



Bon Natural Life

Bon Natural Life Limited
(Nasdaq: Bon)
FY2022 Earnings Call Presentation

February 10, 2023



Confidentiality Note and Disclaimer

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are characterized by future or conditional verbs such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate” and “continue” or similar words. You should read statements that contain these words carefully because they discuss future expectations and plans, which contain projections of future results of operations or financial condition or state other forward-looking information. Such statements are only predictions, and our actual results may differ materially from those anticipated in these forward-looking statements.

We believe that it is important to communicate future expectations to investors. However, there may be events in the future that we are not able to accurately predict or control. Factors that may cause such differences include, but are not limited to, those discussed under Risk Factors in our registration statement filed with the SEC, including the uncertainties associated with the Company's ability to raise additional capital to finance the Company's activities; the Company's and its subsidiaries' ability to fully perform all of their obligations under the contractual obligations applicable to them; the effectiveness, profitability, and the marketability of its ongoing mix shift to more advanced products; legal and regulatory risks; the Company's ability to execute its growth strategy and the effectiveness of its increased research and developments pending; the future trading of the ordinary shares of the Company; the Company's ability to operate as a public company; the period of time for which its current liquidity will enable the Company to fund its operations; general economic and business conditions; the volatility of the Company's operating results and financial condition; the Company's ability to attract or retain qualified senior management personnel and research and development staff . We do not assume any obligation to update forward-looking statements as circumstances change.

Management on Call



Yongwei Hu

Chairman

Chief Executive Officer



Zhenchao Li

Chief Financial Officer



Yingchun Xue

Chief Operating Officer



Wenjuan Chen

Chief Marketing Officer



Agenda

- CEO Perspective
- FY2022 Financials Overview
- Questions & Answers

CEO Perspectives



Bon Natural Life



Company Overview

BON is one of the leading bio-ingredient solution providers in the natural, health and personal care industries, serving blue chip customers in both domestic China and overseas market.

Farm Sourced Raw Materials

- Apples
- Stachys Affinis (*aka, Chinese artichoke*)
- Clary Sage

Finished Products Sold By Customers

- Fragrances
- Flavorings & Sweeteners
- Powdered Drinks



Raw materials are processed by BON to produce the following three product categories:

- Fragrance compounds
- Health supplements (powder drinks)
- Bioactive food ingredients

Fragrance compounds and bioactive food ingredients are base active ingredients to make several different proprietary formulations by BON or its OEM & ODM customers.

Blue Chip Customers

Asia

- Tong Ren Tang
- Kao
- Asahi
- J2K Bio

United States

- International Flavors & Fragrances
- Mars Wrigley
- Integrity

Europe

- Symrise
- Fridal
- ACS International

Production Facilities & Capacities

BON currently has 2 production facilities, and the third production site – the first phase of Yumen Plant is expected to commence around May 2023.

- Yumen Plant is expected to increase production capacity of fragrance compound and bioactive food ingredients by **200%**, representing an **150%** annualized growth potential in revenue.
- The first phase of Yumen Plant is to increase the production capacity of the fragrance compounds and bioactive ingredients to meet the existing market and consumer demand.
- The second phase of the expansion is for BON's new proprietary consumer products including natural prebiotics and functional personal care products.



Proprietary Product Development

FeatherPure – woman’s personal care gel

- Regulate microbial balance of female productive system
- Anti-bacterial and anti-inflammatory



Cruciferous vegetable based probiotic powder drink

- Inhibit proliferation of Helicobacter pylori, a bacteria that causes digestive disease
- Regulate the microbial balance of digestive system

Other cruciferous vegetable based consumer products -

- Immune system booster in soft gel capsules;
- Digestive health booster in soft gel capsules;
- Weight loss management products;
- Sleep aid products for mid-aged and elderly.





Growth Strategies



Business Strategy

Capital Market Instruments

Carry out 2-3 merger and acquisition to improve biomanufacturing capability and expand sales network

Global Operation Expansion

Looking for business expansion opportunities in the U.S., Japan, Europe, and Southeast Asia



Innovation-based Growth Strategy

B2B Side

Utilize state-of-the-art biomanufacturing technology to expand product line and introduce 2-3 new raw material categories and expand sales in health market

B2C Side

Focus on the regulation technology of human microorganisms and develop 3-5 new products in indigestive, brain health, liver, and cardiovascular health

FY2022 Financials Overview



Bon Natural Life



Summary Financials

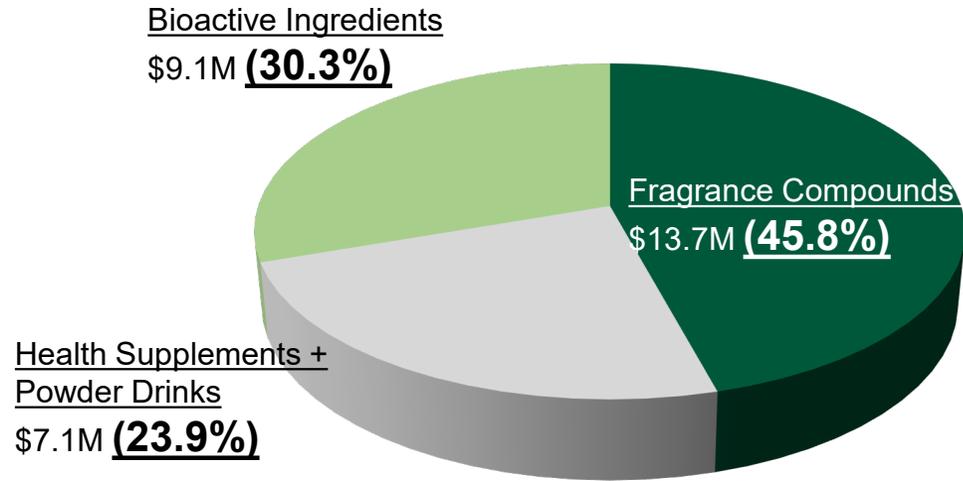
Strong growth driven by increase in average selling price, sales volume and number of customers.

- During the year ended September 30, 2022, sales increased to \$29.9M, an **increase of 17.3%** over the same period in previous year.
 - Increased average selling price of fragrance compounds (27.5%), powder drinks (7.0%) and bioactive food ingredients (17.4%).
 - Increased sales volume of bioactive food ingredients (27.3%) and health supplements (1%).
- Both gross profit and net income also increased by 32.5% and 35.4%, respectively.

Income Statement	For the years ended September 30		
	FY 2021	FY 2022	Change
Total Revenue	\$25.5M	\$29.9M	17.3%
Gross Profit	\$7.1M	\$9.4M	32.5%
<i>Gross Profit Margin</i>	<i>27.9%</i>	<i>31.5%</i>	<i>3.6%</i>
Net Income	\$4.6M	\$6.2M	35.4%

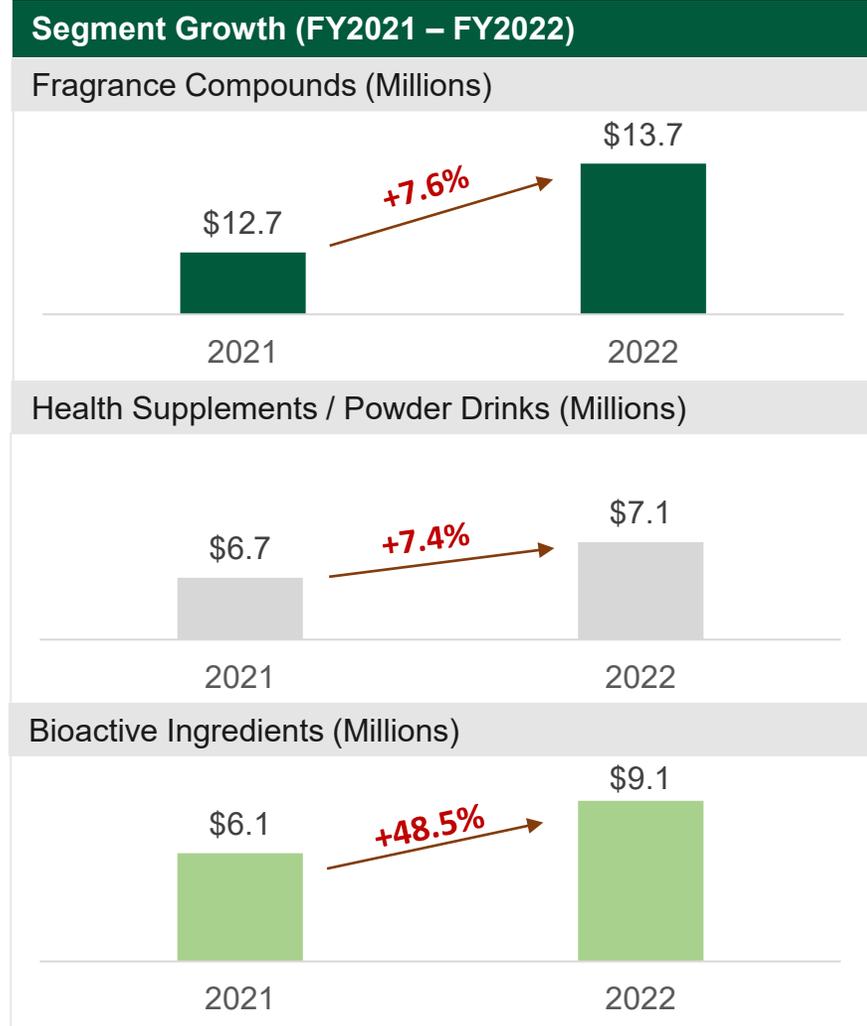


Segment Growth



There was growth across all segments with significant increase in bioactive food ingredients segment:

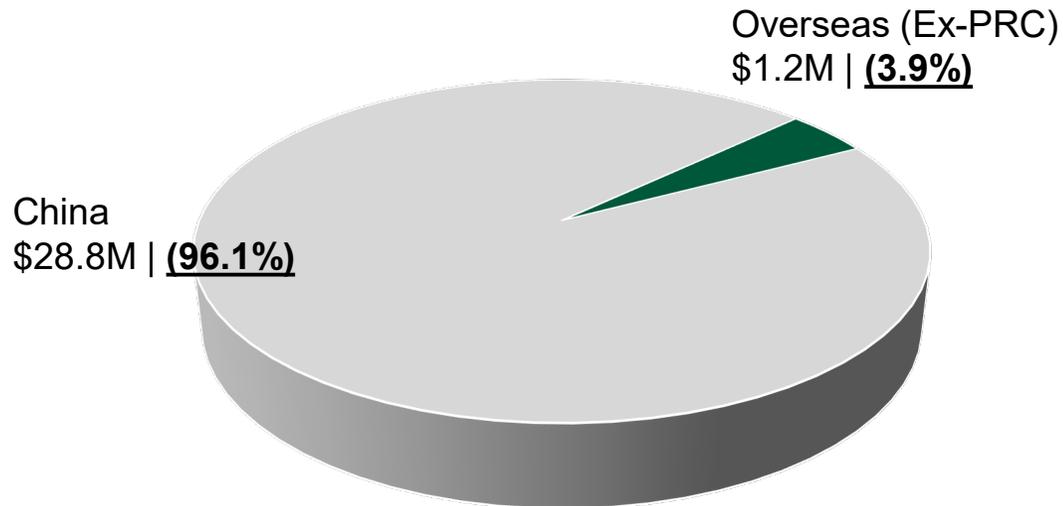
- Bioactive food ingredients (+48.5%)
- Fragrance compounds (+7.6%)
- Health Supplements / Powder Drinks (+7.4%)





Geographic Growth

Revenues for Years Ended September 30, 2022 (by Geography)



Geographical Sales Growth (For the Years Ended September 30, 2022)

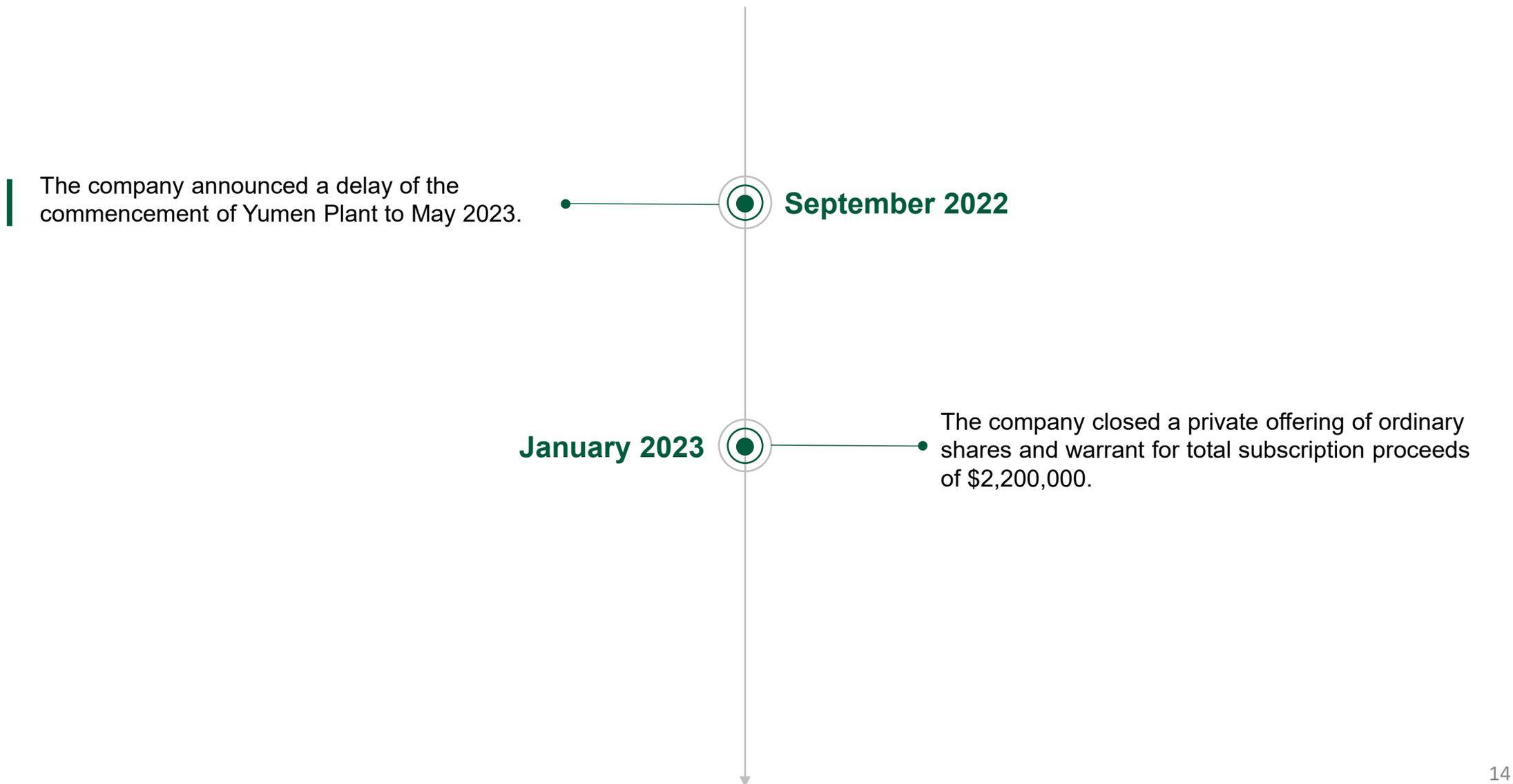
	FY 2021	% of Total	FY 2022	% of Total
China	\$23.7	93.0%	\$28.8	96.1%
Overseas (Ex-PRC)	\$1.8	7.0%	\$1.2	3.9%
Total	\$25.5		\$29.9	

The % of domestic China sales vs. international sales increased due to new sales strategy in response to global supply chain disruption

- We shifted our sales strategy by directing more marketing efforts to promote our products to large domestic enterprise clients due to disruptions of logistics caused by COVID-19 resurgence.



Subsequent Events





Q&A

- To ask a question you may **press * then 1** on your touch-tone phone. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question please **press * then 2**.
- For those on the webcast, You may submit questions by typing in the Submit a Question box on your screen.



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