

Building our future

MRG Business Update – DFA Grower Forum

31 October 2019

FY19 Highlights

Transformative year 1 of 3 – turnaround foundation set

\$ M	FY19	FY18	CHANGE
Revenue	60.1	68.5	-12%
Gross materials margin ¹	13.6	6.3	117%
<i>Gross material margin %</i>	22.7%	9.2%	14%
Operating costs & other items	(17.2)	(20.6)	-17%
Underlying EBITDA-S loss ²	(3.6)	(14.3)	75%
Underlying EBIT-S loss ²	(8.0)	(20.5)	61%
NPAT (loss)	(12.0)	(59.6)	80%

+\$10.7m turnaround underlying EBITDA-S

2.5 x Gross Material Margin¹ improvement to 22.7%

17% reduction operating costs

1. EBITDA-S means Earnings Before Interest, Tax, Depreciation and Impairment, less SGARA (fair value revaluation of Self-Generating and Regenerating Assets (agricultural produce)) - Unaudited non-IFRS term
2. EBIT-S means Earnings Before Interest and Tax less SGARA (fair value revaluation of Self-Generating and Regenerating Assets (agricultural produce)) - Unaudited non-IFRS term
3. Revenue less Change in Finished Goods less Raw Materials, Consumables Used and Farming Input costs - Unaudited non-IFRS term
4. Excludes one off costs / significant items relating to June 2018

FY19 Highlights

Significant Achievements

Delivered a major transformational turnaround in FY19, restructuring and resetting MRG for future sustainable growth:

1. Achieved a \$10.7m turnaround in EBITDA-S, 2.5x improvement in Gross Material Margin and a major reset of all teams, operating model, systems and processes and go-to-market
2. Significant margin improvement in the value-add business which will be further accelerated with new product innovation
3. Launched “Growing Together Program” resulting in 15% increase in third party fruit intake
4. Fifteen new branded products launched
5. New partnerships in China as part of "Taking Sunraysia to Asia" growth strategy
6. Significant improvement in DVF quality, from farms through to processing, enabling re-entry into targeted export markets
7. Launched Project Magnum to create a vision for the future of 2,300 hectare development at Nangiloc and granted authority to grow low THC-cannabis (hemp)
8. Major capital commissioning to improve factory capability and operations and to upgrade farms
9. Launched new Five-Year Strategy to accelerate our growth agenda and position MRG as a leader in Organics
10. Completed successful \$30.6m re-capitalisation and obtained a \$63.9m multi-option bank debt facility

New product launches... “Taking Sunraysia to Asia”

Launched 15 new SKUs over the last 9 months and established a new marketing capability to accelerate new branded product development. New launches include:

- Gobble Mini's and Flavoured Mini's launched with ranging in speciality retailers and online in China
- Premium Australian Clusters new gift box launched for Lunar New Year and other gifting occasions across a range of Asian markets
- Launched Pacific Organics Nut Free Muesli in Australia
- Launched Pacific Organics Flavored Coconut Oils in Australia



Launching our New Brand and Range in 2020...

Coming soon....

Business Overview

MRO is an emerging organic and 'better for you' business

\$60.1 m
revenue¹



4,895 ha
of land² over 12 farms in
Sunraysia region



68%
retail sales¹



2,081 t
dried vine fruit
FY19 harvest

15% CAGR
organic products, 2017 – 24⁵



2,557 ha
vacant plantable²



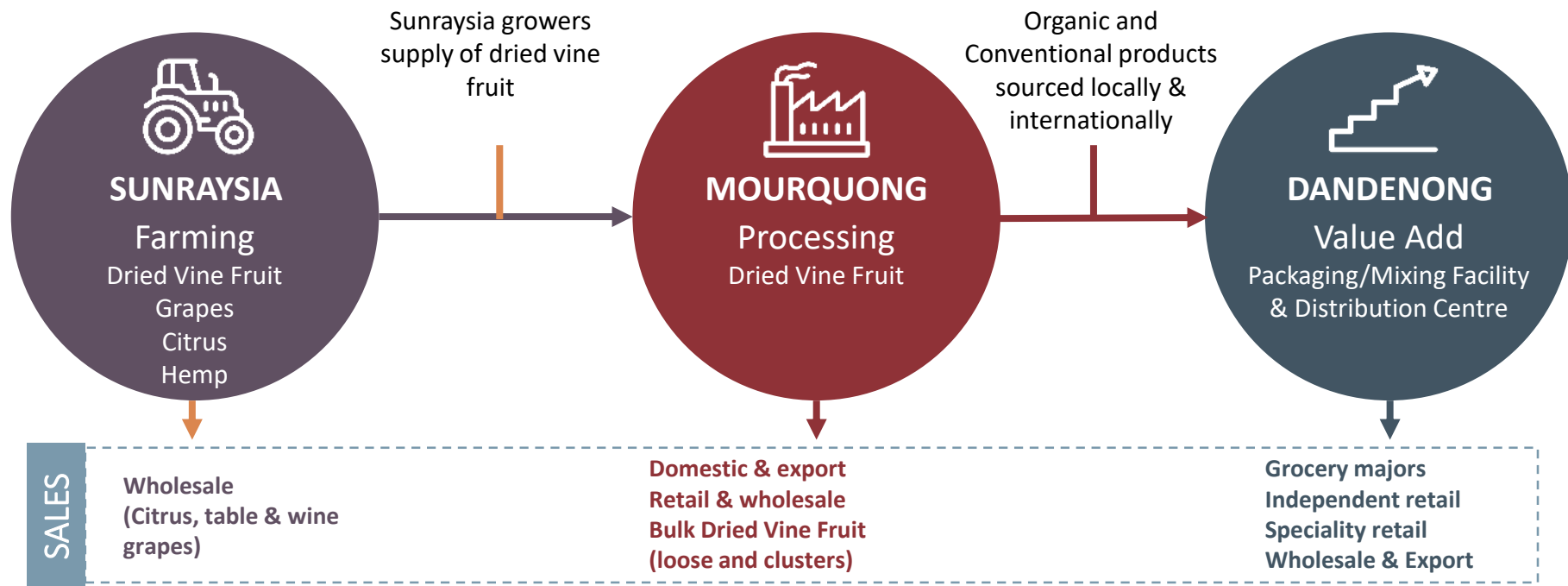
\$59 m
value of owned & leased farms³



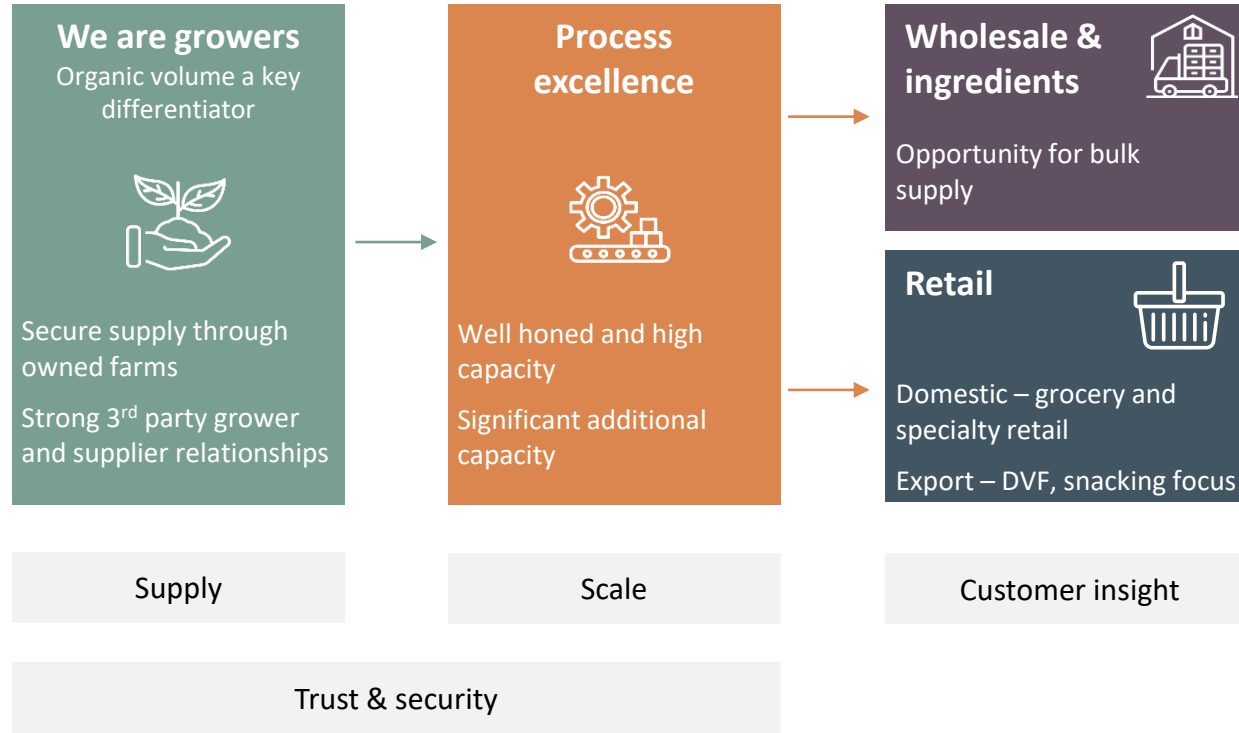
+5,000 t
target from owned DVF
by 2022⁴

1. FY19
2. Includes 1,085 ha leased and 3,810 ha owned land, total planted 1,263 ha with 2,557 available plantable
3. Farms includes land, bearer plants, buildings and improvements, including those farms held for sale and under lease
4. Based on theoretical organic DVF yields from existing plantings
5. Zion market research

Leveraging strengths in supply to grow value-added products business, with focus on organics

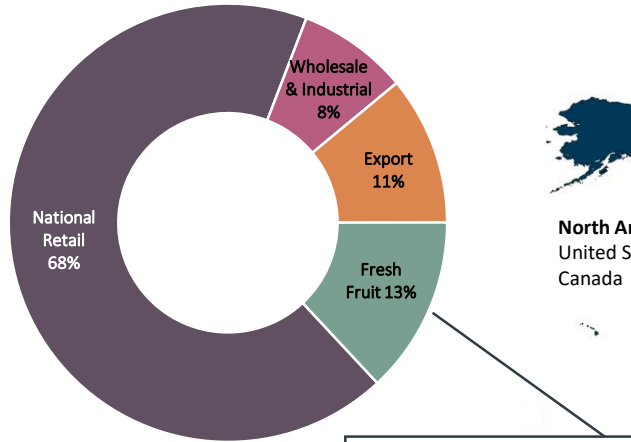


Harnessing competitive advantage through vertical integration



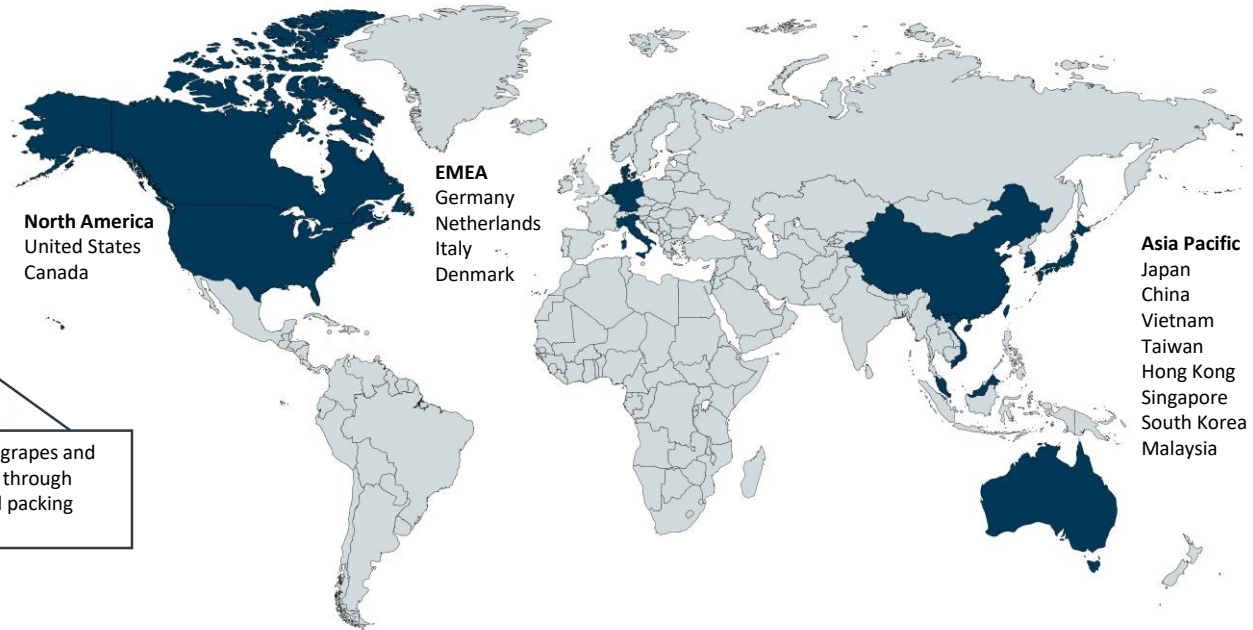
Broad local customer base and strong focus on growing exports

FY19 Revenue



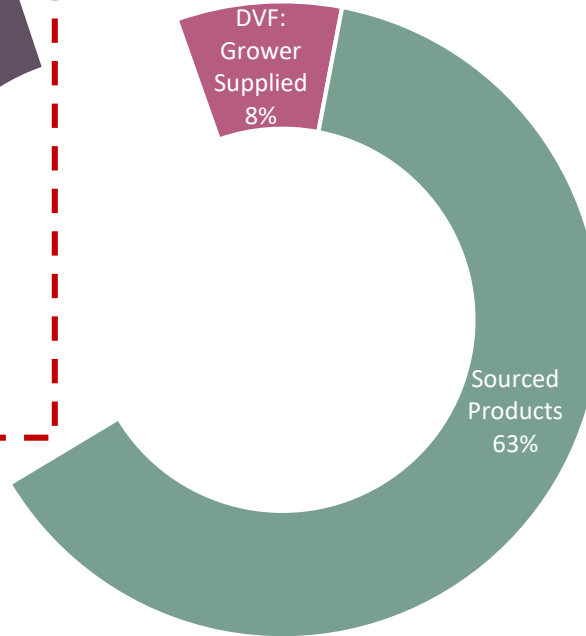
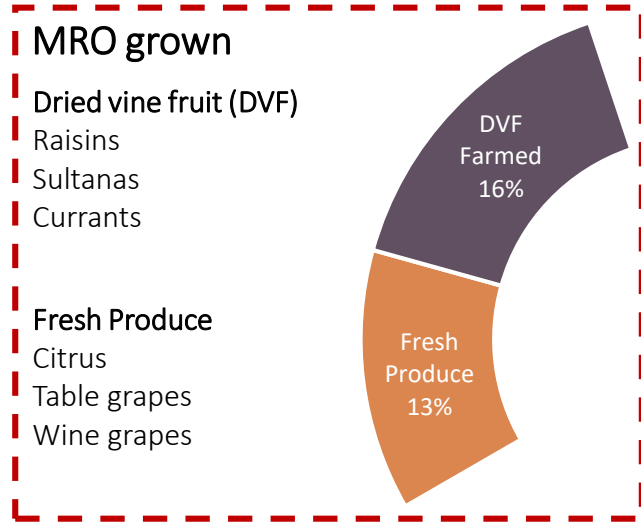
~75% of fresh table grapes and citrus was exported through MRO marketing and packing partners

Existing Export Destinations ¹



Building on a strong portfolio of organic and better-for-you products

% of 2019 Sales



Strategic sourcing

Dried vine fruit (DVF)

- Raisins
- Sultana
- Currants

Key categories

- Nuts
- Dried fruit
- Coconut
- Seeds
- Dried berries
- Flour
- Grains
- Rice
- Oil



our vision

Leader in organic and better for you brands and ingredients.



our purpose

We make organic and better for you products by farming and sourcing world class ingredients, because we believe everybody deserves sustainable and clean food.



we choose
organic.



our door is
always open.



we innovate to
regenerate.

M | Murray
River
Organics™ our
beliefs.

A philosophy to inform our values and influence
our actions internally. Ensuring we remain
authentic to our stakeholders externally.



we believe the
size matters.



we put
nature first.



we are
stronger together.

Strategic pillars

1



Leveraging our agricultural footprint & flexible processing capabilities

2



Building a global organic & better for you ingredients business

3



Developing market leading, purpose-driven organic brands with exceptional product innovation

4



Disrupting the food market via strong relationships with customers & leading edge thinking

5



Driving process excellence to develop best-in-class operating model

An aerial photograph of a vast agricultural landscape. The terrain is divided into large, irregular fields of various shades of brown, tan, and green, indicating different crops or stages of growth. Several small, dark blue ponds or reservoirs are scattered throughout the landscape. A semi-transparent dark grey rectangular box is overlaid on the center-left portion of the image, containing the title text in a white serif font.

Leveraging our agricultural footprint

4,895 hectares, ensuring supply of organic dried vine fruit



Owned Properties

Nangiloc

Organic certification obtained in Jan 2019 for development land -
Conventional wine grape and citrus

Yatpool

Organic dried vine fruit, fresh table grapes and wine grapes

Merbein - 7 smaller farms

Six organic dried vine fruit

One conventional dried vine fruit

Gol Gol

Organic dried vine fruit and conventional citrus

Fifth Street

Conventional fresh table grapes

Leased Property

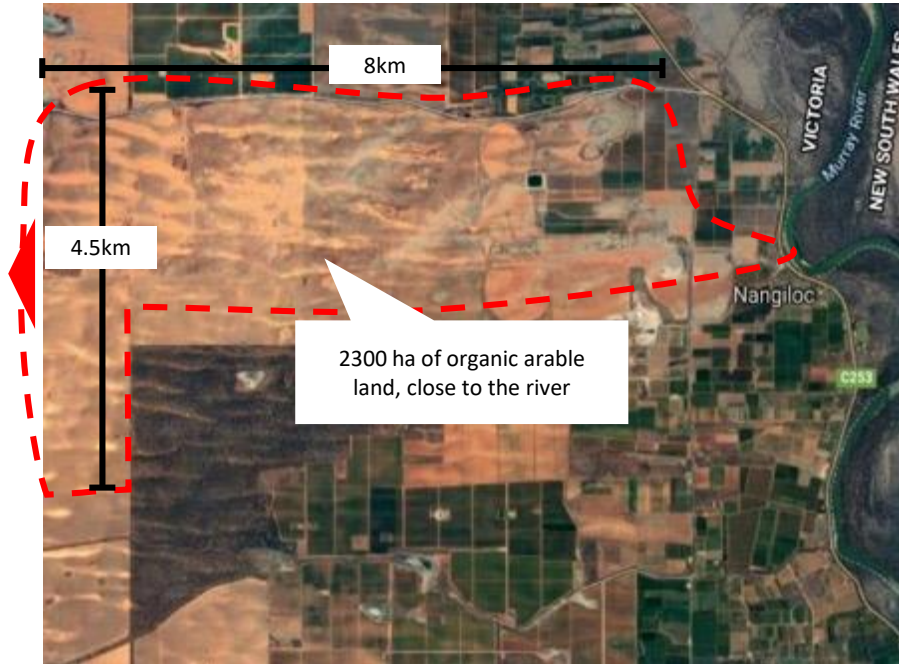
Colignan

Long term lease to 2042 with 2 x 10 year options
Organic dried vine fruit and conventional citrus

Project Magnum has commenced, first new planting of 32 ha of Hempseed in November 2019

Nangiloc is our 2,300 ha arable, vacant & organic accredited property...

Aerial view of Nangiloc property



...& we have developed a short-list of crops which we could potentially plant

Attractive markets for annual crops

- Hemp – 32ha to be planted in November 2019
- Lentils
- Chickpeas
- Sunflower seeds
- Oats

Attractive markets for tree-crops

- Dried vine fruit
- Dates
- Figs
- Table grapes
- Wine grapes
- Citrus
- Almonds
- Pistachios

We are currently undertaking a study to determine the most profitable & commercially viable combination of crops to plant

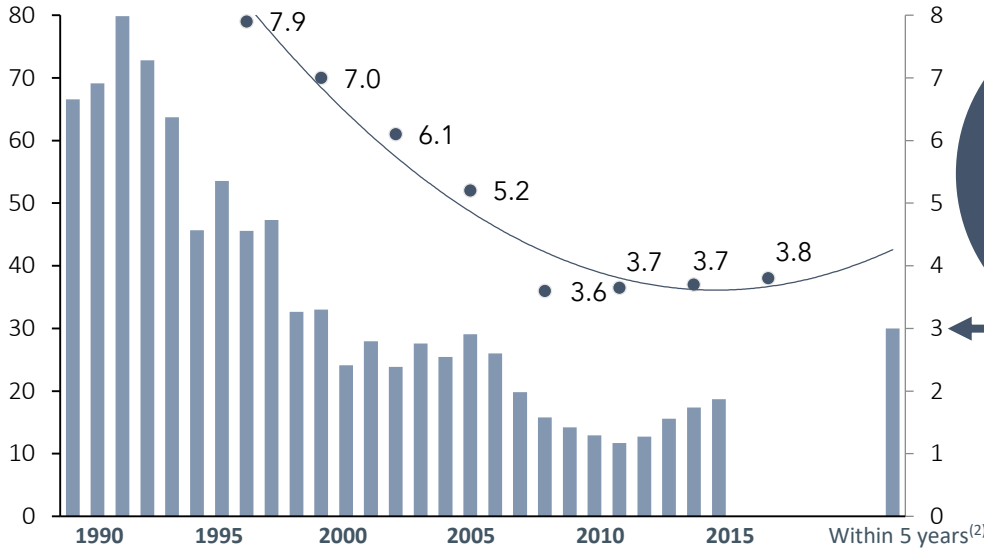
A scenic photograph of a sunset over a body of water. The sun is low on the horizon, casting a warm orange glow across the sky and reflecting on the water. The sky is filled with soft, wispy clouds. In the foreground, the dark silhouettes of trees and branches are visible against the bright sky. A semi-transparent dark grey rectangular box is centered over the image, containing the title text in white.

Outlook for Dried Vine Fruit

MRO is the largest Dried Vine Fruit Grower in Australia

AUSTRALIAN DRIED VINE FRUIT PRODUCTION MARKET

Domestic Production of
Dried Grapes
Kt



Domestic Plantation of Dried Vine
Fruit¹
Thousand Ha

“Dried Fruits Australia (DFA) has a strategic vision for a profitable industry ...to be growing 30,000 tonnes within the next 5 years (2023)”⁽²⁾

DVF GROWERS IN AUSTRALIA:³

Total DVF growers have reduced by 74% from over 1200 in 1997 to approx. 330 in 2018.

Over 90% of growers have less than 20ha planted.

Only 4 properties are over 40ha, 3 of which are MRO's.

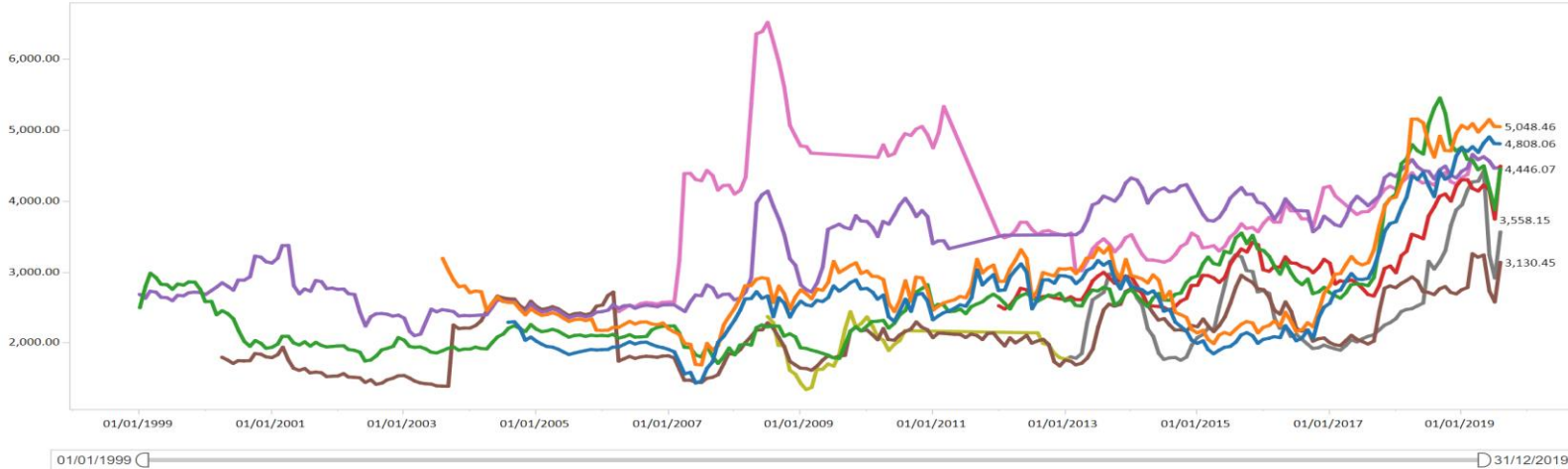
Total ~3,839 ha planted in Sunraysia, of which MRO has +1,000 ha planted (~26 % share).

MRO is the largest grower in Sunraysia and;

MRO is the largest global organic DVF grower.

Raisin pricing for Australian crop has strengthened and close to parity with USA

Prices displayed in: AUD - Australian Dollar, UOM: Metric Ton



Indicators Legend

Currants - Greek provincial, CIF UK	Sultanas - South African, CIF UK
Currants - Greek Vostizza, CIF UK	Sultanas - Turkish No 9 standard, CIF UK
Raisins - Californian Thompson seedless, CIF UK	
Raisins - South African, CIF UK	
Sultanas - Australian 5 Crown, CIF UK	
Sultanas - Iranian natural, CIF UK	

Price Comparison Grid (Date changes as you hover above)

			01/08/2019	01/11/2018
Currants	Greek provincial, CIF UK	AUD/Metric Ton	4,808.06	4,348.66
	Greek Vostizza, CIF UK	AUD/Metric Ton	5,048.46	4,701.28
Raisins	Californian Thompson seedless raisins, CIF UK	AUD/Metric Ton	4,446.07	4,796.42
	South African Thompson seedless raisins, CIF UK	AUD/Metric Ton	4,485.42	3,993.98
Sultanas	Australian 5 Crown, CIF UK	AUD/Metric Ton	4,472.08	4,362.41
	Iranian natural sultanas, Gouchan, CIF UK	AUD/Metric Ton	3,130.45	2,715.37
	South African Orange River, CIF UK	AUD/Metric Ton	4,472.08	4,273.38
	Turkish No 9 standard, CIF UK	AUD/Metric Ton	3,558.15	3,655.05

Outlook – Growth Opportunities in Export Markets

- Global demand for organic and conventional dried vine fruit remains strong
 - DFA's Chairman and CEO, together with key DFA Board Members and Growers have represented the Australian Dried Grape Industry at various trade shows this year including; China, Japan, Vietnam & Germany. Feedback back to Growers was for **continued strong demand for Australia Dried Vine Fruit**
 - The MRO team has also invested in Japan, Vietnam and China supporting and launching new Branded Organic Retail Dried Vine Fruit from our Australian grown Sunraysia farms. We have strong interest and demand for our unique, high quality products organic products
- "DFA's strategy has the industry growing to 30,000 tonnes in the next 5 years (2023)"
- MRO is targeting + 5,000 tonnes of own grown dried vine fruit by 2023

Outlook – “Growing Together” – Launching Our Price Commitment

- MRO Launched “**Growing Together**” program in December 2018, aimed at growing supply of in demand conventional fruit for our customers and driving factory utilization and efficiencies. We increased supply by 15%.
- Today, we are launching “**Sunraysia Dried Vine Fruit Growers Water Support Package**”
- MRO will offer up to **\$200 tonne** to all Sunraysia Growers to support growers to irrigate their crops
- MRO commits to **hold all 2019 Pricing** for the 2020 Harvest
- To take up this offer please sign up by Friday 29th November 2019, by contacting MRO team

For Growers who take up the above offer, this would result in opening prices for 2020 up:

Variety & Grade	2020*	2020* Sun Muscat Variety
4 & 5 Crown (Light)	\$2,800/MT	\$2,850/MT
4 & 5 Crown (Brown)	\$2,400/MT	\$2,450/MT
3 Crown (Light)	\$2,500/MT	\$2,550/MT
3 Crown (Brown)	\$2,200/MT	-
Currants	\$2,500/MT	-
TSR	\$2,300/MT	-

*Above pricing is based on minimum 100T commitment (Includes a >100T volume bonus of \$50/t) and assumes Grower is on 5-year contract (includes a five-year contract bonus payment of \$100/t).

Outlook – “Growing Together” – MRO Grower Support Contacts

Please reach out to our MRO Grower Support team
who are keen to hear your feedback and answer any questions:

- Mick Leslie 0419 726 579
- Richard Neagle 0428 853 383
- Peter Lindsay 0437 614 393
- Stuart McNab 0407 805 473
- Val Tripp 0414 550 337

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