 93% in New Zealand ²
	Water usage: Prioritising water efficiency throughout our operations
	Sustainable packaging: Investing in recycle ready materials and collection and recycling schemes across Australia and New Zealand
	Caring for communities: Donates 200,000 litres of dairy to Foodbank Australia annually and 10 cents from every bottle of Simply Milk purchased in New Zealand to Social Supermarkets
	Diversity and inclusion: Target of 40:40:20 (female, male, any). Focus on flexibility, equal opportunities, gender pay, hiring locally

Health and Safety framework

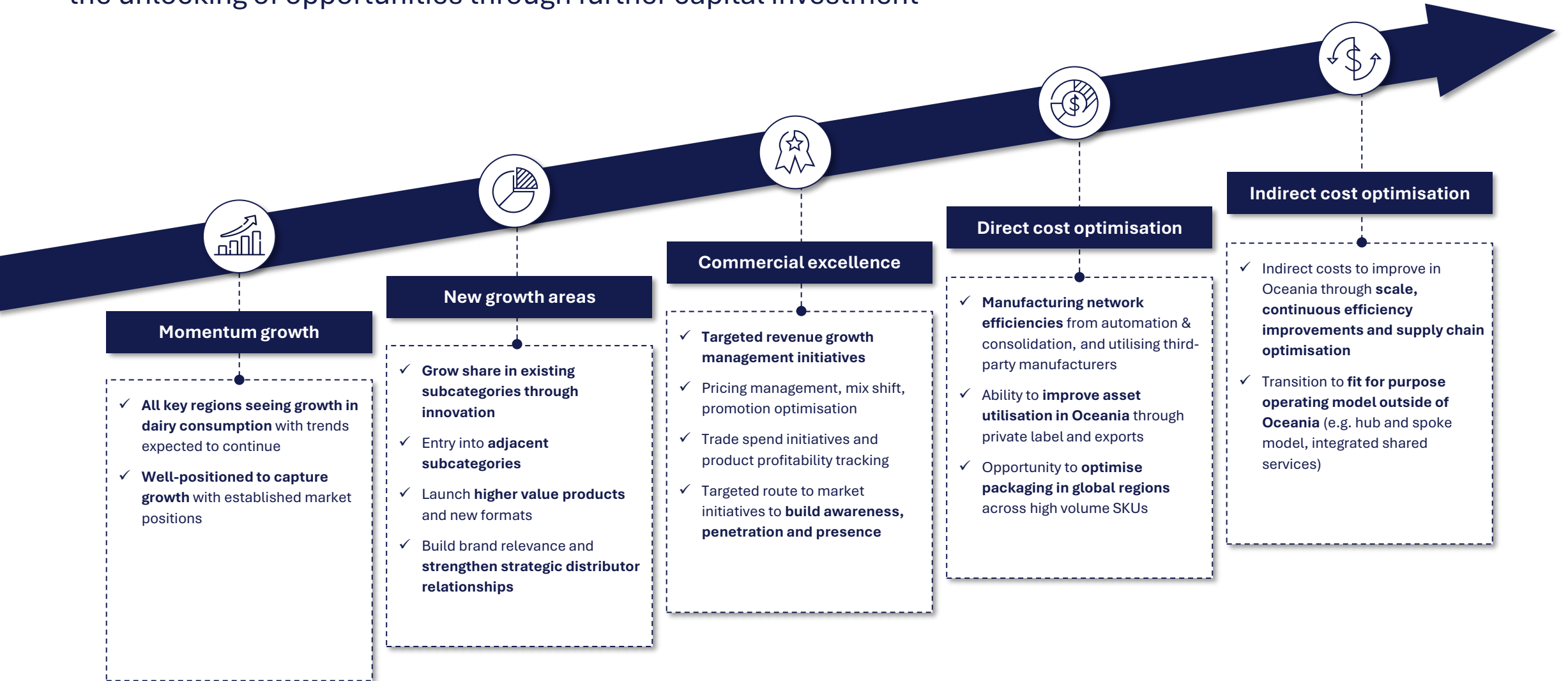
Purpose	To develop and empower our people so that safety is part of everything we do			
Goals	 <i>Exceptional people & leadership</i>	 <i>Robust systems & processes</i>	 <i>Safe plant & equipment</i>	 <i>Culture of care</i>
Initiatives	<ul style="list-style-type: none"> ➤ Automation, technology & integrated management systems ➤ Health, safety & environment pillar implementation ➤ Cultural improvement and wellbeing programmes ➤ Process safety and manual handling risk reduction ➤ Leadership development and healthy minds 			
Key outcomes	 <i>Owners mindset & engaged leaders</i>	 <i>Improved safety & reduced workplace injuries</i>	 <i>Proportionate control of critical risk</i>	 <i>Positive health & wellbeing outcomes</i>

Source: ¹ Mazzetto, A. M., Falconer, S., & Ledgard, S. (2022). Mapping the carbon footprint of milk production from cattle: A systematic review. Journal of Dairy Science, 105(12), 9713-9725.

Notes: ² Fonterra statistic is for FY24, noting farmer suppliers in New Zealand will remain with Fonterra.

Well-positioned for the next phase of growth

Value creation opportunities from the entry of established brands and products into adjacent subcategories and the unlocking of opportunities through further capital investment



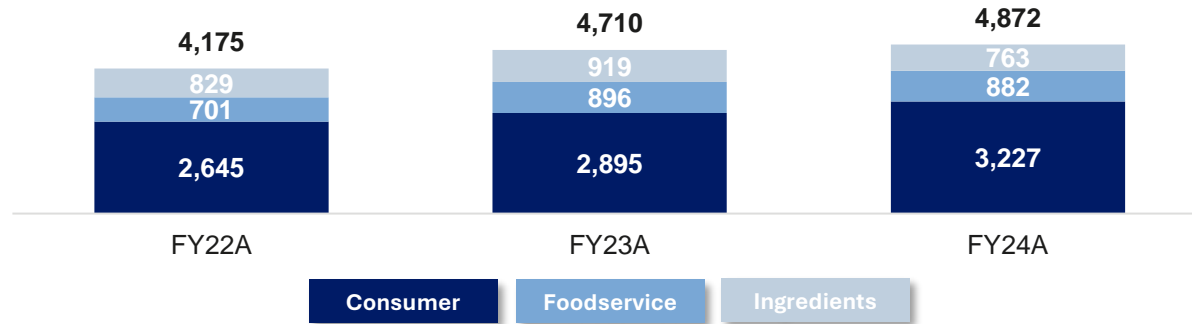
Financial Information



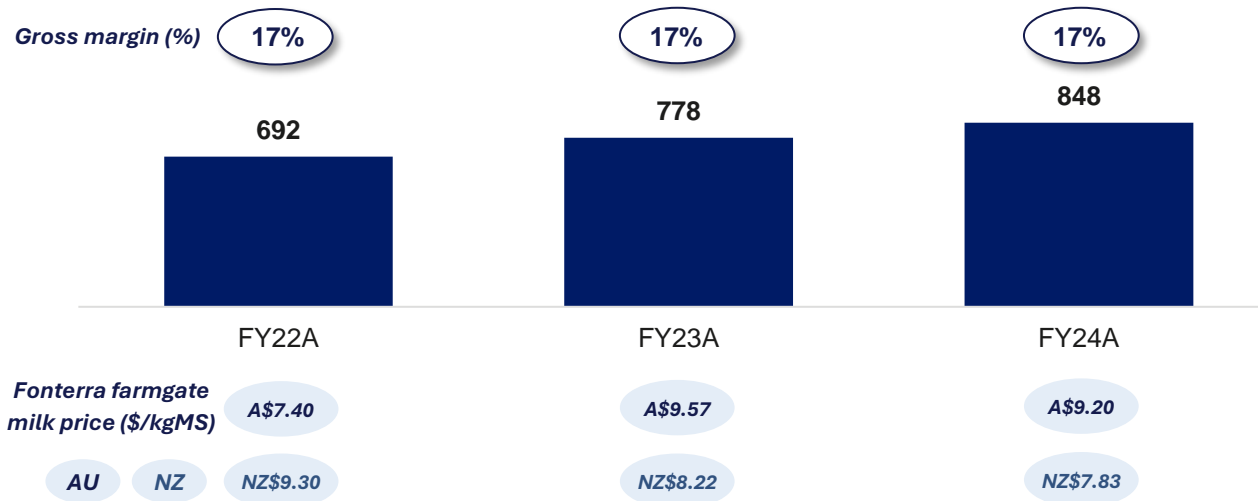
Diverse and large revenue base that supports margin stability

Diversification through channels, products and geographies, with exposure spanning branded Consumer goods to upstream Ingredient manufacturing

Mainland Group net revenue (NZ\$m)



Mainland Group gross profit (NZ\$m) and gross margin (%)



Commentary

Strong revenue growth over FY22A – FY24A

- 8% Group net revenue CAGR
- Largest contribution driven by a 10% CAGR in Consumer
- Supported by a 12% CAGR in Foodservice


Demonstrated ability to grow gross profit at a stable gross margin percentage, despite underlying commodity price volatility, driven by:

- Diversified revenue base across geography, sales channel and product category
- Exposure to both the Australian and New Zealand milk prices
- Effective revenue growth management
- Price risk management tools

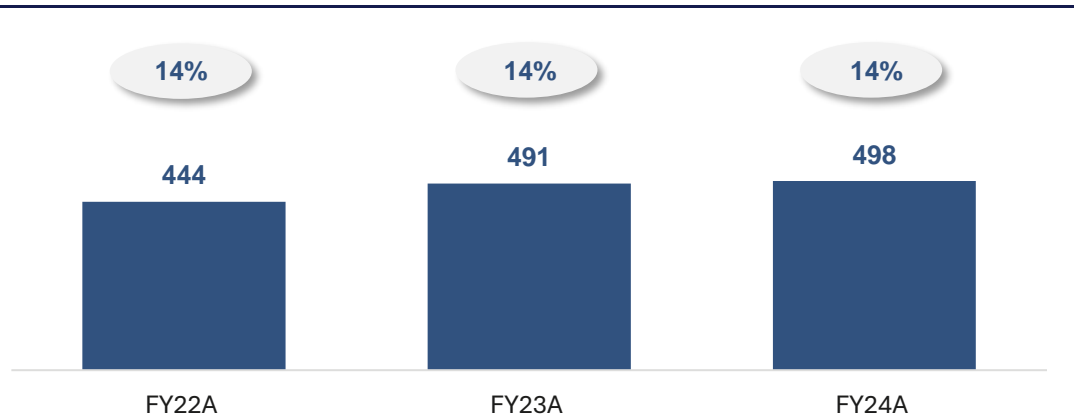
Note all historical pro-forma financial information presented is indicative only.

Regional financial summary

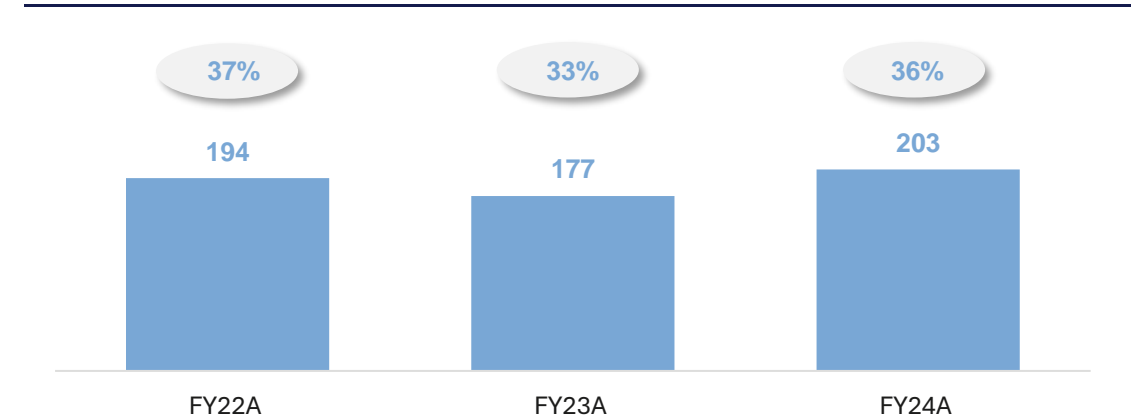
All four geographic divisions of Mainland Group have improved gross profit over the FY22A to FY24A period

 = gross margin (%)

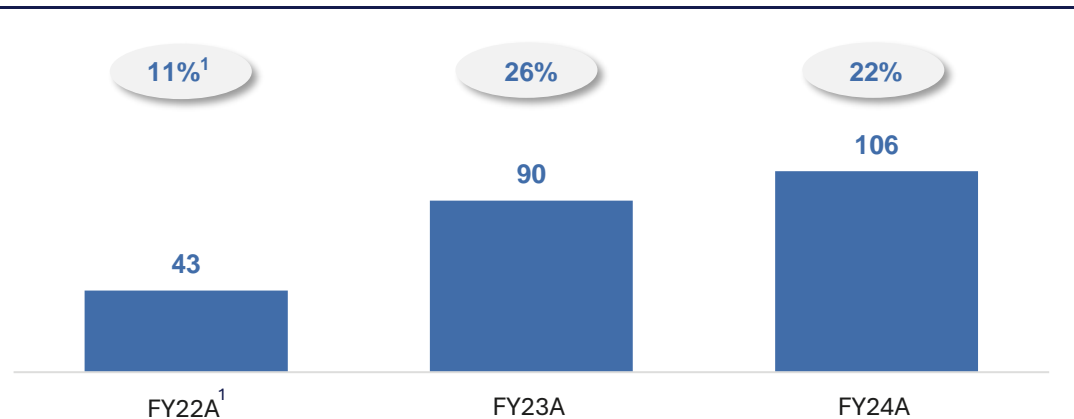
Oceania gross profit (NZ\$m)



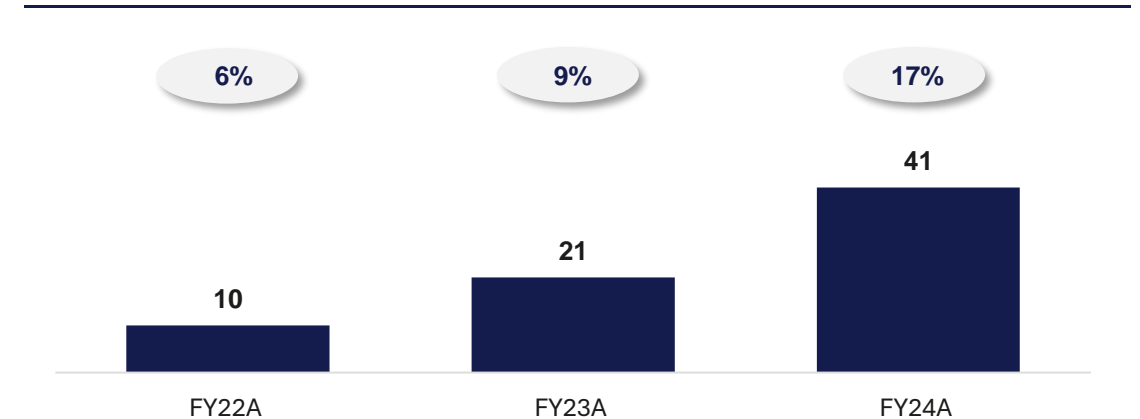
Southeast Asia gross profit (NZ\$m)



Sri Lanka gross profit (NZ\$m)



Middle East & Africa gross profit (NZ\$m)



Note all historical pro-forma financial information presented is indicative only.
Notes: ¹ FY22 gross profit significantly impacted by currency movements

Closing remarks

1 Diversified portfolio of widely recognised brands

2 Established presence in mature and emerging markets

3 Supported by an extensive manufacturing network

4 Attractive growth outlook with strong momentum

