



Synlait

**YOUR FUTURE
WITH US.**

Andrew Slater, Dunsandel Farmer



“Our on-farm support is market-leading and our ability to help farmers meet all the coming sustainability requirements is unmatched.”

George Adams, Chair

WELCOME

Since I joined Synlait’s Board in May 2024, I have had the privilege of meeting many farmers on farms, in shareholder meetings and at a number of company events.

I have listened to a lot of tripe in my 30+ years in business so I appreciate people who ‘say it as it is’.

Synlait farmers are forward thinking, straight talkers who are always striving to do things better. They care about their businesses, about their animals and the environment and they care about our business too.

Many have told me that if it weren’t for Synlait, they wouldn’t be in dairy farming. They like the company’s commitment to best practice and the ability to earn more than the industry average milk price.

They have also made it clear that Synlait’s business performance must improve.

We are listening.

Synlait’s balance sheet has been reset, the disputes with The a2 Milk Company are behind us, we

are developing new products and working to onboard new business while lifting efficiency in manufacturing across our sites and adding more value for farmers.

Growing our secured milk supply is also a critical focus. Farmers are important to us – without milk, we have nothing to make and nothing to sell.

We are always interested in talking to farmers about their potential to become a Synlait supplier. We are grateful new farmers are still expressing an interest in joining us.

Our goal is to show every farmer that Synlait is the best partner for their future.

Bright Dairy’s major shareholding has brought Synlait a new sense of stability and a strong platform to return to profitability.

Our on-farm support is market-leading and our ability to help farmers meet all the coming sustainability requirements is unmatched.

We have also introduced a one-off incentive for the 2025-2026

season, improved our advance rates to maximise farmers’ cashflow and renewed our commitment to paying a competitive base milk price with incentives for Lead With Pride™ and specialty milks paid on top of that.

Choosing or changing suppliers isn’t an easy or quick process (like changing banks!).

If you would like to get in touch to talk about your options, you’ll find the entire Synlait Milk Supply team’s contact details on the back of this document. You can also reach me any time via george.adams@synlait.com or on **021 555 040**.

Our Board will continue working to ensure Synlait’s best days are ahead of us. I hope you will be part of the team that shares that success.

Sincerely

George Adams
Chair

“Synlait is nimble, small, and it’s like being part of a big family. Synlait provides choice to farmers. We need that. If you don’t have choice the other companies become self-centred and ignorant.”

Willy Leferink, Mid-Canterbury farmer



THE SYNLAIT DIFFERENCE

We are often told Synlait stands out when it comes to partnering with our farmers. Our team delivers valuable knowledge and experience to your business (without adding to your payroll). Our approach is underpinned by four key pillars.



NO CALL CENTRES

You are a name not a number at Synlait. We prefer personal relationships. Each farm has an Area Manager and a Sustainability Advisor and farmers call them directly any time for support. Heck, you can call our CEO or Chair at any time ... we run the old-fashioned way, with good, honest, open, direct two-way communications. We are also local with our Dunsandel HQ just down the road.



MARKET-LEADING ON-FARM SUPPORT

Our team is here to help. We have the highest ratio of field staff to farmers of any dairy processor in New Zealand. We routinely visit suppliers on-farm or host events so you're connected to each other and to the wider Synlait team. We provide pragmatic, practical advice on all things farming – from consenting to milk quality, efficiency and animal welfare. If we don't know the answer we will find someone who does.



ADDING VALUE

Synlait is well-known for pioneering milk streaming. We can easily process (and keep separate) up to three streams of milk at any time. This gives us agility and the ability to quickly produce complex products which opens up valuable opportunities for farmers. That is how we earn 6% of New Zealand's dairy export revenue from just 4% of its milk.



COMMERCIALLY-SMART SUSTAINABILITY

Our Lead With Pride™ programme guides farmers to best practice and pays them incentives above the base milk price once they are certified. While sustainability used to be a 'nice to have' it is now a 'must do' with global businesses buying New Zealand milk requiring detailed information on its environmental footprint. Sustainability has been embedded in Synlait's DNA since day one so we ensure our farmers are not only compliant – they are ahead of what's required.

AN ADDED INCENTIVE FOR NEXT SEASON

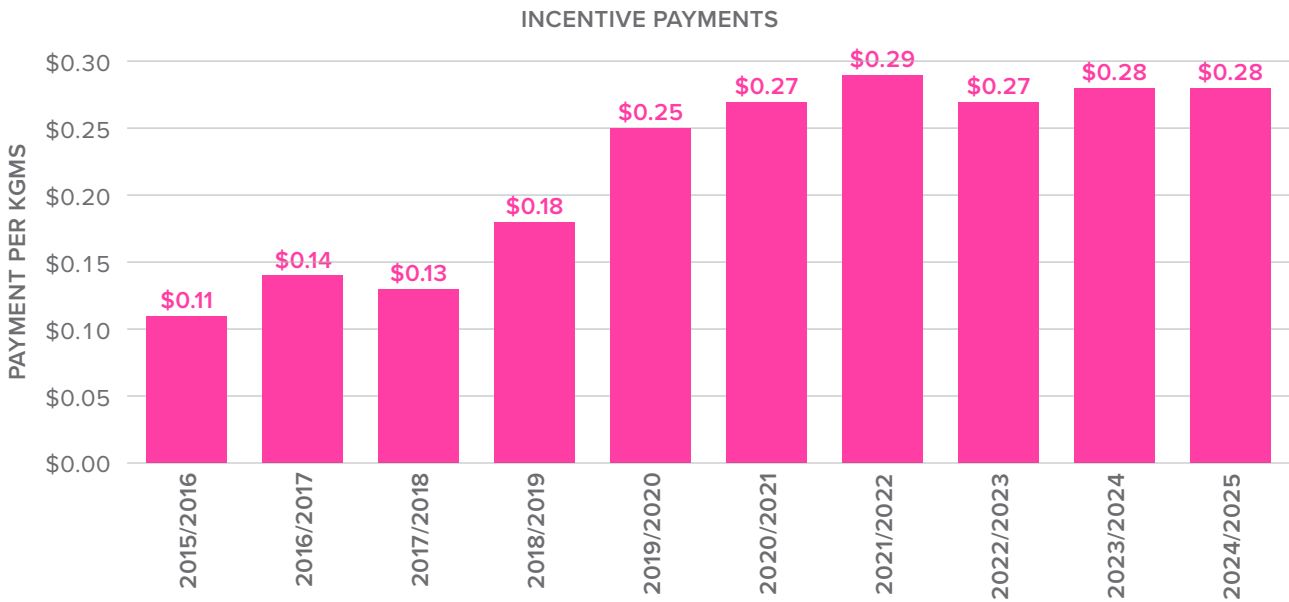
Next season, we are offering a one-off \$0.20c/kgMS (based on milk supplied in the current season) for new and existing South Island farmers who commit to a future with Synlait.

To qualify, farmers must not have a cessation notice in place on 31 May 2025, must supply milk to Synlait in the 2025/2026 season and remain un-ceased until 31 August 2025.

ADDING REAL VALUE

One of the most direct pieces of feedback we have had from the Synlait Farmer Leadership Team is that we don't do a good enough job of showing (or selling) the significant additional financial value our farmers earn. So, here's the data.

Since we started in 2008, we have paid farmers a base milk price that is competitive with the industry standard, plus incentives for specialty milks, winter milk and Lead With Pride™.



LEAD WITH PRIDE™

Being a Synlait farmer gives you access to our market-leading Lead With Pride™ programme which will ensure you are always achieving dairy best practice across four pillars – Environment, Animal Health and Welfare, Milk Quality and Social Responsibility.

Nearly 80% of our farming suppliers are now certified and will earn additional value up to a possible \$0.27 per kgMS as a result.

If you're not certified, we will support you to make the process as stress free as possible so you can enjoy earning more for your milk, too.

CHOOSE WHERE TO SPEND YOUR CAPITAL

There's no compulsory investment in Synlait so you don't have to buy shares. That means you get more control of your capital.

Because we're a listed company you can still buy shares if you want skin in the game but there's no expectation to.

You choose how to spend your money.

OTHER BENEFITS

Synlait suppliers enjoy excellent digital tools including FarmIQ. Our partnership with Farmlands delivers exclusive offers to our farmer suppliers.

In addition, all Lead With Pride™ farmers can qualify for a discounted interest rate on eligible term loans through the ANZ. All Synlait farmer suppliers are invited to multiple events throughout the year – including an annual Winter conference.



“When it comes to on-farm support, Synlait is head and shoulders above the rest. We get a kick out of having personal relationships with our farmers and seeing them succeed.”

Annie McLaren, Area Manager

MARKET-LEADING ON-FARM SUPPORT

Synlait assigns each farm its own Area Manager and Sustainability Advisor. These are staff you don't pay for but who provide on-call support for your business.

Our team adds value to milk by adding value on-farm. They assist farmers across an array of subjects, including animal health, milk quality, soil health and biodiversity, consenting, funding streams, nutrient budgets, environmental standards, employee experience, and business development or succession planning.

We are there to celebrate the good times, with Christmas parties, pub shouts and barbecues and we turn up with packs of treats to get you through the busy times (calving!).

What really sets our team apart is their passion for what you do and what Synlait does. They get a kick out of seeing milk come off-farm and leave Synlait bound for global markets.

Area manager Annie McLaren also loves the connections the team develops with farmers and their

families, along with getting to know their businesses.

“Having that personal relationship helps us understand what their goals are, which helps us align what we can offer as a dairy company to ensure farmers get where they want to be.”



“My old man was a dairy farmer for 40 years. When I started at Synlait he said “that dairy company offers support like nothing I ever experienced!””

Nick Vernon, Sustainability Advisor

SYNLAIT’S LEGACY FOR CANTERBURY

Synlait’s biodiversity programme, Whakapuāwai, grows 40 varieties of native seedlings every year and distributes them to farms and community projects.

Sustainability Advisor Nick Vernon says the programme is a good example of something Synlait does that other companies wouldn’t.

“We work with farmers to design their planting projects, select the right varieties for the job and will get

alongside them on planting day. It makes planting projects affordable and 60% of Synlait’s farmers now have native plantings on their properties with most having big plans for the future.”

Since it was launched, Whakapuāwai has distributed more than 250,000 plants and now has a dedicated expert in the Milk Supply Team.

“We have created wetlands, protected waterways and created

large areas which will grow into native bush providing a legacy for Canterbury of which I’m immensely proud. In the future, there will be parts of the Canterbury Plains that will look quite different.”

SYNLAIT HAS LEARNED A LOT

Nearly 20 years ago, Synlait did what many others had been too afraid to, revealed plans to build a dairy processing facility right in the heart of Canterbury.

This would not be a little, boutique processor in a quiet corner of the region. It would be a large, state-of-the-art facility right on State Highway One bringing much needed competition to the region's dairy sector and promising to do things differently.

The Synlait team made good on that promise. Today we are a major employer in rural communities across New Zealand making complex products that set us apart. We are one of the largest infant formula manufacturers in the Southern Hemisphere and just as bold as before (hence the pink!).

Most importantly, we have given farmers choice.

We are not perfect.

But even when our business has faced challenges, Synlait has paid farmers a competitive milk price with incentives on top. Synlait has always stood by its commitments to farmers and that speaks to the company's values.

Synlait has changed New Zealand's dairy sector for good.

Our success at developing high value products and selling New Zealand's dairy brand to the world, has enabled Synlait to add value for farmers in ways other companies never have, and we are committed to doing even more in the future.

Synlait was the first to pay farmers for hitting targets in sustainability, animal welfare and people management. Sure, our competitors followed years later but our Lead With Pride™ programme remains the best in the market.

Lead With Pride™ is the only processor certified framework ANZ accepts for dairy farmers to qualify for its new Agri Uplift Finance, which can give Synlait

suppliers a discount on their interest rate on eligible term loans (you'll need to contact ANZ for more details).

Our Whakapuāwai biodiversity programme has distributed over 250,000 native seedlings to farms and community projects, creating wetlands, beautifying farms and boosting biodiversity.

We have learned.

A detailed look at the history of most companies will reveal they have all faced times of challenge. There is no doubt Synlait has just been through the most demanding chapter in its history.

We are confident the worst days are behind us, and we are now working to ensure the business will be stronger than it has ever been with support from our major shareholder, Bright Dairy.

What won't change is our purpose-driven approach that means we do things that are not just good for our business – they're good for our customers and our farmers too.



“Synlait’s approach means its farmer suppliers can earn more than the industry average milk price, are supported to reach best practice and stay ahead of sustainability requirements. Add to that the extra incentives on offer and it’s a competitive offering.”

*Charles Ferguson, Director On-Farm Excellence,
Business Sustainability and Corporate Affairs*

“Synlait pays me more for my milk and I like that I’m a name not a number. I was just a number at my previous processor and that’s what I quoted when I rang up. You can speak to anyone at Synlait, from the top to the bottom, and they’ll help you.”

Andrew Slater, Dunsandel Farmer



Synlait



“We have been given a second lease on life. We are going to build back stronger and better than before.”

Tim Carter, Acting CEO

LOOKING TO THE FUTURE

There is no doubt Synlait was one of the New Zealand dairy sector’s many success stories.

The growth Synlait enjoyed was fast by any measure. The global demand for the high quality and complex products the company made enabled it to expand quickly and subsequently investment decisions were made that did not pay off.

Why they didn’t pay off is something we could discuss for a long time over a cuppa or a pint (I am partial to both).

What I am focused on now is ensuring this business, which retains all the ingredients of its former success, returns to profitability.

Synlait is a smart business with a highly-desirable offering and strong support from our major shareholder Bright Dairy.

Overall, I am working with our team to ensure they are laser-focused on delivery and that all of our internal

activity supports the following priorities.

1. **Outcome driven**
Strong processes are important but we need to make sure these do not hinder, or slow down, our ability to deliver products on time, and in spec, for our customers.
2. **Data-driven decision-making**
We must grow our team’s access to strong and reliable data so they can make decisions with speed and confidence.
3. **Customer centricity**
Strong relationships with our customers and growing our deep understanding of their needs will develop new business.
4. **Capability building**
Our people hold fantastic talent. We must continue to empower them by further developing and building their capability.

Now is the time to hustle!

We must keep picking up the pace and building momentum. There is real excitement at the opportunity to push the boundaries once more.

In its comparatively short lifetime, Synlait has made a major difference to New Zealand’s dairy sector and the prosperity of the Canterbury region.

Everyone wants to be part of a profitable and growing team again. Everyone wants to be proud to say they work for, lead or supply Synlait. Everyone wants the company to return to (and exceed) those earlier days of success.

We have been given a second lease on life and I can assure you, we are going to learn from it and build back stronger and better than before.

Tim Carter
Acting CEO

YOU ARE IMPORTANT TO US

Feel free to reach out to anyone in our team at any time, we'd love to talk.



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