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8 June 2026

Synlait provides update on refinancing, shareholder loan and trading

Refinancing and shareholder loan

Synlait Milk Limited (**Synlait**) is progressing with discussions with existing and new lenders about the refinancing of its senior syndicated bank facilities (**Senior Facilities**) that mature on 30 June 2026. Synlait remains on track to complete that refinancing on 30 June 2026, with progress continuing towards securing the required support and approvals under the facilities.

One of the requirements of the new Senior Facilities lenders is that the \$130 million shareholder loan that Bright Dairy International Investment Limited provided to Synlait in July 2024 (**Existing Bright Loan**) be replaced with a new loan (**Replacement Bright Loan**).

As noted in Synlait's Investor Presentation for the six months ended 31 January 2026, Bright had preliminarily indicated its future shareholder support, subject to relevant approvals. Synlait, through an independent directors' committee (**IDC**) has been negotiating the terms of a Replacement Bright Loan with Bright Dairy International Investment Limited. The proposed details of the Replacement Bright Loan are set out in the attached Schedule.

Bright has now approved its entry into the Replacement Bright Loan and announced its intention to make the loan through the Shanghai Stock Exchange. Synlait appreciates the ongoing support of Bright and advises that it expects to enter into the Replacement Bright Loan once the final documentation (including the terms of the Replacement Bright Loan) is approved by Synlait's lending group and the IDC. The Replacement Bright Loan would be conditional upon receipt of any required approvals or waivers under NZX Listing Rules, the approval of Synlait's new Senior Facilities lenders and other customary conditions.

The Replacement Bright Loan is for the same principal sum (\$130 million) and will be on substantially the same terms as the Existing Bright Loan (which was approved by shareholders in July 2024), subject to limited changes described below:

- the term is for two years with no extension option (rather than a one year term with a one year extension option as is the case under the Existing Bright Loan);
- the interest rate will be equal to 3-month BKBM plus a margin. The margin will be reset such that the initial margin for the period from drawdown until the refinancing of the Senior Facilities in 2027 will be equal to the weighted average margin (plus, in respect of revolving facilities, the line fees) payable in respect of the Senior Facilities. From the closing date of any refinancing of the Senior Facilities in 2027 through to the maturity date, the margin will be equal to the weighted average margin (plus, in respect of revolving facilities, the line fees) payable in respect of the refinanced Senior Facilities; and
- legacy provisions that are no longer applicable have been removed.

The Replacement Bright Loan is subordinated to the Senior Facilities and retains interest and principal deferral provisions applicable to the Existing Bright Loan. In addition:

- there will continue to be no financial covenants in favour of the Bright lender (consistent with the Existing Bright Loan); and
- the existing security and guarantees will remain in place with the Replacement Bright Loan being secured on a second-ranking basis behind the existing security that supports the Senior Facilities.



The Replacement Bright Loan, once entered into by Synlait, is expected to become effective on 30 June 2026.

The members of the IDC are the two Independent Directors (the independent Chair, George Adams together with former director Paul McGilvary until 18 May 2026 and Katherine Turner from 18 May 2026). It is chaired by Mr Adams. Directors of SML who are not sitting on the IDC (including Acting CEO Leon Fung) have not been involved for Synlait in the development of the Replacement Bright Loan or engagement with the lenders under the new Senior Facilities. In particular, those Directors who are nominees or representatives of Bright Dairy have been excluded from all IDC deliberations and have not had access to any IDC papers, legal advice or negotiation strategies. The IDC considers that the arm's-length nature of the negotiation is demonstrated by:

- the use of the IDC to manage all matters relating to the Replacement Bright Loan;
- the use of separate independent legal advisors for each party;
- the exclusion of Bright-nominated or associated Directors from the process;
- the IDC initiating and proposing the Terms Sheet (rather than receiving terms from the Bright lender); and
- the limited nature of the changes from the Existing Bright Loan (which itself was negotiated on an arm's length basis by an independent committee of directors).

Trading

Synlait provides the following trading update. The following preliminary financial metrics are provided for the period from 1 January 2026 to 30 April 2026:

- A reported net loss after tax of (\$12.0 million)
- Net assets of \$720.8 million

The financial performance for the above four-month period reflects that, as previously disclosed in its half year result, Synlait has faced a number of headwinds outside of its control. The majority of the negative financial impact relates to the month of January 2026. Synlait remains focused on progressing operational improvements and balance sheet strengthening following the North Island asset sale.

The reported result includes a preliminary gain arising from the sale of Synlait's North Island assets, which was successfully completed during the period.

This trading update is provided on the basis of unaudited consolidated management information for the four months from 1 January 2026 to 30 April 2026. The information is preliminary only and is for a period where there is no comparable information that has been reported to the market. Synlait's financial year end is 31 July 2026 and Synlait will be reporting to the market with its full audited consolidated results for the year in accordance with NZX Listing Rules.

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Schedule Summary of proposed terms of the Replacement Bright Loan

The principal amount of the proposed loan is NZ\$130 million. The maturity date for the loan is 24 months from the date of the first drawdown. The interest rate is the 3-month BKBM plus a margin equal to the weighted average margin (and line fees in respect of revolving facilities) of the syndicated financing (such margin to be reset on the same basis when Synlait conducts a refinancing in 2027). Synlait must use the proceeds to repay and/or prepay (in whole or in part) borrowings of Synlait and the guarantors. The loan will be secured on a second-ranking basis. The main terms are as follows:

Borrower:	Synlait Milk Limited
Lender:	Bright Dairy International Investment Limited
Guarantors:	The guarantors under the existing loan agreement (the NZ\$130 million loan agreement signed between Bright Dairy International and the borrower on 4 July 2024): (a) Synlait Milk Limited; (b) Synlait Milk Finance Limited; (c) The New Zealand Dairy Company Limited; (d) Eighty Nine Richard Pearse Drive Limited; (e) Synlait Milk (Dunsandel Farms) Limited; (f) Dairyworks Limited.
Loan amount:	One-off term loan of NZ\$130 million.
Purpose:	The borrower may only use the proceeds of this financing to repay and/or prepay (in whole or in part) the debts of Synlait and the guarantors.
Drawdown period:	From the date of signing the new loan agreement to one month after the maturity date of the existing loan agreement. The new Bright loan agreement does not contain conventional drawdown suspension clauses. The lender is obliged to fund the loan provided that the drawdown conditions precedent agreed in the loan agreement (including that Synlait has fully repaid the existing shareholder loan) have been satisfied.
Maturity date:	The date falling 24 months from the date of the first drawdown.
Interest rate:	<p>3-month BKBM plus a margin equal to the weighted average margin (and line fees in respect of revolving facilities) of the syndicated financing.</p> <p>The initial margin from the drawdown date to the closing date of Synlait's 2027 refinancing shall be equal to the weighted average margin payable to the senior lenders under Synlait's senior bank facilities (plus line fees for revolving facilities), based on the pricing of the refinancing expected to be completed in June 2026.</p> <p>From the closing date of Synlait's 2027 refinancing to the maturity date of the loan, the applicable margin shall be equal to the weighted average margin payable to the senior lenders under Synlait's senior bank facilities (plus line fees for revolving facilities), based on the pricing of the 2027 refinancing.</p> <p>Synlait's cash interest payment arrangements are subject to the interest deferral provisions set out below. In addition, pursuant to the terms of the Priority and Subordination Deed, Synlait may only pay interest in cash if no Interest Deferral Event (as defined in that document) is continuing.</p>
Interest deferral:	Consistent with the existing loan agreement. If any interest deferral event (as defined in the Priority and Subordination Deed) exists on an interest payment date, Synlait will not pay interest on that date, and the deferred interest will be capitalised and continue to



	<p>accrue interest. On the next interest payment date, if no interest deferral event exists, Synlait shall make up the deferred interest.</p> <p>Specific interest deferral events include: Synlait fails the solvency test, or would fail the solvency test as a result of such payment; a default event under the senior loan has occurred; a breach of financial covenants under the senior loan has occurred and has not been waived or remedied, or such payment would result in such a breach; the senior lenders have waived (or pre-emptively waived) a breach of financial covenant under the senior loan documents, or amended the financial covenants to the same effect, or such payment would immediately trigger a breach of the amended financial covenants; the senior lenders have taken acceleration action under the senior loan agreement; Synlait cannot fund the payment from free cash flow (as defined in the existing Bright loan agreement); or any senior debt due during the interest period has not been paid or has been deferred.</p>
Principal deferral:	<p>Consistent with the existing loan agreement, being, if any principal deferral event occurs, Synlait's obligation to repay principal will be deferred at maturity. Specific principal deferral events include: Synlait fails the solvency test, or would fail the solvency test as a result of such payment; a breach of financial covenants under the senior loan has occurred and has not been waived or remedied, or such payment would result in such a breach; or the senior lenders have waived (or pre-emptively waived) a breach of financial covenants under the senior loan documents, or amended the financial covenants to the same effect, or such payment would immediately trigger a breach of the amended financial covenants.</p>
Voluntary prepayment:	<p>Synlait is permitted to prepay the loan early without premium or penalty. Generally speaking, prepayments of the loan will require the consent of Synlait's senior lenders on an all lender basis. However, where certain financial milestones and other conditions are satisfied, Synlait is able to prepay an amount of up to \$20,000,000 on the basis of majority senior lender consent (acting reasonably and taking into account all relevant circumstances at the time). In summary, the financial milestones apply where either:</p> <ul style="list-style-type: none"> • total outstanding debt under Synlait's senior facilities is less than NZ \$50 million for seven continuous days; or • during the rolling twelve-month period ending on any financial quarter no earlier than 30 June 2027 (the "Relevant Period"), Synlait's free cash flow is not less than NZ\$5,000,000. <p>(Other conditions apply.)</p>
Security:	<p>The existing second-ranking "all assets" security will remain in effect (including the Priority and Subordination Deed with the senior lenders). No additional security will be granted.</p>