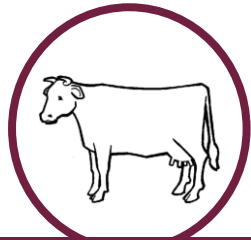


We need more cows not less



The Importance of the Dairy Industry



Growing Market

Production efficiency and regulations globally renowned giving export opportunities

Significant growing domestic market

98% of UK households purchase dairy products

Increasing production



Staple Dietary Status

Plant-based alternatives lack the equivalent nutrient richness

Nutrient-rich sustenance for a growing population

Provides gut health for an increasingly health-conscious **global** society

Imported almond milk (80% from California) is criticised for its high water consumption and negative impact on bee population



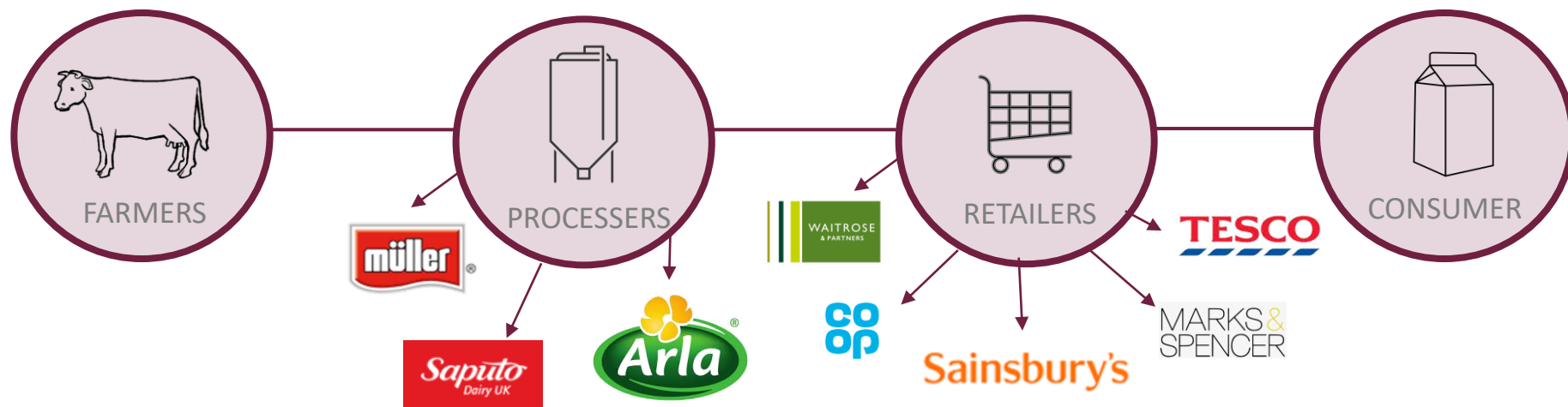
Fabric of British Society

Maintenance of the UK's unique landscape – just 2.8% of UK GHG emissions – **and falling**

50% of GHG in the atmosphere comes from soil degradation

UK grassland stores more carbon per acre than amazon rainforest – yet carbon sequestration is an untold story

Any sustainability roadmap requires data



9,000

Number of dairy farmers served

100%

Payment testing in GBR

50%

Individual cows tested

30,000

Tests carried out daily

98%

UK consumers touched by NMR services

0%

UK consumers impacted during Covid-19 lockdowns



NMR provides services to help meet the increasing consumer demand for food provenance and sustainability



Milk Recording

- 4,500 direct farmer customers
- Pre-requisite to supply milk to large retailers
- Informs food provenance schemes

Payment Testing

- Used by all 102 ex-farm GB milk processors
- Surveillance on contaminants in bulk milk
- National statutory testing programmes on behalf of DEFRA and the Foods Standards Agency

Disease Testing

- Testing for BVD and Johne's, as well as a range of other diseases
- Tests using milk samples, bulk milk samples and tissue samples
- Data exchange with all UK large animal vet practices

Genomics

- Emerging technology used to speed up the genetic progress of herds
- Collaboration with AHDB to improve resistance to bovine tuberculosis

The UK Dairy Industry's Sustainable Future



The UK dairy sector is on the path to reducing its green house gas emissions by **30% by 2030**



Dairy constitutes just 2.8% of UK's GHG emissions. Furthermore, emissions per litre of milk have reduced by 20% in the past 20 years. The UK dairy sector produces milk with a carbon footprint that is half of the global average



78% of dairy farms use water efficiency measures; 28.9% use a form of renewable energy; 90% use nutrient management planning



Arla, the UK's biggest processor, sells carbon neutral product lines and is committed to being carbon neutral by 2050. The NFU aims to make the farming industry a net zero GHG producer by 2040



Dairy farms capture carbon, reducing the levels in the air, into the soil. This is a key future mitigation strategy – regenerative agriculture does not have to be unproductive re-wilding. Cows are part of the solution rather than being the problem – more cows can mean more carbon captured

NMR – ‘Driving the Sustainability of the Dairy Sector’



NMR is contributing to a more sustainable dairy sector in the UK by developing services that support the needs of our customers

1. Measurement is key to determining progress along the roadmap to net zero:

Recording data is NMR's core competence – “you can't manage what you can't measure”

3. Genetics is a core driver:

Genetics drive herd efficiency. NMR has tight collaborative relationships with the genetics companies (two of whom are shareholders). NMR is developing genomics capability.

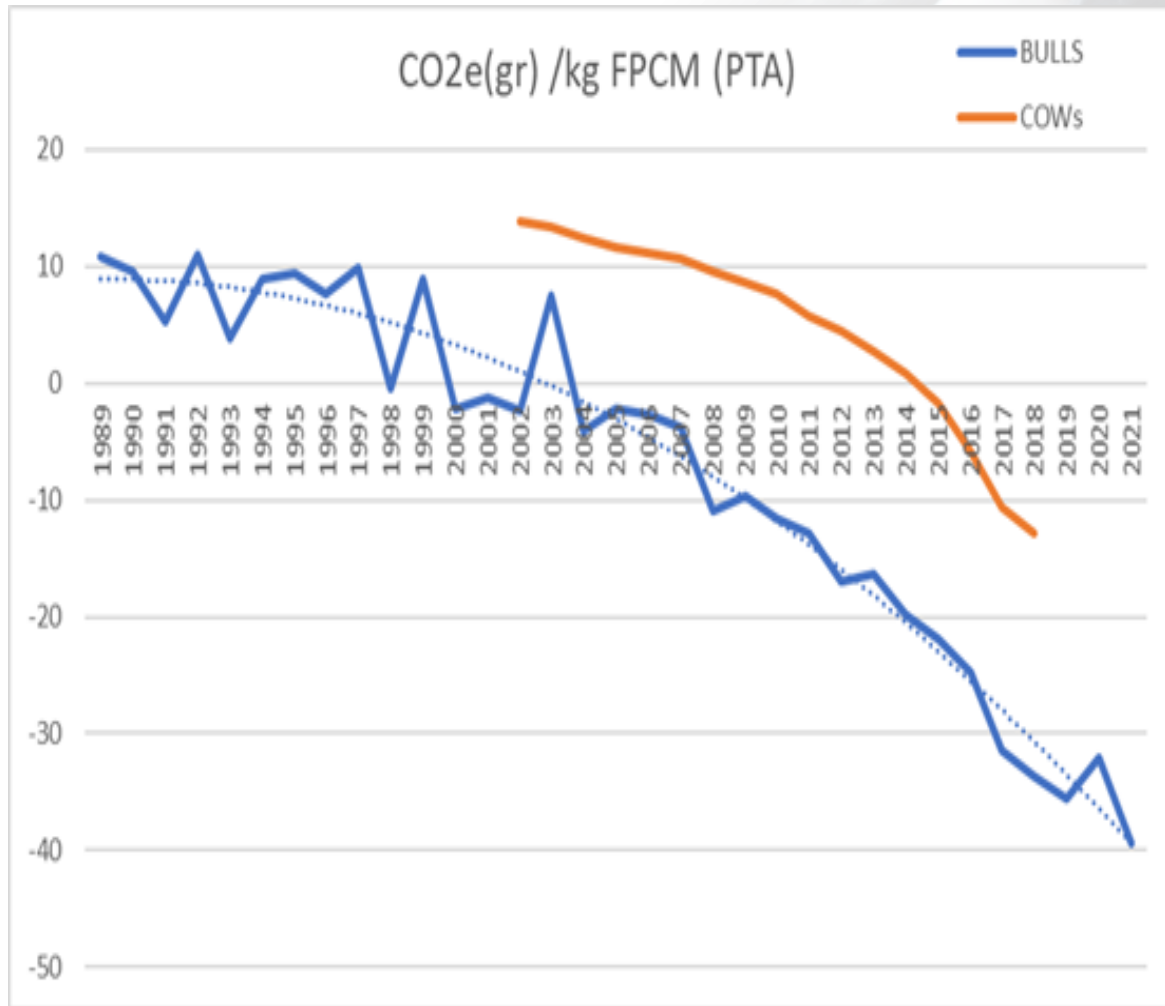
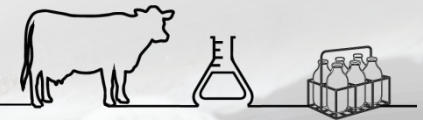
2. Monitoring the fertility and health of cows:

There is a huge gap between the best and worst in class amongst dairy farmers. NMR helps the worst get better and identifies the best for retailers.

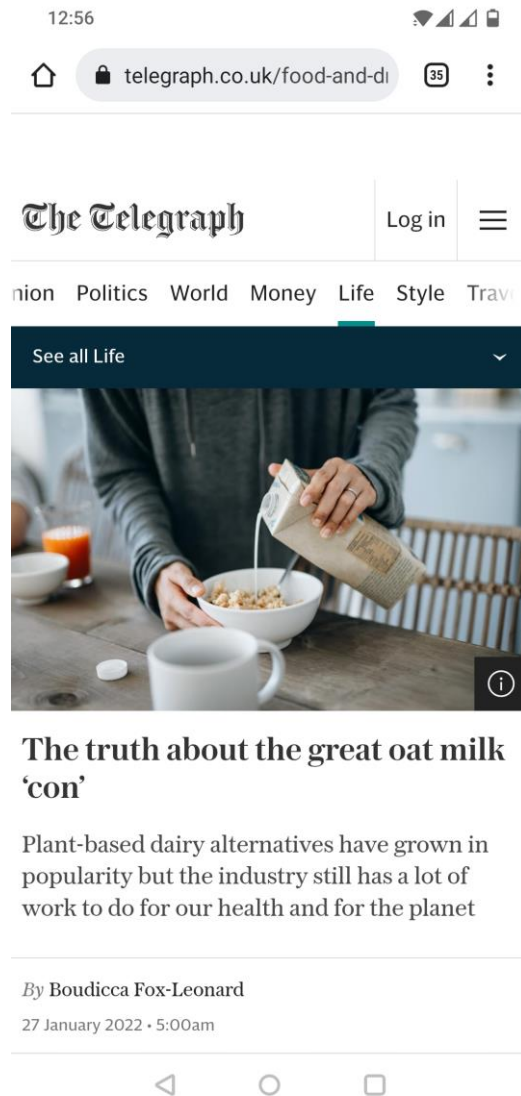
4. Innovation and investment in new technology:

NMR is in the advanced development stage of a technology that can detect the methane emissions of the cow directly from the milk. This will help farms measure their impact on the environment as well as inform optimal breeding

NMR – ‘cows being bred to produce less GHG’



News flow beginning to change?



A study by Nottingham University and Sustainable Food Trust in 2020 showed 1kg of Soya can be processed into 13 pints of soya milk or feed to cows to produce 150 pints of dairy milk

1 hectare of soil in a tropical rain forest contains 180 tonnes of carbon.
1 hectare of soil under temperate grassland contains 300 tonnes of carbon (1m depth)

Sustainable?



Investment Case – sustainability opportunity



Market leading UK Agri-Tech

Trusted and longstanding brand
Reliable, steady income streams
Dividend paying (1.5 pence in 2021)



Clear, defined growth strategy

Organic growth through increasing services & customer base; investment across technologies; Digitalisation; M&A



Improving food provenance

Farmers, processors and consumers are all benefitting – retailers are a key driver



Improving market outlook

Dairy farmers are becoming more data driven and provenance is becoming increasingly important to consumer



Sustainability driven

A British company working to reduce the carbon footprint across the nation and which prioritises animal welfare



Milk buyers investing in UK processing capacity



Strong management team and good shareholder support



Proven performance (10-year CAGR)
+18% share price, +18% EDITDA, +4% revenue

We need more cows not less

