Keytone Dairy

Strategic Acquisition of Omniblend & Capital Raising

17 June 2019

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Agenda

1. Transaction Summary

Keytone Dairy

Overview

Keytone is expanding into the health and wellness sector through the acquisition of Omniblend, a leading Australian contract manufacturer

Keytone Dairy Corporation Limited ("**Keytone**" or the **"Company"**) (**ASX.KTD**) has entered into a binding conditional agreement to acquire 100% of the shares in Omniblend Pty Ltd ("**Omniblend**") for $22.6[1] million plus an earn-out ("**Acquisition**")

Transformational Acquisition

- **The transformational Acquisition will make Keytone a leading player in the health, wellness and nutraceutical sector**
  - Keytone is a leading New Zealand-based manufacturer and exporter of formulated dairy and nutrition powdered products
  - Omniblend is a leading Australian-based product developer and contract manufacturer of high value, formulated, blended powder products and long-life UHT drinks, specialising in the health and wellness sector
- **Acquisition of Omniblend provides diversification and scale**
  - Logical adjacency providing formulating, blending and packing services for private label clients and its own proprietary brands
  - Enhanced operational capacity with Keytone's purpose-built facility in New Zealand and Omniblend's market leading facilities in Australia
  - Retains IP with majority of clients for products produced
  - Vertically integrated services enables higher margins
- **Financially compelling and highly EPS accretive, pre-synergies**
  - Significant opportunity to cross-sell across the broader combined customer base
  - Strong focus on local and Asian markets, particularly China
  - Ability for operational efficiencies through unlocking synergies
  - Strengthens management capabilities to support future growth
- **Provides a platform for organic roll-out of proprietary brands and acquisition opportunities**
- **Keytone's core business progressing in line with its stated growth strategy**
  - Keytone at the precipice of a significant step change in the evolution of the company
  - New facility increases capacity to 5,000tpa and allows a realignment of the sales mix towards proprietary products

Note: 1. Subject to purchase price and working capital adjustments at completion

Transaction Summary

Acquisition of a leading health and wellness contract manufacturer of protein powders and long-life bottled UHT products

Acquisition of Omniblend	▪ Keytone has entered into a binding, conditional agreement to acquire 100% of the shares of Omniblend for $22.6 million[1] plus an earn-out of up to $30.0 million, subject to performance milestones[2] – consideration to Omniblend vendors of $10.0 million Keytone shares, $8.0 million cash plus settlement of Omniblend's debt up to $4.6 million ▪ In FY2019, Omniblend is forecast to generate pro-forma revenue of $29.7 million and EBITDA of $2.24 million[3] – transaction multiple of 10.0x FY2019f EBITDA
Overview of Omniblend	▪ Omniblend, founded in 2008, is a leading Australian-based contract manufacturer of high value, formulated, blended powder products and long-life UHT drinks, specialising in the health and wellness sector ▪ Manufactures across two main verticals: powder; and UHT drinks (liquids), utilising highly automated and scalable plant & equipment ▪ Holds necessary accreditations including: – **CNCA** accredited – **Dairy Food Safety Victoria** accredited – **Organic Manufacturer** certified by Australian Certified Organic – **AA Grade Accreditation** received from the British Retail Consortium (BRC) – **Halal** certified ▪ In addition to third-party manufacturing, Omniblend has launched its first proprietary product into market
Strategic Rationale	▪ Provides immediate exposure to the attractive and growing health and wellness sector ▪ Omniblend has established infrastructure with capacity to facilitate future growth ▪ Diversifies Keytone's revenue base through expanded range of value-added products and services ▪ Financially compelling and highly EPS accretive (pre-synergies) ▪ Opportunity for Keytone to pursue vertical integration, expanding proprietary brands and pursuing product acquisition opportunities

Note: 1. Subject to purchase price and working capital adjustments at completion 2. See page 32 for details on performance milestones 3. Omniblend 30 June 2019 accounts are unaudited management accounts forecast to 30 June 2019 and include a completed asset acquisition deal on a pro-forma basis

Transaction Summary

Acquisition to be funded via a combination of an equity capital raising, Keytone shares

Funding	▪ The Acquisition and associated costs will be funded through a combination of an equity raising and Keytone shares – a conditional placement of a minimum of \$5.0 million, and up to \$8.0 million (“**Placement**”) – a conditional share purchase plan of up to \$10.0 million[1] (“**SPP**”) – the issue of \$10.0 million of Keytone shares to the Omniblend vendors (“**Vendors**”)
Keytone Trading Update[2]	▪ On 30 May 2019, Keytone was awarded a contract by Walmart (China) Investment Co., Ltd to contract manufacture milk powder for Sam’s Club West, Inc. (China), a wholly owned subsidiary of Walmart Inc. ▪ Total revenue from ordinary activities of \$2.51m for the financial year ending 31 March 2019 (FY19), an increase of 23.9% compared to the corresponding prior financial year ▪ Total cash receipts from customers increased through the FY19 year by 33% to \$2.86m compared with \$2.15m in FY18 ▪ Total sales revenue was up 31% for the fourth quarter (1 January 2019 to 31 March 2019) compared with the prior quarter ended 31 December 2018 ▪ Total cash receipts for the quarter were up 43% to \$819,000 compared with the prior quarter ▪ Sales of Keytone proprietary branded powdered (products packed by Keytone for own customers) were up 25% compared with the previous quarter ▪ Sales of private label brands (products contract-packed by Keytone for third party customers) were up 31% compared with the previous quarter

Note: 1. The Company reserves the right to accept oversubscriptions under the SPP at its absolute discretion, in consultation with the Joint Lead Managers 2. As per ASX Quarterly Report, released 30 April 2019 and Full Year Financial Results, released 30 May 2019.

Strategic Rationale and Highlights

Logical Adjacency	▪ Health and wellness sector is an attractive and logical adjacency for Keytone ▪ Provides immediate exposure to the growing health and wellness industry, whilst still focusing on core dairy product capability
Highly Scalable Infrastructure	▪ Omniblend has established infrastructure, highly automated with substantial capacity to facilitate future growth – it manufactures products across formulated powders and UHT – retains IP with majority of clients for products produced – it has grown organically through increased customers, expanded its product offering with existing clients, cost efficiencies and operating leverage, bringing proprietary products to market
Diversification	▪ Diversifies Keytone's revenue base through expanded range of value-added products and services – broadens Keytone's customer base – no overlap between Keytone's existing customers and the customers of Omniblend – an ability to cross-sell to the broader combined customer base and enhance Keytone's ability to service new customers
Financially Compelling	▪ Highly EPS accretive (pre-synergies) ▪ Significantly strengthens management capabilities to drive growth and support integration ▪ Proven sales track record and capability ▪ Keytone to leverage Omniblend's wide range of products and capabilities into Keytone's distribution network into Asia, particularly China
Vertical Integration	▪ Opportunity for Keytone to pursue vertical integration, expanding proprietary brands and pursuing product acquisition opportunities

2. Keytone Overview

Keytone Executive Summary

New Zealand based manufacturer and exporter of formulated dairy and nutrition blended powdered products

- Established, growing business leveraged to China's expanding middle class and growing per capita dairy consumption
- Focus on value added, formulated dairy and nutritional blended powdered products for export to international markets, particularly Asia
- Positioned to capitalise on New Zealand's global 'clean, green and pristine' reputation
  - proprietary product development and manufacturing, using majority New Zealand sourced and produced ingredients
- Currently building its second purpose built facility in New Zealand's largest industrial park, increasing capacity 3,500tpa on current operations, to 5,000tpa
  - new facility is expected to be commissioned mid CY2019
- Quality validated by contract packing for leading New Zealand supermarkets
- Proven Board and management with extensive experience in the dairy industry and international trade
- Growth strategy based on four pillars of growth – capacity expansion, product range, distribution channel expansion and new geographies
- Holds coveted licenses, including:

Selected proprietary products

New facility coming online mid-2019

Certification and Accreditation Administration (CNCA) accredited

New Zealand Ministry for Primary Industries (New Zealand MPI) **Risk Management Program Certified**

Organic & Organic Exporter Certification from New Zealand Ministry for Primary Industries

AA Accreditation received from the **British Retail Consortium (BRC)**

Halal certified by the Federation of Islamic Associations of New Zealand (FIA)

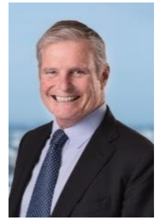
Keytone Dairy

Board & Management

Extensive experience in the dairy industry and international trade

Peter James, Non-Executive Chairman (Sydney)

- Over 30 years experience in the commercial sector and extensive experience as Chair, NED and CEO across a range of publicly listed and private companies
- Currently Chairman of ASX listed companies including Macquarie Telecom, Nearmap and Droneshield
- Previously NED of iiNet for 12 years



Andrew Reeves, Non-Executive Director (Sydney)

- More than 40 years' experience in FMCG and prior roles have included CEO of George Weston Foods, Managing and Executive Director of Lion Nathan Ltd, Managing Director Australia of Coca-Cola Amatil and Managing Director of The Smith's Snack Food Company
- Currently Chair of Netget Ltd and The Healthy Grain. Additional NED of Credit Union Australia and Oz Harvest

James Gong, Founder, Managing Director and CEO (Christchurch)

- Over 27 years' experience in the dairy industry as well as international trade
- Prior to founding Keytone, was a Sales & Marketing Manager for 11 years at Westland Co-Operative Dairy Company Ltd, a leading producer of dairy and infant nutrition ingredients in New Zealand

Robert Clisdell, Non-Executive Director (Sydney)

- Over 15 years' experience in banking, finance and accounting sectors in the Australian market. Previously with Credit Suisse, Caliburn Partnership (now Greenhill & Co.) and Ord Minnett
- Currently NED of DroneShield and the Head of Bergen Capital (Australia), LLC's Australia Office

Peter Hobman, Independent Non-Executive Director (New Zealand)

- Experience includes senior and executive management roles with New Zealand Coop Dairy Company, New Zealand Dairy Board, Japan and its joint venture Nippon Proteins KK based in Tokyo, and the New Zealand Dairy Research Institute
- Currently NED at New Zealand Food Innovation Waikato Ltd

Jourdan Thompson, Chief Financial Officer (Sydney)

- Over 15 years' experience in investment banking, financing and insolvency/restructuring in Australia and Europe
- Previously with Greenhill & Co. (Director, Sydney) and ING Investment Bank (London)
- Member of the Institute of Chartered Accountants Australia and New Zealand

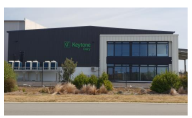
Execution of Growth Strategy

Four pillars of growth

Capacity

Significantly expanding Keytone's production capacity in order to access high-volume customers

- Keytone continues to operate its existing 1,500 tpa plant
- Construction of the second manufacturing facility (3,500 tpa) in Christchurch continues on schedule
- Due for delivery in mid CY2019
- 30 May 2019: Awarded Walmart China contract
- Additional manufacturing growth options secured



Product Range

Expanding Keytone's product range, both in-house and through contract manufacturing

- Keytone launched four new proprietary brands in FY2019:
  - KeyDairy Goat Milk Powder
  - KeyDairy AMF
  - KeyDairy Diabetic Powder
  - KeyDairy Junior Formula

Distribution

Broadening the nature of Keytone's distribution channels

- Keytone continues to expand distribution channels in Asia, particularly China, whilst also adding further channels in New Zealand and Australia
- New channels in FY2019 include:
  - Pinduoduo
  - Shanghai First Mall
  - Corner's Deli
  - Lotus
  - irexchange
  - Kilo

拼多多 LOTUS iR exchange 上海第一食品 SHANGHAI FIRST FOODMALL CORNER'S DELI

Geographies

Increasing the number of countries to which Keytone exports its products

- Beyond new sales into Taiwan achieved in FY2019, Keytone continues to seek new partnerships and distribution agreements in new markets to leverage its clean, green pristine New Zealand credentials

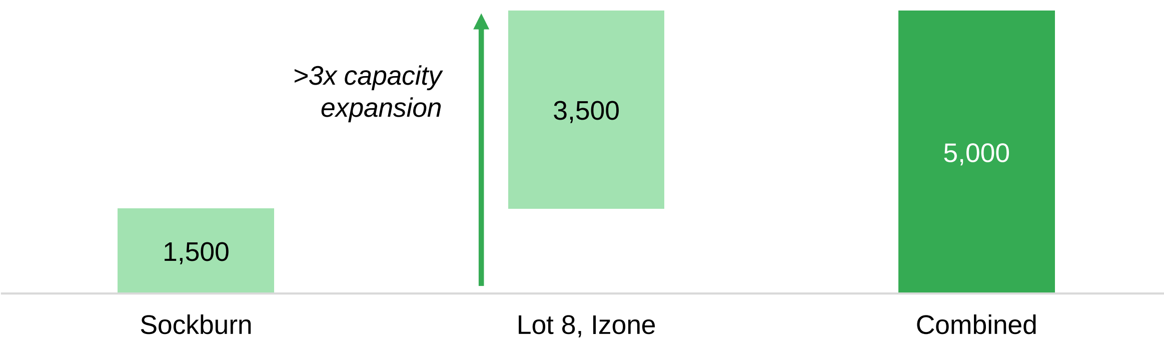
Keytone Dairy

Capacity Expansion

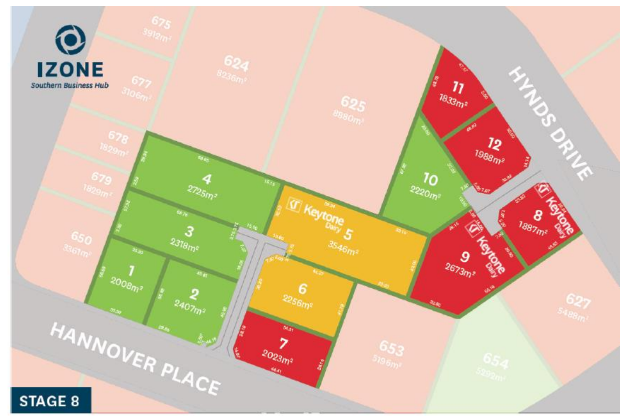
Step change in revenue and sales mix towards high value, proprietary products

- New facility currently under construction will bring an additional 3,500tpa in capacity - enabling Keytone to manufacture significantly higher volumes, across a broader range of its proprietary product suite
- Nameplate capacity of 5,000tpa based on a one shift basis
  - Increased capacity via multiple shifts and additional expansion opportunities
  - Step change in revenue and realignment of sales mix towards higher value, higher margin proprietary products
- IPO funding has been successfully deployed and mobilised towards completion of a new facility, on track to come online in mid CY2019
- Ability to utilise Omniblend's facilities to support Keytone's shift in sales mix towards higher-value, proprietary products

Capacity Expansion[1]



Keytone's purpose built second manufacturing facility



Izone Business Hub, Lots 8 & 9 are owned by Keytone. Keytone has also acquired an option over Lot 5 for additional expansion opportunities

Note: 1. Nameplate capacity is based on a one shift basis and excludes the future development and construction of additional manufacturing facilities on adjacent land secured by Keytone

Keytone Dairy

Milestones Achieved Since Listing

Continued execution of four pillar growth strategy

2018	2019

JUL — AUG — SEP — OCT — NOV — JAN — FEB — MAR — APR — MAY

25th July 2018:
Proprietary AMF Product – Launch & First Order

18th July 2018:
Completed significantly oversubscribed IPO
Launch of Goat Milk powder, listing on JD.com
Launch of Proprietary product range in Corner's Deli & CPLotus

8th August 2018:
Acquires Option to Purchase Additional Land

25th August 2018: *CNCA Registration & Construction Update*

25th September 2018:
Board Update
Peter James appointed as Chairman
Andrew Reeves as NED

27th September 2018:
Keytone Update
First repeat order of AMF product
First sale of AMF in Australia
KTD products listed on Pinduoduo
KTD products launched in Shanghai First Food Mall
KTD products to be ranged on irexchange platform

26th October 2018:
Quarterly Report
$879k cash receipts for the quarter

29th November 2018:
HY Report
$1.38m in total revenue for the half year, an increase of 116% pcp

23rd January 2019:
KTD Launches Junior Formula & Diabetic Powder

25th January 2019:
Exercise of Option to Purchase Additional Land

31st January 2019:
Quarterly Report:
$572,000 cash receipts for the quarter

19th March 2019:
KTD Achieves Organic Certification

23rd March 2019:
KTD Achieves Organic Exporter Certification from New Zealand MPI

30th April 2019:
Quarterly Report:
$819k cash receipts for the quarter

30th May 2019:
Awarded contract to manufacture milk powder for a wholly owned subsidiary of Walmart Inc.

Keytone Dairy

Products - Proprietary

Select proprietary products - current range

Instant Whole Milk Powder

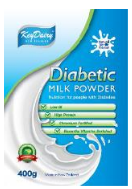
- Packed into 400g and 1kg packets at Keytone's purpose built facility
- Sold in domestic and overseas markets
- Also designed for use in the food and bakery service channel
- Medium heat, instantised spray process
- Product is CNCA and Halal certified and GMO free

Instant Skim Milk Powder

- Packed into 400g and 1kg packets at Keytone's purpose-built facility
- Sold in domestic and overseas markets
- Also designed for use in the food and bakery service channel
- Medium heat, instantised spray process
- Recommended for further dry blending with bioactive ingredients
- Product is CNCA and Halal certified and GMO free

Colostrum Milk Powder

- Blended powder with colostrum and instant skim milk powder
- Collected from New Zealand pasture fed dairy cows
- Enriched with IgC, milk proteins, calcium and vitamins, minerals and enzymes
- Nutritional benefits of immunity and growth
- Packed in a 450g jar, for domestic and overseas markets
- CNCA and Halal certified, GMO free

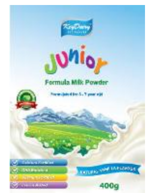


KeyDairy® Diabetic Powder

- Premium dairy powder formulated for consumers who have been medically diagnosed with diabetes
- Specifically designed to assist diabetics with the day to day management of blood sugar and insulin levels as a supplement to prescription medications
- Provides a good source of essential daily vitamins and minerals to further support the specific daily needs of this consumer group

Goat Milk Powder

- Packed in a 450g jar, for domestic and overseas markets
- Made from 100% New Zealand collected and processed goat milk
- Goat milk is much higher in total solids than cow's milk and contains up to twice as many minerals like calcium, phosphorus, iron and zinc. It also contains more of the percentage of A, E, C and B complex vitamins than cow's milk
- CNCA and Halal certified, GMO free



KeyDairy Junior Formula

- Premium dairy product for children aged three to seven years/
- Formula has been developed as a supplement to a healthy diet to meet the specific needs of this active and fast-growing age group including immune system development, brain development, resistance to disease, increasing metabolism, red blood cell production
- Provides an essential daily dose of Vitamin A, B, C, D, in addition to calcium, iron and protein amongst other vitamins and minerals

Anhydrous Milk Fat (AMF)

- Wet product, launched to enter US$2.6bn global AMF market
- Production is outsourced to Bakels Edible Oils
- Produced in 18kg tins for the food service channel, targeted at Keytone's core market of Greater China and South East Asia
- AMF product contains at least 99.9% milk fat and requires only ambient storage, making it more cost effective than equivalent butter products

KeyHealth FaceClear

- Award winning acne supplement capsule sold in Sweden
- Contains specialty Lactoferrin, purified from fresh milk
- Antibacterial and anti-inflammatory functions
- Won the Silver Award under the Best Natural Beauty Product in the Natural Products Expo Scandinavia

Products - Proprietary

Proprietary products under development

Keytone is currently developing a number of new products to broaden our product offering and drive growth

We work closely with our distributors and customers to assess market demand for new products, ensuring optimal capacity utilisation

These products will be manufactured under our own brands and can also be contract packed for private labels

New products are under development and will be brought to the market in due course

Expansion of the product range is a key driver of growth, leveraging Keytone's distribution channels

Honey Milk Powder

Nutritional Formula

Bioactive Blends

Yogurt and Ice Cream Powder

Sports Nutrition

Special Patient Formula

Suppliers, Customers & Markets

Who we work with

Commentary

- Products are carried in major supermarket chains such as Pak'nSave in New Zealand, and Metro and LianHua in China
- Keytone distributes to traditional bricks and mortar retailers as well as online channels such as JD.com, Tmall/Taobao-Alibaba, Pinduoduo and VIP.com
- Keytone continues to secure contract packing agreements with leading brands/retailers, including Woolworths in New Zealand, Alpine Milk Powder, DairyWorks and New Zealand Delight
- FaceClear®, Keytone's proprietary innovative acne supplement capsule, has been selling in 75 Hälsokraft pharmacy stores in Scandinavia since 2013

Suppliers

synlait making more from milk
Fonterra
OpenCountry NEW ZEALAND DAIRY
Westland Milk Products Hokitika · New Zealand

Retailers / Distribution Channels

METRO 麦德龙
淘宝网 Taobao.com
PAKnSAVE
iR exchange
countdown
HÄLS KRAFT
GrandBuy 广州市广百股份有限公司 Guangzhou Grandbuy Co., Ltd.
上海第一食品 SHANGHAI FIRST FOODMALL
NEW WORLD
拼多多
JD.COM 京东
唯品会 vip.com
广州友谊商店 GUANGZHOU FRIENDSHIP STORE · CHINA
LOTUS
天猫 TMALL.COM

Contract Manufacturing – Private Label Brands

ALPINE IT'S RIGHT UP THERE
NEW ZEALAND DELIGHT
countdown
IgCo
Dairyworks NEW ZEALAND
u-than 优珍
SEPEREX NUTRITIONALS LEADING BIOACTIVE HEALTH INGREDIENTS

Keytone has longstanding relationships throughout the supply and value chain

Keytone is a trusted manufacturing partner to leading retail brands, known for its commitment to high standards and quality

3. Omniblend Overview

Snapshot of Omniblend

omniblend

Business Overview

- Omniblend is a leading Australian-based contract manufacturer of high value, formulated, blended powder products and long-life UHT drinks, specialising in the health and wellness sector
- Founded in 2008 to focus on the growing demand for health and wellness products, currently 84 FTE employees
- Operations are currently across four sites in Melbourne, incorporating highly automated and scalable plant and equipment :
  - **Powder packing and associated warehousing**– Bond Street, Mordialloc – 5,247m^2
  - **Product Development, powder packing and associated warehousing** – Capital Link Drive, Campbellfield (including head office) – 2,992m^2
  - **Materials, pre-weigh and blending** – Jessica Road, Campbellfield – 2,323m^2
  - **Aseptic (UHT) plant** – Export Drive, Brooklyn – 2,254m^2
- In addition to its current third-party manufacturing business, Omniblend creates formulations for its clients as well as for its own proprietary products

Holds Necessary Accreditations

CNCA | *Dairy Safety Victoria* | *Organic Manufacturer* | *AA Grade Accreditation from the BRC* | *Halal Certification*

Key Management, Since Inception

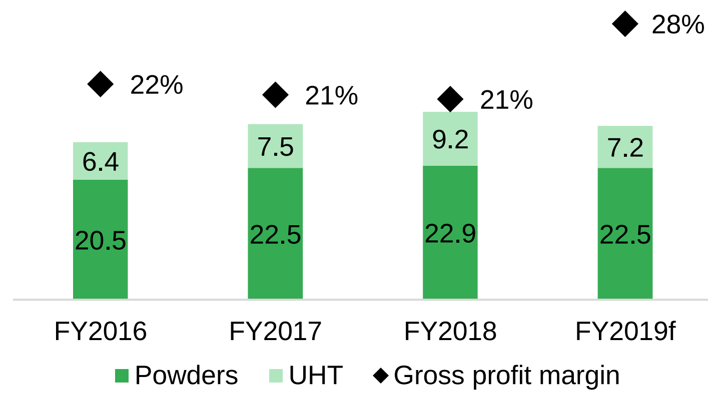
Danny Rotman, Managing Director

- Oversaw substantial revenue growth from \$3m to \$32m in FY2018
- Previously with Gadens and Rotman & Morris

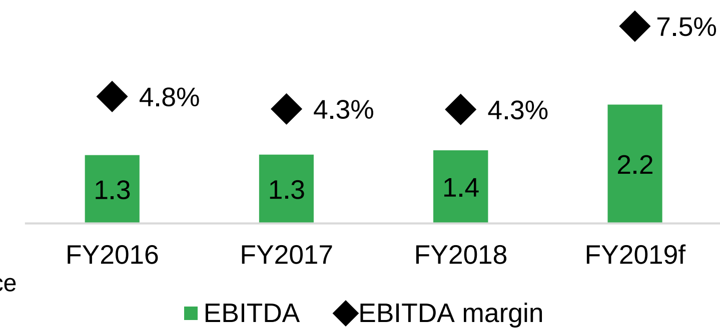
Arie Nudel, GM International & Business Development

- Extensive experience in strategy, finance and business systems

Revenue and Gross Margin[1]



EBITDA and EBITDA Margin[1]



Note: 1. The charts above represent Omniblend's standalone audited financial information through to FY2018. FY2019f are unaudited management accounts forecast to 30 June 2019 and include a completed asset acquisition deal on a pro-forma basis

Key Highlights, Customers and Products

Key Highlights

- Highly scalable business, well positioned to capitalise on the growing global demand for health and wellness products
- Significant capacity exists at the plants to increase volume throughputs, leveraging existing overhead structures
- Full service vertically-integrated third-party contract manufacturer
- In-house new product development team & laboratory
- Retains IP with majority of clients for products produced which ensures customers remain long-term clients given the difficulty of replicating products elsewhere
- Site consolidation will result in further synergies, capability diversification and operational efficiencies
- Holds necessary accreditations for domestic and export production of current products manufactured
- Specialists in sports nutrition, health and wellness products being the next growth phase into Asia

Key Contract Manufacturing Customers

Bellamy's Organic, Optislim, Carman's, ALDI, Top Juice, Freedom Foods, Muscle Milk, Atkins, Tony Ferguson, Horleys, Gen-Tec Nutrition

Initial Proprietary Products

Tonik Range

Prolixus

Liquid IF[1]

Notes: 1. Product under development

Strategic Outlook for Omniblend

omniblend

1 Improve Manufacturing Capabilities and Efficiencies

- Integrate Mordialloc and Capital Link Drive facilities to drive operational and cost efficiencies
- Develop protein bar and ball manufacturing capabilities together with dairy-free production capabilities
- Build high speed aseptic line

2 Acquire Core Brands

- Acquire select brands into Omniblend stable from existing customer base & market
- Targets would represent high growth proprietary products with proven demand in the Asian health and wellness market

3 Develop Proprietary Products

- Further development of own stable of brands
- Categories identified for brand development include general health and wellness, aged care and infants
- Tonik represents first vertically integrated product range to market
- Established platform to become a vertically-integrated major health and wellness category leader

4. Strategic Rationale & Highlights

Strategic Rationale and Highlights

1 Logical Adjacency

- ✓ Health and wellness sector is an attractive and logical adjacency for Keytone
- ✓ Provides immediate exposure to the growing health and wellness industry, whilst still focusing on core dairy product capability

2 Highly Scalable Infrastructure

- ✓ Omniblend has established infrastructure with substantial capacity to facilitate future growth

3 Diversification

- ✓ Diversifies Keytone's revenue base through expanded range of value-added products and services
- ✓ No overlap between Keytone's existing customers and the customers of Omniblend

Keytone Dairy + omniblend

4 Financially Compelling

- ✓ Highly EPS accretive (pre-synergies)
- ✓ Significantly strengthens management capabilities to drive growth and support integration

5 Vertical Integration

- ✓ Opportunity for Keytone to pursue vertical integration, expanding proprietary brands and pursuing product acquisition opportunities

Logical Adjacency

Health and wellness sector is an attractive and logical adjacency for Keytone

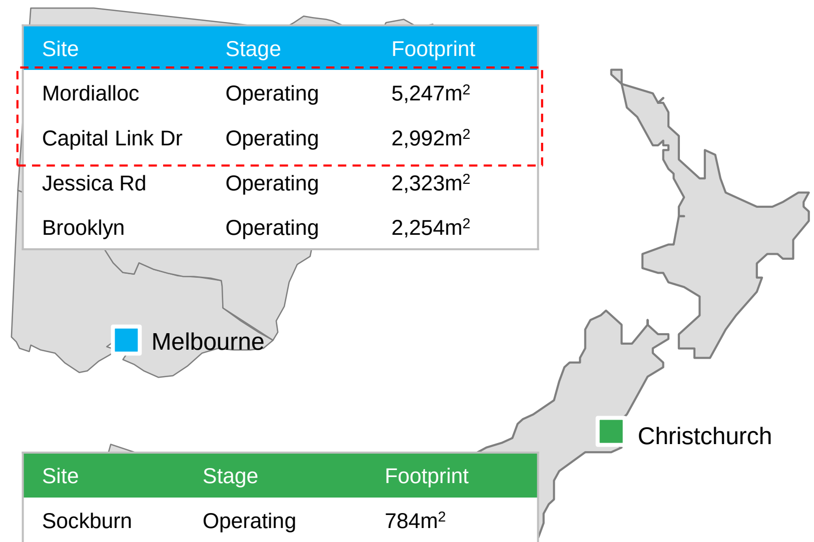
The Acquisition will make Keytone a leading player in both the dairy, health and wellness contract manufacturing sectors

- Health and wellness sector is an attractive, growing and complementary sector for Keytone
- Omniblend is regarded as a leading contract manufacturer concentrating on sports nutrition and nutraceutical products
- Omniblend acquisition provides Keytone with product diversification to changing consumer preferences in Australia, New Zealand and Asia
- Combined entity will establish a low cost and highly efficient specialist dairy, sports nutrition and nutraceutical manufacturer with significant opportunities to scale through revenue growth and operating efficiencies
- Provides early mover advantage into the health and wellness sector in Asia, utilising Keytone distribution channels
- Omniblend acquisition is in accordance with Keytone’s four pillar growth strategy

Scale, Diversification and Financially Compelling

- **Significant expansion of manufacturing capacity**
  - Existing Keytone capacity of 1,500tpa to be expanded to 5,000tpa via development of Lot 8 in Izone Southern Business Hub
  - Capital Link to be integrated into the large and modern Mordialloc facility
- **Diversification of operations, products and geography**
  - Diversifies revenue base through expanded range of value-added products and services (brands, whey protein, sports nutrition, nutraceuticals, UHT, bar-line products)
  - Additional sites diversifies location and provides operational and distribution benefits
- **Organic growth through increased customers, expand its product offering with existing clients, cost efficiencies and operating leverage, bringing proprietary (well branded) products to market**
  - Ability to cross-sell to the broader combined customer base and enhance Keytone's ability to service new customers
  - Increased attractiveness to Omniblend's customers as they are able to leverage Keytone's distribution network into Asia, particularly China
- **The Acquisition is highly EPS accretive (pre-synergies) with minimal integration costs**

General Location Map of Consolidated Operations



Site	Stage	Footprint
Mordialloc	Operating	5,247m²
Capital Link Dr	Operating	2,992m²
Jessica Rd	Operating	2,323m²
Brooklyn	Operating	2,254m²

Site	Stage	Footprint
Sockburn	Operating	784m²
Lot 8, Izone	Development	1,886m²
Lot 9, Izone	Vacant land	N/A
Lot 5, Izone	Vacant land	N/A

- Location of Omniblend facilities
- Location of Keytone facilities
- Plans to integrate Mordialloc and Capital Link Dr

Vertical Integration

The Acquisition provides the opportunity to leverage its own proprietary brands and pursue bolt-on acquisition opportunities

- Through the Omniblend facilities, Keytone will have the ability to contract manufacture high value formulated, blended powder products and UHT drinks
- Omniblend retains IP for formulations created for majority of private label clients as well as formulations for their own proprietary brands
- Omniblend's proprietary brands and private label clients can benefit from Keytone's international distribution channels including:
  - online platforms (JD.com, Tmall, Pinduoduo); and
  - bricks and mortar retailers (Metro Retail)
- Acquisition targets would represent high growth products in local and Asian markets across the following segments:
  - Organic verticals of existing products
  - Sports nutrition and whey
  - Bioactive blends
  - Yoghurt and ice cream powder
  - Life stage nutritional products
  - Animal nutrition

Keytone Dairy

5. Transaction Funding, Pro Forma Financials and Terms

Acquisition Funding and Terms

Acquisition of Omniblend for $22.6 million plus earn-out

Acquisition Terms	
Purchase Price	Keytone has entered into a binding conditional agreement to acquire 100% of the shares of Omniblend for an upfront consideration of $22.6 million[1] and up to $30.0 million earn-out subject to performance milestones
Board Additions	Danny Rotman and Arie Nudel, founders of Omniblend, will join the Board of Keytone
Closing Conditions	The Acquisition is subject to customary conditions precedent
Completion Date	The Acquisition is expected to complete following shareholder approval

Sources and Uses of Funding

Sources of Funds	$ million
Placement	5.0 - 8.0
SPP[2]	10.0
Total	**15.0 - 18.0**

Uses of Funds[3]	$ million	
Purchase consideration for Omniblend	8.0	8.0
Working capital and repayment of Omniblend debt up to[4]	3.0	4.6
Associated transaction costs	1.1	1.3
Capex	2.9	4.1
Total	**15.0**	**18.0**

Note: 1. Subject to purchase price and working capital adjustments at completion 2. The Company reserves the right to accept oversubscriptions under the SPP at its absolute discretion, in consultation with the Joint Lead Managers 3. The above table is a statement of current intentions only, the Company reserves the right to alter the way the funds are applied 4. Keytone will assume and/or settle up to $4.6m debt at completion

Keytone Dairy

Pro Forma Combined P&L (pre-synergies)

A$ millions	Keytone 31 March 2018[2]	Keytone 31 March 2019[2]	Omniblend 30 June 2019f[3]	Pro forma adjustments	Pro forma combined
Total Income	2.2	2.7	29.7	-	32.4
Cost of sales	(1.4)	(1.6)	(21.3)	-	(22.9)
Gross profit	**0.8**	**1.1**	**8.4**	**-**	**9.5**
…Gross profit margin	*38.3%*	*40.2%*	*28.3%*	-	*29.0%*
EBITDA	**0.2**	**(3.2)**	**2.2**	**-**	**(1.0)**
…EBITDA margin	*10.5%*	*n/a*	*7.5%*		*n/a*
Normalisations[1]	-	1.8	-	-	1.8
Normalised EBITDA	**0.2**	**(1.4)**	**2.2**	**-**	**0.8**
D&A	(0.0)	(0.1)	(0.5)	-	(0.6)
Interest	0.0	0.0	(0.5)	0.5	0.0
Income tax expense	(0.0)	-	(0.3)	(0.1)	(0.5)
NPAT	**0.2**	**(1.5)**	**0.9**	**0.4**	**(0.2)**

FY2019 was the transitional year for Keytone

- Listed in July 2018, incurring significant one-off IPO costs and non-cash share based expenses, with no additional capacity or throughput from the existing facility which is at capacity
- Existing annual capacity of 1,500tpa to be expanded to 5,000tpa (on a one shift basis) via the construction of additional facility due mid CY2019
- IPO funds raised have been deployed in the construction of this second facility which will create a significant step change in the revenue and earnings profile of Keytone as the additional capacity comes online through FY2020
- Importantly the sales mix of the business will realign towards higher value, higher margin products with demand for the existing product suite and new products which cannot currently be manufactured given the lack of capacity in the existing facility
- Despite the capacity constraints faced by Keytone through the FY2019 – the company has increased sales from $2.2m in FY2018 though sweating the existing facility and outsourcing of select new products, such as AMF

Note: 1. Normalisation adjustments include one-off IPO costs, abnormal costs and non-cash share based expenses; 2. Keytone 31 March 2018 and 31 March 2019 are audited accounts; 3. Omniblend 30 June 2019 accounts are unaudited management accounts forecast to 30 June 2019 and include a completed asset acquisition deal on a pro-forma basis

Pro Forma Combined Balance Sheet

A$ millions	Keytone 31 March 2019[1]	Omniblend 30 June 2019f[2]	Adjustments Acquisition	Adjustments Placement/SPP[3]	Keytone Pro forma
Cash and cash equivalents	9.8	0.5	(12.7)	16.7	14.3
Trade and other receivables	0.2	5.0	-	-	5.2
Inventory	0.2	2.8	-	-	3.0
Other assets	0.5	0.3	-	-	0.8
Intangible assets	-	0.1	-	-	0.1
Goodwill	-	1.2	11.4	-	12.6
PP&E	3.5	5.9	-	-	9.4
Total assets	**14.2**	**15.8**	**(1.3)**	**16.7**	**45.4**
Trade and other payables	0.4	3.6	-	-	4.0
Provisions	0.1	0.6	-	-	0.7
Debt[4]	-	5.3	(5.3)	-	-
Other liabilities	0.1	0.4	-	-	0.5
Total liabilities	**0.6**	**9.9**	**(5.3)**	**-**	**5.2**
Issued capital	14.6	5.8	4.1	16.7	41.2
Reserves	2.3	-	-	-	2.3
Retained earnings / (accumulated losses)	(3.3)	0.1	(0.1)	-	(3.3)
Total equity	**13.6**	**5.9**	**4.0**	**16.7**	**40.2**

Note: 1. Keytone 31 March 2019 audited accounts 2. Omniblend's 30 June 2019f are unaudited management accounts forecast to 30 June 2019 3. Assumes $18.0m raised under the Placement and SPP 4. Keytone will assume/settle up to $4.6m debt and any additional debt on the Omniblend balance sheet at completion will be subject to purchase price and working capital adjustments at completion

6. Offer Summary

Sources of Funding

Placement and SPP	▪ An equity raising comprising a conditional placement and share purchase plan (the "**Offer**"): – conditional placement of 11.6 – 18.6 million shares to raise a minimum of $5.0 million and up to $8.0 million ("**Placement**") – share purchase plan to existing eligible shareholders to raise up to $10.0 million ("**SPP**")
Shares to Vendors	▪ Issue $10.0 million of Keytone shares to the Vendors on Completion ("**Vendor Shares**") – Vendor Shares will be issued at a deemed issue price equal to the price as the shares issued under the Placement and SPP ▪ Performance Shares of up to $30.0 million of Keytone shares (based on the price of shares issued under the Placement and SPP), subject to the following key milestones: – $10.0 million of Keytone shares if Omniblend achieves $2.6 million EBITDA (within two financial years of Completion) – $10.0 million of Keytone shares if Omniblend achieves $50.0 million revenue (within three financial years of Completion) and a 30 day VWAP greater than $0.65 per share – $10.0 million of Keytone shares if Omniblend achieves $100.0 million revenue and $7.5 million EBITDA (within three financial years of Completion) and a 30 day VWAP greater than $1.00 per share
Existing Cash[1]	▪ $9.7 million of existing cash reserves

Note: Existing cash as at 31 March 2019

Offer Details

Offer Structure and Size	▪ A conditional Placement and SPP to raise gross proceeds of between $15.0 million and up to $18.0 million ▪ Between 34.9 million and 41.9 million fully paid ordinary shares to be issued (“**New Shares**”)
Offer Price	▪ The Placement and SPP price will be conducted at $0.43 per share – 18.1% discount to last close – 20.0% discount to 5 day VWAP
Placement	▪ Minimum of $5.0 million and up to $8.0 million Placement to institutional and sophisticated investors
SPP	▪ Existing eligible shareholders will have the ability to participate via the SPP ▪ Eligible shareholders registered by 7:00pm (Sydney time) on Friday, 14 June 2019 will be entitled to subscribe for up to $15,000 of Keytone shares to raise up to $10.0 million[1] ▪ All directors of the Company whom are eligible to participate in the SPP have indicated they intend to subscribe for the full amount
Ranking	▪ New Shares issued under the Placement and SPP will rank equally with existing fully paid ordinary shares from their time of issue
Joint Lead Managers	▪ Bell Potter Securities Limited and Peloton Capital Pty Ltd are acting as Joint Lead Managers to the Placement and SPP

Note: 1. The Company reserves the right to accept oversubscriptions under the SPP at its absolute discretion, in consultation with the Joint Lead Managers

Capital Structure

Shareholders	Shares (m)	Undiluted %	Performance Shares (m)	Options (m)	Diluted %[6]
Existing Shareholders	150.0	70%	-	-	42%
Options[1]	-	-	-	24.5	7%
Keytone Performance Shares[2]	-	-	49.5	-	14%
Omniblend Vendor Shares[3]	~23.3	11%	-	-	6%
Omniblend Performance Shares[4]	-	-	~69.8	-	19%
New Shares issued Placement and SPP[5]	~41.9	19%	-	-	12%
Total	**215.1**	**100%**	**119.3**	**24.5**	**100%**

Notes:

1. **Options:** Director and Management Options (8.5m) are unquoted, vest in equal annual instalments over three years and are exercisable at $0.30 per share on or before the third anniversary of the date of vesting. IPO Lead Manager Options (12.0m) are unquoted and are exercisable at $0.30 per share on or before the third anniversary of the date of issue and are subject to standard ASX escrow provisions. 4.0m Directors options, $0.68 strike, expiry 25 September 2018;
2. **Keytone Performance Shares:** Class A of 16.5m Performance Shares will vest upon the Company's New Zealand business achieving A$3.0m of EBITDA in any financial year concluding on or before the third anniversary of the Company being admitted to the Official List, Class B of 16.5 Performance Shares will vest upon the Company's New Zealand business achieving A$6.0m of EBITDA in any financial year concluding on or before the third anniversary of the Company being admitted to the Official List and Class C of 16.5m Performance Shares will vest upon the Company's New Zealand business achieving revenue of A$6.0m and a share price greater than $0.30 (30 day VWAP) in any financial year concluding on or before the third anniversary of the Company being admitted to the Official List;
3. **OmniBlend Vendor Shares:** Shares tabled above in relation to the Vendor shares are illustrative and are calculated using the same price as the Placement and SPP;
4. **Omniblend Performance Shares:** $10.0m of Keytone shares if Omniblend achieves $2.6m revenue (within two financial years of Completion), $10.0 million of Keytone shares if Omniblend achieves $50.0m revenue (within three financial years of Completion) and provided Keytone's share price maintains a 30 day VWAP of at least $0.65 per share and $10.0m of Keytone shares if Omniblend achieves $100.0m revenue and $7.5m EBITDA (within three financial years of Completion) and provided Keytone's share price maintains a 30 day VWAP of at least $1.00 per share. Omniblend Performance Shares will be issued at the Offer Price;
5. **New Shares issued under Placement and SPP:** Assumes $18.0m raised under Placement and SPP. Shares tabled above in relation to the New Shares issued under the Placement and SPP are illustrative; and
6. **Fully diluted:** Assumes all options are converted and performance rights hurdles are met

Indicative Offer Timetable

Timetable[1]	Date
Trading halt and announcement of the Acquisition, Placement and SPP	Monday, 17 June 2019
Trading halt lifted and Keytone shares recommence trading on ASX	Wednesday, 19 June 2019
Record Date for determining eligible participation to subscribe for New Shares via the SPP	7:00pm (Sydney time) Friday, 14 June 2019
SPP Offer Booklet dispatched to eligible shareholders	Wednesday, 26 June 2019
SPP opens	Wednesday, 26 June 2019
SPP closes	5:00pm (Sydney time) Monday, 15 July 2019
AGM to approve issue of New Shares under the Placement and Vendor Shares	On or around Wednesday, 24 July 2019
Settlement of Placement	Monday, 29 July 2019
Allotment of New Shares issued under the Placement, SPP and Vendor Shares and completion of Acquisition	Tuesday, 30 July 2019

Note: 1. All dates are indicative and subject to change

A. Key Risks

Key Risks

Transaction and Integration Risk	▪ The Acquisition may consume a large amount of management time and attention during integration, and the Acquisition may fail to meet strategic objectives, or achieve expected financial performance (including unrealised synergies)
Due Diligence Risk	▪ Keytone has performed certain due diligence on Omniblend and its subsidiaries. There is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue which was not identified prior to completion of the Acquisition could have an adverse impact on the financial performance or operations of Keytone. As is usual in the conduct of acquisitions, the due diligence process undertaken by Keytone identified a number of risks associated with the Acquisition, which the company had to evaluate and manage. The mechanisms used by Keytone to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by Keytone may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated, and hence they may have a material adverse impact on Keytone's earnings and financial position
Counterparty and Contractual Risk	▪ Pursuant to the Acquisition agreement ("**SPA**") Keytone has agreed to enter into the Acquisition subject to the fulfilment of certain conditions precedent. The ability of Keytone to achieve its stated objectives will depend on the performance by the parties of their obligations under the SPA and other agreements related to the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for Keytone to approach a court to seek a legal remedy, which can be costly
Business Strategy Risk	▪ Keytone's growth and financial performance is dependent on its ability to successfully execute its growth strategy including in relation to Omniblend. If Keytone fails to execute on its business strategy, its business, financial condition and results of operations could be materially and adversely affected
Limited History	▪ Keytone was only recently incorporated and has limited operating history and limited historical financial performance ▪ Achievement of Keytone's objectives will depend on the Board's and the management team's ability to successfully implement its growth strategy including in relation to Omniblend. This strategy involves marketing and manufacturing new products that Keytone has limited experience selling ▪ In addition, Keytone is subject to risks common to early-stage companies, including increasing market share and brand recognition, successfully developing its anticipated products, expanding its manufacturing facilities and competing with larger competitors. Investors should consider the company's business and prospects in light of the risks that it may face as an early-stage business. If Keytone is not successful in addressing such risks, the company's business prospects and financial performance may be materially and adversely affected

Key Risks

New Zealand and Australian Regulatory Risks	▪ As a New Zealand-based manufacturer, Keytone is subject to the food safety laws and regulations of the New Zealand Ministry for Primary Industries ("**MPI**"). These laws and regulations require Keytone's facilities to have a Risk Management Programme ("**RMP**") that is validly registered with the New Zealand MPI. An RMP places onerous requirements on Keytone to eliminate food safety hazards, and it's compliance with its RMP must be regularly audited. Similarly, Omniblend is subject to similar Australian food safety laws and regulations. Keytone's failure to comply with New Zealand's (or Australia's in the case of Omniblend) food safety regulations, including its RMP, could result in the loss of the ability to manufacture and export its products, which would result in a material adverse impact on the company's business and financial performance
Future Profitability	▪ Keytone's (and Omniblend's) business requires significant expenditure on marketing, business development and personnel, and substantial capital investment in production facilities. Accordingly, Keytone may not maintain profitability and, to the extent such expenditure and investment continue, may suffer a shortage of working capital
Manufacturing Risk	▪ The manufacturing of dairy and nutrition products involves complex and capital intensive mechanical equipment and processes. In addition, manufacturing processes involve risks related to plant breakdown, logistics, supply of labour and other resources. Difficulties or delays relating to the manufacturing of Keytone's (or Omniblend's) products could also result from factors outside of the its control, such as labour strikes, extreme weather, earthquakes and other natural disasters. The occurrence of any such events could increase the cost of Keytone's products or require it to use third parties to manufacture its products, which would likely result in an adverse material impact on Keytone's business and financial performance ▪ Further, Keytone's growth plans include the acquisition and building by the company of two additional manufacturing facilities, the successful implementation of which are dependent on numerous third parties and various factors outside of its control
Supply Risk	▪ Keytone (and Omniblend) relies on high quality, dairy and other materials primarily from a number of local New Zealand and Australian suppliers in order to manufacture its products. Keytone may be unable to secure these ingredients due to a variety of reasons, including environmental events, and price competition for limited supply from better-capitalised market participants. In addition, the cost of these materials could increase substantially due to local or international market events. The occurrence of any of these events could impact on Keytone's ability to manufacture and sell its products, which could have a material adverse effect on the business and financial performance of Keytone ▪ While Keytone has no contractual security of supply of materials at present, this is considered standard for the industry in which it operates ▪ Keytone further believes it has mitigated supply risk by establishing long term trade accounts with several suppliers in New Zealand and Australia

Key Risks

China Regulatory Risks	▪ The Chinese government has significant discretion in the granting and renewal of registration certifications and other qualifications necessary for the exporting of dairy products to China. The Chinese government has instituted an exported dairy food products regulatory regime that requires, among other things, certain foreign manufacturing facilities to complete a registration process overseen by the CNCA. The process required to obtain and maintain this registration is onerous and includes regular audits by relevant local regulatory authorities. In addition, the regulations applicable to the export of dairy food products are subject to change ▪ Keytone (and Omniblend) must continuously meet the applicable registration requirements to avoid having its registration suspended or cancelled by the CNCA. Events that could cause the CNCA to suspend or cancel Keytone's registration include: (i) if a major food safety accident attributable to Keytone (or Omniblend) was to occur; (ii) if serious nonconformities were identified during the inspection and quarantine of Keytone's (or Omniblend's) exported products; (iii) if major problems in food safety and hygiene management were to be identified during inspection of Keytone's (or Omniblend's) facilities and could not be adequately addressed; or (iv) if the New Zealand MPI were to no longer be appropriately qualified or conform to applicable Chinese laws ▪ While these regulations may act as a barrier to entry for other competitors to enter the Chinese market, Keytone (and Omniblend) must maintain its registration for its existing facilities and seek successful registration for any future manufacturing facility in order to export its products to China. If Keytone (or Omniblend) were unable to renew its CNCA manufacturer registration or otherwise satisfy the requirements for registration or have its CNCA registration suspended or cancelled, Keytone (or Omniblend) would be unable to export its products to China, which would result in a material adverse impact on the it's business and financial performance
Distribution Risk	▪ A majority of Keytone's revenue is derived from exports to various markets, particularly China and other Asian countries. Keytone relies on a limited number of distribution channels to export its products to these markets. In addition, the growth objectives of Keytone depend on its ability to substantially increase its distribution channels. The loss or disruption of a distribution channel could adversely affect the company's financial performance and future prospects. ▪ Additionally, Keytone may take a credit risk with regard to parties to whom it supplies products. In the event of such parties failing to meet their obligations to Keytone on time or at all, it's financial performance may be adversely affected ▪ While Keytone has no long term contractual security of sale of its products at present, this is again considered standard for the industry in which Keytone operates, where contracting on a monthly purchase order basis (rather than long term contracts) is common practice. Keytone further believes it has mitigated customer risk by establishing business relationships with as broad an array of creditable customers as possible, considering the scale and resources of its business to date

Key Risks

Dairy Product and Ingredients Price Risk	▪ Keytone purchases its skim milk powder, whole-milk powder and other dairy products (dairy ingredients) primarily from New Zealand dairy companies for the packaging and manufacture of products for sale to its customers. The dairy companies generally have farmers that supply milk from their farms and that milk is dried collected, standardised, pasteurised, evaporated, and dried into milk powder or processed to manufacture cheese ▪ The large majority of the milk produced in New Zealand is used to produce dairy products that are exported to a large number of countries. New Zealand is one of the world's largest exporters of dairy products. The global market for dairy products and the prices for dairy products are determined by forces of supply and demand. During times where there is high demand and/or reduced supply on the global dairy market, prices will increase and be at higher levels. Conversely, where there is low demand and/or increased supply on the global dairy market, prices will decrease and be at lower levels ▪ The price that Keytone (including Omniblend) will be required to pay to dairy companies for purchases of dairy ingredients will be strongly influenced or determined by the global dairy market. At any time, Keytone is unable to predict with any certainty the future prices for dairy ingredients. When the price of Keytone's dairy products and ingredients increase or are at high levels, it will endeavour to increase the prices to its customers to cover the increased cost of its dairy ingredients purchased. There is a risk that Keytone will be unable to pass on to its customers the increased cost of its dairy ingredients and this would have a detrimental financial impact on it's business
Demand Risk	▪ Keytone's growth objectives depend on continued growth in the demand for powdered dairy products in domestic and international markets, predominantly in Asia and in particular China ▪ Changes in consumer dietary preferences or an excess of supply of dairy products may adversely impact demand or prices for these products. If Keytone is unable to penetrate these markets due to a change in demand for powdered milk products or if demand for powdered dairy products were to otherwise fall, Keytone may be unable to achieve its growth objectives
Competition Risk	▪ Keytone (and Omniblend) is in the highly competitive fast-moving consumer goods global business market and competes with many participants who are larger and have significantly greater resources, including financial, technical, marketing and human resources, than the company ▪ Keytone competes in this market based on distribution channels, brand recognition, product quality and price, product placement and promotional activities. These competitors have already established a market share and brand and will be able to respond more quickly to changing business, regulatory and economic conditions than the company. Keytone may not be able to effectively compete with other participants in this market
Product Contamination and Recall Risk	▪ As a manufacturer of dairy products, Keytone (and Omniblend) is subject to the risk that any product contamination or product recall issue (however caused) could have a material adverse effect on its brand and thus its financial performance. Adverse events could expose Keytone (and Omniblend) to product liability claims or litigation and/or monetary damages being awarded against the company. In such event, Keytone's liability may exceed the it's insurance coverage, if any ▪ While Keytone's facilities meet the food safety standards prescribed by the New Zealand Ministry MPI that minimise the risk of product contamination occurring, there is no guarantee that any such contamination will not occur. Any contamination or other failure to meet applicable food safety standards could result in removal of regulatory approval to pack, produce and/or export Keytone's products

Key Risks

Government Regulatory Risk	▪ Keytone (and Omniblend) and its current and future products are subject to various laws and regulations, including, without limitation, manufacturing regulations, product liability laws, product content requirements, labelling and packing requirements, environmental laws, tax laws, anti-corruption laws, and export laws and regulations. The failure by Keytone (and Omniblend) to comply with the laws and regulations in the jurisdictions in which it manufactures, exports and sells its products could result in the loss of access to those and other markets. In addition, compliance with government regulations may also subject Keytone (and Omniblend) to additional fees and costs ▪ Further, changes to these laws and regulations (including interpretation and enforcement), or the failure by Keytone (and Omniblend) to remain current with those changes, could adversely affect the company's business and financial performance
Export Risk	▪ The majority of Keytone's products are sold for ultimate exports from New Zealand. Any adverse changes to trade tariffs, quotas or duties, the subsidisation of local producers or the introduction of other trade barriers, including in connection with the renegotiation of the bilateral free trade agreement between China and New Zealand, could reduce Keytone's profitability and adversely affect its ability to export its products
Earthquake Risk	▪ The location of Keytone's facilities, Christchurch, New Zealand, has experienced significant earthquakes. Future earthquakes could damage Keytone's facilities and reduce its production capacity during any down time, which would adversely affect it's assets, operations and financial performance
Currency Risk	▪ Whereas a substantial portion of Keytone's revenues are earned in foreign currencies through the export of its products, its expenses are predominately in New Zealand dollars. To the extent Keytone's sales are in foreign currencies and where the New Zealand dollar appreciates against those foreign currencies, the company's financial performance will be negatively affected. As a result, Keytone is subject to foreign currency risk that may adversely affect its financial performance
Key Personnel Risk	▪ Keytone's success depends on its key personnel, including its Managing Director and Chief Executive Officer James Gong and the rest of the management team. The loss of any of these people's services could have a significant adverse effect on Keytone and may hinder the ability of the company to achieve its product development and growth objectives ▪ Competition for personnel in the dairy industry is intense, and there is a limited number of persons with knowledge of, and experience in, this industry. In particular, the pool of labour in New Zealand is limited and expensive. A failure to attract and retain other executive, operational, technical and other personnel could limit Keytone's ability to grow
Taxation Risk	▪ The acquisition, ownership and disposal of Keytone shares may have tax consequences for investors, which may vary depending on the individual financial affairs and tax residence of each investor. All potential investors in Keytone are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of shares from a taxation viewpoint and generally

B. Placement Offer Jurisdictions

Placement Offer Jurisdiction

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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Placement Offer Jurisdiction

United Kingdom

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