



Business Update

PAC Partners and AgFood Conference
28 July 2021



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Global Player in Health and Plant Protein



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 complement 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 Leadership Team



Dennis Lin | Executive Director | Australia



Lisa Davis | CFO & Company Secretary | Australia



Adam Cunningham | COO | Australia



Mark Crawford | Head of Operations | Hawaii



KC Blinn | GM of Sales & Marketing | California



Claude Weiller | Senior National Sales Manager | California



Our Brands

100% Owned

Minority Strategic Investment



- Targeting flavoursome snacks and confectionery, appealing to a broad market audience
- Heritage brand (established 1977)
- Increasing presence in providing ingredient solutions.



- Fastest growing brand
- FDA approval for Heart Healthy Claim on label
- Targeting healthy snacking audience, a premium and above industry growth category
- New Product Developments into categories other than snack for the same health and wellness audience.

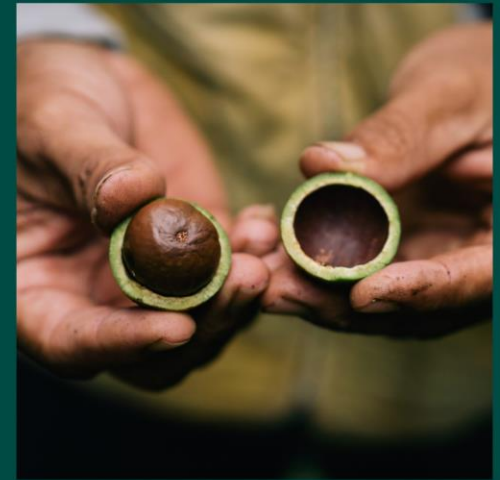


- Co-investment with S2G Ventures
- HPP provides support across strategy, sales and supply chain
- Health + functional brand in yoghurt and plant based beverage.



Key Highlights

- Attaining position as no.1 branded macadamia in the snack nut category in USA in April, and continuing the momentum
- Seamless handover of the chair role to Nicki Anderson, an experienced FMCG/CPG executive and ASX director
- Record harvest of c. 10.8 million LBS (c. 4,900 MT), not seen in 5+ years
- Continuation of shifting focus to consumer centric new product development pipeline.





Overall Financial Highlights

- Gross margin for retail sales have remained steady at c. 30%
- Business has focused on maintaining retail margin and rebalancing inventory through cash conversion, and its successful execution is resulting in positive operational cash flows
- Paycheck Protection Program (PPP) Loan of USD1.25 million was forgiven on 28 June 2021.



Production and Processing



Production Highlights

- Conditions have remained favourable for orchard production
- Total harvest of c. 10.8 million LBS (c. 4,900 MT) for FY21
- Kernel Recovery averaged over 20% for FY21, an improvement on FY20 with plans for further improvement in FY22 and beyond
- As one of the most naturally grown orchards without irrigation, costs of production remain reasonable despite softening macadamia prices throughout the world
- Expected retail demand will require additional kernel purchases from independent growers.



Key Upgrade Activities

- The peak processing season has completed
- The processing facility is now progressing through a series of upgrades in readiness for the next intake including:
 - Repair and maintenance of plant and equipment
 - Upgrade of processing facility flooring
 - Commissioning of new hedger to support improved canopy management.
- Fibre optic cables were laid out to the orchard, ensuring uninterrupted communication and reporting at production and processing facilities, a critical element in the current environment

Brand Performance Update





Overall HPP position

- Since April 2021, HPP has taken over as the no.1 branded macadamia in the USA, in the snack nut category*
- HPP share growth is up 11.3% Year to Date, while the previous no. 1 brand declined over 29% during the same period*
- Direct-to-Consumer sales is averaging c. USD50,000 per month
- Moving forward, we will continue innovative brand marketing campaigns focused on key features and benefits in order to attract new consumers to our category.

*AC Nielsen period ending 19 June 2021 (26 weeks, 13 weeks and 4 weeks)





MacFarms

Retail

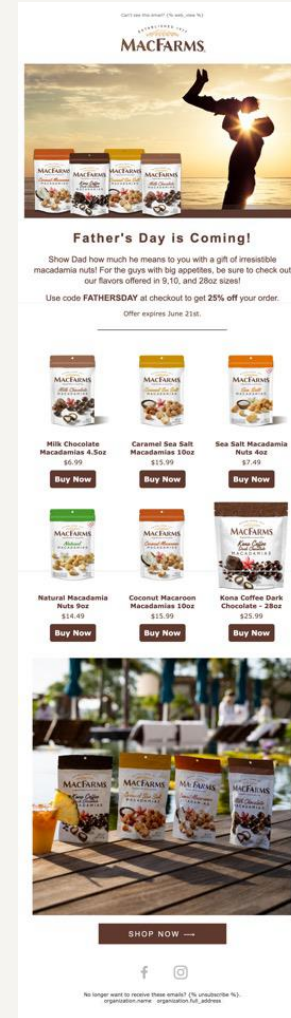
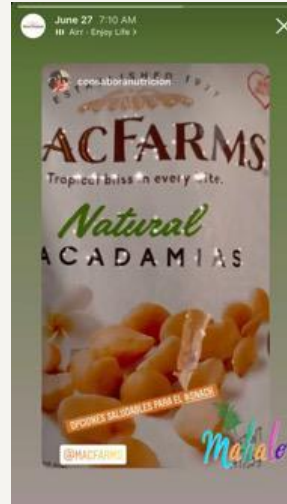
- Following initial Covid impact, there are recovery trends across the USA, particularly Hawaii.
- Orders are encouraging including participation in the "Taste of Hawaii" event across 52 Costco buildings

Industrial

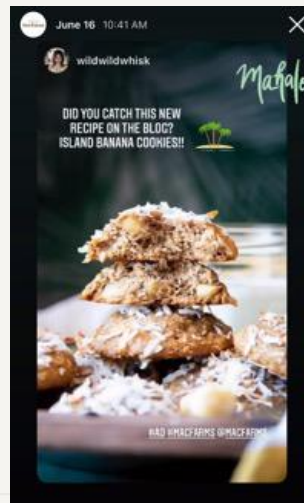
- Covid impact required an accelerated conversion of excess inventory to cash
- We have expanded our industrial offering, including onboarding a full time Senior industrial sales manager
- We will continue to focus on the industrial division as an ingredient solutions provider, utilising our brand expertise.



MacFarms - Marketing Snapshots



CostCo "Taste of Hawaii" Event





Royal Hawaiian Orchards (RHO)

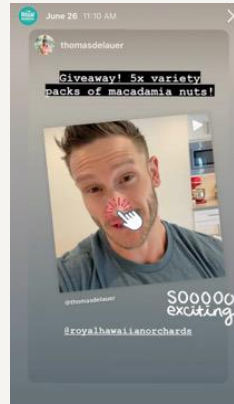
- Momentum continues with recent wins, including Walmart ranging of third SKU (natural)
- Collaboration with key influencers and sports teams (Anaheim Ducks and New York Yankees concessionaires) coincide with Covid recovery in the USA
- RHO new product development will expand brand into adjacent and on trend health categories (keto and paleo). Launch date November 2021
- Strong New Product Development pipeline.



RHO – Marketing Snapshots



Coverage: NBC-affiliate syndicated morning show
Reach: 97 million
Markets: airs to 224 stations in 152 markets
Impressions: 2.5 est. million



@thomasdelauer – 278K followers



@jenatkinhair – 3.9M followers





LAVA – Investment Update

- Julie Wurfel was appointed as CEO and Board Director of LAVA in March 2021
- Julie is known to S2G Ventures and HPP, and has extensive background in finance and high growth food ventures
- Since that time, Julie has put together a 100 day plan that has involved streamlining supply chain, value chain, as well as formulations
- The renewed yoghurt range has received positive feedback in key test regions
- There is renewed focus to start expansion of distribution footprint with the support of HPP, as well as continuing to improve the supply chain and costings
- We are working on introducing the range to Australia within the next 12 months.



Corporate Strategy Update





Strategic Review of Orchard

- Kapua Orchards continue to appreciate in value with the latest independent valuation USD33.6 million (an increase of a further USD1.5 million)
- The orchards are not irrigated, and remain one of the most Environmental Social Governance (ESG) friendly assets
- Following the strategic review, it is apparent that the macadamia industry in Hawaii can cater for more investments to improve processing as well as more precision agriculture practices
- HPP is committed to further building the Hawaii macadamia industry, and deliver shareholder returns
- The Board intends to commence a process to seek a strategic partner whereby:
 - HPP has a preference of retaining a minority interest in the orchards
 - HPP would have interest in entering long-term volume based offtake agreements
 - HPP is receptive to investing in harvesting and processing capabilities.





Other corporate activities

- HPP has recently moved to its new global HQ of level 3, 159 Coronation Drive, Milton in Australia (which will become the registered office)
- We remain interested in potential brand and IP acquisition and investment opportunities whereby they are synergistic to HPP's existing business
- The IT systems upgrade has largely completed, and the broader corporate refresh is complete
- During FY22, HPP will focus on:
 - Initiating and completing strategic partnership on Kapua Orchards by Q3 of FY22
 - Expanding its brands business via a deeper understanding of accounts and consumers
 - Providing innovative ingredient solutions to its business customers
 - Supporting its invested business such as Lavva, while continuing to identify and progress with additional brand-led opportunities.





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