



# SSW Dairy Investor Presentation

September 2021

Strictly Confidential



## THE COMPANY

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SSW Dairy Pty Ltd operates sustainable, regenerative dairy farms using a unique system to manage soil health, pasture growth and animal health to enable efficient and sustainable regenerative dairy production.



## THE TECHNOLOGY

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SSW is using a combination of scientifically proven methods to regenerate the soil and unlock productivity. All elements of the farm are managed scientifically from soil conditioning to supplemental feed and animal health.



## THE FARMS

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Following this capital raising, we will be managing four farms totalling over 1,000 ha with nearly 2,000 milking cows. This scale enables us to operate with best practice across all elements of the farm management.



## THE OPPORTUNITY

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SSW is seeking up to \$4.0m in equity to fund the acquisition of a 50% stake in two farms in Brucknell, Victoria.

# INVESTMENT HIGHLIGHTS

- ✓ Fully sustainable, regenerative system
- ✓ One of the first fully-monitored and scientifically-managed regenerative farmers
- ✓ Upside to model from carbon credits as soil sequesters CO<sub>2</sub>
- ✓ Opportunity to make a significant positive impact on the Australian dairy farm industry's sustainability as we grow and influence other operators
- ✓ Strong cash generation
- ✓ Sound strategy to increase production and profits
- ✓ Platform for ongoing growth



# EXECUTIVE SUMMARY



We use science to harness nature at our regenerative farms.

## Better Environment

01

Better food from the ground up; SSW combines extensive industry knowledge, unique IP & an experienced team to optimise the production from using regenerative farming practices.

## Healthier Cows

02

Sustainable farm model that harnesses nature in a scientific way to increase pasture production and production per hectare.

## Path to Carbon Neutral

03

Combining a soil carbon farming project with the latest feed additives to produce carbon positive milk. Utilising renewable energy to power farm vehicles.

## The team

04

Experienced team with large scale experience managing organic farms as well as marketing, sales, business development & finance.

A close-up photograph of a brown cow's face, looking directly at the camera. The cow has a dark brown coat and a lighter brown muzzle. Its ears are visible, with yellow identification tags. In the background, a wire fence separates the foreground from a larger field where several other cows are grazing. The field is lush green with yellow wildflowers. In the distance, there is a line of trees under a clear blue sky.

## **BETTER FOOD, FROM THE GROUND UP**

**We are what we eat, and SSW Dairy is a promise of better food and health. Using a chemical-free regenerative approach, we nurture our soil to create nutrient-dense “salad bowl” pastures. A clean, sustainable process that works with nature, we deliver higher yields of more nutritious and more delicious milk and beef while at the same time sequestering carbon in the soil.**



# WHO WE ARE

## **John Stewart** Strategy

John has over 25 years of investment banking experience at JPMorgan, Lazard & Gresham and has recently established his own boutique merchant bank (Stratford Capital). John runs his own 500-acre sheep farm and his family own over 10,000 acres of sheep/beef land in Victoria.

## **Karl Stokes** Managing director

Karl has 25 years experience in the dairy industry in NZ and Australia, including managing organic dairy farms in Tasmania. He is a consultant to farmers wishing to convert to Biological/ Organic farming and has managed large corporate farms milking 1,000 + cows

## **Paul Weston** Founder & bdm

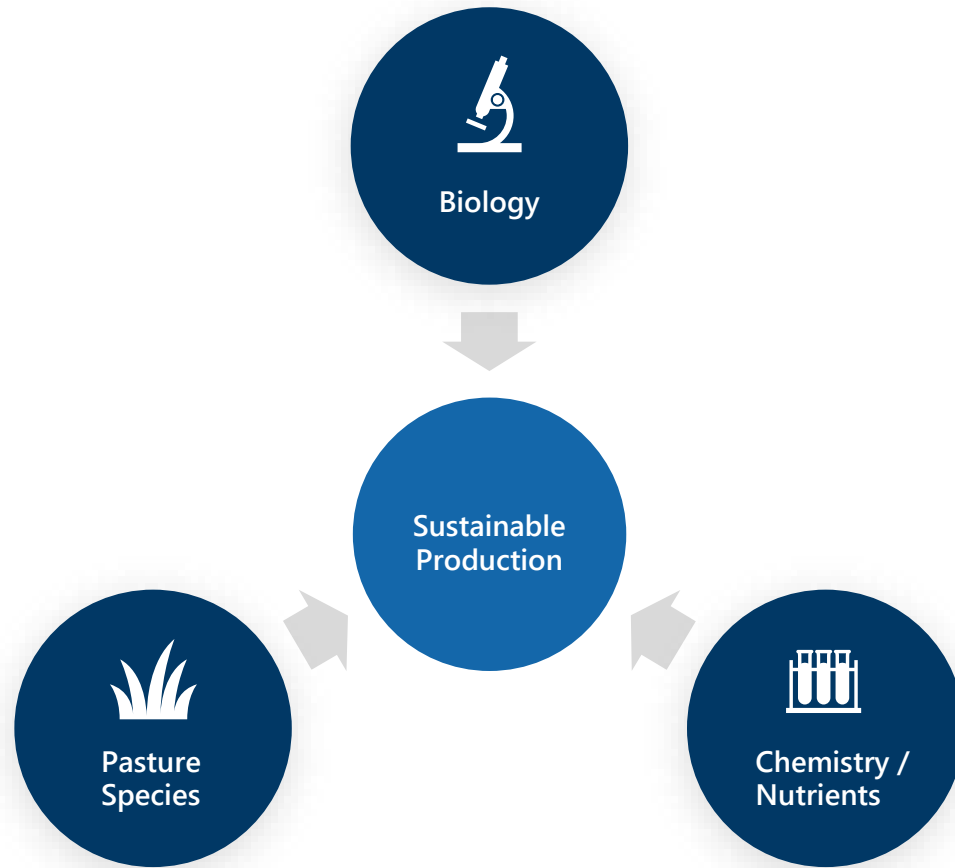
Paul has 30 years' experience in procurement, sales and marketing. Paul has spent 5 years with Terragen Biotech where he has been responsible for dairy sales and he has witnessed first-hand the results of using sustainable farm practices.

## **Sally Dobell** Brand & marketing

Experienced Chief Executive Officer with an awarded and recognised history of working in the brand and marketing communications industry. Sally has over 20 years of experience working in Australia, UK and the US delivering brand, marketing and strategy solutions for globally recognised brands.

## **Peter Norwood** Agronomist

Peter has over 20 years of broad agricultural industry experience as an agronomist and nutritionist. For the past 10 years he has operated Full Circle Nutrition as a specialist advisor in Hair Mineral Analysis and Agriculture. Peter consults on soil-plants-animals-humans in Australia, New Zealand, Belgium, Holland, Germany, US and Canada and has pioneered a holistic approach to soil health, crop yields, animal health and human nutrition.

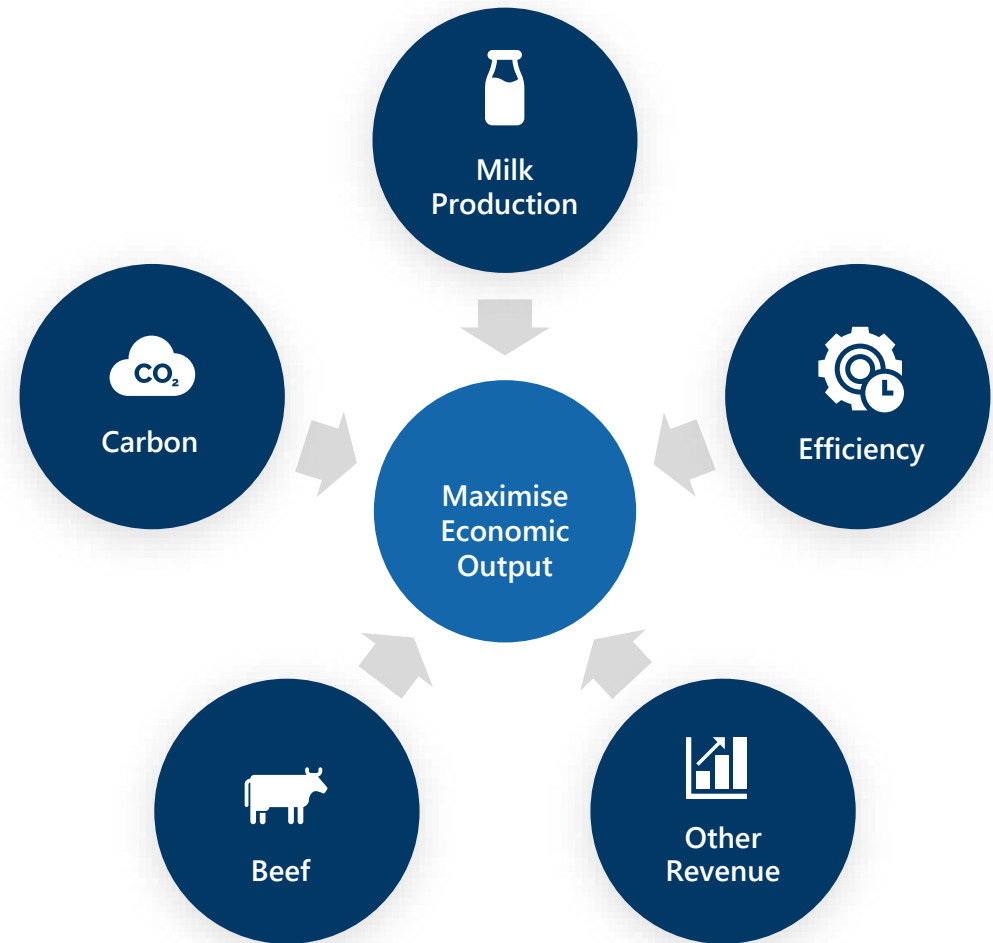


# Our Sustainable Farming Growth Strategy

Our approach is to focus on three pillars to drive sustainable production

# Our Sustainable Farming Business Strategy

Our approach is to focus on multiple pillars to drive sustainable profitability





# SSW REGENERATIVE FARMING SYSTEM OVERVIEW

Our farming system has been refined over the last five years at multiple organic and conventional dairy farms in Australia and NZ

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# ADVANCED INPUTS, SUPPLEMENTS & MONITORING

We have adopted leading science-based soil fertility and world- best practice in comprehensive testing and monitoring



- ❖ Great Land bacterial soil conditioner
- ❖ Mylo animal health supplement



- ❖ Tasmanian Bull Kelp (*Durvillaea potatorum*) harvested from Granville Harbour on the West Coast of Tasmania
- ❖ Fertiliser and feed supplement to reduce methane production and increase feed conversion



- ❖ Natural rock phosphate & bio available fertilisers



- ❖ Internal monitoring of cow health
- ❖ Animal welfare, animal health, heat detection, feed efficiency, joining and calving alerts



- ❖ Comprehensive soil chemistry & biology, pasture, feed and hair testing



- ❖ Daily satellite monitoring of pasture growth and detailed analysis of feed budget

# GROWTH DRIVERS

We drive pasture growth to support multiple income streams

## Milk

01

- ❖ Drive profitability by improving pasture, genetics & stocking rate
- ❖ Maximise value via organic conversion when economics support it

## Beef

02

- ❖ Use of sexed semen for replacements enables remainder to be beef (eg, wagyu, speckled park, etc)
- ❖ A high margin co-product

## Carbon

03

- ❖ Large scale carbon farming project that is ideal given our pasture plans
- ❖ Increase of 1% in soil organic carbon delivers 124 ACCU's or over \$1,500 per ha in net return



# SSW PATH TO CARBON POSITIVE MILK

We are planning to be one of the first carbon-positive dairy farms in the world



## Dairy

- ❖ Solar / battery installed at the dairy to minimize carbon footprint



## Tractor

- ❖ Ultimately hydrogen powered in the future, ideally with a solar powered hydrogen electrolyser at the dairy



## Soil

- ❖ Regenerative farming system sequesters carbon
- ❖ ACCU's are scientifically validated via soil core tests



## Feed

- ❖ Bacteria and kelp supplements reduce methane

## Vehicles

- ❖ Electric Polaris & UBCO vehicles powered by solar

# THE FARMS

	Lileah, Tas	Korumburra, Vic	Brucknell, Vic <sup>(1)</sup>	Total
Owned or Leased:	• Leased (9 years)	• Leased (10 years)	• To own 50%	
Effective Area:	• 240 ha	• 240 ha	• 533 ha	• 1,013 ha (2,500 ac)
Rainfall:	• 1,200mm	• 1,001mm	• 800mm	
Cows:	• 650	• 450	• 820	• 1,920
Total kg MS Prod'n:	• 230,000	• 275,000	• 425,000	• 930,000
Target Prod'n:	• 325,000	• 325,000	• 625,000	• 1,275
Comments /Strategy:	<ul style="list-style-type: none"> <li>• Certified organic</li> <li>• Investing in pasture &amp; cows to grow per-cow production</li> </ul>	<ul style="list-style-type: none"> <li>• Conventional (regenerative)</li> <li>• High producing cows</li> <li>• Increase stocking rate as pasture responds</li> </ul>	<ul style="list-style-type: none"> <li>• Half organic, half in-conversion</li> <li>• Invest in pasture and beef production to drive profits</li> </ul>	

(1) SSW has agreed to purchase a 50% stake in the Brucknell farms on a WIWO basis.

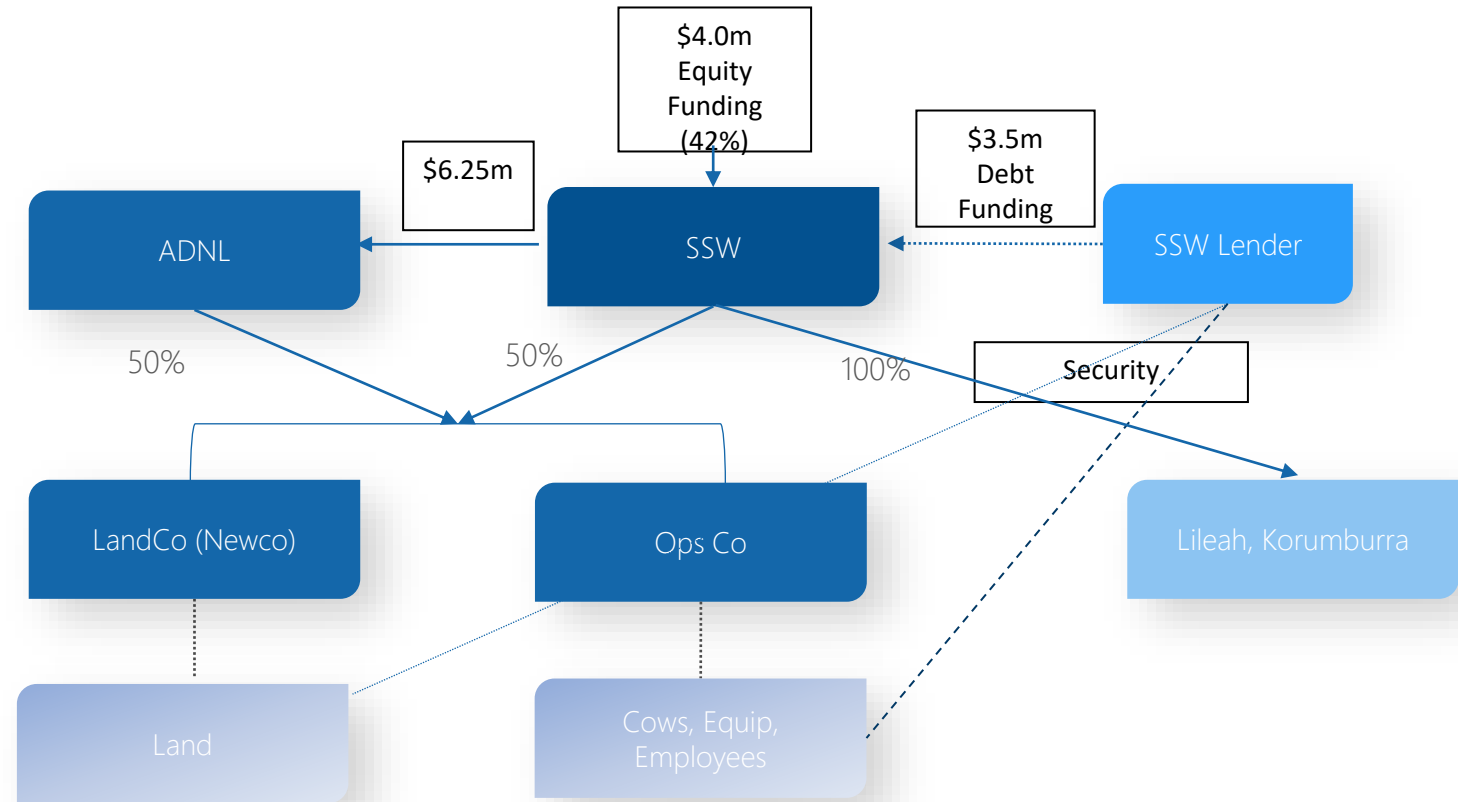


# THE FARMS





# OWNERSHIP STRUCTURE



# COMBINED DAIRY FARM METRICS

We Invest significantly in the first several years in fertilizer & pasture to drive productivity

<b>Portfolio Dairy Operating Metrics (100%)</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Milking Hectares	1,011	1,011	1,011	1,011	1,051
Milkers	1,934	2,148	2,293	2,337	2,346
Production Per Cow (kg MS)	496	539	557	570	586
Total Kg MS	958,240	1,157,182	1,276,018	1,332,563	1,373,945
Milk Price (av)	\$7.99	\$7.86	\$8.28	\$8.28	\$8.28
Kg MS per Ha	947	1,144	1,262	1,318	1,307

# FORECAST COMMENTARY

We Invest significantly in the first several years in fertilizer & pasture to drive productivity

- ❖ Intentional investment in the first two years in fertilizer, pasture and rearing beef calves
- ❖ Forecast is “cash” based and before revaluation of livestock (which will improve reported results significantly)
- ❖ Brucknell South is certified organic today
- ❖ Assumes Brucknell North converts to organic in year 3 (milk revenue and feed cost adjusted)
- ❖ No revenue from carbon farming or chickens included in these numbers
- ❖ “Agistment” of beef and dairy animals refers to lease of separate farm for rearing beef and dairy animals
- ❖ Fertiliser & pasture budget of \$900 per hectare plus spreading costs
- ❖ Plan to milk in only one dairy (vs. two historically), but have not adjusted labour budget at this point
- ❖ Have not included any electricity savings from solar/battery infrastructure
- ❖ All operating metrics benchmarked from SSW existing farms

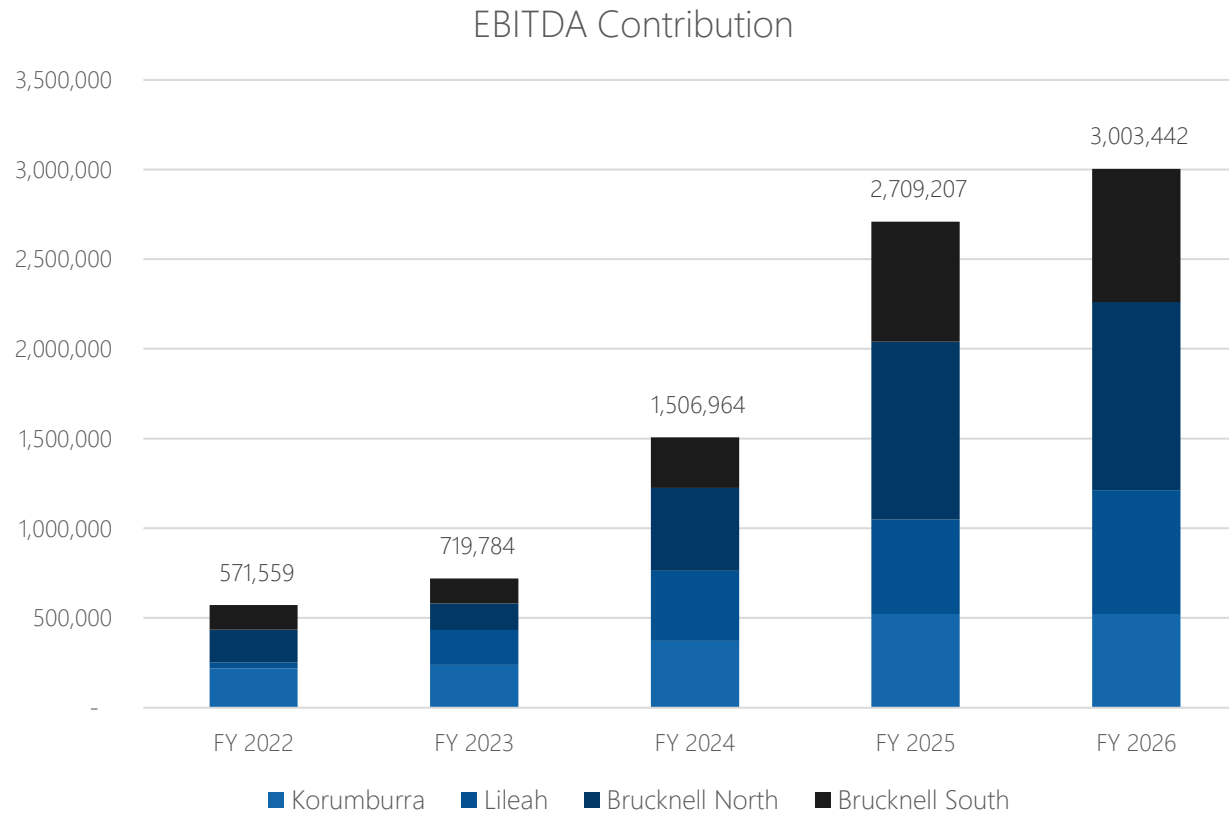


# INDIVIDUAL DAIRY FARM METRICS

<u>Korumburra Operating Metrics</u>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Milking Hectares	238	238	238	238	238
Milkers	460	525	550	550	550
Production Per Cow (kg MS)	632	650	660	680	680
Total Kg MS	290,617	341,250	363,000	374,000	374,000
Milk Price	\$7.30	\$7.00	\$7.00	\$7.00	\$7.00
Kg MS per Ha	1,221	1,434	1,525	1,571	1,571
<u>Lileah Operating Metrics</u>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Milking Hectares	240	240	280	280	280
Milkers	589	680	725	750	750
Production Per Cow (kg MS)	417	420	430	450	475
Total Kg MS	245,858	285,600	311,750	337,500	356,250
Milk Price	\$9.00	\$8.75	\$8.75	\$8.75	\$8.75
Kg MS per Ha	1,024	1,190	1,113	1,205	1,272
<u>Brucknell North Operating Metrics</u>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Milking Hectares	259	259	259	259	259
Milkers	482	531	582	586	583
Production Per Cow (kg MS)	513	582	595	601	599
Total Kg MS	247,374	309,023	346,407	351,734	349,211
Milk Price	\$7.00	\$7.00	\$8.68	\$8.68	\$8.68
Kg MS per Ha	956	1,194	1,338	1,359	1,349
<u>Brucknell South Operating Metrics</u>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Milking Hectares	275	275	275	275	275
Milkers	342	392	436	452	463
Production Per Cow (kg MS)	511	579	593	596	595
Total Kg MS	174,548	226,909	258,486	269,329	275,734
Milk Price	\$8.68	\$8.68	\$8.68	\$8.68	\$8.68
Kg MS per Ha	636	826	941	981	1,004

# EBITDA

Total EBITDA grows as production improves and the beef contribution matures



# PROFIT & LOSS (50% of JV)

<b>Portfolio Profit and Loss Statement (50% JV)</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Total Milk Revenue	5,927,309	6,840,367	7,778,549	8,266,538	8,447,447
Total Beef Revenue	269,700	366,000	914,000	1,846,000	1,984,000
Other Revenue	447,620	606,550	696,703	779,230	780,030
<b>Total Revenue</b>	<b>6,644,629</b>	<b>7,812,917</b>	<b>9,389,252</b>	<b>10,891,768</b>	<b>11,211,477</b>
<b>Total Operating Expenditure</b>	<b>(5,228,070)</b>	<b>(6,168,133)</b>	<b>(6,922,288)</b>	<b>(7,222,561)</b>	<b>(7,248,035)</b>
<b>Lease Payments</b>	<b>(845,000)</b>	<b>(925,000)</b>	<b>(960,000)</b>	<b>(960,000)</b>	<b>(960,000)</b>
<b>EBITDA</b>	<b>571,559</b>	<b>719,784</b>	<b>1,506,964</b>	<b>2,709,207</b>	<b>3,003,442</b>



# INDIVIDUAL DAIRY FARM P&L

<u>Brucknell North Profit and Loss Statement (50%)</u>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Total Milk Revenue	865,810	1,081,581	1,503,407	1,526,524	1,515,574
Total Beef Revenue	-	-	210,000	758,000	828,000
Other Revenue	29,200	30,000	34,400	37,600	38,000
<b>Total Revenue</b>	<b>895,010</b>	<b>1,111,581</b>	<b>1,747,807</b>	<b>2,322,124</b>	<b>2,381,574</b>
<b>Total Operating Expenditure</b>	<b>(712,483)</b>	<b>(962,083)</b>	<b>(1,286,421)</b>	<b>(1,329,007)</b>	<b>(1,332,546)</b>
<b>EBITDA</b>	<b>182,527</b>	<b>149,498</b>	<b>461,387</b>	<b>993,117</b>	<b>1,049,028</b>

<u>Koromburra Profit and Loss Statement</u>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Total Milk Revenue	2,075,723	2,275,000	2,425,500	2,618,000	2,618,000
Total Beef Revenue	119,700	216,000	270,000	270,000	270,000
Other Revenue	210,660	305,710	333,098	408,725	408,725
<b>Total Revenue</b>	<b>2,406,083</b>	<b>2,796,710</b>	<b>3,028,598</b>	<b>3,296,725</b>	<b>3,296,725</b>
<b>Total Operating Expenditure</b>	<b>(1,826,444)</b>	<b>(2,117,424)</b>	<b>(2,180,510)</b>	<b>(2,300,546)</b>	<b>(2,300,546)</b>
<b>Lease Payments</b>	<b>(360,000)</b>	<b>(440,000)</b>	<b>(475,000)</b>	<b>(475,000)</b>	<b>(475,000)</b>
<b>EBITDA</b>	<b>219,638</b>	<b>239,286</b>	<b>373,087</b>	<b>521,179</b>	<b>521,179</b>

<u>Brucknell South Profit and Loss Statement (!</u>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Total Milk Revenue	757,538	984,786	1,121,829	1,168,889	1,196,686
Total Beef Revenue	-	-	134,000	518,000	586,000
Other Revenue	22,400	24,000	28,400	32,000	32,400
<b>Total Revenue</b>	<b>779,938</b>	<b>1,008,786</b>	<b>1,284,229</b>	<b>1,718,889</b>	<b>1,815,086</b>
<b>Total Operating Expenditure</b>	<b>(643,260)</b>	<b>(870,507)</b>	<b>(1,001,834)</b>	<b>(1,050,277)</b>	<b>(1,072,212)</b>
<b>EBITDA</b>	<b>136,678</b>	<b>138,279</b>	<b>282,396</b>	<b>668,612</b>	<b>742,873</b>

<u>Lileah Profit and Loss Statement</u>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Total Milk Revenue	2,228,238	2,499,000	2,727,813	2,953,125	3,117,188
Total Beef Revenue	150,000	150,000	300,000	300,000	300,000
Other Revenue	185,360	246,840	300,806	300,905	300,905
<b>Total Revenue</b>	<b>2,563,598</b>	<b>2,895,840</b>	<b>3,328,618</b>	<b>3,554,030</b>	<b>3,718,093</b>
<b>Total Operating Expenditure</b>	<b>(2,045,883)</b>	<b>(2,218,120)</b>	<b>(2,453,524)</b>	<b>(2,542,731)</b>	<b>(2,542,731)</b>
<b>Lease Payments</b>	<b>(485,000)</b>	<b>(485,000)</b>	<b>(485,000)</b>	<b>(485,000)</b>	<b>(485,000)</b>
<b>EBITDA</b>	<b>32,715</b>	<b>192,720</b>	<b>390,094</b>	<b>526,299</b>	<b>690,362</b>

# PRO FORMA BALANCE SHEET

Pro Forma Balance Sheet (14/7/2021)	SSW	Raising	Acqn	Pro Forma
<b>Current Assets</b>				
Cash	183,305	7,494,160	(6,536,050)	1,141,415
Accounts Receivable	-	-	-	-
<b>Total</b>	<b>183,305</b>	<b>7,494,160</b>	<b>(6,536,050)</b>	<b>1,141,415</b>
<b>Non-Current Assets</b>				
Equipment	248,866	-	275,060	523,926
Livestock	491,020	-	1,076,425	1,567,445
Land & Buildings	-	-	5,459,625	5,459,625
PPE	-	-	332,000	332,000
<b>Total</b>	<b>739,886</b>	<b>-</b>	<b>7,143,110</b>	<b>7,882,996</b>
<b>Current Liabilities</b>				
Tax Payable	97,000	-	-	97,000
Accounts Payable	(175,000)	-	-	(175,000)
<b>Total</b>	<b>(78,000)</b>	<b>-</b>	<b>-</b>	<b>(78,000)</b>
<b>Non-Current Liabilities</b>				
Secured Debt	-	(3,494,160)	-	(3,494,160)
Equipment Finance	(225,717)	-	(607,060)	(832,777)
<b>Total</b>	<b>(225,717)</b>	<b>(3,494,160)</b>	<b>(607,060)</b>	<b>(4,326,937)</b>
<b>Total Assets</b>	<b>923,191</b>	<b>7,494,160</b>	<b>607,060</b>	<b>9,024,411</b>
<b>Total Liabilities</b>	<b>(303,717)</b>	<b>(3,494,160)</b>	<b>(607,060)</b>	<b>(4,404,937)</b>
<b>Net Assets</b>	<b>619,474</b>	<b>4,000,000</b>	<b>-</b>	<b>4,619,474</b>
<b>Equity</b>				
Share Capital	722,069	4,000,000	-	4,722,069
Retained Earnings	(102,595)	-	-	(102,595)
<b>Total</b>	<b>619,474</b>	<b>4,000,000</b>	<b>-</b>	<b>4,619,474</b>

# INDICATIVE RETURNS ANALYSIS

- ❖ Total shareholder return includes increase in land value and growth in livestock value via animals bred over time
- ❖ Assumes 6% p.a. increase in land value
- ❖ For modelling purposes we have assumed no dividends

Return Metrics	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>JV Asset Value</b>					
Total Land Value	10,971,000	11,629,260	12,327,016	13,066,637	13,850,635
Total Stock Value	1,989,800	2,782,550	3,942,950	4,124,150	4,167,350
Total	12,960,800	14,411,810	16,269,966	17,190,787	18,017,985
SSWD Ownership	50.00%				
SSWD Total JV Asset Value	6,480,400	7,205,905	8,134,983	8,595,393	9,008,992
SSW Total EBITDA	571,559	719,784	1,506,964	2,709,207	3,003,442
SSW Exit Value @4x EBITDA					12,013,767
Total Cumulative Value Assets & Income	<b>29,533,715</b>				
Less Debt	(4,300,000)				
<b>Equity Value</b>	<b>25,233,715</b>				
<b>New Investor Ownership</b>	41.70%				
Value to New Investors	10,522,459				
Entry Value	4,000,000				
Return (multiple of entry)	2.63x				
IRR	21.34%				

	Valuation	Shares	%
Pre-Money Valuation	\$5,600,000	1,400	58.3%
New Investment	\$4,000,000	1,000	41.7%
Post Money Valuation	\$9,600,000	2,400	100.0%
Per Share	\$ 4,000		



# Key Risks

## Agri Risks

- Typical risks of agriculture – drought, disease, bushfire

## Milk Price

- Milk price is at a multi year high today and could drop below our forecast assumptions
- Loss of organic premium would put a hole in the financial returns from organic farms

## COVID

- Key risk is if transport is disrupted, which could mean no revenue from milk production during the disruption

## Financing

- As a new business we will have limited access to bank finance if we have a short term working capital squeeze
- Our operating costs are fixed (rent and wages) while our revenue relies on milk production

## Expansion

- We are likely to expand and may take on farms that we are unable to successfully manage or staged acquisitions where we may need to raise additional funding to complete land purchases

# Conclusion

SSW is an attractive investment candidate

## Unique System

- 5 years of R&D have been invested in the formulation of the farming system

## Regenerative

- Fully sustainable, regenerative system
- Good for the planet
- Good for the cows

## Team

- Experienced team
- Platform for growth

## Sustainable

- A key enabler of organic dairy production

## Returns

- Outstanding financial returns
- Long term growth plans

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SSW Dairy  
PURE SUSTAINABLE

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