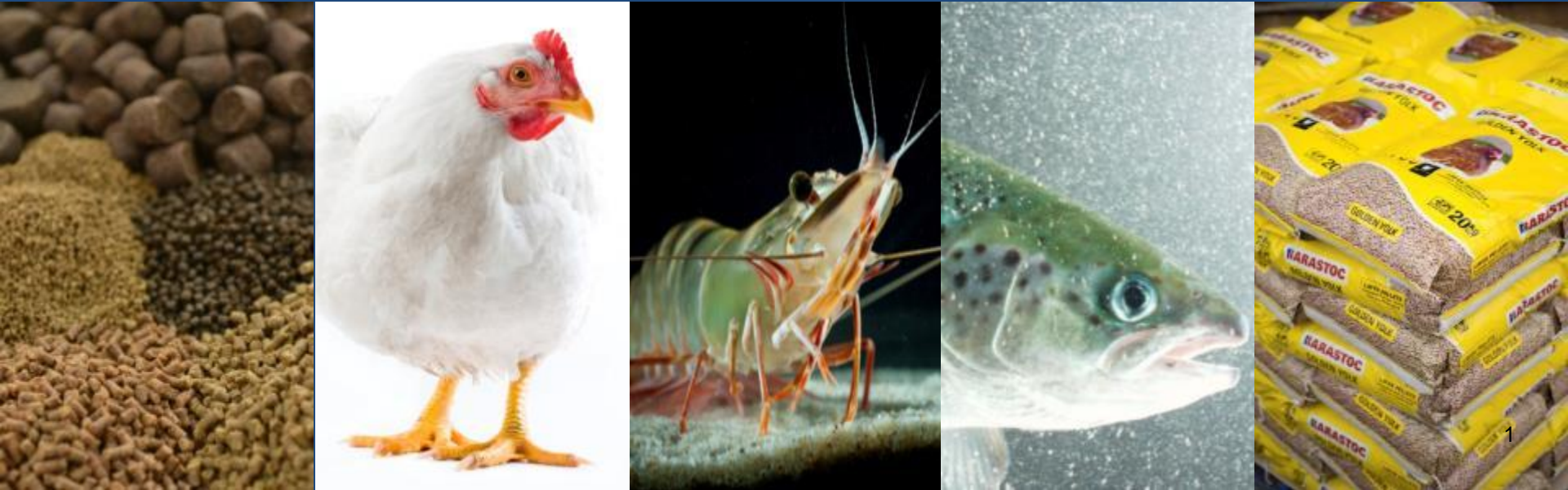


PAC PARTNERS AGRIBUSINESS & FOOD CONFERENCE



CONTROLLING YOUR DESTINY

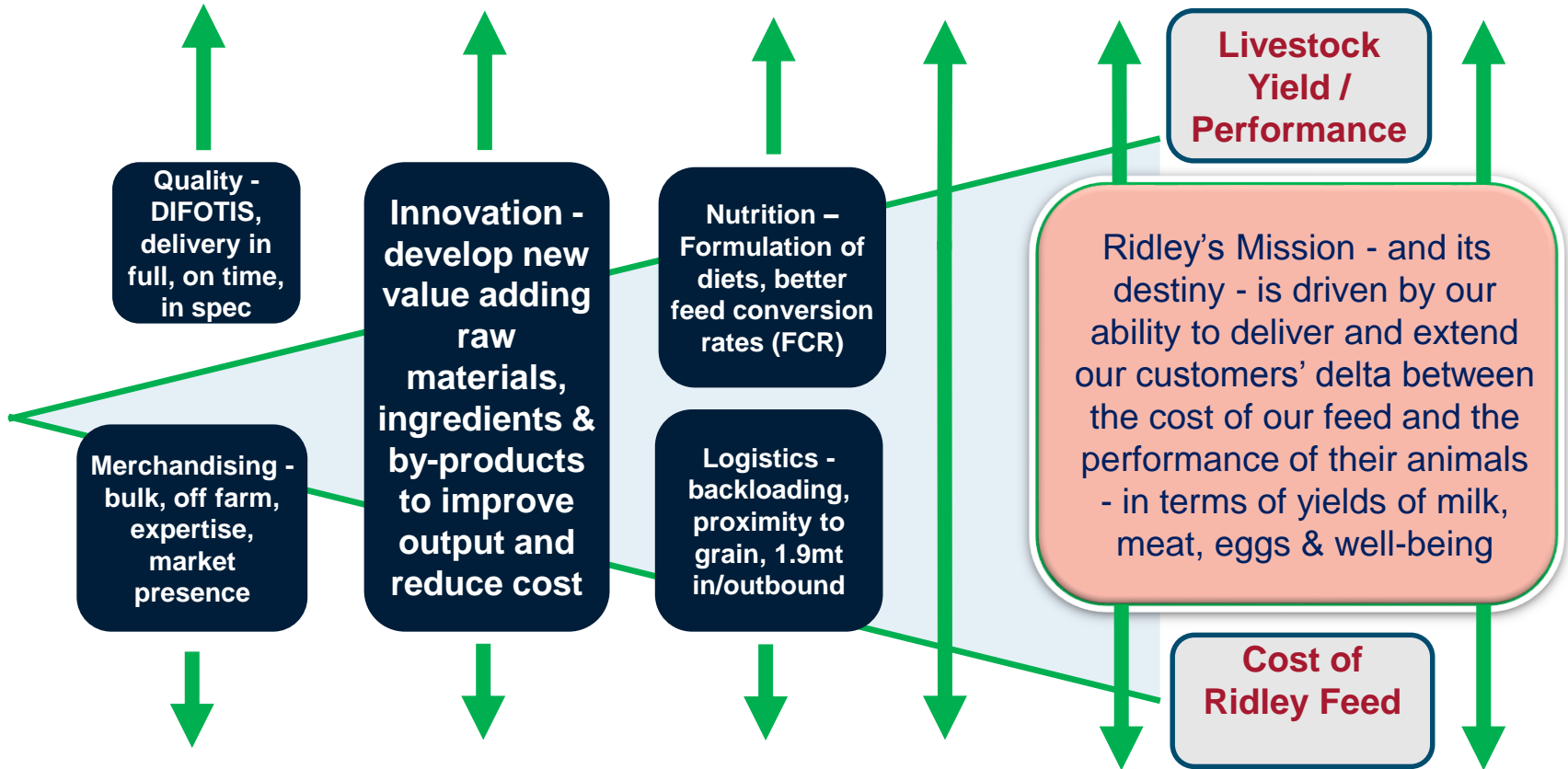
28 April 2017



- ❑ Ridley Drivers of Destiny
- ❑ Maximising the customer value delta
- ❑ Innovation at Ridley
- ❑ Case study – CSIRO and Novacq™
- ❑ Destiny within our grasp



*“Our Mission is to improve the **cost of feed to yield ratio** for our customers”*



- ❑ **Quality** - adoption of the highest standards to reliably deliver the feed ordered by our livestock farmers, in spec and on time.
- ❑ **Merchandising** - using widespread network of regional supply sources to provide raw materials at competitive prices.
- ❑ **Nutrition** - developing the optimal combination of raw materials to deliver nutrition solutions which drive down Feed Conversion Ratios.
- ❑ **Logistics** - optimisation of freight routes and loads with backhaul facilitated through scale and supply chain efficiencies.

Being best in class in all of the above generates a competitive customer delta which delivers core business opportunities and healthy tension for capital e.g. feedmill at Lara & proposed for Tasmania, rendering efficiencies, Narangba test extruder etc.

However, none of the above is unique to Ridley. What will drive our destiny is:

- ❑ **Innovation** - the ability to provide a unique and sustainable offering to prise open the jaws of value and deliver a customer value proposition unable to be matched by competitors.

- ❑ Talent
 - Technical experts are employed for each of its business sectors.
 - Stringent recruitment processes and standards are in place to recruit highest calibre personnel.
 - A multi-disciplinary internal Applied R&D team meets quarterly to manage and monitor all formal projects, screen potential projects, and ensure appropriate focus on commercial outcome.
 - Full time dedicated R&D Coordinator employed to oversee stage gate process for approved projects.
 - Sponsorship of Ridley personnel for PhD studies in relevant fields.

- ❑ Relationships
 - strategic & other relationships maintained with research institutions e.g. **CSIRO**, James Cook University, Monash and Deakin Universities, QUT, Universities of Melbourne, Queensland and New England, CRC's.
 - applied studies and trials sponsored by Ridley to test hypotheses and prove up theories which have the potential to deliver positive commercial outcomes.

Once in a blue moon, a destiny-changing opportunity may present itself.....

CASE STUDY

CSIRO & NOVACQ™

- NOVEL FEED INGREDIENT CAPABLE OF CHANGING THE LANDSCAPE



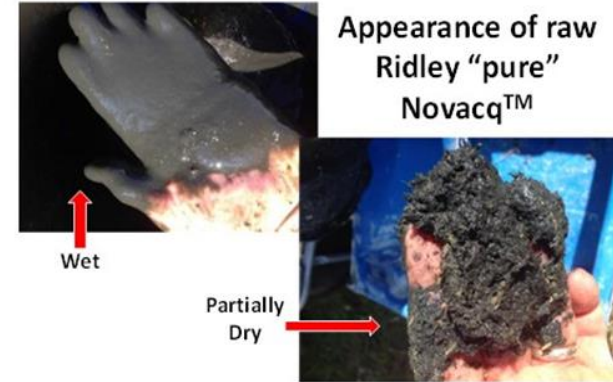
After drying

After grinding



After drying/processing
"pure" Novacq™

- History - in August 2011, 9t of CSIRO-discovered novel feed ingredient Novacq™ was provided to Ridley, incorporated into feed, and successfully trialled at Bribie Island CSIRO facility.



- Destiny-changing Licence -

Malaysia, Indonesia and Philippines was negotiated in 2013, China and Vietnam having already been licensed. Start of five year program of Applied R&D to prove technology & commercialise the opportunity.

- Destiny outside our control - China, Vietnam, other potential species applications & rest of world crustacean market.

- Bring destiny within our control by developing the technology and securing:

- Step 1 - any available opportunities in China and Vietnam
- Step 2 - Thailand territory for crustacean application
- Step 3 - all remaining available crustacean markets
- Step 4 - all non-crustacean applications for all markets.

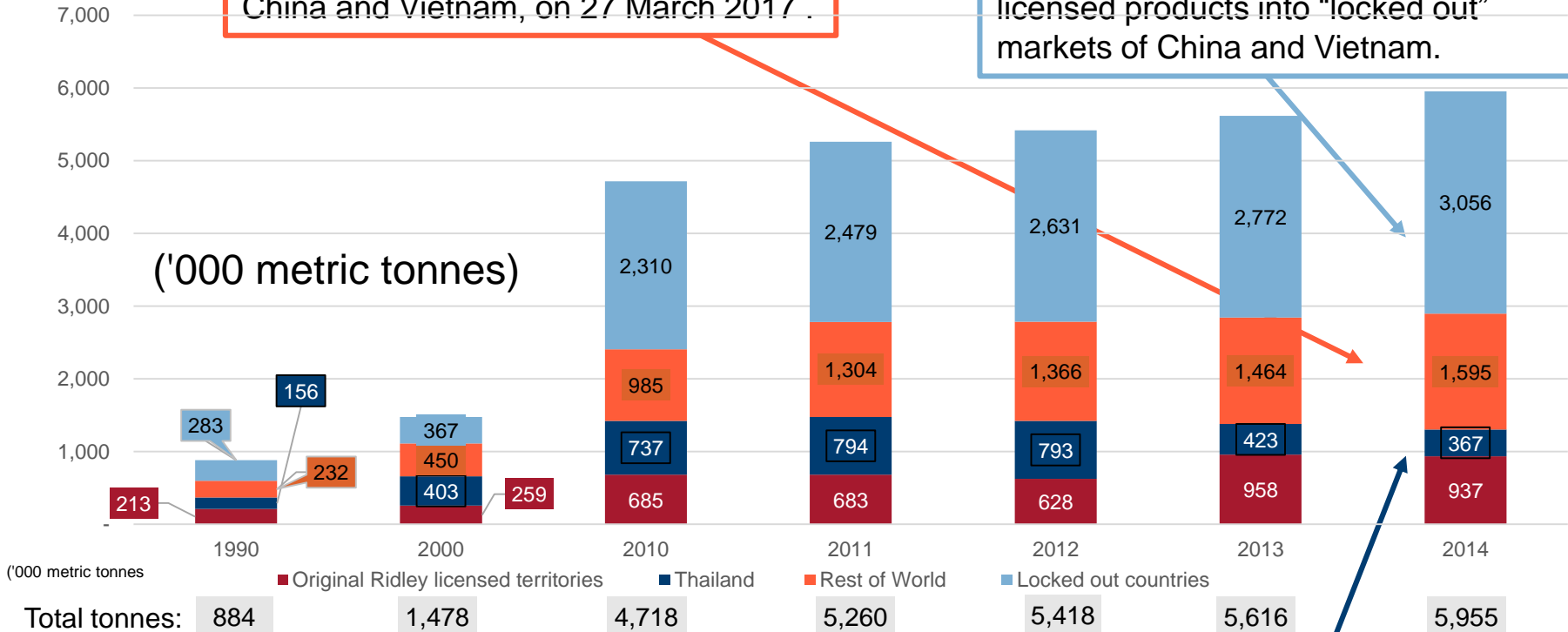


STEPS 1-3 – SECURING NOVACQ™ DESTINY



Step 3: CSIRO licensed Novacq™ to Ridley for Rest of World, excluding China and Vietnam, on 27 March 2017.

Step 1: Ridley's executed licence enables sale of Australian made Novacq™ licensed products into "locked out" markets of China and Vietnam.



FCR is Feed Conversion Ratio, the ratio of how many kilos of feed an animal eats to put on a 1kg of weight of the prawn. The lower the FCR, the better the return to the prawn farmer. A conservative 1.3 FCR has been assumed in producing the above estimates of demand for feed, but in reality varies by country, feed quality and species of shrimp/prawn.

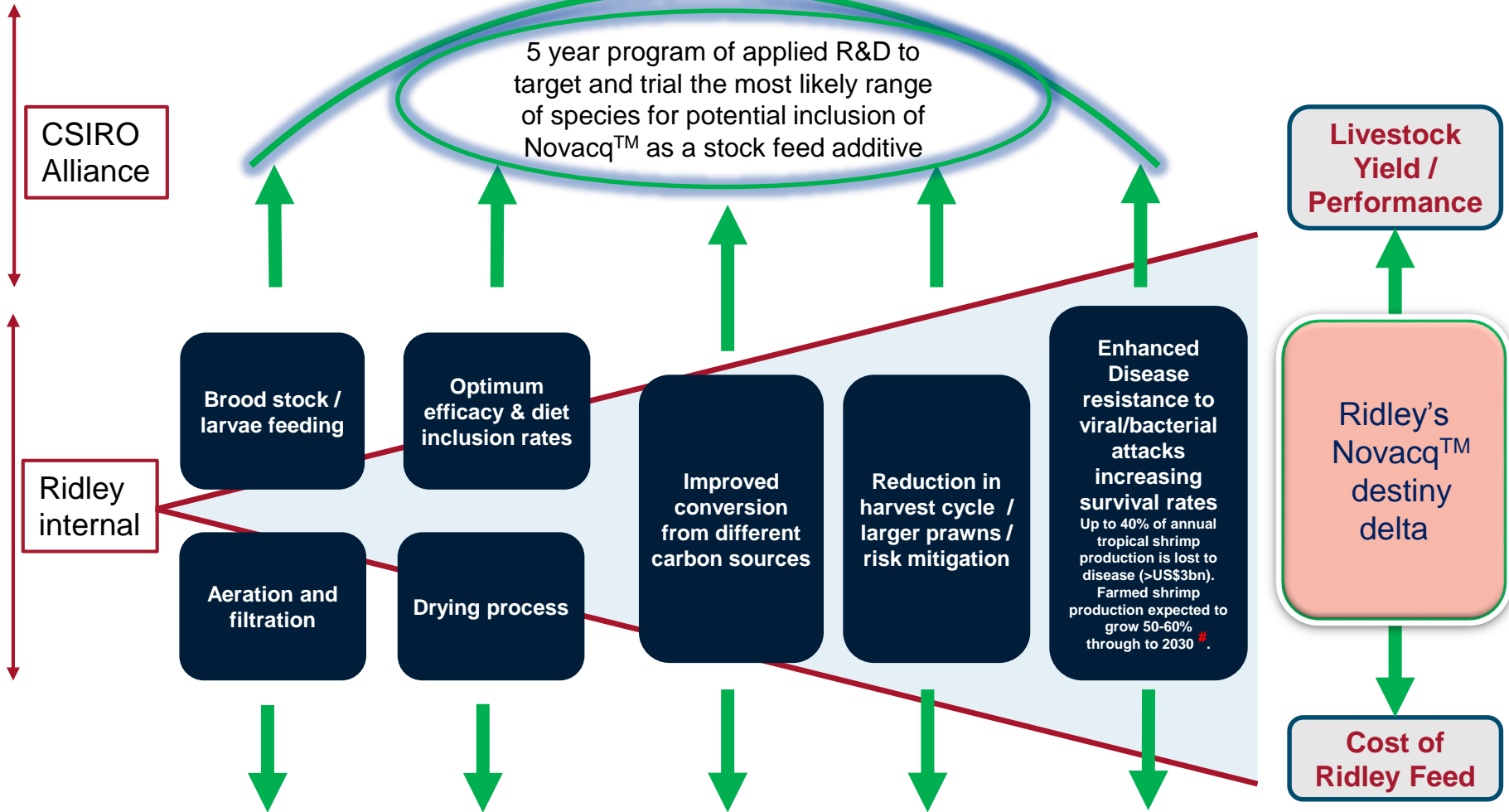
Step 2: Thailand market secured in August 2016,

- ❑ **Controlling destiny** - execution in March 2017 of a long term strategic research Alliance with CSIRO:
 - Objective to conduct collaborative research to maximise Novacq™ applications beyond crustaceans.
 - Ridley cash contribution of \$1m per annum matched in kind by CSIRO for a minimum five year period, with an option to extend for a further five years.
 - Alliance to follow an annual program of research approved by a Management Committee of equal representation.
 - Alliance to target and trial the most likely range of species for potential inclusion of Novacq™ as a stock feed additive.
 - Ridley now jointly controls the destiny of this innovation wherever and in whatever species are shown via the Alliance to be most positively impacted by the inclusion of Novacq™ into their feed.

- **Can the Alliance identify & develop another unique and innovative opportunity to alter the destiny of (CSIRO and) Ridley?**



NOVACQ™ – DESTINY IN OUR GRASP



* World Bank (2013) Fish to 2030

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