LYNCH GROUP HOLDINGS LIMITED

1H FY22 INVESTOR PRESENTATION

23 FEBRUARY 2022

LYNCH GROUP

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Basis of preparation for financial data

In certain places within the presentation, the rounding of figures may result in some immaterial differences between the sum of components and the totals outlined within graphs and percentage calculations. Segment revenue is stated excluding intersegment revenue eliminations. 1H FY22F / 1H FY22 Prospectus and CY21F / CY21 Prospectus indicate prospectus forecasts. Historical numbers are Pro-Forma numbers where Pro-Forma has a basis of calculation consistent with the Prospectus. Cash conversion is calculated as cash generated from operations divided by EBITDA. Working capital is the sum of trade and other receivables, inventories, and other assets less the sum of trade and other payables, current tax liabilities, lease liabilities and provisions. Pro Forma Net debt / Pro Forma EBITDA calculated as Cash and cash equivalents less borrowings less lease liabilities divided by Pro Forma EBITDA. Revenue per sqm reflects farm revenue in a period divided by the average number of square meters of productive farmland used to grow sellable product.

The working currency of the China segment is RMB. As such there will be foreign exchange gains or losses when comparing this segment against prior periods or forecast. The actual 1H FY22 RMB / AUD foreign exchange rate of 4.76 is 4.7% favourable to the Prospectus rate of 5.00 and 2.8% favourable to 1H FY21 rate of 4.90.

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AGENDA AND CONTENTS

1H FY22 HIGHLIGHTS

HUGH TOLL
Chief Executive Officer

LYNCH GROUP

KEY ACHIEVEMENTS

Ahead of Prospectus forecast despite challenging environment

- **CY21 (Prospectus):** Revenue $348m ($329m) EBITDA $59m ($54m) and NPATA $32m ($29m)
- **1H FY22 Revenue +10.9%, EBITDA -0.5%, NPATA -3.0%** against 1H FY21
- **Strong Revenue growth in both geographies,** with Australian results impacted by COVID lockdowns in Jul/Aug 2021 and ongoing supply chain disruption
- **Key operational objectives continue to be delivered** across Australia and China
- **Successful delivery of major Australian events** in Spring and Christmas
- **Sale or return store conversions continue to exceed forecast,** now c.21% of Australian store network
- **Added 4.5ha of greenhouses in China,** now c.66ha under greenhouse cultivation, with additional 13ha to be completed in 2H FY22
- **Changkou warehouse commissioned** - increasing packing and cool storage footprint to meet growing China volumes

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AUSTRALIA

STRENGTH IN DEMAND, IMPACTED BY SUPPLY CHAIN DISRUPTIONS AND COVID

Revenue up **8%** on pcp and **2%** on Prospectus

EBITDA down **16%** on pcp and down **21%** on Prospectus

COVID impacted environment

- Revenue growth driven by strength in supermarket customer demand, with range innovation lifting both unit volumes and ASP
- Lockdowns and waste across Q1, rebounding strongly from September
- Sell through trends in gifting and potted lines continue to be positive, driving ongoing supermarket channel share lift
- Key 1H customer events (Spring and Christmas) delivered despite COVID disruptions
- Flexibility in our operating model effective in managing rapidly changing trading conditions
- Temporary supply chain (freight), labour (rostering inefficiency), and operating cost pressures (RATs and cleaning) all impacted margin. The 1H EBITDA impact from elevated freight rates alone is c.$3m
- Implementation of our new merchandising technology platform well advanced by the end of the half
- Market Flowers Brisbane acquisition successfully bedded down and performing ahead of plan

CHINA

FARM CAPACITY UPGRADES ON TRACK, MARKET DEMAND STRENGTHENS

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Revenue up **44%** on pcp and **14%** on Prospectus

EBITDA up **30%** on pcp and **23%** on Prospectus

Farm capacity increased to **66ha**

- Consumer demand continues to expand across all channels
- Farm production exceeded forecast, driven by advancing crop maturity
- Pricing in line with forecast with domestic markets impacted by sporadic regional COVID-related lockdowns and general caution
- Domestic channel share evenly balanced between retail and wholesale customers, on increasing year on year volumes
- Continued progress on value-added bouquet range production, with growing customer demand in event windows
- Export volumes increased to support growth in Australian operations
- Changkou warehouse commissioned, increasing processing capacity for domestic and export sales

PROGRESS ON KEY OPERATIONAL OBJECTIVES

Australia

Operational Objective	Outcome
Enhancing customer experience	Revenue up c.8%, including COVID related disruptions
Improved operational efficiency	EBITDA Margin 9.9% (pcp 12.7%), impacted by COVID related cost pressures
Lifting merchandising effectiveness	New technology rollout well advanced
Channel expansion	Big W potted supply underway, Market Flowers Brisbane acquisition

CHINA

Operational Objective	Outcome
Production base expansion	Accelerated FY22 construction program well advanced, half year revenue per sqm $42 (pcp $35)
Increase retail customer penetration	Retail / wholesale channel splits remain well balanced on increased year on year volumes
Drive increased customer engagement via range development and merchandising support	Bouquet order demand lifting steadily, merchandised refrigerated display stand trial commenced late Q2

FINANCIAL REVIEW

STEVE WOOD,
Chief Financial Officer

LYNCH GROUP

FINANCIAL PERFORMANCE – 1H FY22

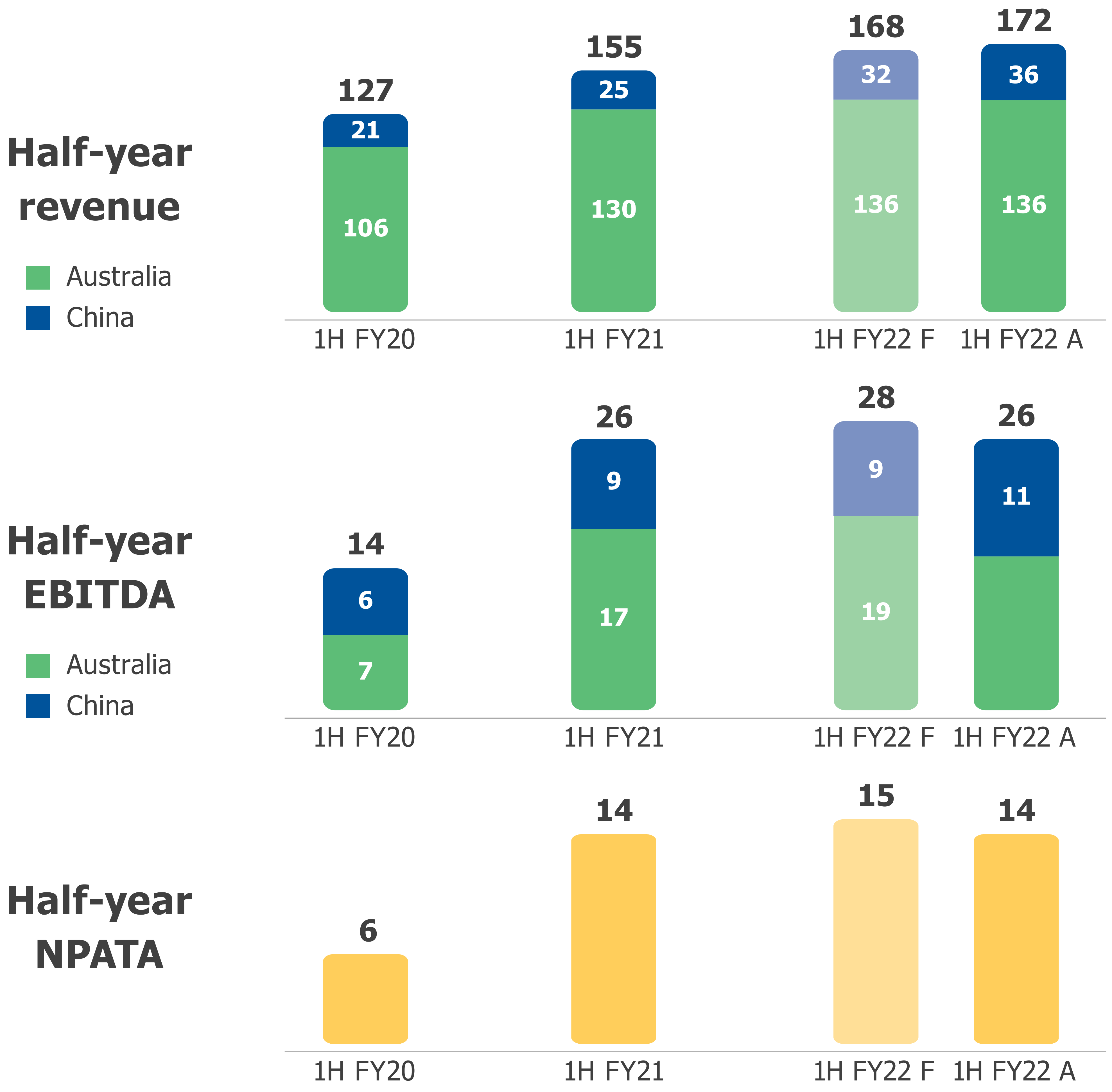
Underlying revenue on track with profit impacted by supply chain and lockdown pressures

Key Metrics

- Revenue $171.7m, 2.4% ahead of Prospectus forecast and 10.9% up on 1H FY21
- EBITDA $26.0m, 6.2% behind Prospectus forecast and 0.5% down on 1H FY21
- NPATA $14.0m, 5.0% behind Prospectus forecast in line with AGM earnings guidance provided on November 26 2021
- Adjusted cashflow conversion of 72% includes seasonal impacts as well as additional inventory build and customer mix factors

Dividend

- Fully franked interim dividend of 6 cents per share declared in line with Prospectus dividend policy of at least 50% of annual NPATA



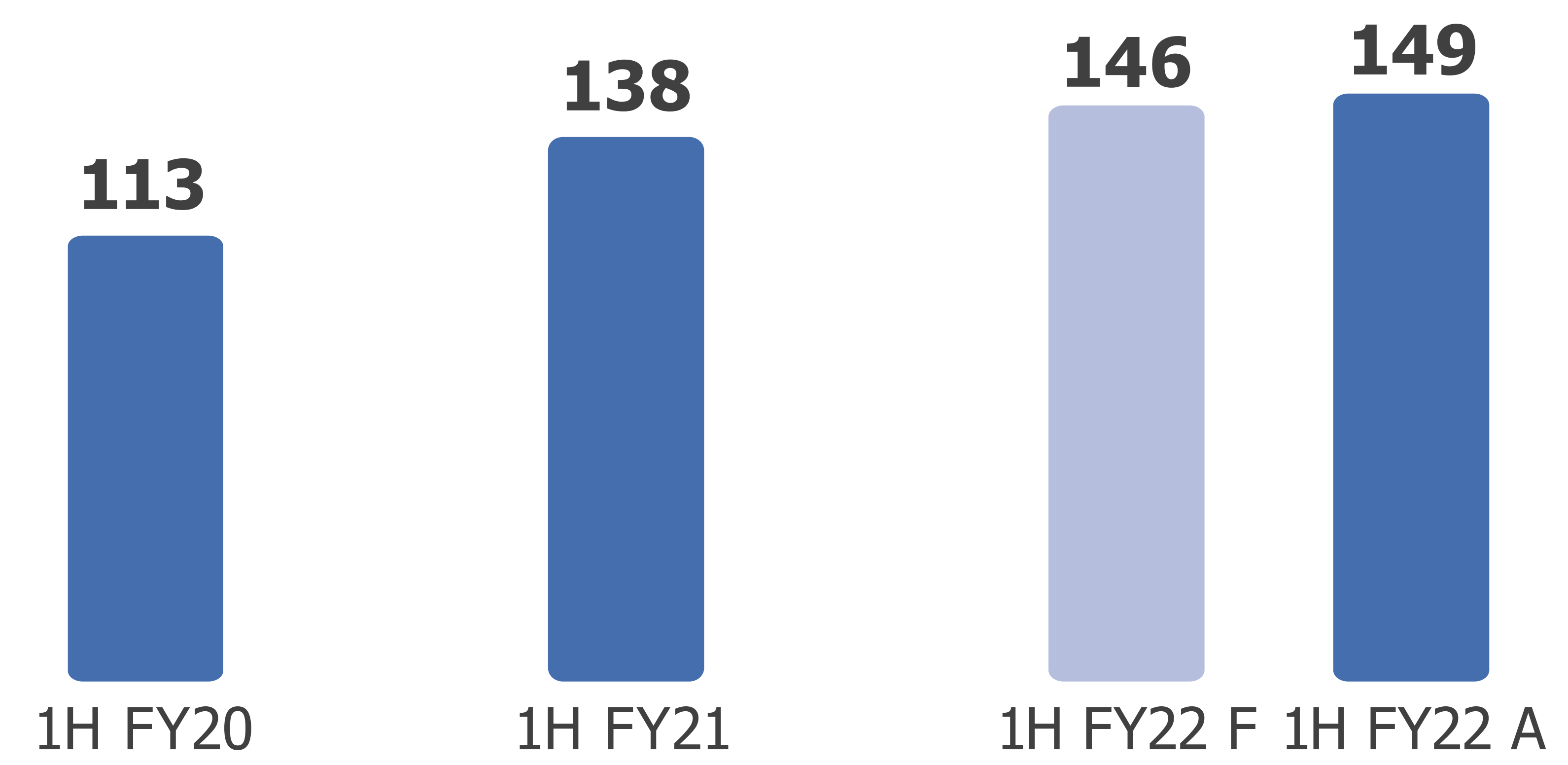
Australia revenue shown net of intersegment eliminations

STRONG CUSTOMER DEMAND OFFSET BY SUPPLY CHAIN AND LOCKDOWN PRESSURES

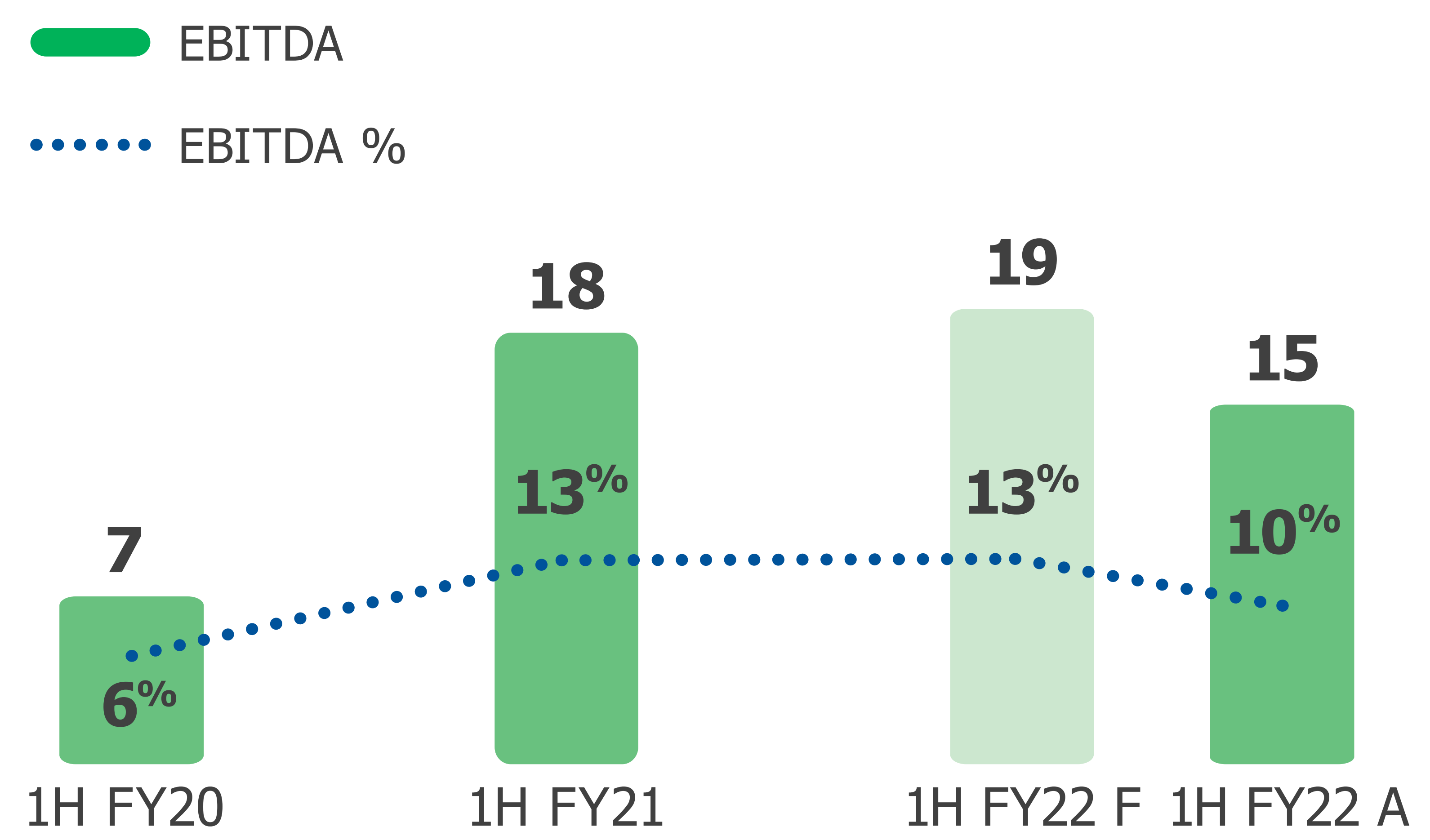
AUSTRALIA

Strong revenue growth, EBITDA and margins impacted by cost pressures

Australia half-year revenue (AUD $m)



Australia half-year EBITDA (AUD $m)



Continued growth in underlying revenue reflecting ongoing structural shift to supermarket channel

SOR store conversion strategy continues to drive uplift in same store sales

EBITDA impact from elevated freight rates is c.$3m

Significant supply chain pressures led by unprecedented freight rates has contributed to EBITDA decline

Full lockdown conditions in NSW and VIC in Jul / Aug affected demand, waste and operations

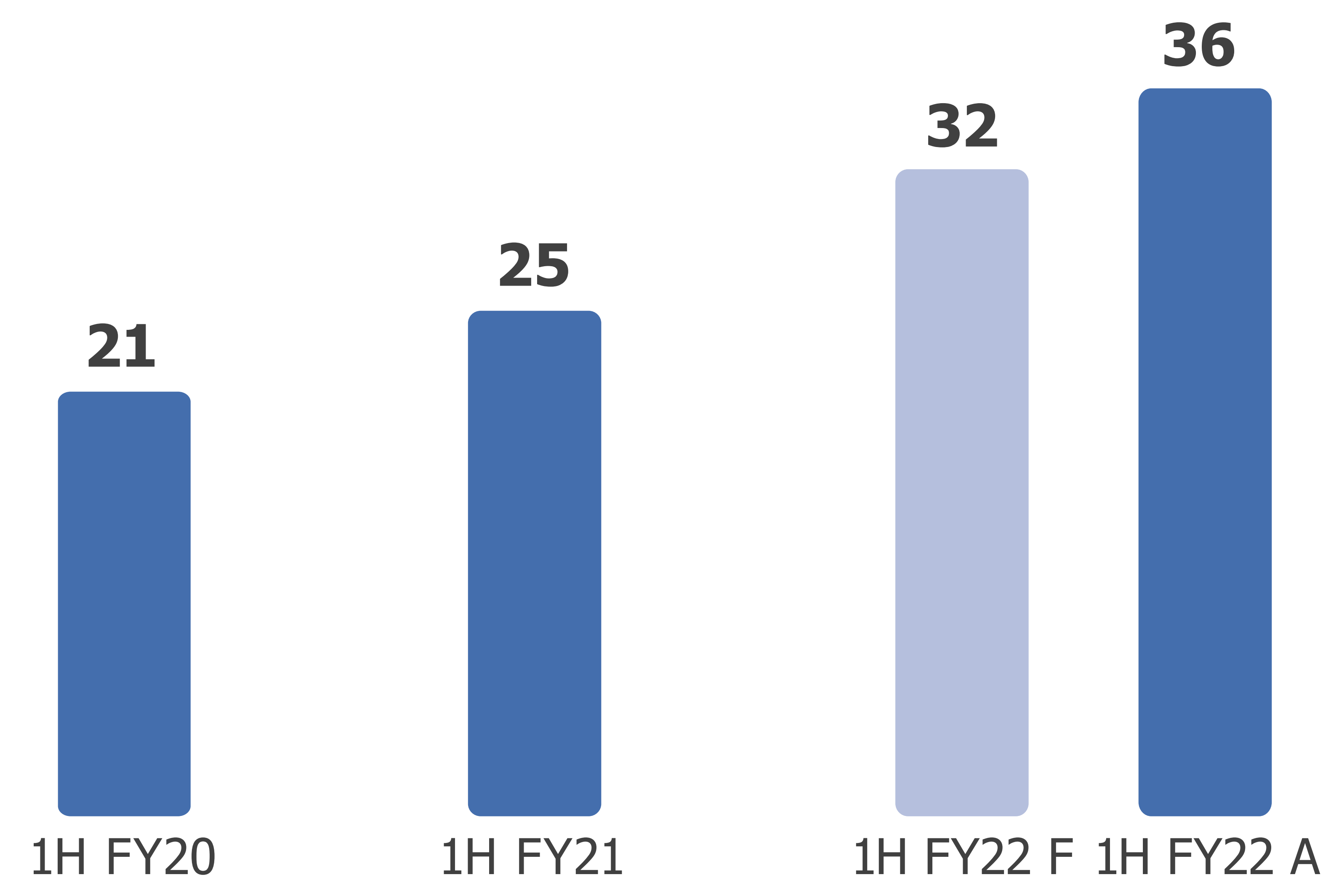
Labour shortages and operating cost pressures impacted EBITDA performance

MARGIN AND SALES GROWTH THROUGH ACCELERATED PRODUCTION EXPANSION

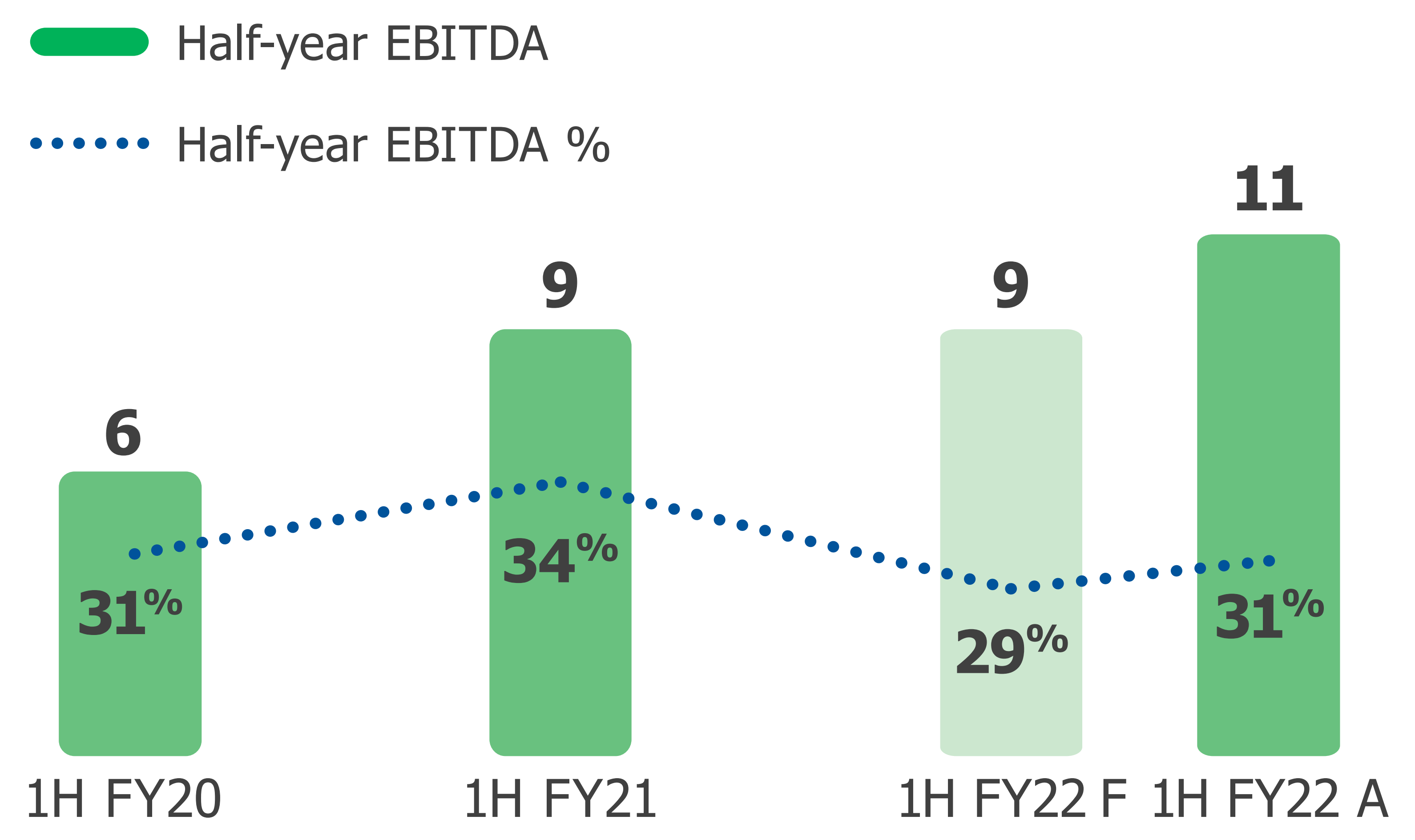
CHINA

Revenue growth and stable margin from increases in production land and yield

China half-year revenue (AUD $m)



China half-year EBITDA (AUD $m)



Yield improvements from maturing prior year CAPEX development

Demand for premium floral product continues to be strong despite uncertain COVID environment

Channel share between retail and wholesale balanced

Additional 4.5ha of productive land added during the period has started to deliver revenue

Margin impacted by freight and inefficiencies associated with export product and higher domestic energy costs

Revenue per sqm for 1H FY22 was $42 compared to 1H FY21 of $35

HALF-YEAR PROFIT AND LOSS STATEMENT

Strong underlying revenue growth, cost pressures impacting margins

- Revenue growth of 10.9% - strong underlying customer demand in both segments
- Operating margin decline of 0.8% relative to pcp driven by ongoing global supply chain impacts, labour inefficiencies and product waste from lockdown conditions
- Operating expenses / (income) include variable cost increases due to sales growth (employee costs, warehousing costs)
- COVID specific costs incurred for RATs (c.23,000 RATs conducted at a cost of $0.5m), additional cleaning and staff OHS expenses
- EBITDA margin decline of 1.7% reflective of cost impacts
- Depreciation and amortisation include additional right-of-use assets.
- **NPATA $14.0m, 3% down on 1H FY21 and in line with AGM earnings guidance provided on 26 November 2021.**

Half-year P&L, A$ millions	1H FY22	1H FY22 Prospectus	1H FY21	% to Prospectus	% to 1H FY21
Revenue	171.7	167.7	154.8	2.4%	10.9%
Raw materials, consumables and other direct costs	(127.7)	(123.4)	(112.5)	(3.5%)	(13.6%)
Operating margin	**43.9**	**44.3**	**42.3**	**(0.9%)**	**3.8%**
Operating margin %	25.6%	26.4%	27.3%	(0.8%)	(1.7%)
Operating expenses / (income)	(17.9)	(16.6)	(16.2)	(8.1%)	(10.7%)
EBITDA	**26.0**	**27.7**	**26.1**	**(6.2%)**	**(0.5%)**
EBITDA %	15.1%	16.5%	16.9%	(1.4%)	(1.7%)
Depreciation and amortisation	(9.5)	(8.7)	(8.1)	(8.6%)	(16.7%)
Financing costs	(1.7)	(1.7)	(1.8)	0.6%	3.4%
Profit before tax	**14.8**	**17.3**	**16.3**	**(14.3%)**	**(8.7%)**
Income tax expense	(3.4)	(4.9)	(4.5)	30.3%	23.2%
Profit for the year	**11.4**	**12.4**	**11.8**	**(8.0%)**	**(3.3%)**
Amortisation of acquired intangibles	2.6	2.3	2.6	11.1%	(1.7%)
NPATA	**14.0**	**14.7**	**14.4**	**(5.0%)**	**(3.0%)**
NPATA %	8.1%	8.8%	9.3%	(0.6%)	(1.2%)

FINANCIAL PERFORMANCE – CASH FLOW

Cash conversion in line with expectations – substantial unwind in 2H

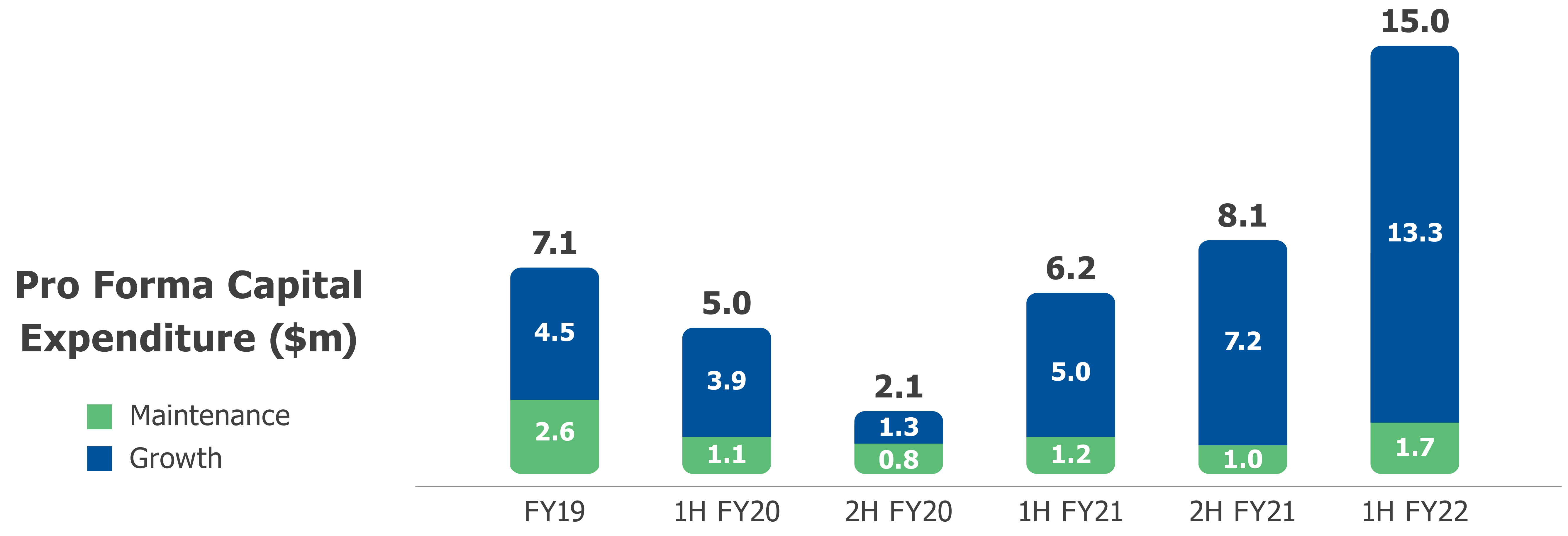
- Cash conversion of c.72% in line with expectations with substantial unwind expected in 2H
- Working capital impact in 1H FY22 includes increases in current assets (receivables, inventories, biological assets, other assets) partially offset by increases in payables
- Changes in working capital relative to 1H FY21 are primarily inventories - investment in non perishable inventory to ensure full in stocks (Australia) and increases in sellable tulip bulbs (China)

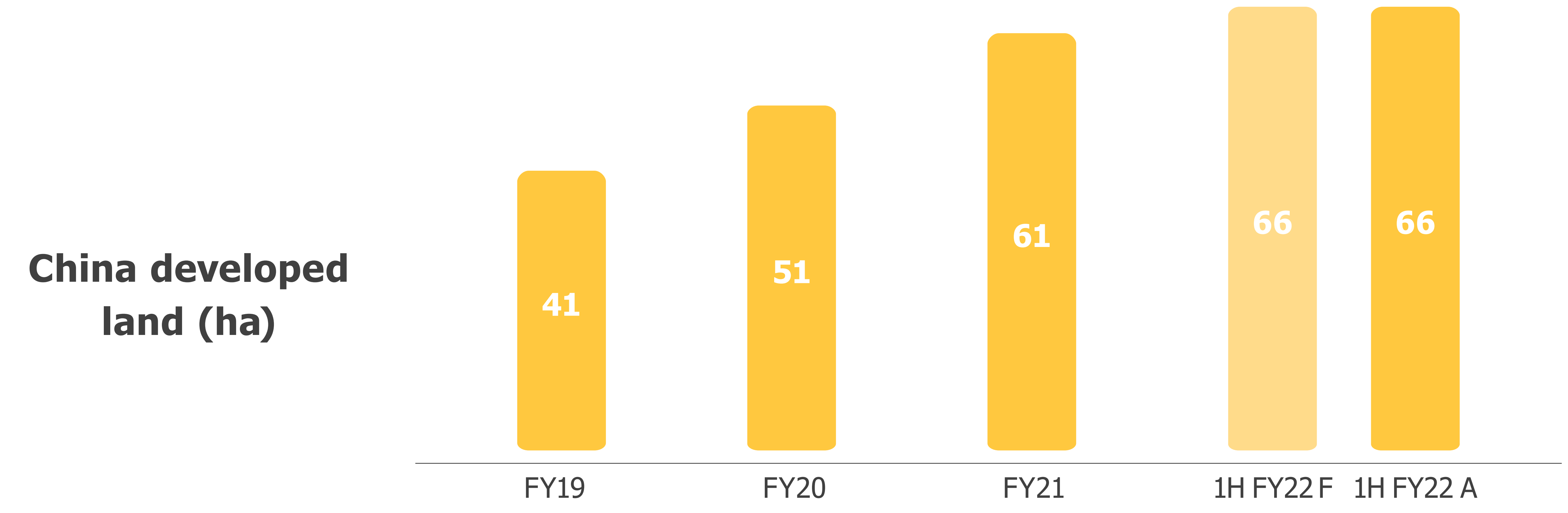
Half-year cashflow, A$ millions	1H FY22	1H FY22 Prospectus	1H FY21	% to Prospectus	% to 1H FY21
EBITDA	**26.0**	**27.7**	**26.1**	**(6.2%)**	**(0.5%)**
Changes in working capital	(7.4)	(0.7)	(0.1)	950.5%	7253.2%
Operating cash flow	**18.6**	**27.0**	**26.0**	**(31.0%)**	**(28.4%)**
Repayment of leases	(2.3)	(1.7)	(1.6)	33.0%	41.3%
Maintenance capital expenditure	(1.7)	(1.9)	(1.0)	(8.1%)	76.8%
Net cash flow before growth capex and acquisitions, financing, tax and dividends	**14.6**	**23.4**	**23.4**	**(37.5%)**	**(37.5%)**
Cash Conversion	**71.7%**	**97.5%**	**99.6%**		

CAPITAL EXPENDITURE AND DEVELOPED LAND

Capital expenditure is on track with growth CAPEX continuing to exceed 25% ROIC

- 1H FY22 capital expenditure $15.0m predominately China growth CAPEX
- 88% Growth / 12% maintenance CAPEX
- 4.5ha of production capacity added during the period
- Additional 13ha at an advanced construction stage will bring China developed land to c.79ha by June 2022
- Minimum 25% ROIC for Growth CAPEX continues to be achieved
- FY22 full year CAPEX forecast is c.$26m including NSW site fit out costs in Australia and completion of additional 13ha of China land





STATEMENT OF FINANCIAL POSITION AND PRO FORMA NET DEBT

LYNCH GROUP

Healthy net asset position enhanced from capital investment program

- Material increase in Property, plant and equipment following growth CAPEX investment in China
- Intangible asset increase in Australia as a result of Market Flowers Brisbane acquisition and foreign currency translation of RMB denominated intangibles (net of amortisation)
- Borrowings largely consistent with Jun-21 and Dec-20
- Net cash / debt (calculated as Cash and cash equivalents less borrowings less lease liabilities) / Pro Forma EBITDA is 0.9x compared to adjusted June 2021 of 0.7x

Abbreviated Statement of Financial Position, A$ millions	Statutory Dec-21	Pro-Forma Jun-21	Pro-Forma Dec-20	Movement to Pro-Forma Jun-21	Movement to Pro-Forma Dec-20
Cash and cash equivalents	34.1	40.1	19.9	(6.0)	14.2
Trade and other receivables	27.1	20.4	26.6	6.6	0.5
Inventories	15.4	10.5	11.7	4.9	3.7
Property, plant and equipment	73.7	57.3	49.8	16.4	23.9
Right-of-use asset	28.6	26.4	25.0	2.3	3.6
Intangible assets	204.1	199.8	214.2	4.2	(10.1)
Other assets	12.3	9.0	9.4	3.3	2.9
Total Assets	**395.3**	**363.5**	**356.6**	**31.8**	**38.7**
Trade and other payables	(53.8)	(45.6)	(49.4)	(8.2)	(4.3)
Borrowings	(54.2)	(54.6)	(53.8)	0.4	(0.4)
Lease liabilities	(30.5)	(27.9)	(27.9)	(2.6)	(2.6)
Other liabilities	(15.1)	(14.1)	(12.6)	(1.0)	(2.4)
Total liabilities	**(153.5)**	**(142.2)**	**(143.8)**	**(11.3)**	**(9.7)**
Net assets	**241.8**	**221.3**	**212.8**	**20.5**	**29.0**
Net cash / (debt)	(50.5)	(42.4)	(61.8)	(8.2)	11.3
Net debt / Pro-Forma EBITDA	**0.9x**	**0.7x**	**1.4x**		

STRATEGY AND OUTLOOK

HUGH TOLL
Chief Executive Officer

STRATEGIC PRIORITIES – FY22

Australia: To drive floral category growth in the supermarket channel

- Build on merchandising effectiveness through investment in technology and people to support sales growth across our customer store networks
- Grow SOR store network and support more Core stores with merchandising
- Deliver operational improvements focussed on product quality and speed to the consumer
- Execute on new channel development initiatives via our market operations, capturing further wholesale share

China: Focus on continued farm expansion and acceleration of integrated floral model

- Leverage Australian know-how to further develop vertically integrated floral supply model into China
- Continue to develop further production greenhouse space to support customer demand and secure additional land for next growth phase
- Build further operational capacity within our supply base in Kunming to support significant ramp-up in customer growth, and replicate Shanghai processing facility into other major metropolitan consumer markets
- Track record of predictable and attractive ROIC on growth capex

REGIONAL OUTLOOK FY22

Australia

- Supply chain disruptions continue to impact availability, cost and the reliability for supply of imported flowers, with COVID impacting labour availability and consumer demand
- Valentine's Day Event, successfully executed, requiring dedicated charter flights for imported Rose lines, as well as volume and range modifications
- Revenue across January and February expected to be ahead of prior year
- Negotiated event and every day pricing changes, reflecting increasing freight costs, to benefit 2H FY22
- Continued active management of mix and design of our customer range lines to manage operating cost pressures
- Implementation of margin improving initiatives (via pricing and range) typically lag by a quarter
- Freight costs to ease over coming months with travel restrictions lifted from late February, adding airline capacity into Australia

China

- Winter pricing currently reflecting last year's favourable trends
- Demand continues to outpace supply over recent weekly trading across Chinese New Year and Valentine's Day
- Expected favourable trading conditions over the event windows through until May 2022

GROUP OUTLOOK FY22

- The current momentum on revenue growth is expected to continue across the balance of FY22
- NPATA for FY22 is forecast to be in the range of \$29m - \$31m, reflecting operating cost pressures expected to be experienced in Australia across the balance of the financial year
- The Group will provide further guidance on FY22 following the Mother's Day event in June 2022

SUPPLEMENTARY MATERIALS

LYNCH GROUP

LYNCH OVERVIEW

Floral category leader

#1 in Australia
– only national scaled supplier to major supermarkets

100+ years of history

with deep supply chain expertise

>17 years presence in China

with strong platform established to accelerate growth and capture opportunity

LYNCH OVERVIEW

- Dominant position in fast growing supermarket channel
- Perishable product with a complex supply chain creates significant barriers to entry
- Access to own China supply and other Tier 1 growers a competitive advantage
- Diversified supply base and flexibility in downstream distribution (e.g. SOR Stores) minimises risk and protects margins
- Low capex and high cash conversion

- Rapidly developing market with fast growing consumer demand expected to outstrip supply for many years
- Investment driving year-round supply of premium product
- Diversified channels to market
- Majority of production now sold via fixed price retail platform orders
- Track record of predictable and attractive ROIC on growth capex

KEY METRICS: AUSTRALIA

LYNCH GROUP

$149.1m 1H FY22 Revenue
(+8% on pcp)

$14.7m 1H FY22 EBITDA
(-16% on pcp)

c.400 Employees
(excluding labour hire)

4 Cool chain controlled processing facilities
(Sydney, Melbourne, Brisbane and Perth) serving supermarket channel

4 Market Sites
Flower HQ (Sydney, Canberra, Newcastle and Brisbane) serving wholesale and florist channel

3 Farms
Focussed on niche high volume supermarket lines – potted and Australian wildflowers (QLD and WA)

2,000+ Retail stores
supplied and serviced

200+ Field force personnel
servicing stores across the country

Full Category Solution
End to end category management and support for our customers - product innovation, Account Management, procurement, biosecurity, processing, distribution and merchandising

KEY METRICS: LYNCH CHINA

$36.1m 1H FY22 Revenue
(+44% on pcp)

$11.2m 1H FY22 EBITDA
(+23% on pcp)

c.1,000 Employees
(including labour hire)

4 Farms
utilising leading protected greenhouse infrastructure and systems, enabling year-round, high quality production supermarket channel

Kunming processing facility
full cool chain control, export quarantine accredited

Shanghai processing facility
Lynch's first consumer market cool chain controlled distribution footprint in China

Leading sales platform
leveraging customer demand across florist, wholesaler and retail customers domestically in China, and via export

Established functional teams
across product development, processing, procurement, logistics, quality assurance and finance teams supporting daily volume throughput and administration.

Government relationships
trusted and long-term

CALENDAR YEAR PROFIT AND LOSS STATEMENT

CY P&L, A$ millions	CY21	CY21 Prospectus	CY20	% to Prospectus	% to CY20
Revenue	347.9	329.0	283.3	5.7%	22.8%
Raw materials, consumables and other direct costs	(253.2)	(241.8)	(206.8)	(4.7%)	(22.4%)
Operating margin	**94.7**	**87.2**	**76.5**	**8.5%**	**23.7%**
Operating margin %	27.2%	26.5%	27.0%	0.7%	0.2%
Operating expenses / (income)	(36.1)	(33.3)	(33.7)	(8.6%)	(7.3%)
EBITDA	**58.6**	**54.0**	**42.9**	**8.5%**	**36.6%**
EBITDA %	16.8%	16.4%	15.1%	0.4%	1.7%
Depreciation and amortisation	(18.7)	(16.7)	(16.9)	(11.7%)	(10.6%)
Financing costs	(3.4)	(3.4)	(3.5)	(2.4%)	0.2%
Profit before tax	**36.4**	**33.9**	**22.5**	**7.5%**	**61.8%**
Income tax expense	(9.3)	(9.0)	(6.9)	(2.5%)	(34.7%)
Profit for the year	27.2	24.8	15.6	9.3%	73.7%
Amortisation of acquired intangibles	4.8	4.5	5.3	7.6%	(9.7%)
NPATA	**32.0**	**29.3**	**21.0**	**9.1%**	**52.5%**
NPATA %	*9.2%*	*8.9%*	*7.4%*	*0.3%*	*1.8%*

HALF-YEAR SEGMENT REVENUE AND EBITDA / HALF-YEAR NPATA BRIDGE

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Half-year Revenue, A$ millions	1H FY22	1H FY22 Prospectus	1H FY21	% to Prospectus	% to 1H FY21
Australia	149.1	146.4	137.6	1.9%	8.4%
China	36.1	31.6	25.1	14.2%	43.8%
Intersegment eliminations	(13.5)	(10.3)	(7.9)	31.5%	71.4%
Pro-Forma Revenue	**171.7**	**167.7**	**154.8**	**2.4%**	**10.9%**
Half-year EBITDA, A$ millions					
Australia	14.7	18.6	17.5	(20.7%)	(15.5%)
China	11.2	9.1	8.7	23.4%	29.8%
Pro-Forma EBITDA	**26.0**	**27.7**	**26.1**	**(6.2%)**	**(0.5%)**
Half-year NPATA bridge, A$ millions					
Statutory NPATA	14.0	14.7	10.7	(5.0%)	30.4%
Pre acquisition VdB Group	-	-	3.4	-	N/A
Offer costs	-	-	1.2	-	N/A
Public company costs	-	-	(0.7)	-	N/A
Other	-	-	(0.1)	-	N/A
Pro-Forma NPATA	**14.0**	**14.7**	**14.4**	**(5.0%)**	**(3.1%)**

HALF-YEAR CASHFLOW BRIDGE TO STATUTORY CASHFLOW STATEMENT

LYNCH GROUP

Half-year cashflow bridge, A$ millions	1H FY22	1H FY22 Prospectus	1H FY21	% to Prospectus	% to 1H FY21
Statutory net cash generated by operating activities	**12.8**		**13.7**		**(6.4%)**
Income taxes paid	4.3		5.1		(16.1%)
Interest and other costs of finance	1.6		1.6		(2.8%)
Capital expenditure	(15.0)		(2.6)		476.5%
Lease repayments	(2.3)		(1.2)		88.4%
Statutory net cash flow before financing activities	**1.4**	**17.0**	**16.6**	**(92.0%)**	**(91.7%)**
Pre acquisition VdB Group	-	-	2.5	-	N/A
Offer costs	-	-	1.5	-	N/A
Public company costs	-	-	(1.0)	-	N/A
Other	-	-	(1.3)	-	N/A
Pro-Forma net cash flow before financing activities	**1.4**	**17.0**	**18.2**	**(92.0%)**	**(92.5%)**

HALF-YEAR KEY OPERATING METRICS

Half-year Key Operating Metrics	1H FY22	1H FY22 Prospectus	1H FY21	% to Prospectus	% to 1H FY21
Group					
Revenue growth	10.9%	8.4%	22.2%	2.5%	(13.8%)
Operating margin %	25.6%	26.4%	27.3%	(0.8%)	(1.8%)
EBITDA margin %	15.1%	16.5%	16.9%	(1.4%)	(1.8%)
Adjusted Cash flow conversion	71.7%	97.4%	99.6%	(25.7%)	(27.9%)
Australia					
Revenue growth	8.4%	6.4%	21.5%	1.9%	(13.1%)
Revenue growth - Flowers	6.3%	5.1%	21.1%	1.2%	(14.8%)
Revenue growth - Plants	16.2%	11.3%	23.0%	4.9%	(6.9%)
EBITDA margin %	9.9%	12.7%	12.7%	(2.8%)	(2.8%)
China					
Average productive farm area (ha)	63.4	62.8	53.0	0.6	10.4
Revenue per sqm ($)	41.9	33.2	35.1	8.7	6.8
Revenue growth	43.8%	26.1%	20.5%	17.8%	23.5%
EBITDA margin %	31.1%	29.1%	34.5%	2.0%	(3.4%)


LYNCH
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