

Freedom Foods Group Limited

Dairy Operations - Shepparton

Site Tours

9th - 10th April 2019

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FFGL Team – On Site

Group

- Rory Macleod, MD and CEO
- Tim Moses, Chief Operations Officer
- Campbell Nicholas, Chief Financial Officer
- Stephanie Graham, GM Corporate Development
- Corrie Goodwin, GM Dairy and Grains Supply

Technical

- David Cheng, GM Beverage R&D, Science and Product Development
- Dry Sonja Kukuljan, GM Nutrition

Operations

- Frank Baldi, GM Nutritional Operations
- Mick Betson, GM UHT Operations
- Lachlan Sinnott, Technical Advisor

3 Key Pillars to our Strategy

Capability



Innovation



Markets



Continued Investment in New Facilities and Capabilities



UHT Formats- Beverage

Shepparton and Ingleburn



UHT Bottle
Ingleburn Only
(From 2020)



UHT Capabilities - Site



Shepparton

- High Speed Dairy milk Capability (White, Flavoured)
- 1 Litre and Portion Pack (Carton Capability)



Ingleburn

- High Speed Plant Milk Capability (Soy, Rice, Almond, Oat, Stocks)
- High Speed High Value Added (Protein, Functional)
- Low Speed 1 Litre and Portion Pack (Yoghurt, Cream, Flavoured)
- Carton and Bottle Format
- Redundancy for Shepparton formats

UHT Capabilities – Site (2020 based on all current installations being completed)



Shepparton

- 4 x 1 Litre High Speed
- 1 x 2 Litre
- 5 x Portion Pack High Speed

Capacity	Total
Litres	440m
Packs	810m

* Annualised, 6 Day basis



Ingleburn

- 2 x 1 Litre High Speed (Plant)
- 1 x 2 Litre
- 2 x 1 Litre Low Speed (Cream, Plant)
- 2 x Portion Pack Low Speed (Yoghurt, cream)
- 1 x High Speed PET Bottle

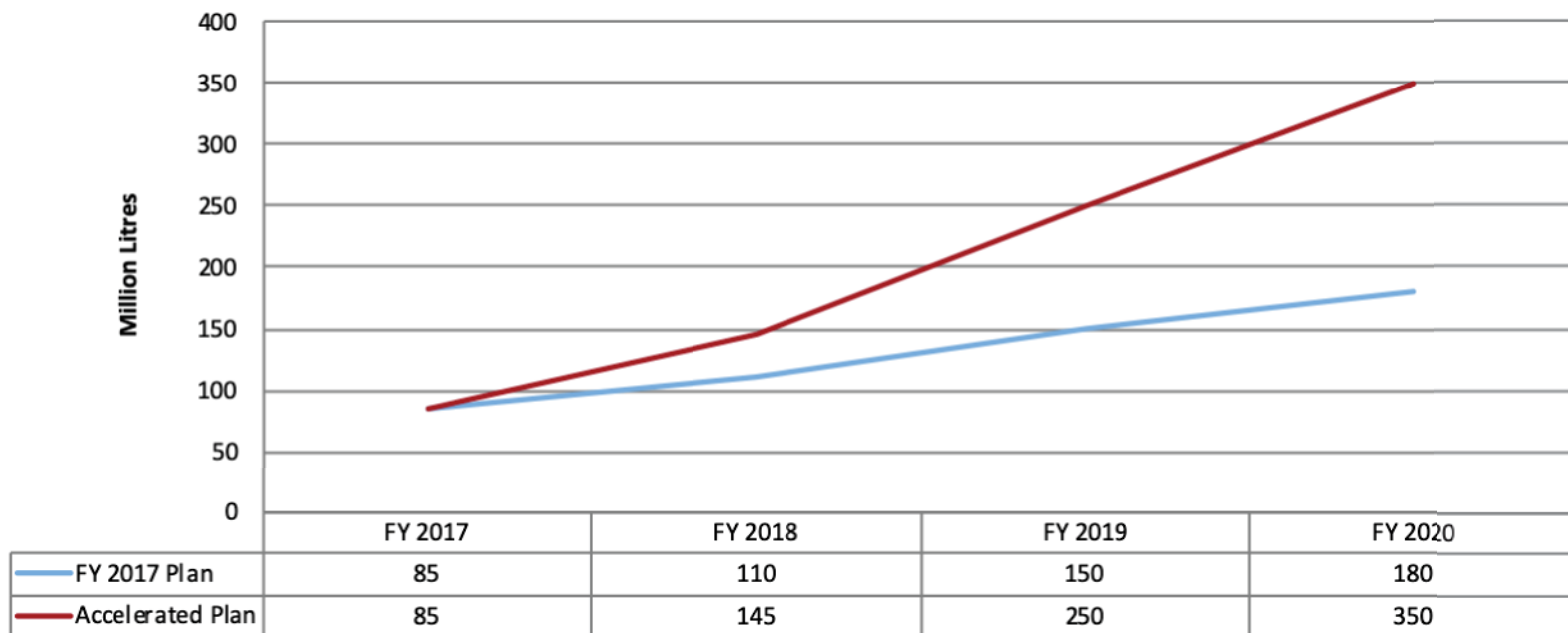
Capacity	Total
Litres	250m
Packs	500m

* Annualised, 6 Day basis

Total 17 Fillers (Carton), 1 UHT Bottle Filler

Accelerated Dairy Demand

Dairy Litres – All Sites



- Growth from category demand, new product development and impacts of structural change in Australia
- Category demand from Australia, SE Asia and China

Note:

- FY 2017 3 Year Business Outlook
- FY 2018 Updated 3 year Business Outlook

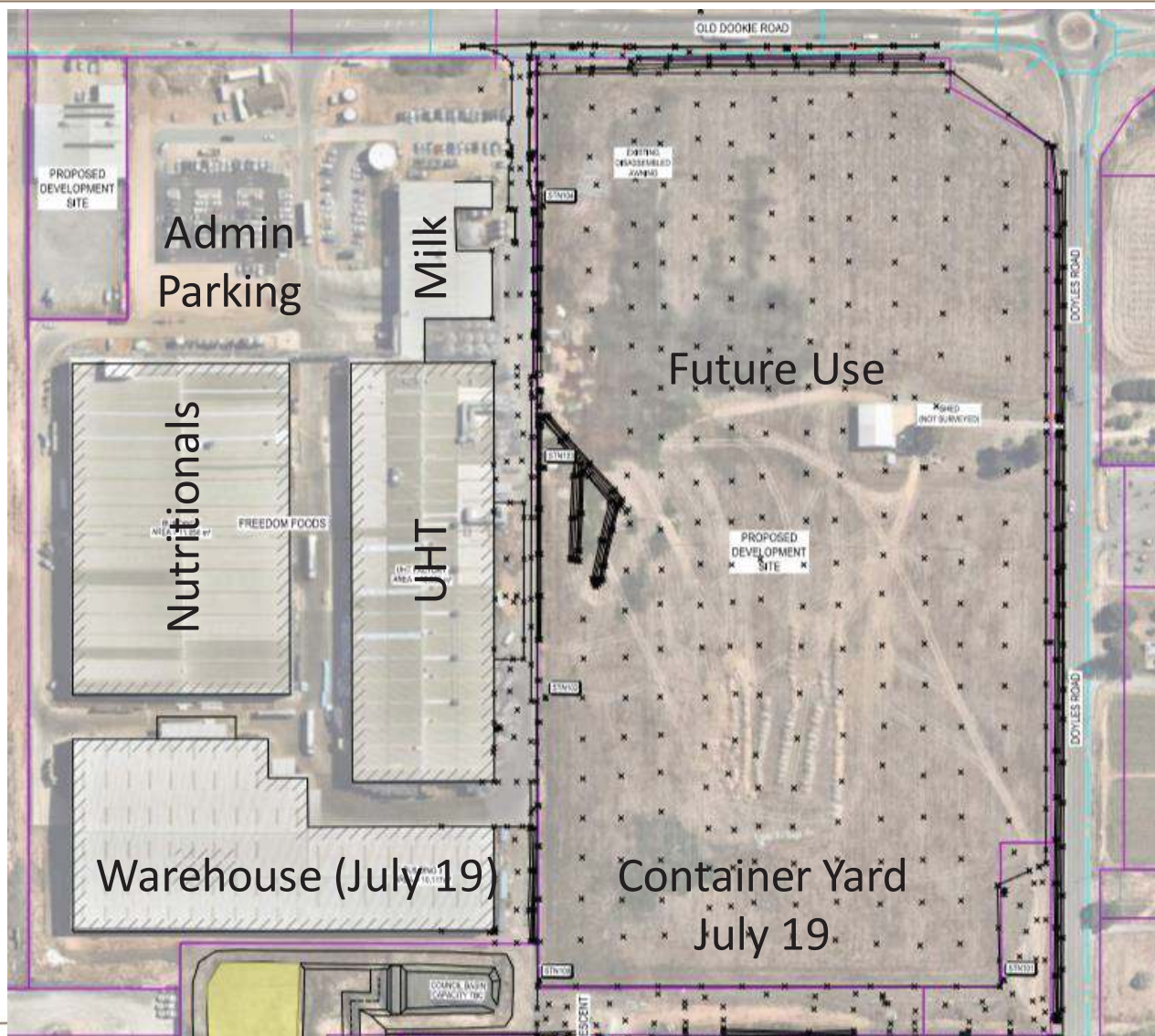


**Shepparton - Significant Transformation since June
2013**



Shepparton Dairy 4th Largest Dairy Site in Australia

Shepparton - Site Overlay



Approx 130,000 Sq Metres Site

Shepparton - Dairy Processing and Filling



- Process +500 Million Litres
- Ability to process excess protein and cream streams from +500 Million Litres capacity



- Capability to process and send milk, excess cream and protein (retentate) in bulk
 - External customers (cream and retentate)
 - Shepparton Nutritionals (retentate)
 - Ingleburn (cream and retentate)



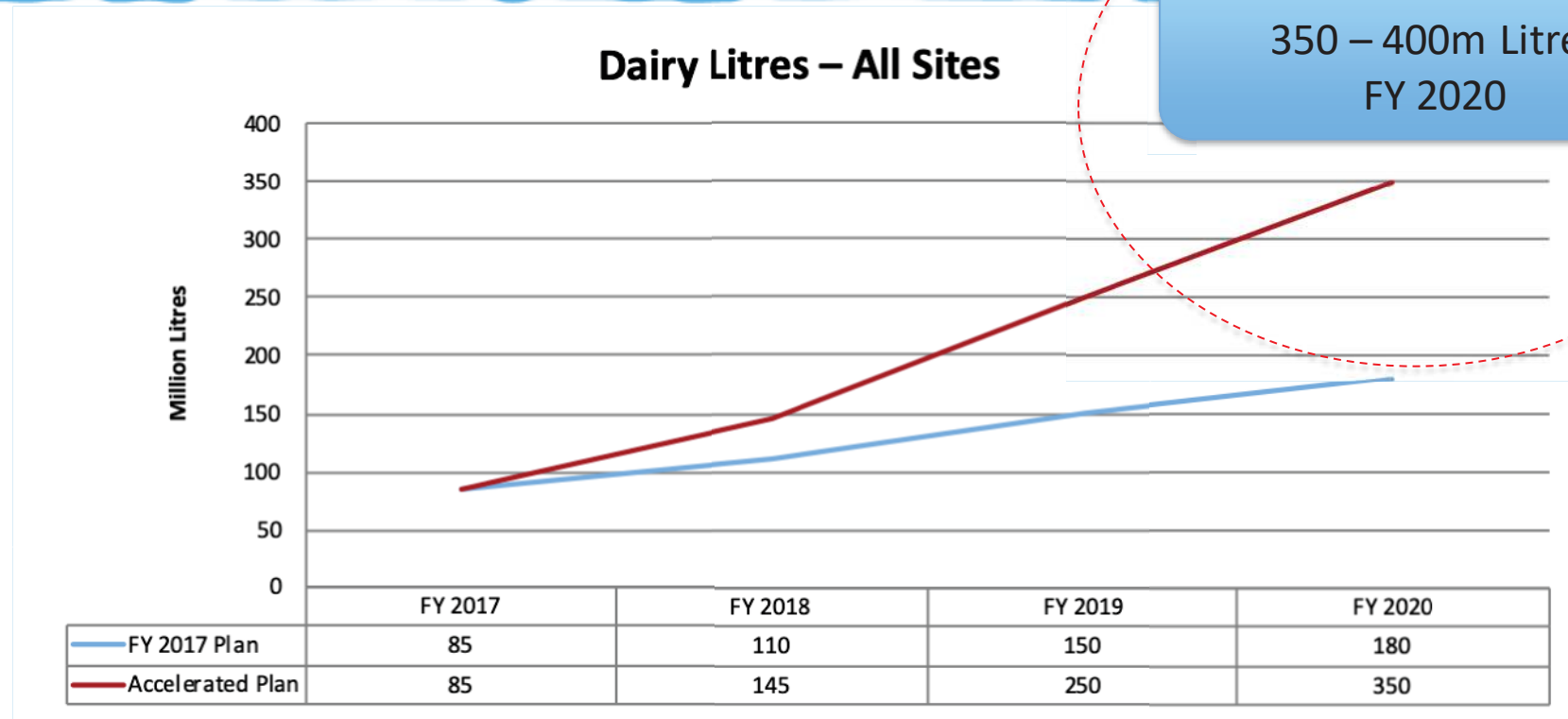
- UHT Shepparton capacity between 400 and 500 million Litres
- Maintain Current Footprint within UHT facility

Sourcing Dairy from Great Quality Farm Partnerships



Moxey Farms, part of AFMH Group

Milk Supply to Demand



- Growth from category demand, new product development and impacts of structural change in Australia
- Category demand from Australia, SE Asia and China

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Milk Supply – FY 2020

- Our model removes farmers from the cycle of volatility experienced by farmers who are working off short term pricing.
- Farmers face 3 key areas of volatility to manage.
 - Pricing, Seasonality and Input Costs.
 - Our prices are not conditional upon external factors such as what another company is paying.
 - Fixed price for the term of the contract. Our farmers select the term based to match their planning cycle. Current contracts are between 12 months to 4 years.
 - We pay a fair and sustainable price based on our understanding of what is needed to support our farmers individual business strategies
- Freedom Foods continues to attract farms that are committed to producing premium quality milk under long term partnerships



Coomboona Farm acquired in January 19 by AFMH provides an additional 33m Litres per annum

Value Chain – Milk Inputs to Finished Products



Nutritionals



About Freedom Foods Group Nutritionals

Freedom Foods Group Nutritionals provides a range of high value added dairy based protein ingredient solutions. These solutions comprise nutritional ingredients and premixes for use in the nutrition-enhanced mainstream food and beverage markets, infant and clinical nutrition and functional nutrition markets.

Our capabilities are unique, combining world leading process technologies for extraction of high value protein ingredients directly from milk, with a well-established understanding of applied nutrition science.

Freedom Foods Group Nutritionals has a number of consumer brands with category leading market positions that utilise its high value added dairy based protein ingredient solutions in performance, adult and infant nutrition markets.

Key Nutritional Ingredients



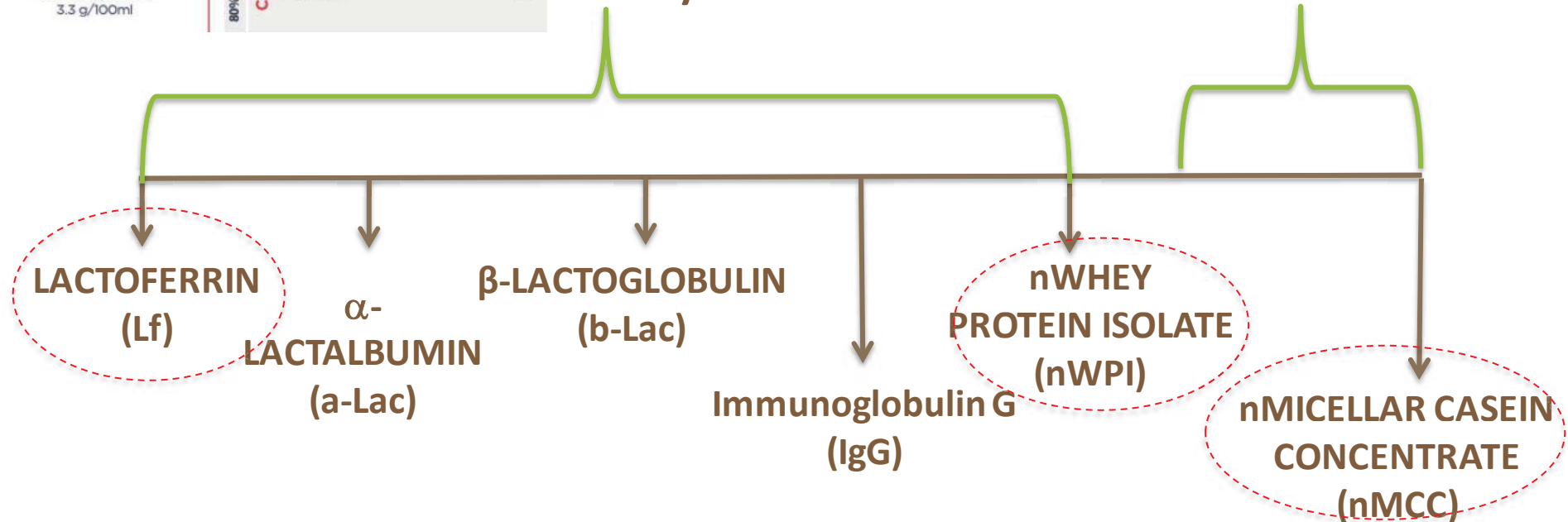
20% total protein	WHEY PROTEINS	β-lactoglobulin	52%
		α-lactalbumin	17%
80% total protein	CASEINS	immunoglobulins (IgG, IgA, IgM)	10%
		serum albumin	5%
		lactoferrin	1.5%
		glycomacropeptide	12%
		other	2.5%
		β-casein	36%
		κ-casein	14%
		α _{1s} -casein	40%
		α _{2s} -casein	10%

Current

Casein Proteins

alpha-caseins (S1 & S2 types)
beta-caseins (A1 & A2 types)
kappa-caseins

Whey Proteins



Infants & Toddlers



Childhood: 3-11



Adolescence: 12-20



Adulthood: 20-40



Midlife: 40-55



Mature Adulthood: 55-70



Late Adulthood: 70+

Nutritionals - Unique Capabilities

Leveraging key high value added protein components



- One integrated extraction facility
- Latest extraction technologies
 - Higher purity
 - Added functionality to product streams
 - Low operating cost
- Synergies in source and cost with scaled UHT facility
- Expandable footprint
- Ability to further value add \$ per KG into FFGL consumer nutritionals (i.e. Vital Strength, Crankt, AO Diamond Pro)

Nutritionals - Product Capabilities

Timeline for Commercial Product Availability
(Calendar Year)



Tomorrow - Valuing Adding Dairy Ingredients



