



THE NEW ZEALAND MERINO COMPANY

Grower and investor webinar summary

21 June 2024

Dear growers and shareholders,

Thank you to those of you who were able to join us for the grower and investor webinar Wednesday 19 June 2024. It was a pleasure to share the results of our comprehensive strategic review which has identified the key refinements needed to get NZM on the right track for a very successful future.

Summary:

- We have refocused back to our core business - to be the world's premier wool supplier
 - NZM's core model is perfectly poised to meet the challenges of the current market of increased compliance, greenwashing, greenhushing and reducing consumer spend
 - There are headwinds from the economic downturn, in particular the EU and luxury markets are price-sensitive and struggling, however, our role is to identify the segments and geographies that are recovering quickly
 - We are seeing green shoots in the active outdoor and furnishing segments, these are also in the early stages of popping up in athleisure
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- Strong interest is coming from Asia, particularly China and Japan, as these markets are recovering faster
- Our new game plan is simple – stabilise the organisation, transform it, and build our long-term resilience and growth.
- To achieve this, we have six key focus areas:
 - **Be brand led** - make it personal and celebrate the growers
 - **Turn risk into opportunity** - invest in science, governance, data and systems
 - **Differentiate our products** - to improve margins
 - **Explore pathways to new value** - expand our offering
 - **Focus on the right markets** - grow our market share
 - **Channels to market** - influence the size of the market itself

This will be a slow build, I cannot promise our shareholders an overnight change in the market. However, I can tell you that this business is well-positioned to respond to longer-term market signals. The work happening today will secure our position at the forefront of meeting consumer and regulatory demands and ensure we are insulated from extreme market shifts in the future.

I look forward to hosting these calls more frequently and sharing deeper dives into the ongoing actions to back up our strategy. As I said on the webinar, my inbox is always open if you have anything you would like to discuss direct.

Regards,

A handwritten signature in black ink, appearing to be 'A. Street', with a stylized, sweeping flourish.

Angus Street
CEO
