

FREEDOM FOODS GROUP LIMITED

Plant Based Beverage Operations
Site Tour

14th October 2019



MAKING FOOD BETTER

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FFGL Team On Site

Group

Rory Macleod, MD and CEO

Amine Haddad, CEO Commercial

Matt Vince, Chief Commercial Officer

Tim Moses, Strategic Development Director

Zarko Juric, Group GM Sales (Retail and Specialty Channels)

Stephanie Graham, GM Corporate Development

Technical

David Cheng, GM Beverage R&D, Science and Product Development

Operations

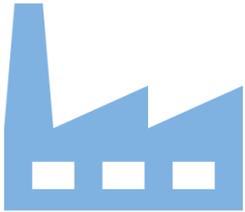
Abdul Badreddine, Group GM Operations



Our Strategy

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

Capability



Markets



Innovation



Brands



CAPABILITIES



\$430 MILLION
INVESTED OVER THE
PAST
3 YEARS

One of Australia's leading
Investors in State-of-the-Art
Food & Beverage
Manufacturing Capability



UHT Capabilities

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 (1 Litre)



From mid 2020

Capacity	Total
Litres	250m
Packs	500m

* Annualised, 6 Day basis

2 x 1 Litre High Speed (Plant)

1 x 2 Litre (Plant)

2 x 1 Litre Low Speed (Cream, Plant)

2 x Portion Pack Low Speed (Yoghurt, cream)

1 x High Speed PET Bottle - From FY21

Total 7 Fillers (Carton), 1 UHT Bottle Filler

UHT Beverage Formats

Plant Based Beverages



1 Litre Format

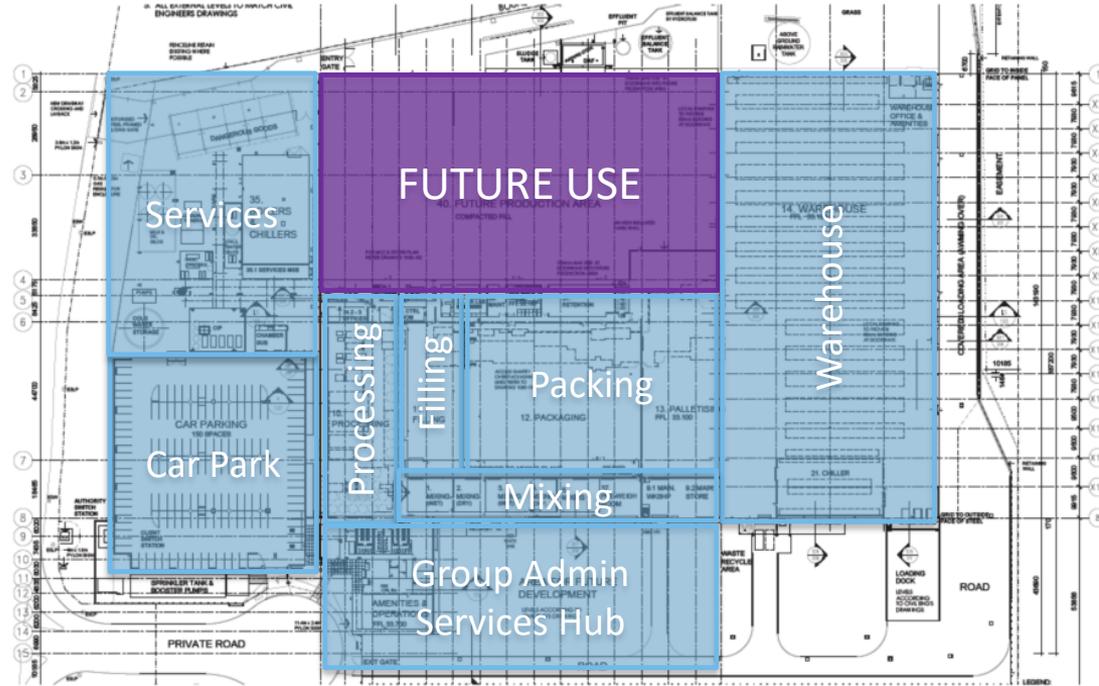


Now in 2 Litre Format



Ingleburn

Site Overlay



MARKETS



Strong Category Growth Dynamics

Shift to flexitarian diets across generations

Science foundations for plant-based as a healthy diet option

- Low in saturated fat
- High in unsaturated fat
- High in fibre
- Rich in vitamins and minerals
- Nutrient density

Flexitarian diets becoming a prominent feature of mainstream food culture

Large growth opportunities ahead

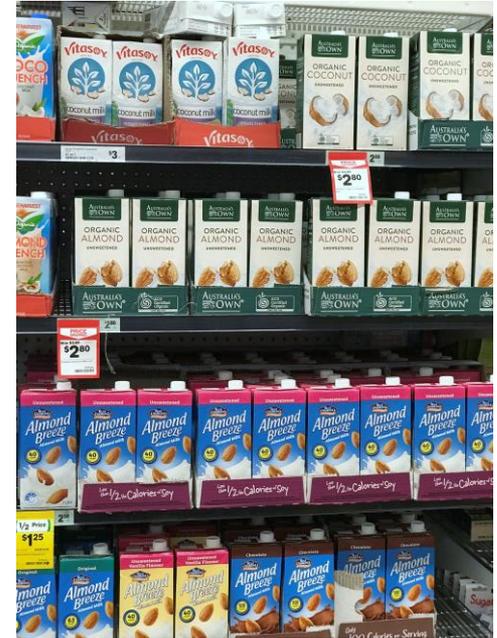
Strong Category Growth Dynamics

Plant Protein and Dairy value Added – High Growth

- Plant Beverages
- Plant Yoghurts
- Lactose Free Dairy
- A2 Protein Dairy

Bringing incremental value for the category and retailers

- Increasing the average spending per basket in **Plant category**
- Increasing SKU's and Total Shelf Space availability



Key Plant Ingredient Formats

Mature	Growing	Emerging	Early Stage	Future
Soy	Almond	Oat	Pea	Sesame
Rice		Coconut	Cashew	Chickpea
			Flax	Chia
				Hemp

Taste, Texture, Nutrient benefit key to plant success

In the news...

Australians go nuts for non-dairy 'milks'

Almond milk is close to taking over from soy milk as the most popular alternative milk in Australia, as the market for plant-based dairy alternatives continues to grow.

Demand for almond milk soared over the past five years, moving from less than 20 per cent of the non-dairy milk market to almost half, according to research company IBISWorld. Meanwhile, soy milk lost its dominance, declining from almost 70 per cent to less than half.

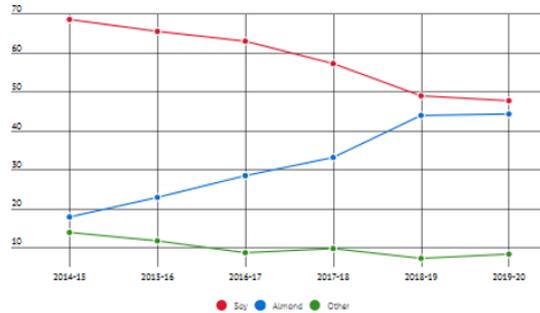


Spilled for choice: Macadamia, soy, almond and oat milk cartons at Cuckoo Callay cafe in Surry Hills. ©OH LORENSK

Consumption of dairy milk has declined steadily while plant-based milk now accounts for about 7 per cent of all milk consumed in Australia - and [with more than two million Australians identifying as either vegetarian or vegan](#), that number will likely increase.

"The greatest decline in per capita milk consumption has come from reduced and low-fat milk," said IBISWorld analyst Matthew Reeves. "This trend indicates that the preferences of health-conscious Australians are changing from the perceived healthier varieties of dairy milk to non-dairy alternatives."

Share of Australia's alternative milk market, by year



Consumption of dairy milk has declined steadily while plant-based milk now accounts for about 7 per cent of all milk consumed in Australia

The greatest decline in per capita milk consumption has come from reduced and low-fat milk

... barista-friendly dairy milk alternatives, creating a new avenue for industry growth

On a per capita basis, consumption is tipped to grow by an average of 17 per cent a year for the next five years



Barista Bayu Gunawan making a macadamia latte. ©OH LORENSK

Who is the Plant Based Milk consumer?

Younger Adults

High Disposable Incomes

Like to spend on dining out and fashion

Healthy Lifestyle

Tends to live closer to the CBD

Young Singles/Couples



Young Families



Middle Aged Singles/Couple



Older Families



Older Singles/Couple



Retirees



New Families



Over the last 2 years the number of shoppers purchasing UHT Plant Based beverages only has increased by +24%, whilst the number of shoppers purchasing both UHT White Milk & UHT Plant Based has increased by +16%**

Retail

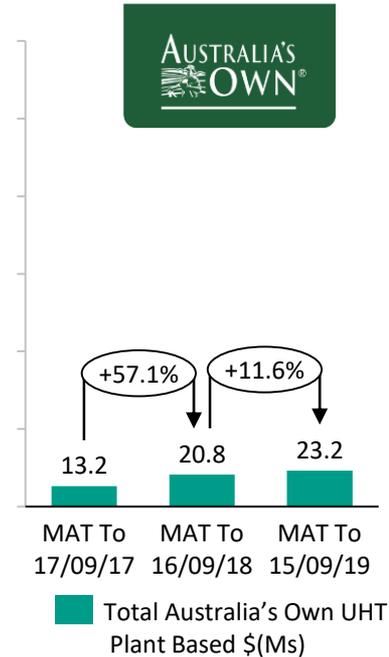
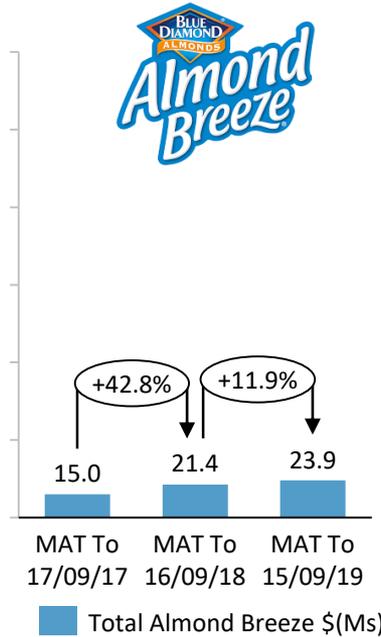
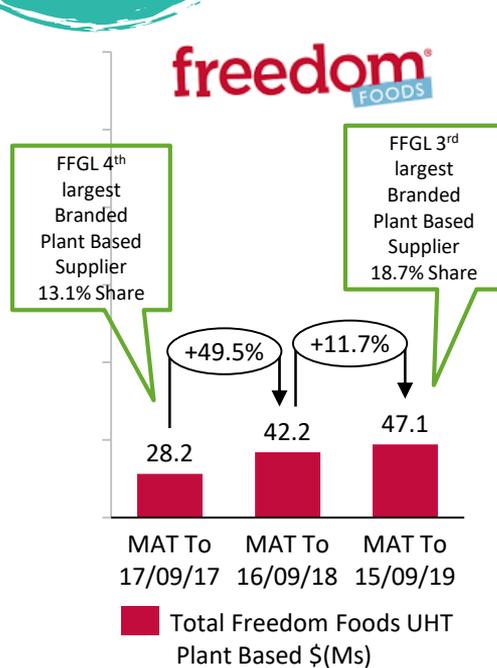


Our brands are the main drivers of growth in the retail plant category



Retail

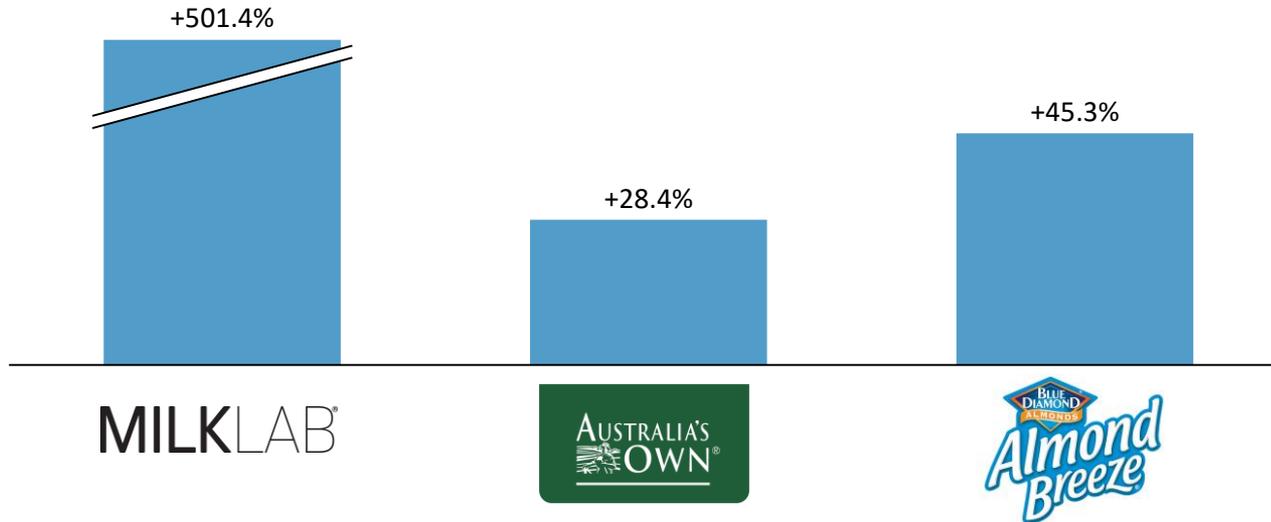
Freedom Foods, across both Almond Breeze and Australia's Own have been chief drivers of growth within Grocery Retail Plant Based Category



Our Brands

Plant Based Focus

3 Years' Brand Sales Growth



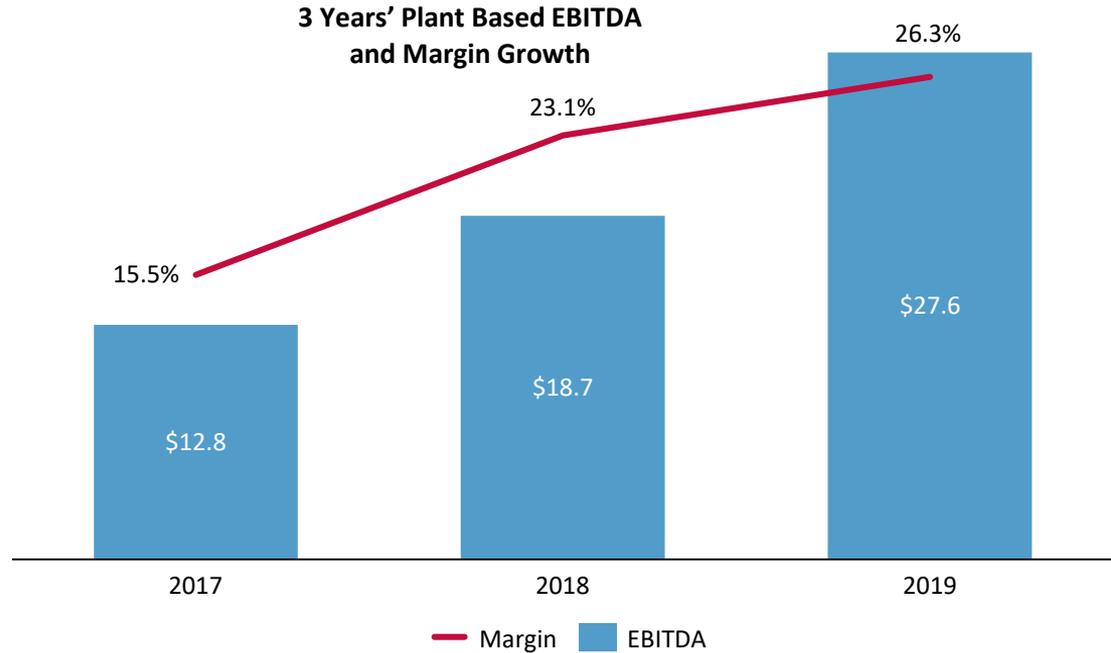
*Percentages are based on growth from Q1 FY18 to Q1 FY20

Margins

Plant Based Focus

Two main contributing factors of margin expansion in recent years;

- Growth in Out of Home channels with Plant Based Milk for Coffee
- Increased utilisation of Ingleburn facility





AUSTRALIANS
CONSUME MORE
THAN 100,000
CUPS OF COFFEE
EVERY HOUR



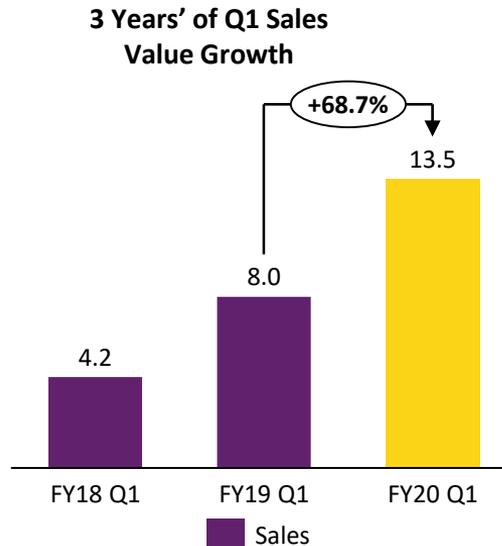
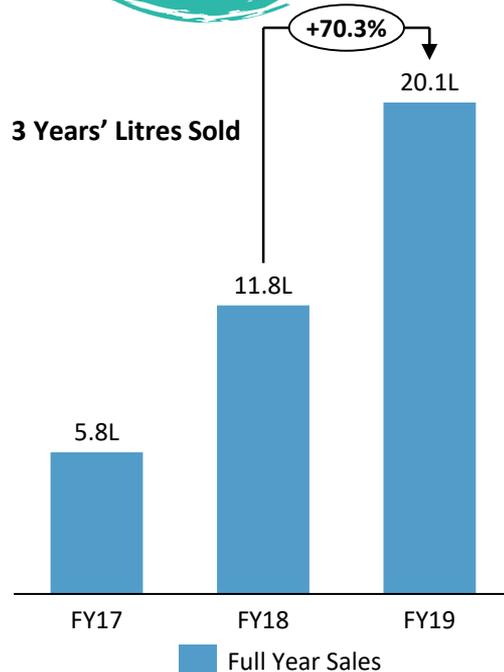
THE BEST
COFFEE
DESERVES A
BETTER MILK

SO WE MADE IT

MILKLAB®

Sales Growth

Plant Milk for Coffee



We've seen an evolution in both coffee service & plant beverages.

More mainstream outlets are lifting their coffee service game as seen as a key traffic driver & also loyalty driver.

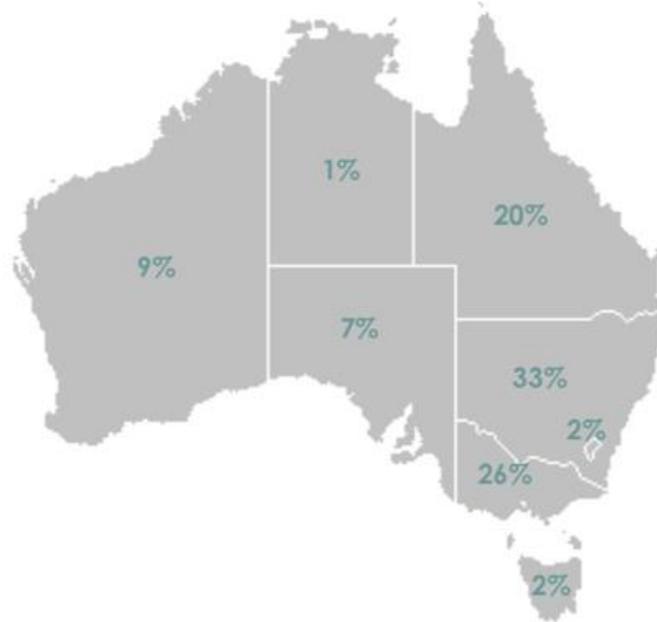
Whilst plant beverages are now appearing in more mainstream outlets - incl QSR

Growth Opportunity

Plant Milk for Coffee

Today we are in approx. **10,000 - 15,000** outlets with a potential universes of +50,000

Over next **12-18 months** we will look to increase outlet distribution to **30,000** outlets



63,099
OUTLETS

COMMERCIAL SECTOR	%
SHARE OF TOTAL OUTLETS	76
ANNUAL GROWTH RATE 2016 - 17	3.5

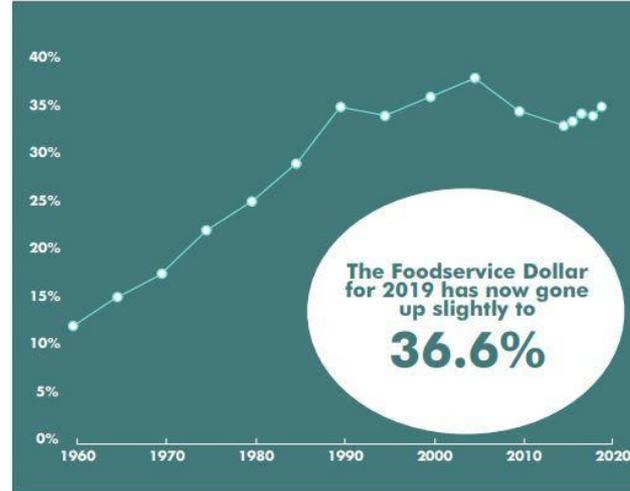
Growth Opportunity

Plant Milk for Coffee

Last few years we've been focused on building distribution network - ensuring product on trucks with key distribution partners...

Future focus will be **leveraging the scale** we've created with distribution partners to pull stock through to increase numbers of outlets (cafes, restaurants QSR's)

THE FOODSERVICE DOLLAR



Global Opportunity

Existing Markets



Australia



New Zealand



India



South Africa



China



Hong Kong



Singapore



Malaysia



Indonesia



Brunei



Vietnam



Philippines



UAE



Kuwait



Jordan



Saudi



Myanmar



Cambodia

Development Markets (2020)



USA



Canada



Thailand



Taiwan



South Korea



Japan

Global Focus

MilkLab building in Asia



Global Focus

Instore displays across Asia



Instore displays in Malaysia



Instore displays in Malaysia



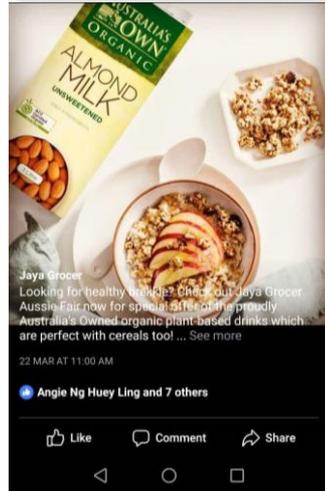
Instore displays in Vietnam



Instore displays in Malaysia

Global Focus

Social Media featuring Australia's Own & Blue Diamond



Instagram features in Malaysia

Global Focus

Features in Mailers in Singapore and Malaysia

Date of Publication: 18th July



Featured in NTUC FairPrice Mailer in Singapore



Featured in Aussie Fair Mailer in Malaysia



Featured in Ben's Independent Grocer Mailer in Malaysia



Featured in Hari Raya Mailer in Malaysia

MILKLAB @ Latte Art Throwdown in Johannesburg



LATTE ART THROWDOWN
INCLUDING THE HIGHLY ANTICIPATED
KB90, DELTER COFFEE PRESS & MILKLAB LAUNCH

COFFEE MAGAZINE **KB90** **EQUIPMENT CAFE**
COFFEE + TEA + ACCESSORIES

MILKLAB **DELTER** community & coffee **thirdspace**
COFFEE

COME AND SEE THE FIRST KB90 IN SA
TRY OUT THE NEW DELTER PRESS
LATTE ART MILK BY MILKLAB
LOTS OF PRIZES ON OFFER

ROTISSERIE LAMB WRAPS
FILTHY MOUSTACHE FOOD TRUCK
CRAFT BEER, FLOWSTONE Q&T
TREATS BY TONKA BEAN

JUNE 23 | 12 PM
THIRDSPACE

RSVP
SINJON WICKS
SINJONW@EQUIPMENTCAFE.CO.ZA

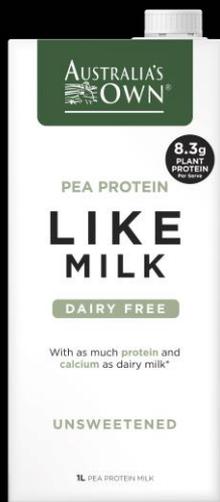


INNOVATION & BRANDS



FINANCIAL REVIEW BOSS

MOST INNOVATIVE COMPANIES



AUSTRALIA'S BEST
MANUFACTURING
& CONSUMER
GOODS
INNOVATION
PROGRAM

2019 AFR BOSS Most Innovative Companies list

Our Brands



Plant Based Beverage Range



For Coffee Range



Plant Based Liquid Stocks Range

Our Brands



For Out of Home

More innovation from 2020



Retail Plant Based Beverage Range



Our
Brand

MILKLAB®

Our expanding range
continues to have a cult like
following



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!

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

chrisionen 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

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

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' ☺





freedom GROUP
Making food better FOODS LIMITED

Building a Major
Global Food &
Beverage Company
from Australia

MAKING FOOD BETTER
