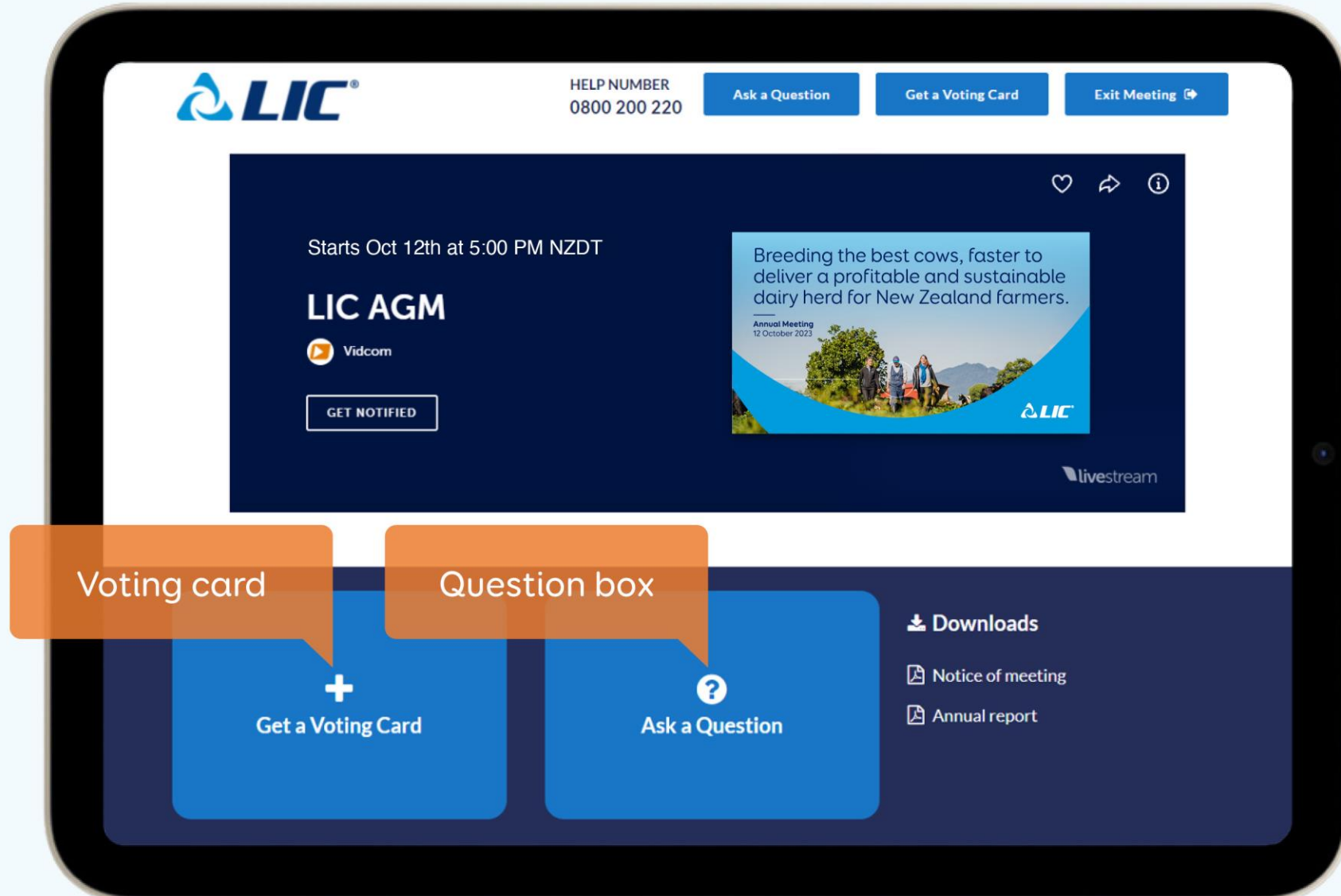


Breeding the best cows, faster to deliver a profitable and sustainable dairy herd for New Zealand farmers.

Annual Meeting
12 October 2023



Using the Online Platform





Welcome

Murray King
Board Chair

Meeting Agenda

1. **Business highlights**
2. **Strategy & commitments**
3. **Financial overview**
4. **Highlights from investments**
5. **Breeding the best cows, faster**
6. **Future solutions focus**
7. **Honoraria report**
8. **Meeting resolutions**
9. **General business**



Business highlights

Murray King
Board Chair

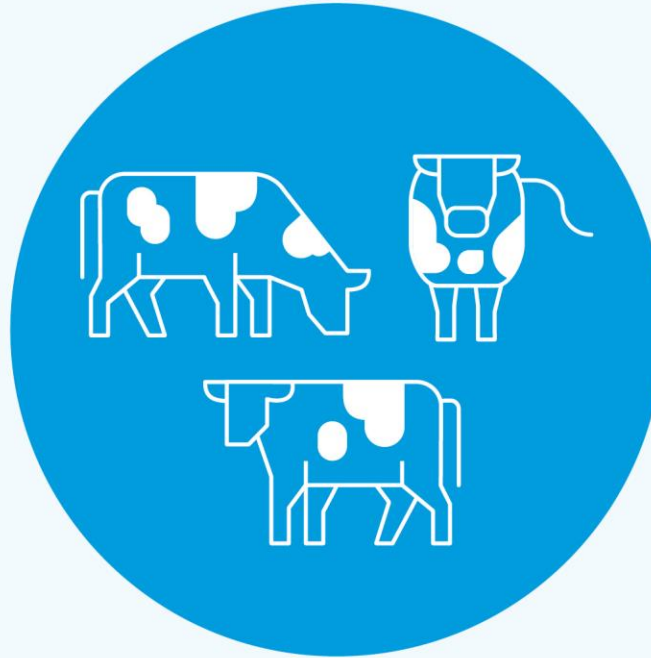
Business highlights

Increased farmer spend on premium genetics and herd improvement services is breeding more efficient cows with a lighter environmental footprint.

Premium AB Products



Animal Health Testing



Research and Development





The year ahead

LIC's focus will be on investing in research and development (R&D) for the future and delivering on our commitments to farmer shareholders.

LIC expects underlying earnings in 2023-24 to be in the range of \$17-22 million.



Strategy & commitments

Murray King – Board Chair

David Chin – Chief Executive



Strategy



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



We need to measure it to manage it

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.

Premier Sires bull team genetic gain

15 BW
increase
per annum



Operational excellence

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

Herd Testing

Provide a result for
99.9% of all cows
within 72 hours



GeneMark®

5-week turnaround
time for test
(from booking week)

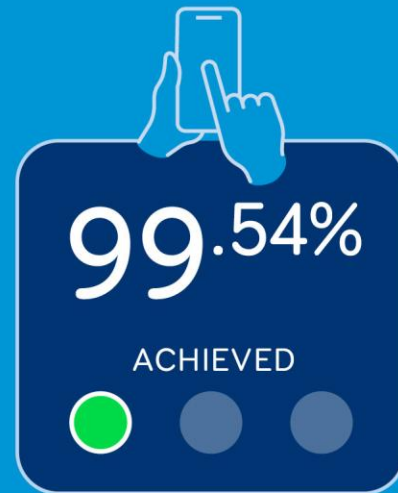


Software performance and reliability

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.

MINDA® availability

MINDA software available
to farmers **99% of time**





Financial overview

Brent Mealings
Chief Financial Officer

Financial overview

Delivering value for our farmers is at the centre of everything we do and it's results like this that enable us to do just that.



Solid dividend



Products and services



R&D investment

Financial highlights

\$276.5m

Total Revenue from
Continuing Operations

↑ up 5.1% from \$263.2 million
last year

\$27.4m

Net Profit After Tax (NPAT)

↑ up 2.4% from \$26.7 million
last year

\$23.7m

Underlying Earnings*

↓ down 7.6% from \$25.7
million last year

\$382.3m

Total Assets

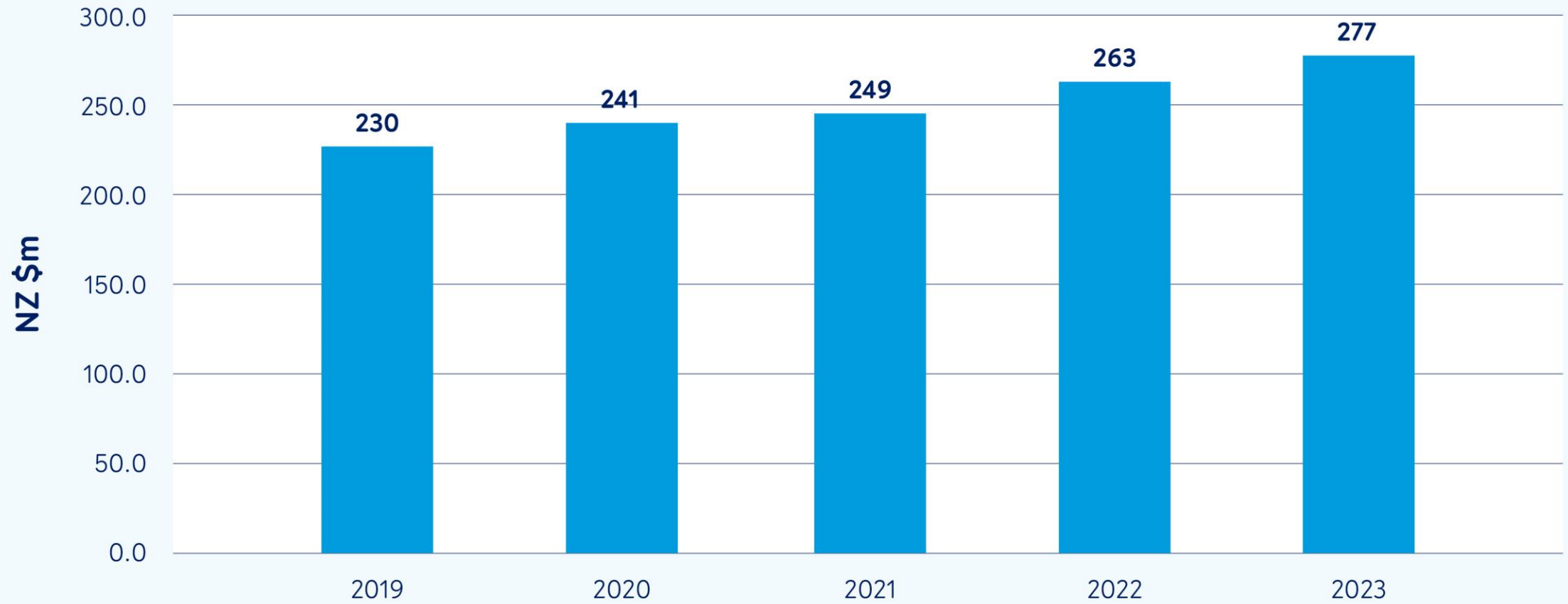
↓ down 0.9% from \$385.6 million
last year

\$23.3m

16.38 ¢ per share
Full Year Dividend

Please refer to the **full market announcement** to read notes about financial information

Total revenue



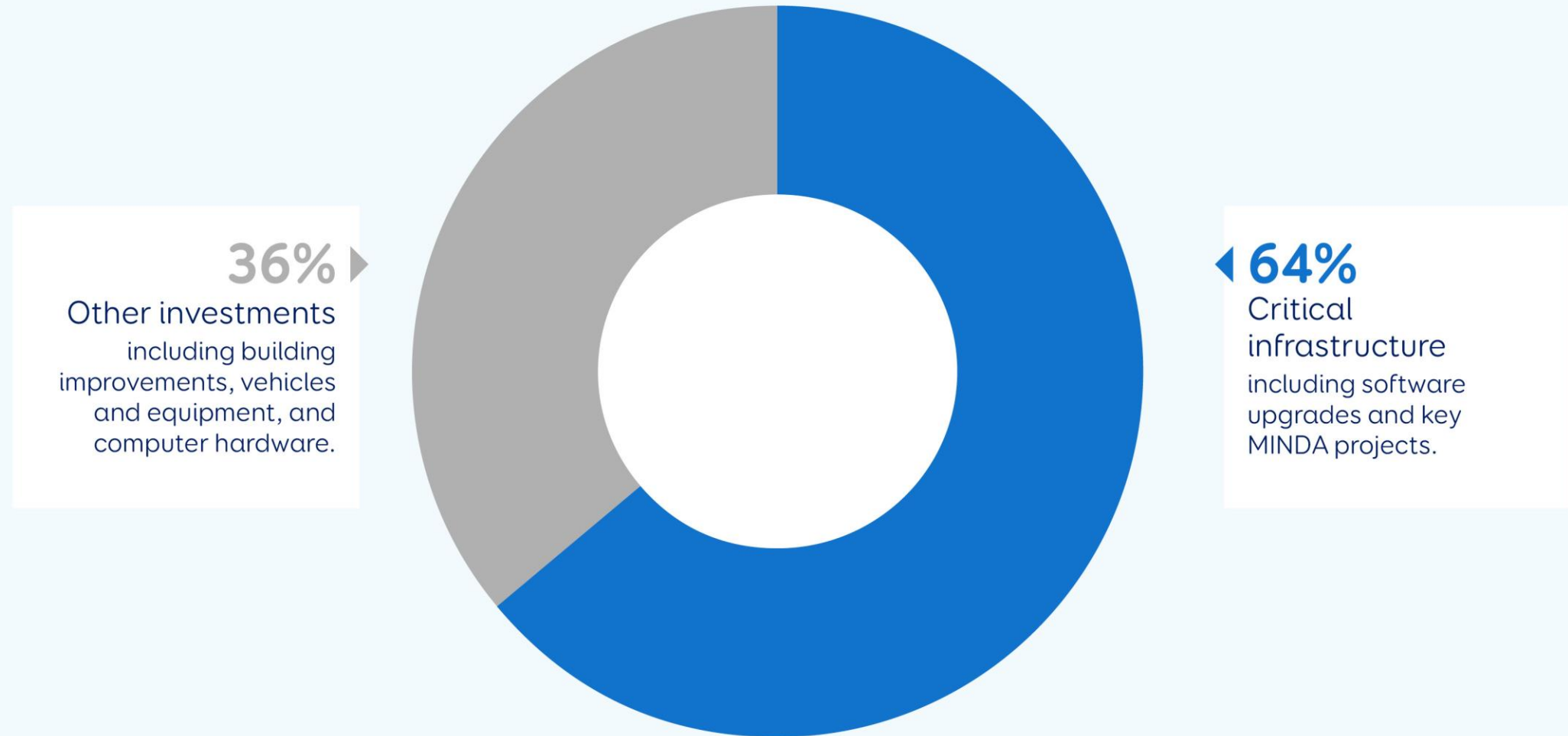
Looking ahead



\$17-22m

Revised Earning
Guidance 2023/24
(down from \$22-28 million)

Investing in the future





Investment in research and development

\$18.6 million investment in R&D representing 6.7% of revenue, up from \$18.2 million.

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



Breeding the best cows, faster

David Chin
Chief Executive

The production efficiency of our national herd has never been more important to support the profitability of New Zealand's dairy sector. Consumers expect a more sustainable approach to farming, so we must continue to improve our environmental credentials.

We're proud to be part of the solution.



Herd improvement is what we do

We're providing farmers with precision genetics and technology tools to improve their herds and be more sustainable.



1:1 support
via nationwide
team



Genetics



Herd
Management
Software



Milk
Analysis



DNA &
Diagnostic
Testing

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

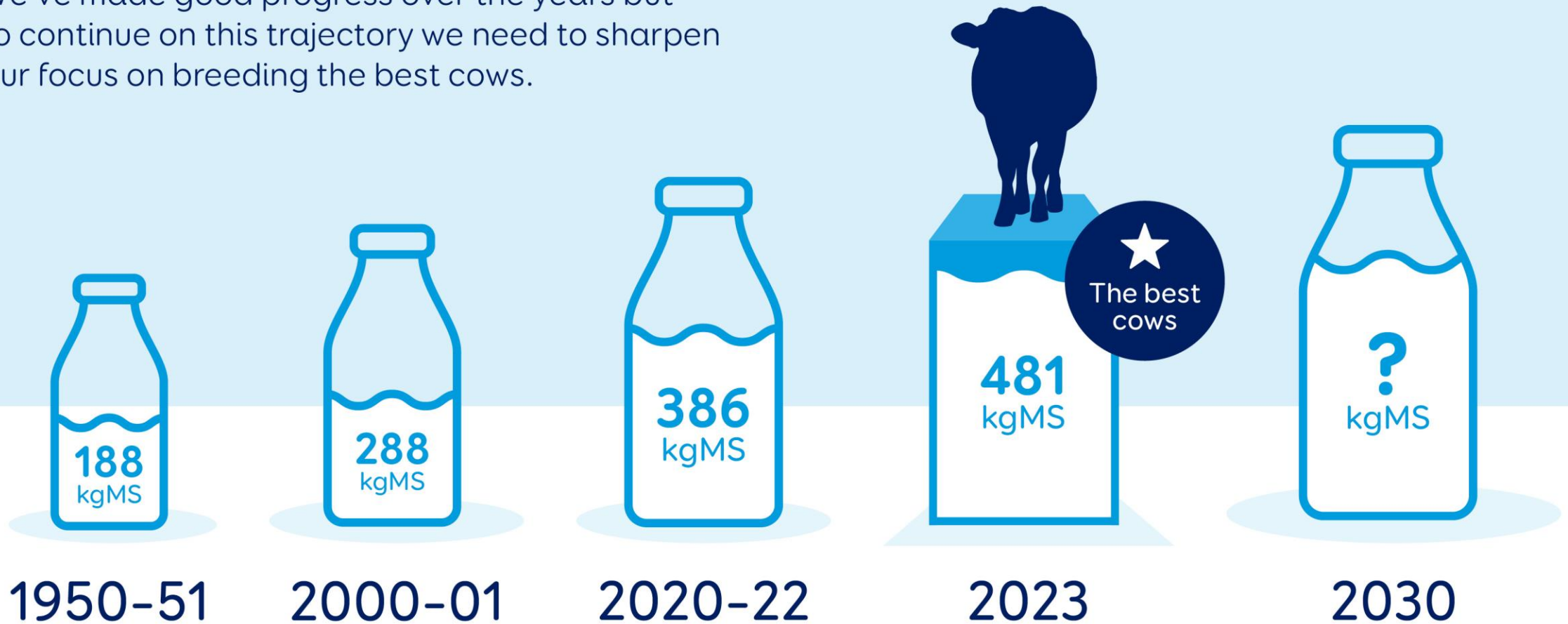
The best cows are more efficient at turning feed into milk - **they produce more milksolids, weigh less and have a fertility advantage**. They also have a lower emissions footprint and lower amount of urinary nitrogen per kilogram of milksolid.



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

We don't need more cows – we need the best cows

We've made good progress over the years but to continue on this trajectory we need to sharpen our focus on breeding the best cows.

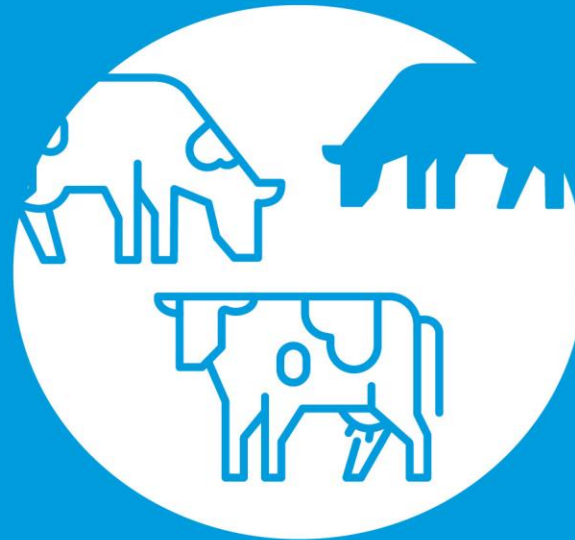


The size of the prize for New Zealand – a profitable and sustainable dairy sector

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



**Increase cow production
relative to liveweight**

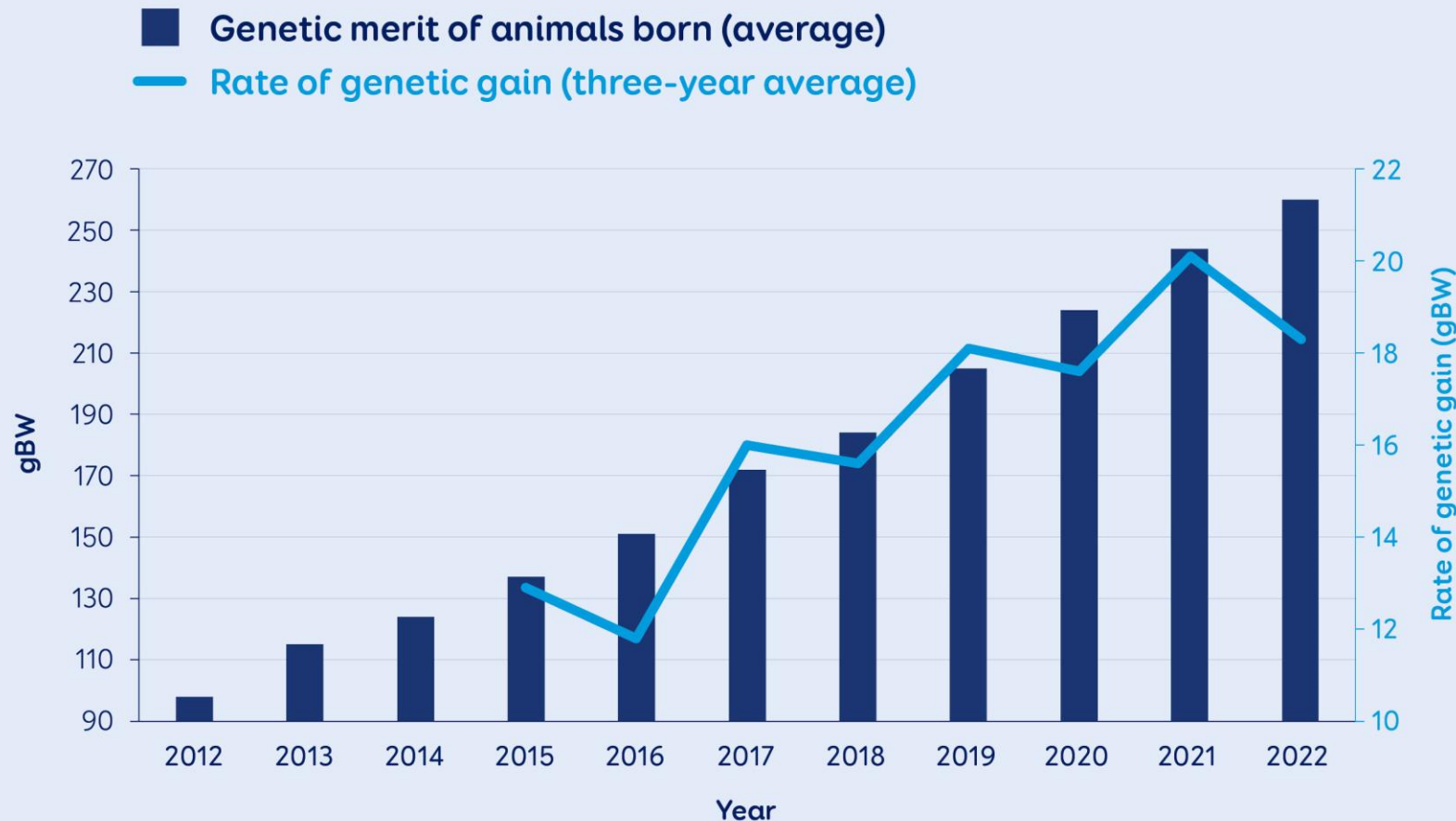


**Maintain total milk
production from fewer cows**



**Reduce agricultural
emissions**

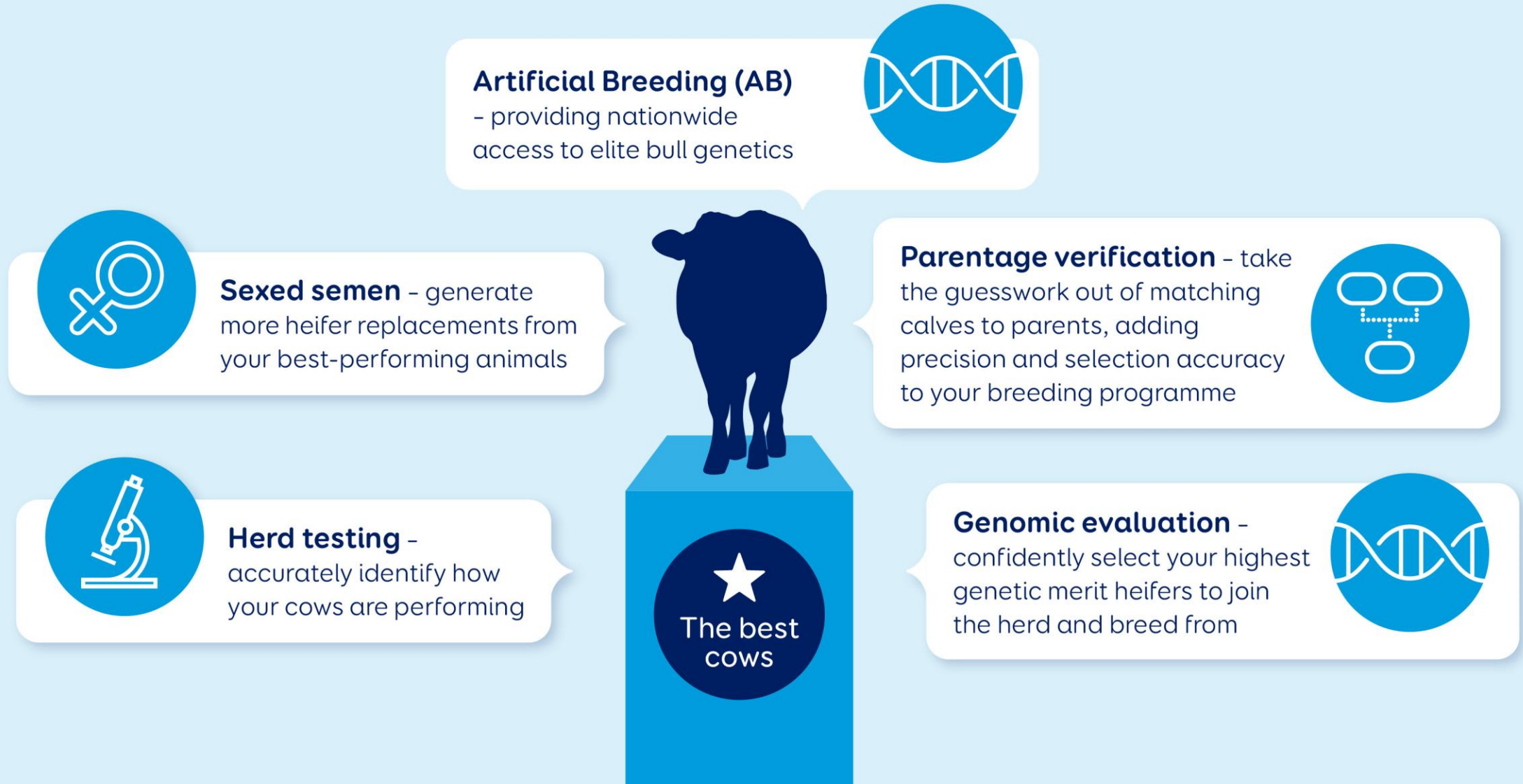
Breeding the best cows, faster is key to solving the challenge of being profitable and sustainable



Farmers using LIC genetics have almost doubled the rate of genetic gain in their herds over the last 10 years. These gains are cumulative and permanent, delivering long-term benefits into the future.

Source: Sample size of 2,900 herds. >80% of progeny sired by LIC bulls (10 years). Herds recording in MINDA with Herd Test results, March 2023.

We're helping farmers breed the best cows to get the best from them



We're focused on new solutions for the future too

LIC is one of the largest investors in R&D in the primary sector - **\$18.6 million in FY22** (6.7% of revenue)



Methane Research

Identifying a genetic link between a bull and the amount of methane it produces, so farmers can breed low methane-emitting cows



Slick Gene Research and Trial

Enabling farmers to breed more heat tolerant cows



Genomic selection and evaluation

Utilising cutting-edge DNA technology and genomic science to help farmers breed the best



Resilient Dairy Programme

Utilising disease management technologies and genomic advances to enhance the health and wellbeing of the national dairy herd and improve cow productivity

Breeding the best cows, faster is key to helping farmers solve the challenge of being profitable and sustainable.

Farmers, industry and Government are aligned on the importance of improving the efficiency of the national dairy herd to achieve our environment goals.



Honoraria report

Ian Brown
Honoraria Committee Chair



Meeting resolutions

Murray King
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 \$723,000 per annum"

Resolution 1:

Directors' Remuneration

	Current	Recommended	\$ Increase
Chair	\$132,000	\$143,000	\$11,000
Director	\$59,000	\$65,000	\$6,000
Discretionary Pool*	\$60,000	\$60,000	No change
Total for LIC Board	\$664,000	\$723,000	\$59,000

* 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 \$179,500 to \$199,000 and to increase the daily allowance from \$350 to \$400 per day."

Resolution 2:

Shareholder Reference Group Remuneration

	Current	Recommended	\$ Increase
SRG Chair	\$36,500	\$40,000	\$3,500
SRG Deputy Chair	\$17,000	\$19,000	\$2,000
SRG Member	\$12,600	\$14,000	\$1,400
Total	\$179,500	\$199,000	\$19,500
Daily Allowance			
Daily Allowance*	\$350	\$400	\$50

* Paid for time spent on extraordinary duties.

Resolution 3:

To reappoint 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, to resolve by way of ordinary resolution to:

“Elect ONE (1) candidate representing the North Island Region 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 Region are eligible to vote on this resolution

Resolution 4:

To elect one Elected Director for the North Island Region



Duncan Coull



Ken Hames



Matthew Hocken



Richard Luxton

Resolution 5:

To elect one Elected Director for the South Island Region

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

“Elect ONE (1) candidate representing the South Island Region, 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 Region are eligible to vote on this resolution

Resolution 5:

To elect one Elected Director for the South Island Region



Tony Miles



Andrew Slater



Victoria Trayner

Resolution 6:

To ratify the re-appointment of Sophie Haslem as an Appointed Director

To consider, and if thought fit:

“Ratify the re-appointment of Sophie Haslem as an Appointed Director for a term expiring at the conclusion of the third Annual Meeting following this Annual Meeting (approximately three years)”



Sophie Haslem

Resolution 7:

To elect two members of the Shareholder Reference Group for the Lower North Territory

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

“Elect TWO (2) candidates from the Lower North Territory to the Shareholder Reference Group with effect from the conclusion of this Annual Meeting”

Resolution 7:

To elect two members of the Shareholder Reference Group for the Lower North Territory



Shaun Baxter



Mark Hooper



Thomas Read

Resolution 8:

Re-election of Ian Brown to the Honoraria Committee

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

“Approve the re-election of Ian Brown to the Honoraria Committee, with effect from the conclusion of this Annual Meeting”



Ian Brown

Resolution 9:

Re-election of Gordon Glentworth to the Honoraria Committee

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

“Approve the re-election of Gordon Glentworth to the Honoraria Committee, with effect from the conclusion of this Annual Meeting”



Gordon Glentworth

Resolution 10-12:

To amend LIC's Constitution to reflect the Constitutional Changes

To consider, and if thought fit, to resolve by way of three separate special resolutions:

To approve:

Resolution 10 - Delegations of Authority: the Constitutional Amendments set out in Part A of the table in Schedule 1 to this Notice of Meeting (as reflected in the form of amended Constitution available on LIC's website) be approved.

Resolution 11 - Governance Amendments: the Constitutional Amendments set out in Part B of the table in Schedule 1 to this Notice of Meeting (as reflected in the form of amended Constitution available on LIC's website) be approved.

Resolution 12 - Administrative updates: the Constitutional Amendments set out in Part C of the table in Schedule 1 to this Notice of Meeting (as reflected in the form of amended Constitution available on LIC's website) be approved.



General business

Murray King
Board Chair

Q & A

50

LIC
2023
Annual
Meeting



