



Strategy Update

October 2020



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Unless otherwise stated, all dollar values are in Australian dollars (\$) or A\$). A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding.

Focus on higher margin sustainable business in health and plant protein categories, anchored by macadamia business



Health

All better-for-you products, that promote a healthy lifestyle and provide education and opportunity for proper nutrition



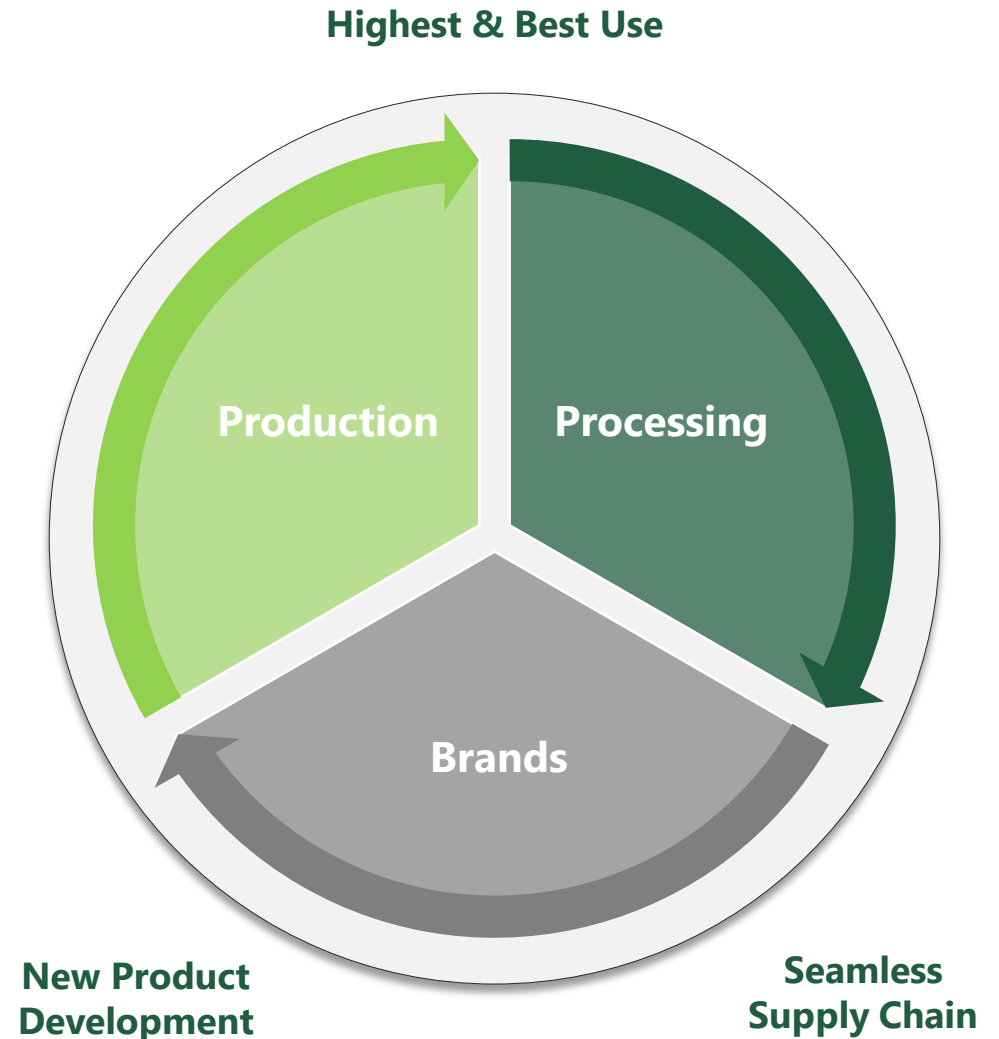
Plant Protein

Plant-based proteins that complements people's diet as the trends and eating habits shift to a more sustainable and holistic approach



HPP

The ultimate parent company that provides healthier plant-based protein products across multiple brands, categories, and touch points for consumers



Key Highlights and Outlook



Q1 Highlights

- Group Gross Profit up 107% quarter on quarter with strong final contribution from the Ginger business
- Sale of the Ginger business was completed on 30 September 2020
- Cash balance increased to \$14.9 million for the quarter
- Macadamia continue to see improved gross margin performance in retail branded products, despite challenging trading conditions and limited tourist activities in Hawaii
- Macadamia continues to increase share of market in our current categories.

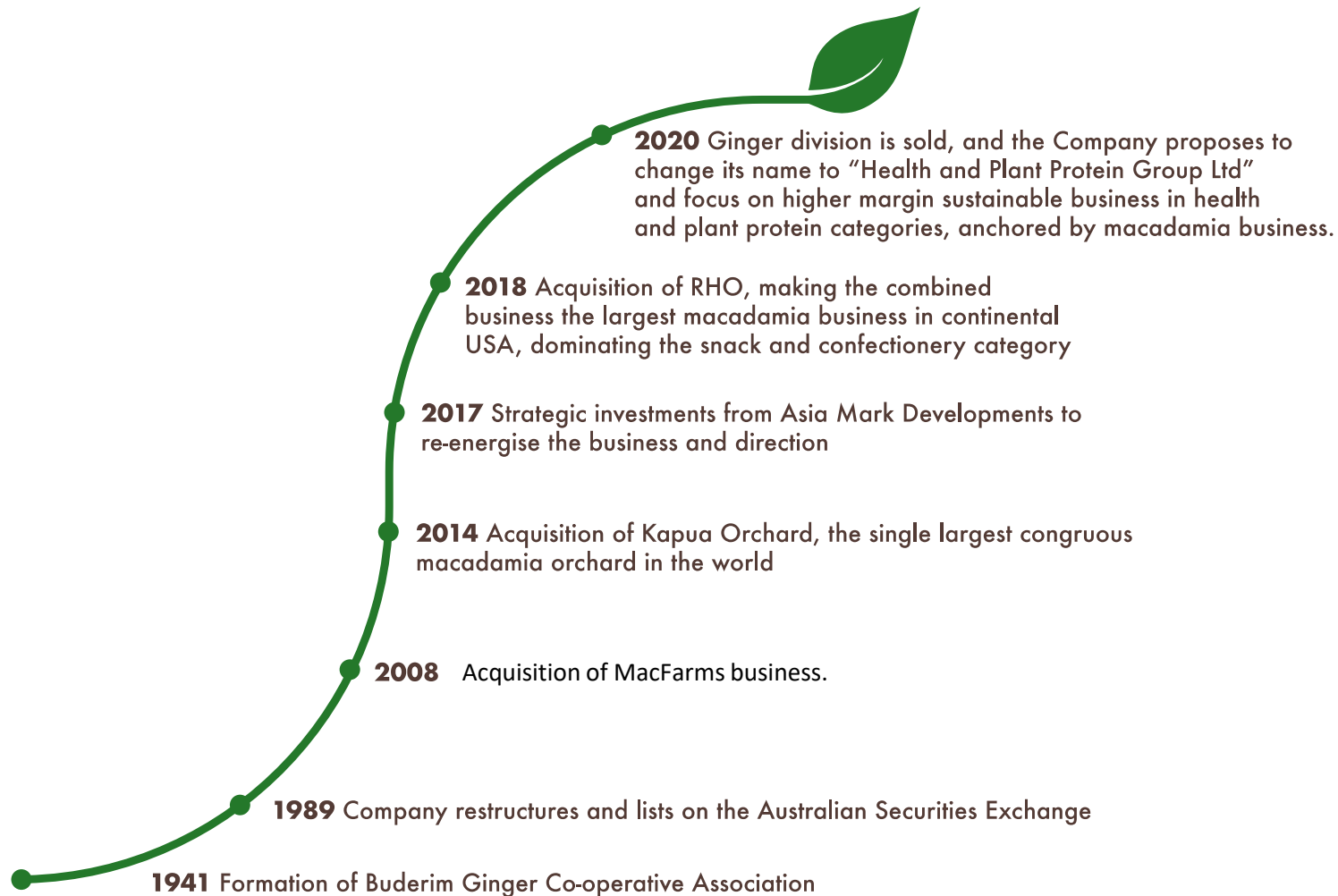
Outlook

- Health and Plant Protein Group (**HPP**) is ready for its refreshed strategic focus, anchored by its core business in branded macadamia
- The business is preparing for the upcoming holiday season in the USA with corresponding campaigns and the expected consumer sentiments post Covid-19 environments and the USA election
- The orchard has had favourable climatic conditions for production to be in line with or better than expectations
- Strong demand and pipeline of macadamia products through existing and new accounts.

Corporate History



HPP has, through both organic and inorganic growth, come to be one of the largest vertically integrated branded macadamia nut businesses in the world



HPP has a strong strategic shareholder base that can assist with its global ambitions beyond the US, including Asia.

Macadamia = Health Plant Protein



Macadamia delivers material nutrition including the largest macronutrients (fat, protein, carbohydrates) to the smallest phytochemicals thought to help prevent diseases

Macadamia, therefore, serves as the anchor of our health and plant protein business

Working Capital	FY20
Cash	\$14.9m
Trade Receivables	\$1.1m
Inventory	\$22.2m
Total Current Assets	\$38.2m
Trade Creditors	\$2.9m
Other Payables	\$2.4m
Total Current Liabilities	\$5.3m
Working Capital Facility	\$12.7m
Net Working Capital	\$20.2m

Financial Highlights

- \$5m convertible note repayment completed on October 1, 2020
- Overall reduction in debt from October 1, 2020 including the revolving 120 day working capital facility with Greensill Capital UK
- Sales contract with a top tier customer finalised in October is expected to convert material inventory to cash by Q3 2021
- \$20.2m Net Working Capital provides scope to grow the business, invest in our people and plant & equipment

HPP's Kapua Orchards (Kona, Hawaii) is one of the largest contiguous macadamia orchard in the world, and is independently valued at c. A\$45mn

Operational Overview

Vertically integrated macadamia production, processing & brand company focussed on the US market

SUPPLY SECURITY

- 2.6% of all world macadamia nut production*
- 35.5% of all USA production*

ASSET BACKING

- Orchard is independently valued at c. A\$ 45mn

NATURAL HEDGE AGAINST PRICES

- Vertical integration allows the business to have a natural hedge and better predictability on cost of goods/production
- World macadamia production is expected to materially increase at a rate potentially quicker than demand, creating further cost optimization opportunities.



CRACKING FACILITY

- Ownership of this processing element allows control/understanding on kernel recovery rates
- Understanding of the kernel also allows the business to continue explore with highest and best use opportunities
- Some of the possibilities include beverage, healthy energy bars, and other keto and vegan friendly items.



*IMC conference papers 2018 and actual production

Prepared by Buderim Group Limited

52,700 store distribution + e-Commerce + brand led = better margins

Key Leadership Team



A highly experienced management team with a track record in scaling globally focused consumer brands



Dennis Lin | *Executive Director* | *Strategic Leadership, High Growth Execution in FMCG* | *Australia*

Dennis has been involved with the business since 2016 and has a specific focus on strategically directing above industry growth in key markets such as USA and China through organic growth and acquisition activities.



Lisa Davis | *CFO & Company Secretary* | *Finance, Regulatory Compliance, Systems* | *Australia*

Lisa joined the business in early 2019 and has been instrumental in working through the transformation of the business. She is responsible for Finance as well as IT systems.



Adam Cunningham | *Commercial Manager* | *Global Macadamia Knowledge, Supply Chain* | *Australia*

Adam has spent over 12 years with the business and has intimate knowledge of macadamia supply chains throughout the world. Adam is mainly responsible for commercial aspects of the business.



Mark Crawford | *Head of Operations* | *Production, Supply Chain, Operations* | *Hawaii*

Mark has been with the business and its predecessor for over 30 years. Having spent much of his time in Hawaii, Mark oversees production, processing and operational matters.



KC Blinn | *GM of Sales & Marketing* | *Marketing, E-Commerce, High Growth Brands* | *California*

With significant background and experience in marketing FMCG products, KC has been driving the branding and marketing strategies since joining in late 2018. This includes extending the business' digital penetration including e-commerce activities.



Claude Weiller | *Senior National Sales Manager* | *Strategic Sales, Account Management* | *California*

Claude has been a strategic sales executive for over 30 years, and he manages the team in maintaining accounts that generate distribution footprint of over 52,000 offline stores in the USA.

Our Brands

Two brand strategy allows differentiation (healthy & indulgent) to take full advantage of market demands and trends



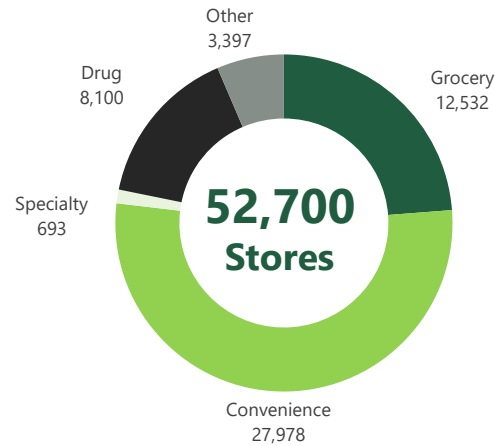
- Targeting flavoursome snacks and confectionary, appealing to a broad market audience
- Heritage brand (established 1977)



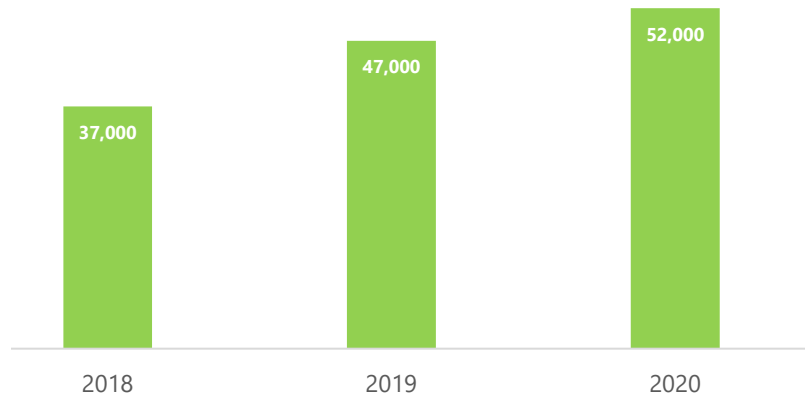
- FDA approval for Heart Healthy Claim on label
- Targeting healthy snacking audience, a premium and above industry growth category.

Our Distribution Network

HPP holds a substantial distribution network able to be leveraged for cross-selling / revenue synergies for new products & brands



Distribution Points - US Stores



Sales & Marketing

Distribution network spans the entire US \$6.0bn Nut Market, accounting for 0.5% of total FY20 sales

- HPP's extensive distribution network extends to all 50 states across the US and continues to grow
- HPP continues to foster market awareness of both MacFarms and Royal Hawaiian brands via:

a) **Sponsorships** with key sporting teams to encourage health eating:



Anaheim Ducks



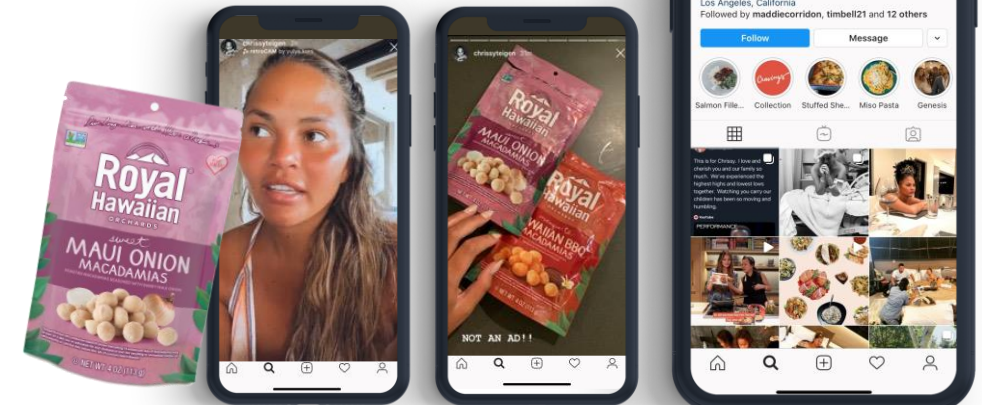
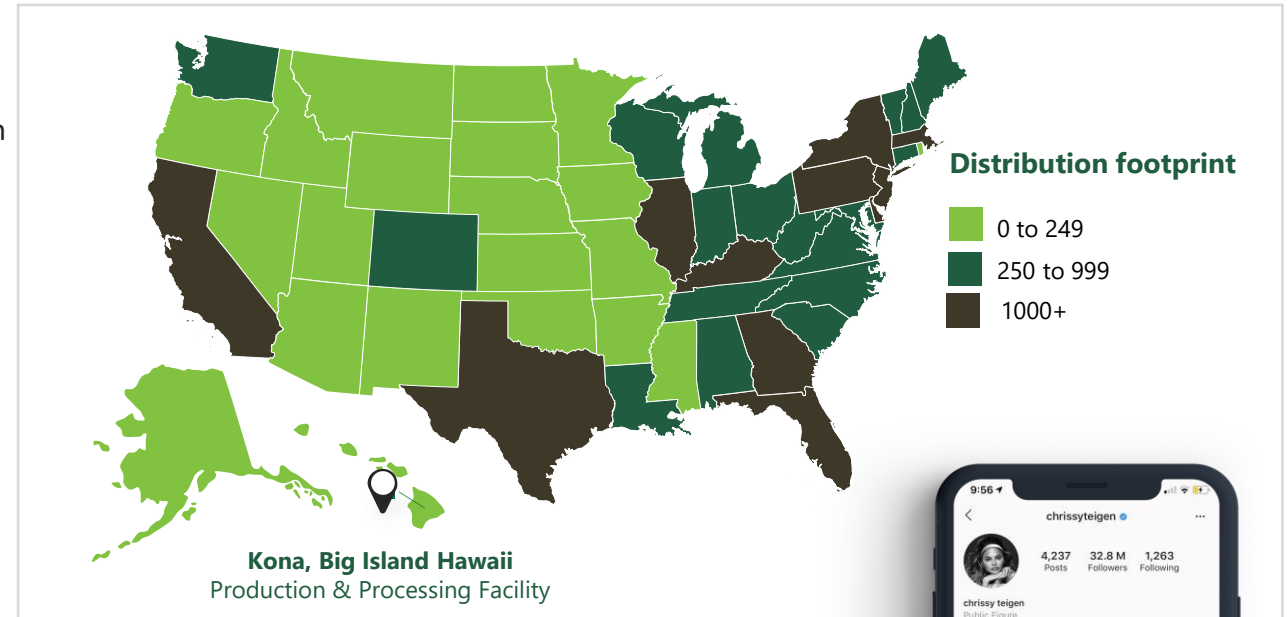
New York Yankees

b) **Lifestyle Specific Media** that showcase our product to targeted core demographics

ORIGIN.

c) **Sampling Activations** that get product into the hands of consumers

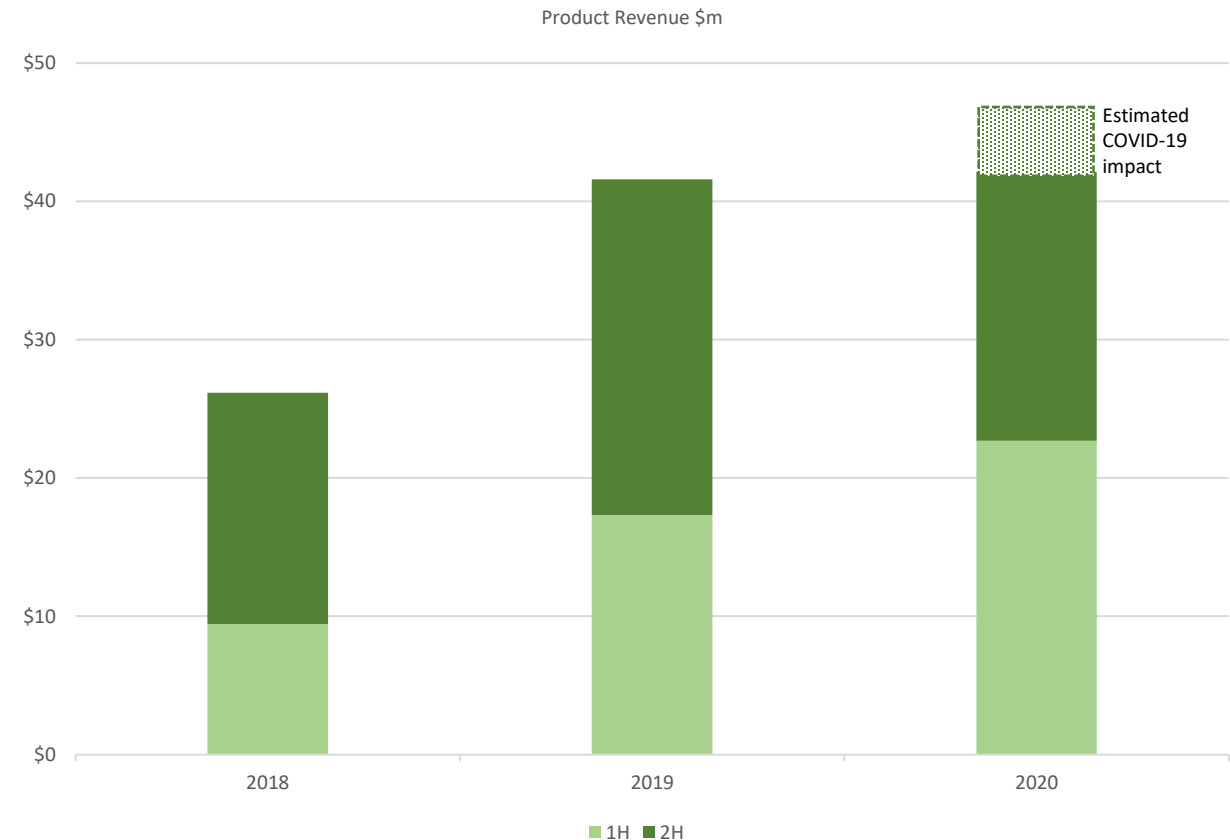
d) **E-commerce campaigns** that tactically engage with consumers



Track Record of Growth

HPP has delivered stable revenue growth

- The business has achieved a level of commercialised scale (FY20 revenue of c. A\$40mn) with a much larger addressable market in the USA and beyond;
- There remains significant opportunities to continue consumer engagement and further increasing offtake and also distribution points;
- Through its vertically integrated model, HPP will continue to consolidate and look for highest and best use of macadamia that can supply consumer trends, including plant based beverages and products;
- In addition, HPP will leverage its existing sales and marketing infrastructure and knowledge to explore asset light brand opportunities in the health and plant protein space that are margin and earnings accretive.



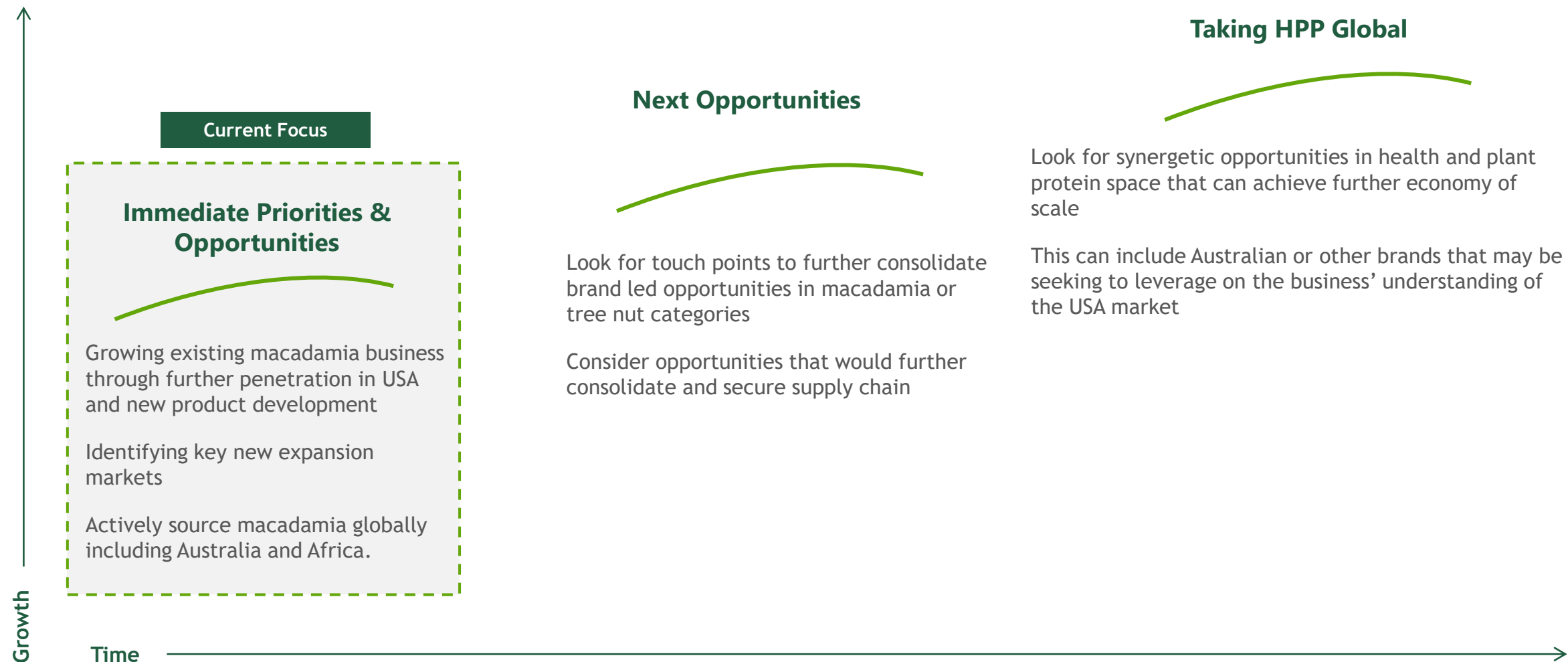
Strategic Overview



Long-term Growth Strategy



Strategic initiatives to become global leader in health and plant protein utilizing macadamia business as a platform business



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