



Business Update

PAC Partners and AgFood Conference
28 July 2021



Disclaimer

This investor presentation (Presentation) is dated 28 July 2021 and has been prepared by Health and Plant Protein Group Ltd (ACN 010 978 800) (HPP). The material in this Presentation is general background information about HPP's current at the date of the Presentation. It has been prepared based on information available to it, including information from third parties, and has not been independently verified nor does it purport to be complete. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information or opinions contained in this Presentation.

This presentation does not constitute investment or financial product advice (nor taxation, accounting or legal advice) and does not take into account the investment objectives, financial situations or needs of any particular investor. It is not a prospectus, product disclosure statement or other disclosure or offering document under Australian law or any other law. This Presentation is not and should not be considered a recommendation to, or offer an invitation to acquire shares in HPP, nor does it form the basis of any contract of commitment for the acquisition of shares. The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions.

This Presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of HPP, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indicator or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of HPP's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of the HPP, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to HPP as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), none of HPP, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Certain non-IFRS financial information has been included to assist in making appropriate comparisons with period periods to assess the operating performance of the business. HPP uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information has not been subject to auditor review.

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.



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.

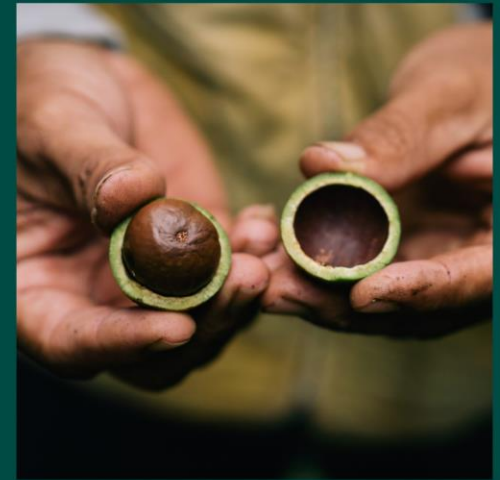


- Co-investment with S2G Ventures
- HPP provides support across strategy, sales and supply chain
- Health + functional brand in yoghurt and plant based beverage.



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

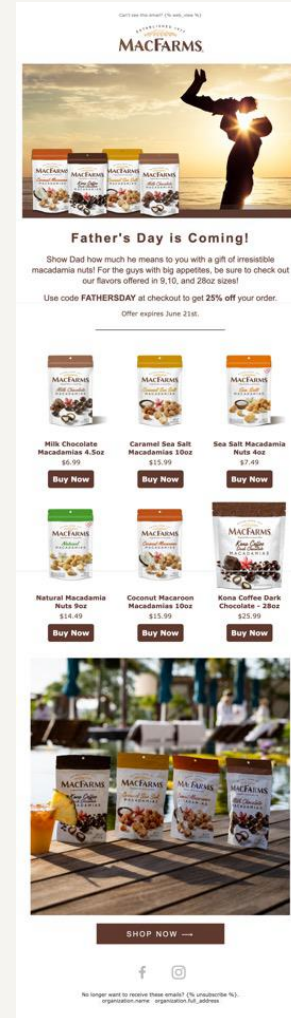
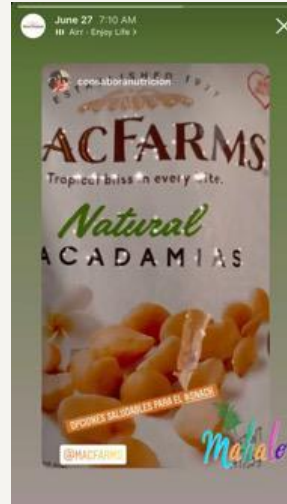
- Following initial Covid impact, there are recovery trends across the USA, particularly Hawaii.
- Orders are encouraging including participation in the "Taste of Hawaii" event across 52 Costco buildings

Industrial

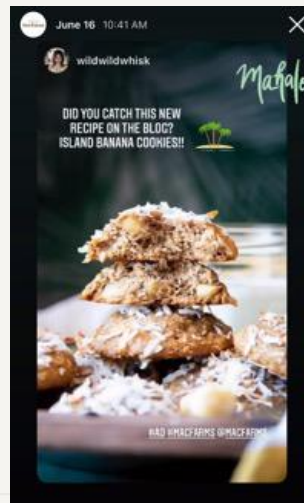
- Covid impact required an accelerated conversion of excess inventory to cash
- We have expanded our industrial offering, including onboarding a full time Senior industrial sales manager
- We will continue to focus on the industrial division as an ingredient solutions provider, utilising our brand expertise.



MacFarms - Marketing Snapshots



CostCo "Taste of Hawaii" Event





Royal Hawaiian Orchards (RHO)

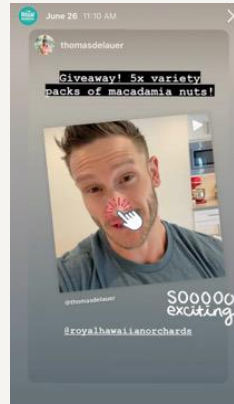
- Momentum continues with recent wins, including Walmart ranging of third SKU (natural)
- Collaboration with key influencers and sports teams (Anaheim Ducks and New York Yankees concessionaires) coincide with Covid recovery in the USA
- RHO new product development will expand brand into adjacent and 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





LAVVA – Investment Update

- Julie Wurfel was appointed as CEO and Board Director of LAVVA 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.





Contact Us

P +61 7 3067 4828
E corporate@hppgroup.com
Level 3, 159 Coronation Drive
Milton, Queensland 4064