



SELECT HARVESTS

Select Harvests Limited (ABN 87 000 721 380)

Level 3, Building 7 Botanicca Corporate Park
570-588 Swan Street Richmond VIC 3121 Australia
Telephone +61 3 9474 3544
www.selectharvests.com.au

17 February 2025

Chair's Address: 2024 Annual General Meeting

Good morning and welcome to Select Harvests 2024 Annual General Meeting.

Under the Select Harvests Limited constitution, a quorum is required for this meeting, and I have been advised that a quorum is present, therefore, I declare this meeting open.

To provide you with sufficient time to vote, I now declare voting open on all items of business.

For those of you I haven't met previously my name is Travis Dillon, Chairman of Select Harvests Limited.

I will be chairing today's AGM with the assistance of:

- David Surveyor, our Managing Director and
- Liam Nolan, our newly appointed Chief Financial Officer and Joint Company Secretary of Select Harvests. Liam brings extensive CFO experience with a proven track record in finance, business transformation, and strategic leadership. He has held senior finance roles across diverse sectors, including his tenure as CFO of Orora Beverages, where he oversaw a multi-billion-dollar operation. Liam's expertise lies in financial strategy, operational efficiency, and driving growth. His leadership experience spans Australia, New Zealand, and the United States, making him a valuable asset to our executive team at Select Harvests.

Both David and I will be making presentations today, following which David, Liam, my fellow Directors and I will be happy to answer your questions before overviewing the company's resolutions.

Joining me today in this Annual General Meeting are your Directors:

- Guy Kingwill
- Margaret Zabel
- Michelle Somerville

and

- Paul van Heerwaarden



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I also welcome Ben Liu from our lawyers, Minter Ellison, and Alison Milner from our auditors, PWC.

Today I will present you with an overview of the 2024 financial year for Select Harvests before we move to questions and the formal proceedings of the Annual General Meeting.

In 2024 we saw a significant turnaround in the operating results within Select Harvests. Whilst the trading environment continued to be challenging, with a relatively low almond price, although on an upward trajectory, the company was able to achieve a \$46m EBITDA and a \$1.5m net profit after tax – an improvement of \$116m on 2023 financial year.

Whilst achieving this improved profit performance the company also continued to make good progress on turnaround initiatives that the new management team has been pursuing. Key notable improvements in crop Volumes, sales velocity, processing capacity and efficiency and sustainability initiatives.

In 2024 Select Harvests delivered a crop of 29,527t which is a return to more normal crop levels, with the quality of the 2024 harvest being excellent. This is a great result given the NSW orchards continue to be challenged on the back of four years of extremely wet weather. To put the challenge into context the 2024 rainfall across the NSW orchards was twice that of 2023.

The Carina West processing facility increased productive capacity by 10,000t to process just over 40,000t of almonds in 2024. This is a notable achievement on the back of modest capital investment and has led to a decrease in processing costs of 8.1%.

In relation to our sustainability focus during the course of 2024, the company initiatives delivered a 21% reduction in greenhouse gas emissions. This, along with the improvement in food safety metrics, producing nearly all of our own budgeted compost requirements and the ongoing investment in irrigation technology positions Select Harvests well within the almond industry and achieve our future sustainability goals.

The company recorded a total recordable injury frequency rate of 7.1 compared to 6.7 in the previous reporting period. We have made significant improvements in reporting processes and believe that the some of the increase is partly a result of this reporting improvement. We continue to have safety as our number one priority across Select Harvests and, under David's leadership, will look for continual improvement in our safety



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practices, procedures, tools and awareness to ensure our staff our kept safe.

Before handing over to David I will address the results of today's voting and recent investor feedback.

As you will see in the voting recorded in relation to today's Annual General Meeting, Select Harvests has recorded a significant rise in voting against two of the resolutions put to our shareholders.

We have been in ongoing dialogue with shareholders and proxy firms in the lead up to today's Annual General Meeting.

As shareholders are aware, in the second half of the financial year Select Harvests undertook a fully underwritten capital raise of \$80m in order to retire debt and fund a small capital investment to support a further increase in Carina West processing capacity.

At the same time the company announced a delay in cash receipts as a result of logistics issue encountered in the transition to a new provider to Select Harvests. This cash impact was \$56m at the full year and has since been fully recovered.

In discussions with a number of Select Harvests shareholders we believe this combination of events and the subsequent impact to existing shareholders investment in the company has driven the voting outcomes.

In relation to the capital raise the board is very aware of the impact of the raise and understands the frustration of long-term shareholders in the company. The board believes the decision was the right one in the context of the environment we were experiencing and based on the information we had.

The reality is the market has been looking at the Select Harvests balance sheet for at least 4 years and has been expecting the business to do a capital raise to repair the balance sheet. The business generated \$161m of negative cashflow between 2018 and 2023, inclusive of capital raises for the Jubilee and Piangil orchard assets. The capital raise was the result of the accumulated effects of prior years negative cash and whilst the capital raise was disappointing the board believed a prudent measure.



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However, we are equally conscious of being good custodians of shareholders funds and the requirement to deliver strong returns going forward. With this in mind we note the company has no plans to engage in any M&A activity as the focus is clearly on maximizing shareholder returns and leveraging the current asset base. The reset balance sheet will provide some protection against future market shocks and agricultural risk as we have seen in recent years.

As you will note the company has also recorded its first strike on the remuneration report at this Annual General Meeting.

During the course of the year the company has engaged an external remuneration provider to review extensively the current framework and targets. The result of this review was to make some minor adjustments as well as confirming the current Select Harvests remuneration structure was contemporary and appropriate for the business. There has been a significant change in our remuneration reporting this year with an increase in transparency around targets and the way we disclose the outcomes, on the back of feedback last year. We also note in our engagement with the proxy advisors reporting on Select Harvests that they have unanimously recommended voting in favor of all recommendations including the remuneration report. We therefore understand that the primary driver of the first strike on Select Harvests remuneration report is reflective of the logistics and capital raise points mentioned previously.

Having said this we have had some suggestions to our remuneration structure from a small number of shareholders that we will look to address in the coming year to ensure all feedback is taken on board and actioned.

I will now hand over to our Managing Director to provide an overview of 2024 and outline our priorities for 2025.



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This announcement has been approved by the Board of SHV.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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About Select Harvests:

Select Harvests Ltd (ASX:SHV) is an ASX-listed, fully integrated almond business consisting of orchards (company owned, leased, joint venture and managed), primary processing (hulling & shelling), secondary value-added processing (blanching, roasting, slicing, dicing, meal and paste) under the Renshaw & Allinga Farms industrial brands. Australia is a significant global almond producer and Select Harvests are one of Australia's largest almond companies, supplying almonds domestically and internationally, to supermarkets, health food stores, other food manufacturers, retailers and the almond trade.

The company is headquartered in Melbourne, Australia, while its orchards are in North West Victoria, Southern New South Wales and South Australia. Its almond processing and value-adding facility (Carina West) is located at Wemen in North West Victoria.

For more information, visit www.selectharvests.com.au