

FREEDOM FOODS GROUP

AGM PRESENTATION



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FY19 RESULTS OVERVIEW

Perry Gunner CHAIRMAN

freedom GROUP
Making food better **FOODS** LIMITED



2019 Financial Highlights

NET SALES

\$476.2M

↑ **34.9%** on prior year

OPERATING EBITDA

\$55.2M

↑ **40.9%** on prior year

EBITDA MARGINS

11.6%

From **11.1%** on prior year

OPERATING NET PROFIT

↑ **40.1%** to
\$21.9M

FINAL DIVIDENDS

3.25 cents per share
(unfranked)

TOTAL DIVIDEND

5.50 cents per share
(partially franked)

CAPITAL RAISING

\$130M
@ **\$4.80** per share

COMPANY REVIEW & OUTLOOK

Rory J F Macleod
MANAGING DIRECTOR & CEO



FFGL Team Today

Rory Macleod MANAGING DIRECTOR & CEO

Amine Haddad CHIEF EXECUTIVE OFFICER COMMERCIAL

Campbell Nicholas CHIEF FINANCIAL OFFICER

Amber Stanley GENERAL COUNSEL & COMPANY SECRETARY

Timothy Moses STRATEGIC DEVELOPMENT DIRECTOR

Matt Vince CHIEF COMMERCIAL OFFICER

Abdul Badreddine GROUP GENERAL MANAGER OPERATIONS

Stephanie Graham GENERAL MANAGER CORPORATE DEVELOPMENT



Our Strategy

We continue to leverage our strengths & evolve into a brand led business

Capability



Markets



Brands

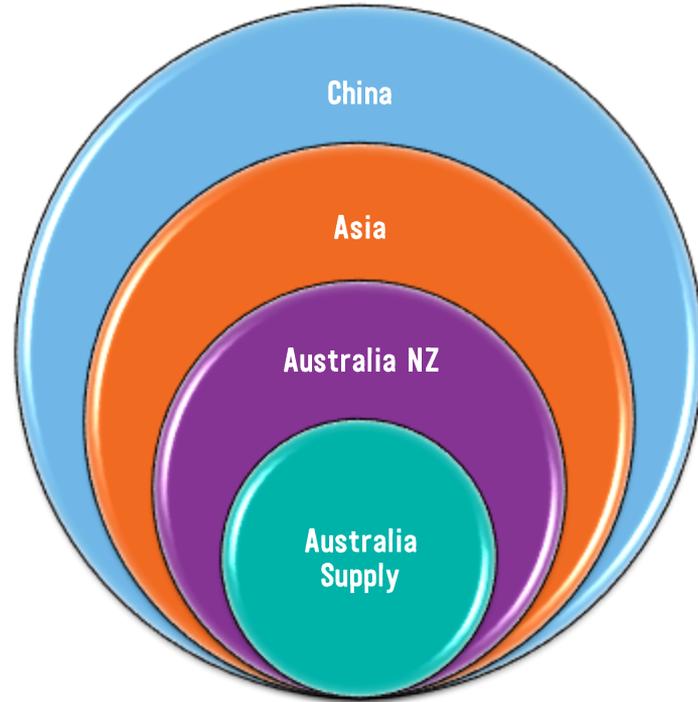


freedom **FOODS**

Innovation



Australasian Food and Beverage Company



On
Trend

Positioned across key Health Focus Areas



DAILY HEALTH

Help consumers with taking everyday wellness & vitality to a new level



POLLUTION/DETOX

Protection from toxicity and pollution, inside and out, to promote long term organ health and healthy appearance



DIGESTION

Help consumers manage their digestive health as a foundation for good health & wellbeing



HEALTHY KIDS

Help parents feel confident in their kid's day-to-day health and long-term development



KEEP MOVING

Help consumers manage the joint, bone and muscle health issues that emerge from their late 40's.



MENTAL WELLBEING

Natural support for consumers experiencing mild to moderate stress, anxiety, insomnia and fatigue

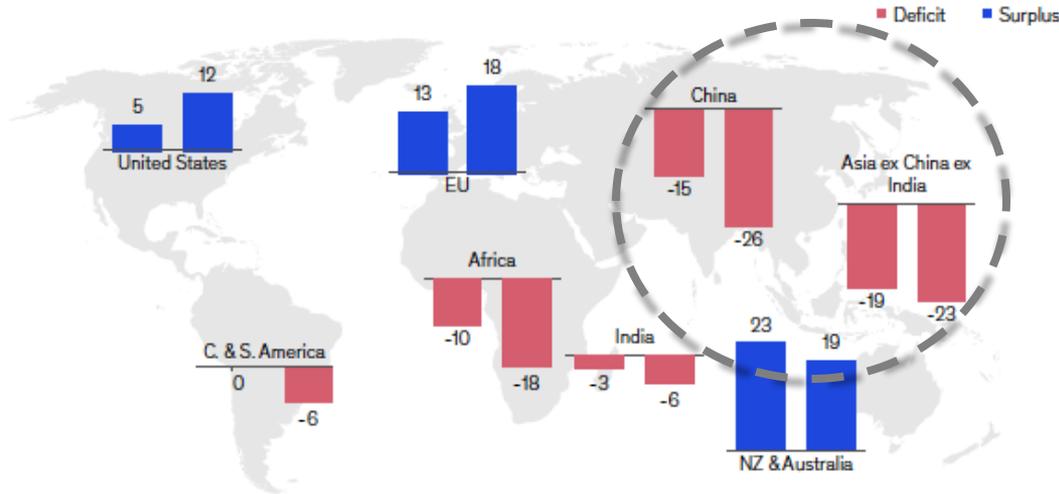


HEALTHY WEIGHT

Help consumers achieve and maintain a healthy weight and reduce the risk of metabolic disease

Why China & SE Asia?

Dairy Global Deficits / Surplus (2017 vs 2027)



Source: Mckinseys

Demand

Continued income **growth** and **urbanisation** are driving a shift in China and SE Asia consumption patterns

It's not about food, it's about a change in food structures towards higher intakes of **animal** and **plant proteins**

Rise in demand will translate to higher imports in both volume and contribution to these markets

Strong trust in Australia's **quality** agriculture and food standards

Source: Goldman Sachs

Complementary Verticals

Dairy

- Dairy Beverages
- Dairy Nutritionals

Plant

- Plant Beverages

Snacking

- Protein
- Health



We believe in market access through the power of Collaboration & Partnership

Direct Distribution (Our Brands)

Australia



SE Asia



China



We believe in market access through the power of Collaboration and Partnership

Strategic Partnerships (Brand Partners)

China

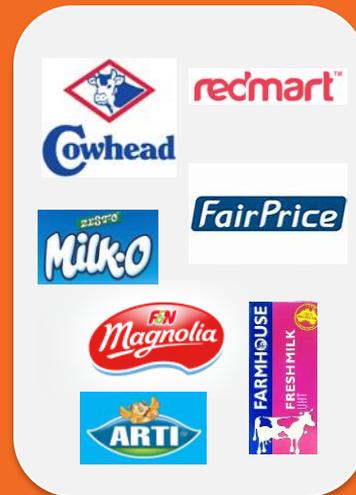


Product Distribution (Contract)

Australia



SE Asia



China



We believe in market access through the power of Collaboration and Partnership

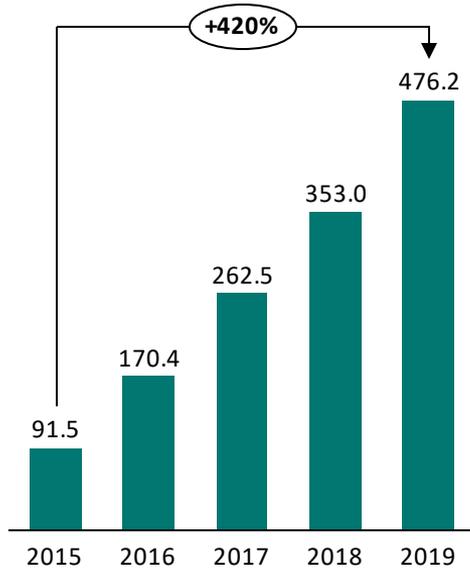




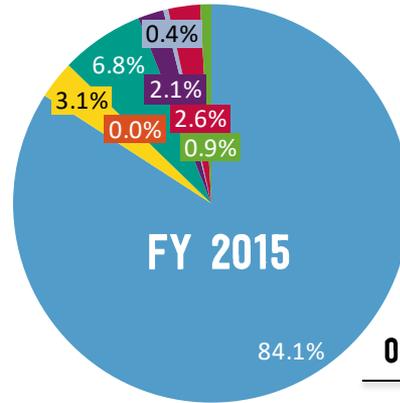
MARKETS

Our evolution as a global business

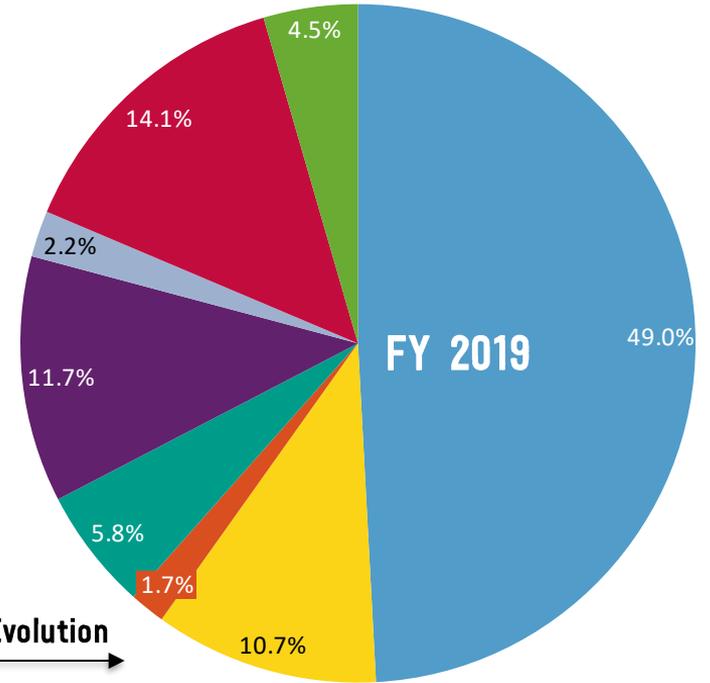
5 years' Sales Growth



Reducing risk through diversification



Our Mix Evolution

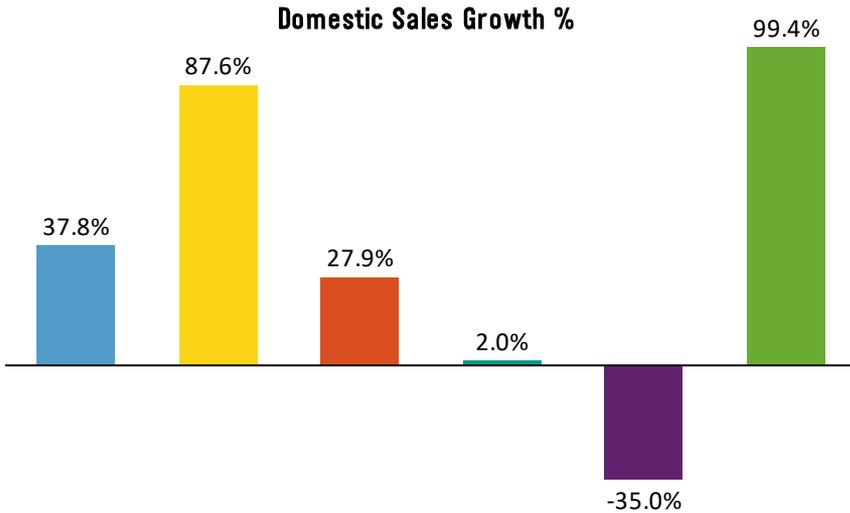


- Grocery
- Out of Home
- Pharmacy
- Contract
- Industrial
- Other
- China
- South East

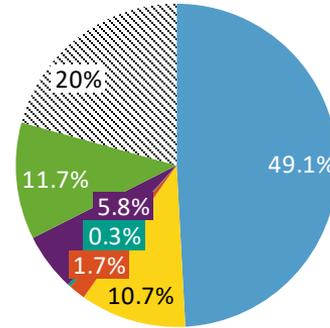
Continued strong growth in Australia

Diversifying through **Out of Home** and **Industrial** to drive significant growth

Domestic Sales Growth %



Total Market % Mix

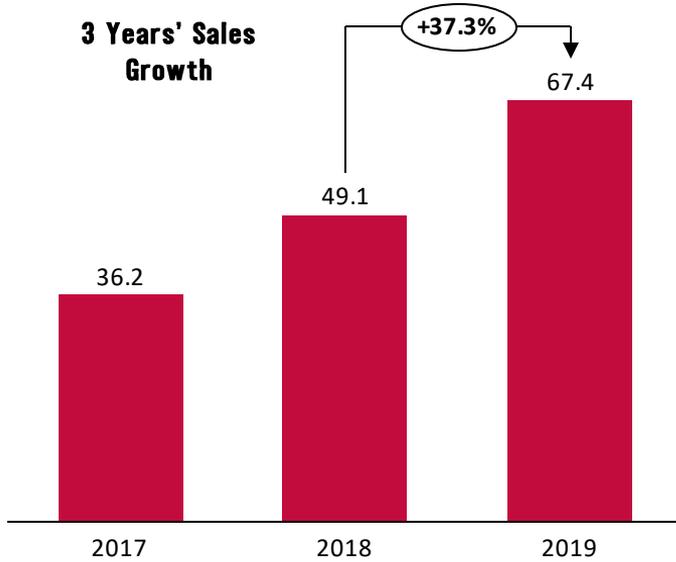


■ Grocery
 ■ Out of Home
 ■ Pharmacy
 ■ E-Commerce
 ■ Contract
 ■ Industrial & Other
 Export

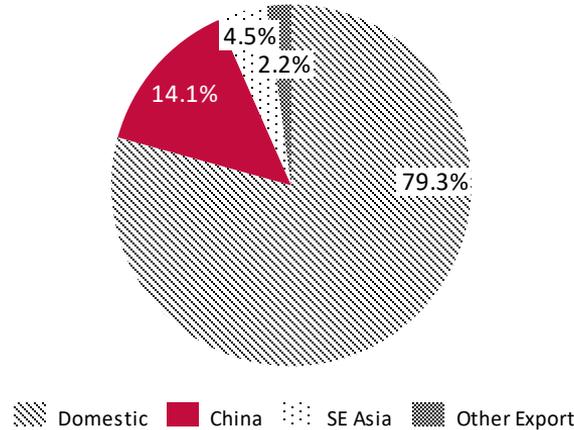
CHINA

High Growth from **strong partnerships** and **distribution platforms**

3 Years' Sales Growth



Total Market % Mix



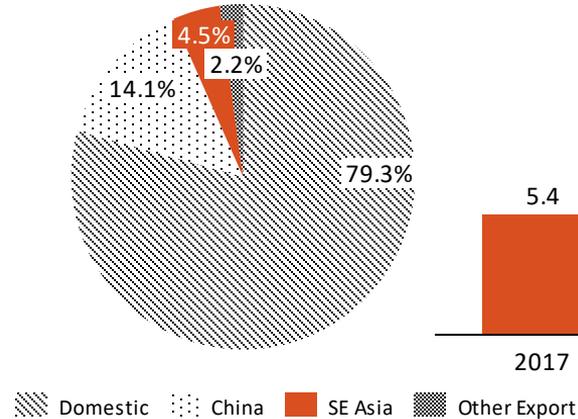
SE ASIA

Exceptional growth in SE Asia

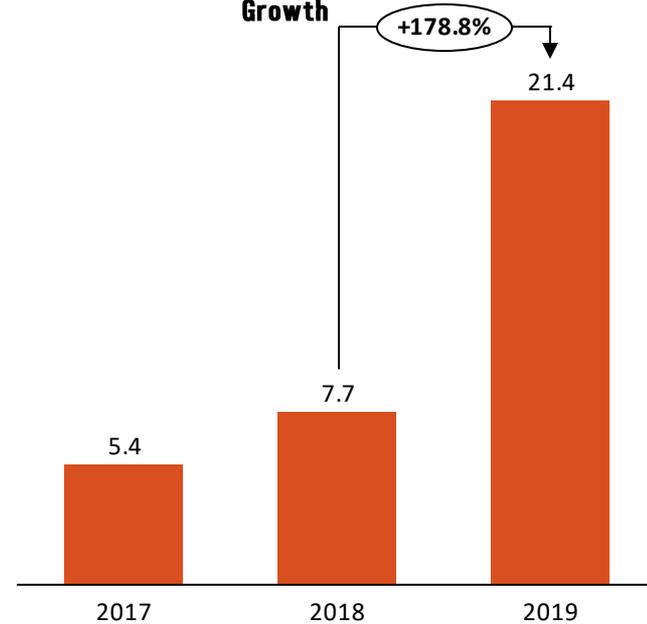
MILKLAB recently won the **Best Export Product** in the Asian Export Awards*



Total Market % Mix



3 Years' Sales Growth



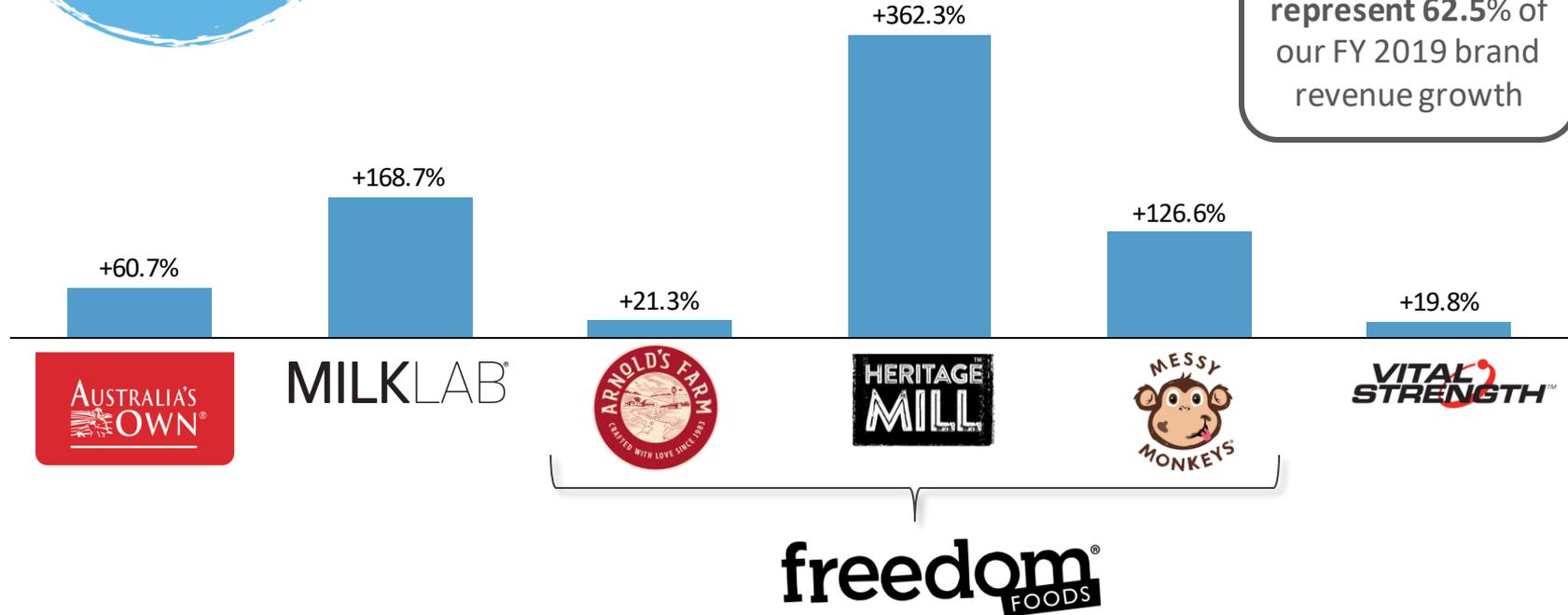


INNOVATION & BRANDS

Our Brands

Our focus is on our **global & scalable** brands

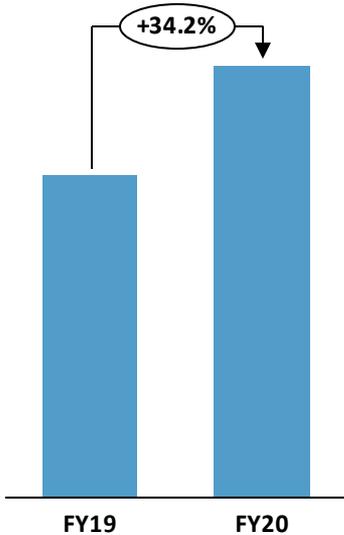
These 6 brands represent **62.5%** of our FY 2019 brand revenue growth



Our Brands



Brand Sales Growth first four months of FY20

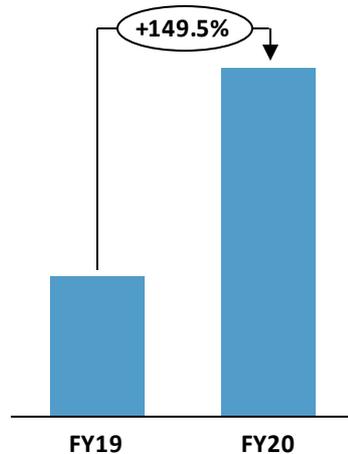


Incl. growth in plant based beverages & dairy range

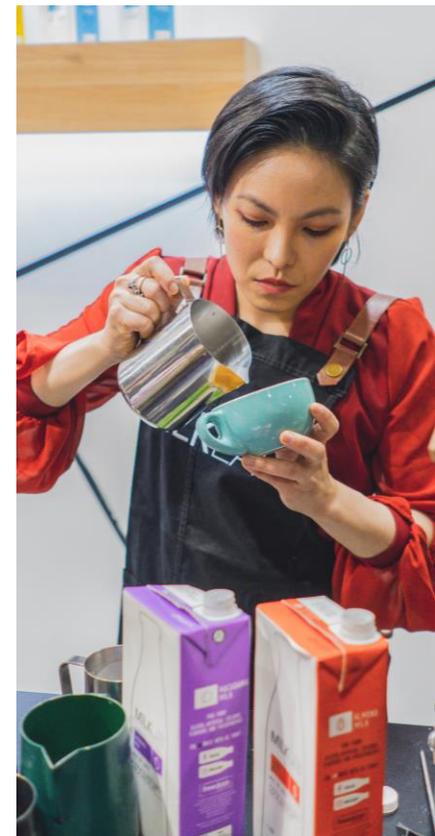
Our Brands

MILKLAB

Brand Sales Growth first four months of FY20



Includes growth in plant beverage & dairy range



Our Brands

DO YOU HAVE MILKLAB?

kt_duncs I love the creaminess of the almond milk, and purposely track down cafes that use it when I order my coffee!

inspiringwit They just make my coffees taste better!! No comparison!!

annie90b It makes my soy lattes super smooth and tasty!

jda0121 I love my coffee. That's why I love Milklab.

lisayuuu Honestly the best barista blend almond milk for coffees ☺ I will walk out of a cafe if they don't use milk lab almond milk.

a_liceguest Your almond milk is amazing! So creamy and delishhh and doesn't separate in my coffee! Game changer ☺

_elise_s You make almond milk that doesn't taste like almond milk ☺ .. nothing compares to your almond milk !

chrisleonen I. LOVE. COFFEE. ...When I get back here in the Philippines, I'm happy to find local cafes are serving specialty coffee and was looking for @milklabco products as well. And I finally found one retailer here and can't be happier. I make my own latte at home, of course using @milklabco milk for coffee ☺

arrosto_paddington Our customers love your almond milk, we display it with pride and suggest it to anyone looking for an alternative! Keep it up!

love.staxx I like how creamy it tastes. I only order almond coffees if they use milk lab as much as I feel like a snob to ask and decline if they don't 😊

BAKED baked.desserts We love you for the joy we see in customers faces when they ask which almond milk we do and we reply 'milk lab' 🍪

lauran.jervis Macadamia milk. It's nuts. Absolute game changer. @lifeatburnsbeachcafe knows where it's at 🤔

appetite_eatery Blends with our beans just right!

tracy_vegh Your almond milk is the best, I've tried them all & it's the only one that doesn't ruin my coffee ☺☺☺

amyjane1802 Love the texture and the full creamy flavours. Great for baking.

Hi there, do you have distributor for your product here in Jakarta Indonesia?

Instagram



Our Brands

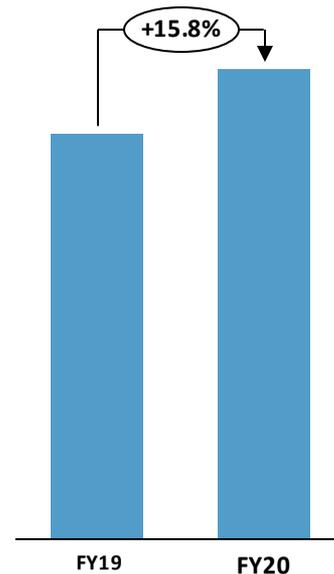
freedom[®]
FOODS



freedom[®]
Making food better FOODS GROUP LIMITED



Brand Sales Growth first four months of FY20

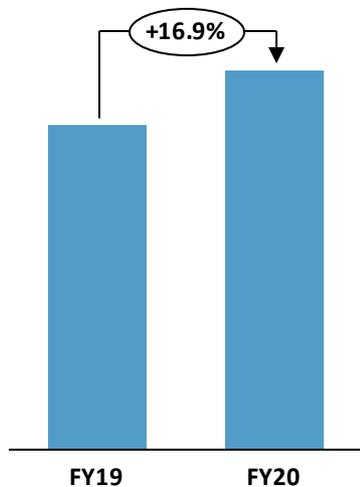


Includes growth under the Freedom Foods brand

Our Brands



Brand Sales Growth first four months of FY20

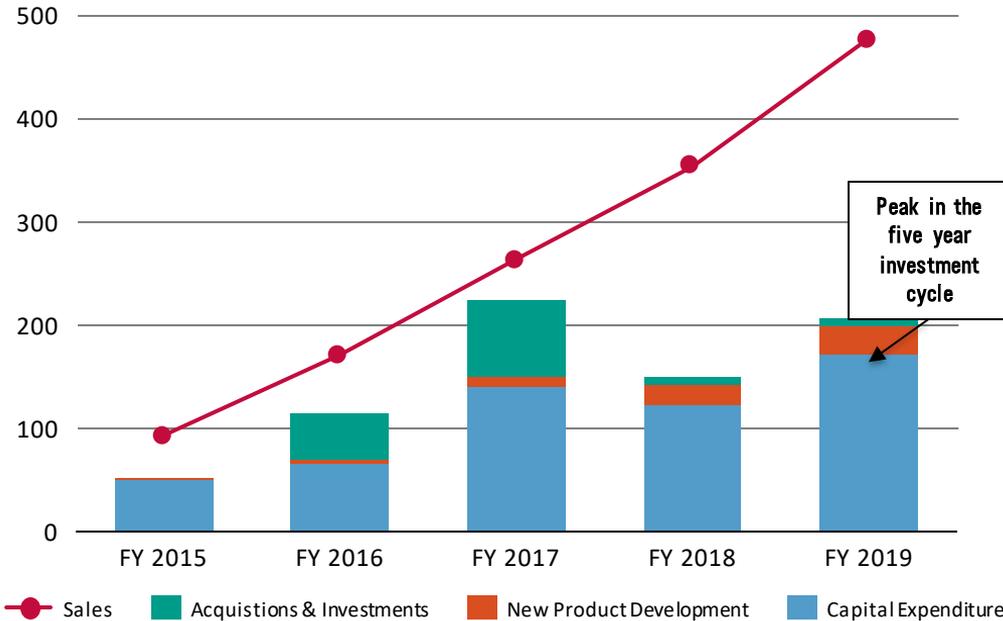


Includes growth in Crankt & Vital Strength



5 Years of Investments & Growth

Creating Capacity for Growth



Accumulative balances

Sales Revenues
\$1.4B

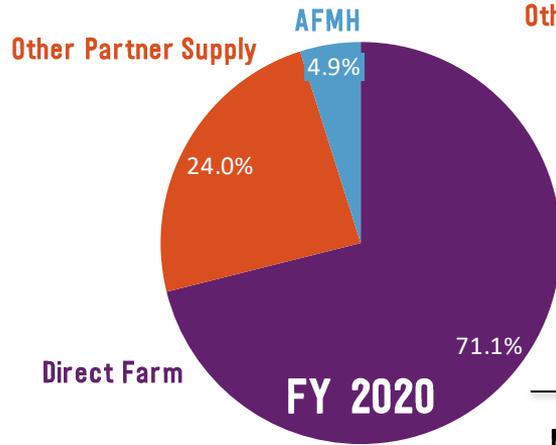
New Product Development
\$62.0M

Acquisitions & Investments
\$134.8M

Capital Expenditure
\$545.6M

Milk Supply Outlook

400 million litres contracted supply in FY20
growing direct supply through **AFMH** and
direct farms



Other Partner Supply

AFMH

17.1%

16.9%

66.0%

Direct Farm

FY 2024

Milk Supply Sources



Australian Fresh Milk Holdings

The **largest** dairy milk producer in Australia, forecasted to produce more than **150 million litres** in FY 2020

- Currently completing an **expansion** project at Moxey Farms that began two years ago, increasing capacity from 3,500 to 8,000 milking cows
- Completed the acquisition of **Coomboona Dairy** operation in Northern Victoria
- AFMH is a **strategic partnership** owned by the Moxey and Perich families, in which Freedom has a 10% equity shareholding

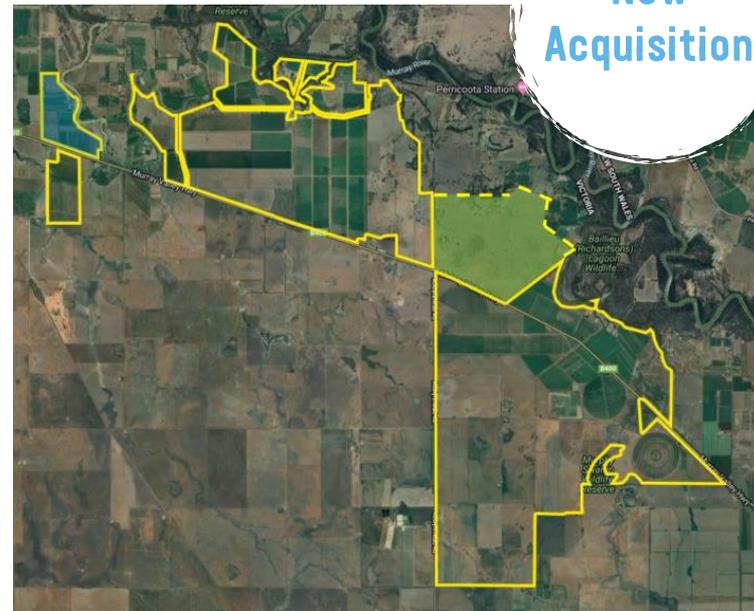


Coomboona Dairy Operations in Northern Victoria

Australian Fresh Milk Holdings

Torrumbarry Aggregation supports the accelerated growth and specialisation plans at Moxey Farms and Coomboona

- Torrumbarry Aggregation comprises **3,500 hectares** on the Murray River
- As part of the acquisition, Freedom Foods contributed **\$4.0 million** in equity funding, based on its 10% equity shareholding



New
Acquisition

NUTRITIONALS UPDATE

Our Nutritionals Journey

May
2017

August
2018

February
2019

April
2019

February
2020



Power Foods Acquisition



Crankt Acquisition



Shepparton Nutritionals
Plant Operational
• MCC liquid

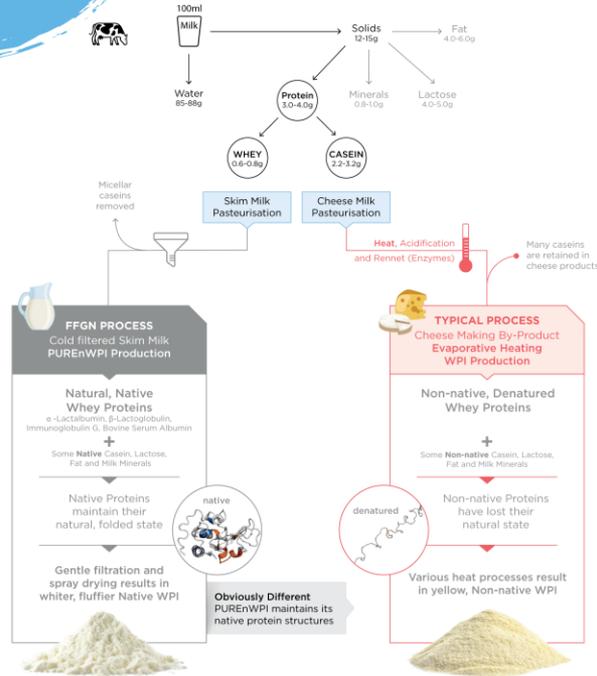


Shepparton Nutritionals
Plant Operational
• Native WPI
• WPC80
• Lactoferrin
commissioning



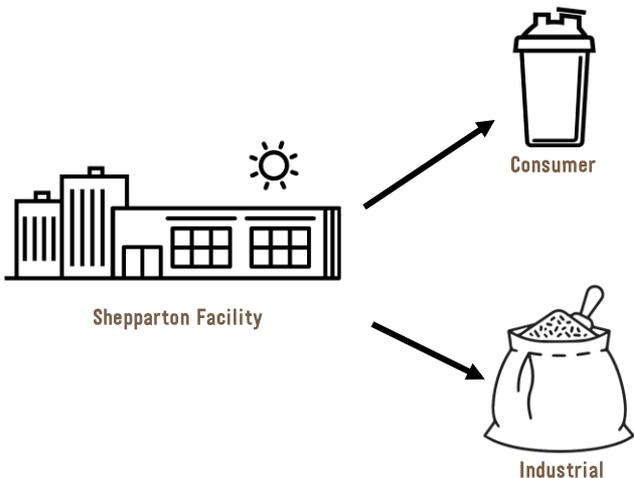
Shepparton Plant

New state of the art facility delivering Australian made, Nutritionally superior Native Proteins



Nutritional Platform & Brands

Vertically integrated model delivering the best in Consumer and Industrial Nutritionals



VITAL STRENGTH™
Grocery

High protein • Low Carb
crank!
protein + energy
Multi Channel

VITAL STRENGTH
PURESERIES PROSERIES
Specialty Channel Exclusive

freedom **FOODS** GROUP LIMITED
Nutritionals



Nutritionals Update

Freedom Foods Group has been producing and selling **Lactoferrin** since September 2019



WHAT'S NEXT?

- **We have the ingredients**
- **We have supply**
- **We have the brand**
- **We will create consumer offerings that address many consumer health concerns**
- **Launching in 2020...**

ESG & OUTLOOK

Sustainability

Energy Consumption

- Installing across the total Shepparton site, the **largest on roof solar battery** project in Victoria

Reducing Our Environmental Impact

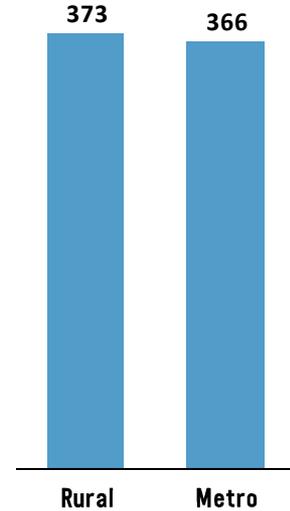
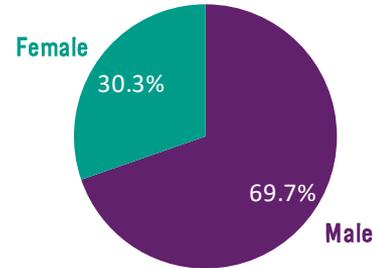
- Installation of a chemical recovery and **recycling system** at Shepparton

Equivalent projects to be installed across our major sites in coming years



Our People are Talented and Passionate

Developing our **people** and **talent** identification processes to align with the Group's rapidly expanding sales and operational platform



Employee of the year



Kylie Geer

Kylie has delivered above and beyond in 2019, delivering a strong focus on our systems and culture in her role as Group Administration Manager, as well as Executive Assistant.

She also assumed the role of Project Manager for our new Taren Point Corporate Office, a project that started over 2 years ago and required navigating council regulations, consultants, building contractors and many more, in this consuming process. We are proud of our new Corporate Office and it reflects significantly on Kylie's contribution.

Kylie demonstrates the qualities of what we call the **"Freedom Way"**.

Outlook

- The Group is well positioned to build into a major global food and beverage business with scale in key food and beverage platforms, providing diversification in sales, together with earnings growth, from key **markets and channels** in Australia, China and SE Asia
- Our **key brands** Australia's Own and Freedom Foods will be at the forefront of driving our returns from our innovation and manufacturing capabilities in Australia and international markets, together with our new successes, MILKLAB and Messy Monkeys
- With the completion of stage 1 of a **transformational Nutritionals capability**, the Group will continue to evolve its scaled dairy capabilities into high value added protein based ingredients and consumer applications
- **Revenues and Operating profits** will increase as the Company moves out of the investment cycle, balanced against a requirement to invest in people, systems and process to manage a scaled and diversified business platform



The logo for Freedom Foods Group Limited. The word "freedom" is in a red, lowercase, sans-serif font. To its right, "GROUP" is in a smaller, blue, uppercase, sans-serif font. Below "freedom" is the tagline "Making food better" in a smaller, red, lowercase, sans-serif font. Below "GROUP" is the word "LIMITED" in a smaller, blue, uppercase, sans-serif font. The word "FOODS" is written in a blue, uppercase, sans-serif font, positioned between the tagline and "LIMITED".

freedom GROUP
Making food better **FOODS** LIMITED

Building a Major Global Food & Beverage Company from Australia

MAKING FOOD BETTER
