

FREEDOM FOODS GROUP LIMITED

FY21 AGM

18 NOVEMBER 2021



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Genevieve Gregor



CEO's Address

Michael Perich



FY21 Highlights Financial & Operating



\$559m^{▲8%}
Net Revenue



256ML^{▲5%}
Dairy UHT sales



\$22.4m^{▲141%}
Adj Op EBITDA¹



28T^{▲170%}
Lactoferrin sales



4.0%^{▲14bps}
Adj Op EBITDA
Margin¹ %



87ML^{▲6%}
Plant-Based sales



FY21 Financial Performance (continuing operations²)

\$ million	FY21	FY20 ¹	Change	Change (%)
Net Revenue	559.1	516.7	42.4	8.2
Adj Operating EBITDA ³	22.4	(54.0)	76.4	141.4
Adj Operating EBITDA margin % ³	4.0	(10.4)	14.4bps	
Net Loss after tax	(38.8)	(136.4)	97.6	71.6
EPS (cents per share)	(14.0)	(49.7)	35.7	71.8
Cash and Cash Equivalents	31.7	17.2	14.5	84.3
Financial Debt (excluding CN)	98.9	292.3	(193.4)	(66.2)
Convertible Notes Debt	251.0	-	251.0	
Shareholder equity	1.5	54.1	(52.6)	(97.2)
Proforma Net Equity (Con Note classed as equity not debt)	252.5	54.1	198.4	366.7
NTA per share (cents per share)	(10.2)	8.5	(18.7)	(220.4)

Notes:

1. All FY20 figures restated for IFRC accounting changes, reclassification of certain expenses and retained products from the Cereals & Snacks business
2. Excludes Cereals & Snacks operations divested on 31 March 2021
3. Adjusted for non-trading and non-recurring items (including restructuring costs, product recall claim and unrealised foreign exchange loss), pre AASB 16.



Total **revenue** from continuing operations² rose 8.2% to \$559.1m, with solid sales growth across both the Plant-based Beverages and Dairy and Nutritionals divisions.



\$76.4m earnings turnaround, with **Adjusted EBITDA**³ from continuing operations² of \$22.4m up 141% on restated FY20 loss of \$54.0m



Adjusted **EBITDA margin**³ of 4.0% reflects improved performance



Statutory **net loss after tax** of \$38.8m, 72% improvement on restated FY20 loss of \$136.4m



Cash at bank of \$31.7m plus \$47.9m of undrawn facilities provide sufficient liquidity for day-to-day business operations

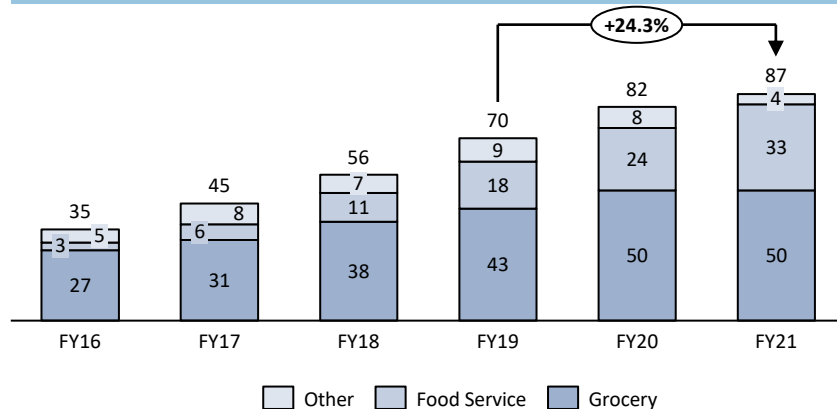


\$265m **Convertible Note** and \$27m Options issuance plus amended bank facilities provides a restructured capital base to execute transformation strategy

Financial results

(\$m)	FY21	FY20 ¹	Change (\$)	Change (%)
Net Revenue	152.9	132.3	20.6	15.6
Adjusted Operating EBITDA ^{2, 3}	25.7	8.7	16.9	193.5
Adjusted Operating Margin (%) ^{2, 3}	16.8	6.6		10.2bps

Freedom Australian Plant Based Sales (millions of litres)



Notes:

1. All FY20 figures restated for IFRS accounting changes and reclassification of certain expenses
2. Adjusted for non-trading and non-recurring items (including restructuring costs, product recall claim and unrealised foreign exchange loss), pre AASB 16
3. Segment Results are post allocation of group shared services overhead except for realised FX and Board / ASX related costs

Summary of performance



Revenue increased 15.6% to \$152.9 million as the plant-based beverages segment overcame the impact of COVID-19 on the out-of-home market to deliver robust growth across all channels and all brands



MILKLAB domestic sales increased 50% in the year and export sales increased 46% with the **MILKLAB** brand now sold in over 20 countries



Adjusted Operating EBITDA² pre AASB16 rose 194% to \$25.7 million, with profitability continuing to improve as economies of scale increase



The brand continued to win market share and build customer loyalty as health-conscious consumers increasingly opt for plant-based milks

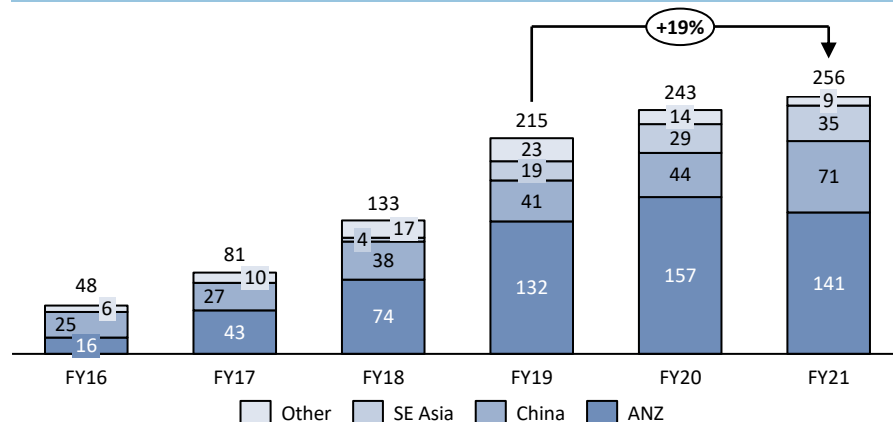


Successful launch of Oat products across the **MILKLAB** and Australia's Own brands through retailers

Financial results

(\$m)	FY21	FY20 ¹	Change (\$)	Change (%)
Net Revenue	394.3	369.3	25.1	6.8
Adjusted Operating EBITDA ²	(4.1)	(56.7)	52.6	92.8
Adjusted Operating Margin (%) ²	(1.0)	(15.3)		14.3bps

Freedom UHT Dairy Sales (millions of litres)



Summary of performance



Revenue for the twelve months to 30 June 2021 rose 6.8% to \$394.3 million as the business reset



Improved profitability with Adjusted Operating EBITDA² pre AASB16 loss of \$4.1 million compared to a loss of \$56.7 million in the PCP



The Shepparton plant in Victoria is now operating on a much-improved basis, with sales of the Company's PUREnFERRIN lactoferrin product rising 215 per cent in the year



Sales of consumer nutritionals, including Vital Strength, UPROTEIN and Crankt Protein, rose 5 per cent in the year despite a fall in demand caused by the temporary closure of gyms and specialty stores during COVID-19.



The business launched a transformation and operational turnaround strategy focused on a number of areas, including reducing wastage, production efficiencies, removing or reducing unprofitable products

Notes:

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3. Segment Results are post allocation of group shared services overhead except for realised FX and Board / ASX related costs

Transformation program benefits expected to be realised over a 3 year period

CORPORATE STRATEGY

- ✓ Marketing support for key brands across the portfolio
- ✓ Minimise currency risk for export customers through conversion to A\$ contracts
- Strategic new product development focused on expanding our range across our beverage and nutritionals portfolio
- ESG strategy and reporting to be developed
- E-Commerce opportunities to service our customers

Transform & Grow 2025



BUSINESS SEGMENT STRATEGIES

Dairy & Nutritionals

- Transformational turnaround to reduce wastage, improve quality, implement operational efficiencies and optimise production
- Increasing OEE (Overall Equipment Effectiveness) - utilising equipment more effectively
- Continue to optimise milk supply (profile, cost, quality)
- Better integrate the UHT and nutritional facilities from an organisational, operational and commercial perspective

Plant Based Beverages

- ✓ Capitalise on the significant market share and customer brand awareness of **MILKLAB** Almond in the Out of Home channel to launch new products meeting consumers evolving palate
- Undertake disciplined capital investment to increase production capacity to meet growing demand
- Upgrade Mix Plants to improve efficiency and run lengths

A person with short dark hair, wearing a green t-shirt, a blue long-sleeved shirt tied around their waist, brown pants, and brown sneakers, stands with their back to the camera on a large, dark rock. They are wearing a black backpack and looking out over a vast, lush green valley filled with dense forest. The sky is a mix of blue and soft orange, suggesting a sunrise or sunset. The overall scene is peaceful and scenic.

noumi™

Imagining a
Healthier Tomorrow

Imagining – Leading-edge explorers, active innovators creating and driving our success

Healthier – Positive growth for goodness, nutrition and wellbeing

Tomorrow – Future focused: Building health, prosperity & happiness of our communities

Imagining a
Healthier Tomorrow



A leading Australian Innovator



What makes us relevant?

- Growing demand for healthier lifestyle nutrition solutions
- Increased interest in Australian provenance locally and globally

What makes us credible?

- Strong heritage and foundations in healthy food and beverage
- History and commitment to innovations and leading-edge technology and brands.

What is enduring about us?

- Not about health fads, grounded in nutrition science
- Focused on higher-order consumer benefits
- Strong quality foundations

What makes us different?

- Unique capabilities
- Entrepreneurial mentality with larger-scale capability

What is Positive Nutrition?



Positive ADJ.

Full of hope and confidence, or giving
cause for hope and confidence

Nutrition ADJ.

The substances that you take into your body as
food and the way that they influence your health

Imaging a healthier tomorrow

How does our purpose translate through the business?

Our people

|
Wellbeing at work
and Career
Pathways

Our consumers

|
Committed to
Innovating with leading
edge products and
ingredients to support
wellbeing

Our suppliers

|
We choose partners
aligned to purpose,
with joint business
growth plans

Our world

|
Pushing ourselves
through our
Healthier Tomorrow
Plan

Our investors

|
Discovering new
paths to financial
wellbeing

Our Ambition for a Healthier Tomorrow: Our pillars and focus areas

Pillar	Healthier Lifestyles	Healthier Workplace	Healthier Planet
Pillar ambition	We deliver the best tailored nutrition for people at all ages	Our people live our values and are supported to achieve their career goals	We protect and restore the natural environments we rely on
Focus areas	- Community engagement and impact - Consumer Health, nutrition and education	- Employee engagement and development - Employee Wellbeing - Diversity and inclusion	- Waste and Packaging - Energy, emissions and climate risk - Sustainable water use - Sustainable agriculture and animal welfare
Foundations of our success: commitments building on existing initiatives and policies • Governance and business ethics • Occupational Health & Safety • Sustainable procurement			

Our Values

What drives us

Thriving communities nourished by a leading Australian company in **Positive Nutrition**.

We know that we are responsible for our future and that of the next generation so we take **accountability** in all that we do. We do everything with **integrity**, for the good of community and in the pursuit of **excellence**.

We **respect** the planet and each other - progress will not be made at the expense of either. We **collaborate** with everyone from farmers to scientists to consumers in our **creative** quest for a better future.

Imagining a Healthier Tomorrow



**"Imagining a healthier
tomorrow starts with a
plan for today."**

Procedural Matters

A person with short dark hair, wearing a green t-shirt, a blue long-sleeved shirt tied around their waist, brown pants, and brown sneakers, stands with their back to the camera on a large, dark rock. They are wearing a black backpack and looking out over a vast, lush green forest valley. The sky is a mix of blue and soft orange, suggesting sunrise or sunset. The foreground is filled with tall, thin green grasses.

noumi™

Imagining a
Healthier Tomorrow

Chair's Address – Genevieve Gregor

As a shareholder, you will have the opportunity to vote on eight resolutions today, including three items of Special Business.

The first resolution relates to the adoption of the Remuneration Report, which reflects the considerable work undertaken by the Board throughout 2020 and 2021 to ensure that short-term and long-term incentives are aligned with both best practice and the best interests of the Company as a whole, its convertible note investors and its shareholders.

The vote on the Remuneration Report is not binding. However, as 34% of votes cast on the Remuneration Report at the 2020 AGM were against the resolution, this constitutes a first strike under the Corporations Act.

Accordingly, if more than 25% of shareholders vote against the resolution today, this will constitute a second strike, requiring the Company to put a resolution to the meeting to convene a further meeting of the shareholders to consider whether to spill the Board. Details regarding this process were included in the Notice of Meeting.

The Directors recommend that you vote in favour of the Remuneration Report for the reasons articulated in the Report and the Notice of Meeting but especially for the simple reason that we have an entirely new management team and refreshed Board that are highly capable and very motivated to deliver our transformation strategy.

The Company's remuneration framework has been completely overhauled with the objective of appropriately and fairly rewarding and incentivising our people in order to attract and retain the very best talent to serve all stakeholders, including importantly, you, our shareholders.

As already mentioned, the Board has been substantially refreshed in this past year. At this meeting, there are two non-executive directors standing for re-election, including myself, and Timothy Bryan. In addition, Stuart Black, who was appointed to the board as a Non-executive Director on 22 March this year is also standing for election.

Our commitment to boardroom renewal in the past year has resulted in a majority of independent directors on the Board, including an independent Chair.

The first of the three Special Business resolutions relates to the adoption of a new Constitution, which has been refreshed for the first time since 2009 to bring it up to date with contemporary governance standards and in line with changes to the Corporations Act and ASX Listing Rules.

The second and related resolution relates to the adoption of 'proportional takeover provisions' in the Constitution, which will ensure shareholders have a say in whether such a bid should proceed, giving them more bargaining power and protecting them from a situation in which a bidder may take a controlling interest without paying a control premium.

Finally, you will be asked to vote on a change to the Company's name from Freedom Foods Group Limited to noumi Limited.

This change to our corporate identity, which will not change the names of any of our valuable brands, is required following the sale of the Freedom Foods brands with the Cereal and Snacks division earlier this year.

We believe this new name represents a fresh start for your Company – a clean break with the challenges of the past 18 months for a leading Australian producer of dairy and plant-based beverages, nutritional products and ingredients with a bright future ahead of it.

This has been a defining year for the Company – a year in which the Board, executive and every member of our team has worked tirelessly and collaboratively to reset the business and position it for future success.

Together, we have been pursuing a three-phase ‘Reset, Transform, Grow’ transformation strategy. At the close of the financial year, we declared the financial, structural, operational and cultural ‘Reset’ substantially complete, with the Group having the right platform and talent to transform the business.

The ‘Transform’ phase is now well underway, with the early results already showing in our improved financial performance. Those improvements provide the springboard to ‘Grow’ the business in coming years by taking advantage of the long-term tailwinds driving demand for our products as people turn to healthier diets in Australia and overseas.

As you know, in early 2020, Freedom Foods experienced the greatest challenges in its history, with the impact of the COVID-19 pandemic on our business compounded by the discovery of the financial matters we addressed at the last AGM.

These challenges left the Board with no option but to urgently commence the process of reviewing and resetting nearly every element of the business, starting with our financial position.

The \$265 million recapitalisation completed in May this year with the strong support of existing shareholders, including our majority shareholder, and new convertible note investors provides us with the solid financial foundation to execute our transformation.

We were very pleased to have our efforts recognised at last month’s Australian Growth Company Awards, where Freedom Foods was named Turnaround Deal of the Year.

In addition to the financial reset, we have undertaken an enormous amount of work to improve the operations, culture and governance of the Group.

Among the most visible changes are the sale of our Cereal and Snacks and Specialty Seafood businesses, which simplifies the Company and allows us to focus exclusively on our core strengths in Plant-based and Dairy Beverages and Nutritionals.

Less visible has been the reset of our operations and financial systems to align with our new focus and enhanced productivity, with a much-improved operating model and tighter financial and operational controls that better respond to changes occurring in the local and international environments.

We have reset the entire leadership team – and I mean the entire leadership team – with the appointments of a new Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Marketing Officer, Chief Customer Officer, Chief People and Culture Officer, Group General Counsel and Company Secretary and General Manager, Internal Audit.

As mentioned, we have refreshed the Board, which now comprises a majority of independent non-executive directors.

We have reset and reinforced of the Group's values, supported by improved governance policies and procedures.

We have developed an ESG framework that Michael will speak to today, with key alignment to a number of the UN Goals and a commitment to protecting the planet and nurturing life.

And we have a renewed focus and engagement with our suppliers and customers, whose continued support has been critical to our transformation and will underpin our future success.

As you would have seen from our announcement to the ASX yesterday, we have also resolved one of our major legacy issues – the dispute with Blue Diamond Growers.

I won't go through the details of the settlement, which is the subject of a binding agreement; they are in yesterday's ASX release, and we are limited by the terms of the settlement in what we can say.

But I would make the following point: while the settlement amount may be greater than we would have hoped, importantly, it provides us with the certainty we need to pursue our ambitions in nut-based beverages in Australia and elsewhere through our key brands, such as MILKLAB and Australia's Own, and it saves us from a lengthy and costly arbitration process in the US.

A crucial and rewarding feature throughout the rebuilding process has been teamwork. Without the enormous collaboration, commitment and goodwill displayed by the entire team – encompassing employees, shareholders, convertible note investors, customers, suppliers our stakeholders – the Group would not be in the positive position it finds itself today.

Sustainable and lasting improvements to the business will take time to implement and get right. But in spite of the ongoing uncertainty caused by COVID-19, as well as the remaining legacy issues we continue to manage, we face the future with confidence.

Thank you all for your continued support and patience as we continue our transformation journey.

I will now hand over to Michael to provide us with an update on the business.

CEO's address – Michael Perich

Thank you, Gen. And thank you all for joining us today.

As Gen mentioned, the transformation of Freedom Foods under our three-phase 'Reset, Transform, Grow' strategy is well underway.

With the 'Reset' phase substantially completed in FY21, we are now firmly in the 'Transform' phase – and, while there is a long way to go, the early results are starting to come through in our financial performance.

Our 2020-21 financial results demonstrate what can be achieved with teamwork, focus and discipline across every area of our operations.

We were pleased to report that FY21 revenue rose 8% to \$559.1 million and, more importantly, we delivered a \$76.4 million, or 141%, turnaround in Adjusted Operating EBITDA, from a loss of \$54 million in FY20 to positive \$22.4 million.

Thanks to our successful recapitalisation earlier this year, as at 30 September we had cash at bank and undrawn facilities of \$45.8 million, providing sufficient liquidity for day-to-day business operations, and we expect to deliver positive net operating cashflow in the second half of this financial year.

These achievements were built on significant operational improvements that have already been delivered in areas such as operating efficiencies, unprofitable product rationalisation, reduced wastage, improved plant utilisation and better targeted trade and marketing spend.

Across both Plant-based and Dairy Beverages and Nutritionals, consumers' ongoing search for healthier lifestyle choices continues to drive demand for our products in Australia and overseas.

Through disciplined capital investment, new product development, targeted marketing support and a focus on key sales channels – including new export markets and e-commerce – we are confident we can continue to capitalise on these trends to deliver sustainable growth.

In Plant-based Beverages, revenue rose 16% to \$152.9 million in FY21, with sales of our flagship MILKLAB brand up 49 per cent.

Our objective in this business is to build on the significant market share and customer brand awareness of MILKLAB to launch new products that meet consumers' evolving palate.

In June, we successfully launched MILKLAB Oat milk, which complemented the earlier launch of Australia's Own Barista Oat milk and immediately captured a meaningful share of the fastest growing plant-based milk category.

In Dairy and Nutritionals, revenue was up 7% to \$394.3 million as we continue drive overall operating effectiveness at our key sites.

In particular, I'd like to call out the genuine improvements at our Shepparton plant, where the focus on quality right first time, reducing milk wastage, increasing line efficiencies and reducing complexity, has resulted in progress on key metrics of productivity.

We have been delighted with the growth of our PUREnFERRIN lactoferrin products, with sales rising 215% in FY21 as production ramped up. Overall sales of Consumer Nutritionals is showing steady growth, supported by new product launches through the year and strong demand for protein sports nutrition products.

The sale of our loss-making Cereal and Snacks and Specialty Seafood businesses will allow us to focus all of our energy and resources into Plant-based and Dairy Beverages and Nutritionals – the twin pillars of our growth strategy.

Just as important as the financial reset of the Group has been the cultural reset.

With two recent executive appointments, we have completed the renewal of the entire senior leadership, bringing together a team of enthusiastic and motivated executives with significant

experience in FMCG. I am excited about working with this team and can see the leadership developing across this business.

We employ more than 550 people across Freedom Foods and they are the key to our success. Through the group-wide “Our Voice” survey, we are communicating our new values – Respect, Excellence, Integrity, Creativity, Collaboration and Accountability – which are all focused on driving performance. Even at the early stages of this program, we are seeing improvement in employee engagement and retention.

On behalf of the leadership group, I would like to thank the entire team for their dedication and hard work during what has been a challenging year. We wouldn’t be here, with the significant opportunities ahead of us, without your efforts.

Equally, I would like to thank our suppliers, especially our Australian dairy farmers.

Our procurement strategy is built around ensuring that we have the best locally produced raw materials. Farmers’ support over the past 12 months has been fundamental, underpinning our ability to turn around the business.

We are pleased to be able to repay their support and loyalty with long-term contracts that enable them to invest in their own operations.

Looking ahead, as mentioned at the outset we are now focused on the ‘Transform’ and ‘Grow’ phases of our strategy, with the ‘Reset’ substantially complete.

Internally, we will continue to drive the transformation program and focus on our operational turnaround initiatives, which are critical to improving processes at our sites.

Externally, while there may be temporary headwinds from COVID-19, there is no doubt that in the longer term we are riding strong sector tailwinds driven by demand for healthier lifestyle choices. Throughout our region and beyond, we see significant export opportunities as the demand for Australian-produced foods continues to grow.

The COVID-19 pandemic has definitely brought challenges to our business and our community over the past year. Our Number 1 priority at all times has been the health and safety of our team, our customers and suppliers.

The re-emergence of COVID-19 outbreaks, associated government lockdowns across all of our key geographies and continued shipping delays were reflected in our softer Q1 numbers. In particular, a regional outbreak at Shepparton created staffing shortages that resulted in production constraints for two weeks of the quarter.

While we expect the uncertainty to linger for some time, as COVID-19 conditions ease and the world returns to a sense of normality, we know we will be exceptionally well placed to take advantage of the long-term trends in our industry.

The reset undertaken through FY21 provides the solid foundations needed to transform the business, deliver positive operating cashflow and EBITDA and return us to sustainable and profitable long-term growth in the years ahead.

Hopefully, by the close of this meeting, we will be pursuing this growth under a new name.

As a Company, our mission to create quality, on-trend, responsibly produced dairy and plant-based beverages, nutritional products and ingredients. Our purpose is, simply, 'imagining a healthier tomorrow'.

We believe this is captured in the name noumi. The word noumi was inspired by the core idea of 'nourish me', which we shortened to create noumi.

While we will not be changing the names of any of our consumers brands, the corporate rebranding heralds a new era of sustainable growth and opportunity for the Company.

Built on foundations of innovation, collaboration and nourishment, noumi establishes a strong platform for our portfolio of brands to grow sustainably and thrive financially in local and global markets. It gives us the ability to reflect in our corporate name a refreshed and invigorated approach to doing business and engaging with our customers, suppliers and other stakeholders.

This refreshed approach is also reflected in our new company-wide ESG strategy, which has been developed by the executive team with the support of the Board.

This has been a comprehensive process, involving extensive input from our own people and external stakeholders, and benchmarking against our peers and global best practice.

The result is our Healthier Tomorrow Plan, which is our commitment to healthier social, environmental and business outcomes.

It's our plan to create:

- Healthier Lifestyles by focusing on delivering products that improve consumer health and nutrition;
- A Healthier Planet by focusing on sustainability and the impact on the environment of our business and our farmers; and
- A Healthier Workplace for our people by focusing on employee engagement, wellbeing, diversity and inclusion.

We are embedding these values throughout the Company, and backing them with clear targets and actions. They are not just good for our customers, our planet and our people – they are essential ingredients for the future success of our business.

Thank you again for your continued support.

I will now hand back to Gen to go through some procedural matters and the formal agenda for the meeting.

End