

Synlait



**EXPERIENCE
THE SYNLAIT
DIFFERENCE**

Andrew Slater, Dunsandel Farmer



“The turnaround in Synlait’s performance has boosted the Board’s confidence and underpins our new, compelling offer to farmers.”

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.

Farmers are important to Synlait.

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.

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

Our hands-on on-farm support is market-leading and our ability to help farmers stay ahead of all the coming sustainability requirements, through our Lead With Pride™ programme is unmatched.

You can earn more with us.

Through Synlait, farmers are paid incentives for specialty milks, winter milk and by becoming Lead With Pride™ certified.

Our new secured milk premiums for the 2024/25, 2025/26, 2026/27 and 2027/28 seasons will be paid above our base milk price and on top of the incentives we pay for specialty milks and Lead With Pride™.

We have also introduced guarantees around the base milk price and advance rates for our farmers.

The package has been signed off by our Board and reflects their confidence in Synlait’s future.

We are building a stronger Synlait.

We worked hard to build a strong foundation for Synlait’s recovery by resetting the company’s balance sheet in 2024.

The company is now building on that and we expect to return to profitability in the first half of this financial year. This uplift in performance is being driven by

growth in advanced nutrition products, strong ingredients business performance and a continued focus on cost control.

Bright Dairy’s major shareholding has brought Synlait a new sense of stability.

Talk to us.

Choosing or changing suppliers isn’t an easy or quick process (just 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 anytime 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,

A handwritten signature in black ink, appearing to read 'George Adams'.

George Adams
Chair

“Synlait is nimble and small. 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



NEW INCENTIVES FOR SOUTH ISLAND FARMERS

New Zealand is one of the world's largest producers and exporters of milk, providing important nutrition to people in more than 130 countries.

From day one Synlait was set up to reward farmers by enabling them to earn more for the milk they produce. We are still doing that today.

This season, Synlait is determined to ensure we have sufficient supply secured for our future. Our on-farm support is best in market. We are also offering additional premiums.



EARN MORE

Synlait is offering South Island farmers who commit to a future with the company additional secured milk premiums, as long as they have no cease notices in place.

These include:

- A one-off \$0.20/kgMS (based on milk supplied in the 2024/25 season).
- An extra \$0.10/kgMS for the 2025/26, 2026/27 and 2027/28 seasons.

To find out more about qualifying for these premiums please call our Business Development Manager, Emma Brand on 027 699 4696.



NEW GUARANTEES

Synlait's updated milk supply agreements also guarantee that:

- From the current season Synlait's average milk price will match the market base milk price (at a minimum). The market base milk price is currently defined as the Fonterra Farmgate Milk Price.
- From the 2025/26 season, Synlait will match the market advance rate (at a minimum). The market advance rate is currently defined as the advance that Fonterra pays for milk through the season.

That means our farmers will know that when Fonterra increases its forecast milk price or advance rates, Synlait will match it.

QUESTIONS?

We always welcome inquiries from existing and new suppliers. If you have any questions about our latest offering, the contact numbers for key leaders and our Milk Supply team are on the back of this document.

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. You can even 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.



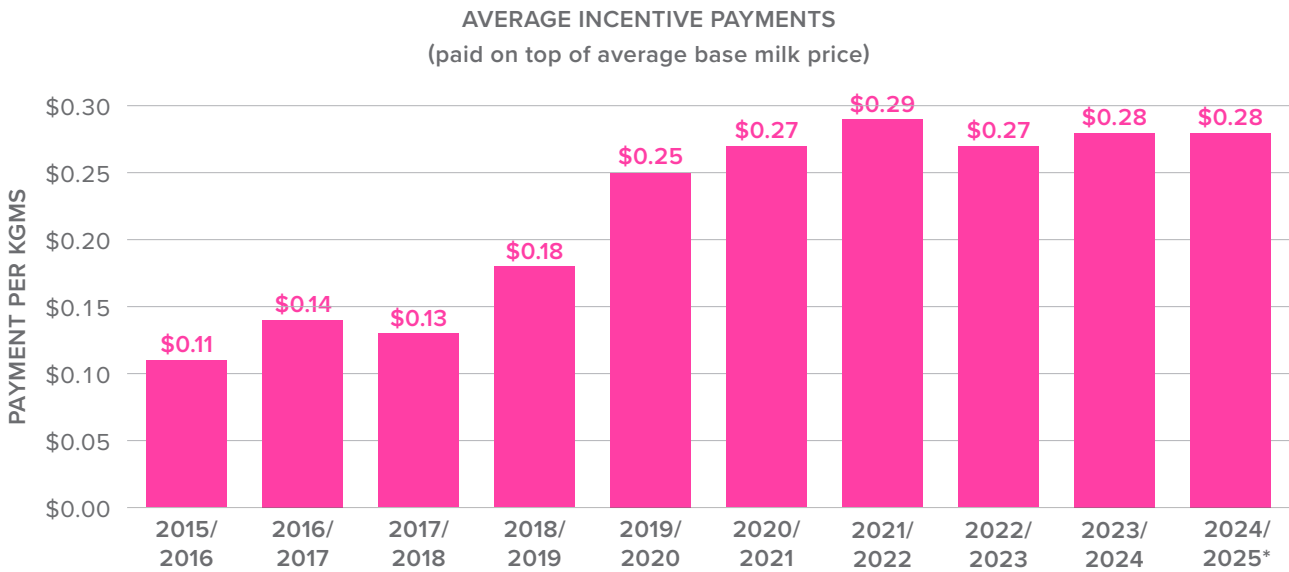
COMMERCIALLY-SMART SUSTAINABILITY

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 keep farmers ahead of what's coming in the future.

ENABLING FARMERS TO EARN MORE

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™. For this and the next three seasons, we are paying additional secured milk premiums as well (as detailed on page 3).



* This is an estimate provided for the current season.

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 farmer 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. We 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.”

WHAKAPUĀWAI – BOOSTING ON-FARM BIODIVERSITY

Launched in 2019, Whakapuāwai is a Synlait project making a major difference on-farm that will span many generations.

Since its launch, the project has distributed more than 250,000 native plants to farms and community projects across Canterbury.

Those plants are doing a whole lot of good – restoring native ecosystems, protecting waterways, regenerating wetlands and boosting biodiversity. We have farmer suppliers who have welcomed bellbirds onto their farms as a result of our plantings.

Whakapuāwai means “to cause to blossom, develop, flourish, prosper, thrive”.

WORKING TOGETHER

Synlait works with farmers to design affordable and achievable planting plans that can span many years, make the most of unusable grazing land and provide your animals with shade and shelter.

Our On-farm Biodiversity Lead and Sustainability Advisors will work with you to deliver the plan.

Being part of the Whakapuāwai programme gives you access to cheaper native plants (\$1.00 each), site visits, planting advice, workshops, delivery and planting help.

Our focus is getting plants to thrive in a working farm environment and our goal is to make it as easy as possible for you.

“Visitors often remark on what a beautiful farm it is and we love it ... we have bellbirds now.”

Jeanie Sanford, Hororata Farmer





“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 are on-track.

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 Fergusson, Director – On-Farm Excellence, Business Sustainability & 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 are on the right track to build back even stronger and better than before.”

Tim Carter, Acting CEO

LOOKING TO THE FUTURE

There is no doubt Synlait is 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 we are 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, our team is laser-focused on delivery and 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.

The additional premiums Synlait is offering farmers and the significant uplift in our recent performance shows the company retains its commitment to farmers and drive for success.

I sincerely hope you will be part of our team going forward. Feel free to reach out if there are any questions I can answer to help you with that decision.

Tim Carter
Acting CEO

P 021 676 457
E tim.carter@synlait.com

WE ARE HERE TO ANSWER ANY QUESTIONS

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



George Adams
Independent Chair

P **021 555 040**
E george.adams@synlait.com



Tim Carter
Acting CEO

P **021 676 457**
E tim.carter@synlait.com



Charles Fergusson
Director – On-Farm Excellence,
Business Sustainability &
Corporate Affairs

P **021 115 5253**
E charles.fergusson@synlait.com



Hannah Lynch
Head of Milk Supply, Strategy
& Corporate Affairs

P **021 252 8990**
E hannah.lynch@synlait.com



Annie McLaren
Area Manager

P **027 246 9777**
E annie.mclaren@synlait.com



Andrew Lindsay
Area Manager

P **021 434 901**
E andrew.lindsay@synlait.com



Tony Dench
Area Manager

P **027 511 3544**
E tony.dench@synlait.com



Angie Wafer
Area Manager

P **021 445 304**
E angie.wafer@synlait.com



David Williams
Head of On-Farm Excellence

P **027 459 2320**
E david.williams@synlait.com



Rebecca Howe
Sustainability Advisor

P **021 195 5928**
E rebecca.howe@synlait.com



Nick Vernon
Sustainability Advisor

P **021 196 4853**
E nick.vernon@synlait.com



If you want to inquire about joining Synlait contact:

Emma Brand
Business Development Manager

P **027 699 4696**
E emma.brand@synlait.com