

27 December 2019

MRG REACHES AGREEMENT WITH NAB AND MOVES TO EQUITY RAISING PHASE OF CAPITAL MANAGEMENT PROCESS

- Murray River Organics Group Limited agrees amendment to existing facility with its financier, National Australia Bank Limited
- Agreement to provide accelerated interim funding support and amends the existing financing facility
- Builds on the significant progress made in restructuring the Company, which includes the exit from the Colignan Farm lease
- MRG has had an active dialogue with many shareholders, has engaged advisors and expects to launch an equity capital raising by the end of January 2020 to raise a minimum of \$20M

Murray River Organics Group Limited (ASX:MRG) today announced an agreement with its financier National Australia Bank Limited (NAB) that completes the second phase of the capital management process that commenced with the exit from the Colignan Farm lease, as announced on 11 December 2019. This agreement brings forward short term funding for MRG to allow the company to progress the FY20 harvest, continue to fund business operations and complete an equity capital raising in early 2020.

Under the terms of the amended facility, NAB has agreed to accelerate drawdown of \$4m in two tranches of \$2m each at the beginning of January and February respectively, subject to satisfaction of certain conditions (including ongoing reporting conditions). In addition, MRG has agreed to repay the \$4m to NAB out of the proceeds of the equity capital raising by 31 March 2020 (or such later date as agreed by the parties) and make a further repayment of \$10m by 30 June 2020 (or such later date as agreed by the parties). Following these repayments, the total size of the MRG's facility will be reduced to \$40m.

MRG has also started to explore partnership arrangements regarding the significant vacant arable land at its Nangiloc property. Any Nangiloc transaction is likely to involve both a sale of land and an ongoing relationship with MRG regarding any future products grown on the property.

Chief Executive, Valentina Tripp said, "This agreement with NAB was a crucial step as we head into the dried vine fruit harvest and our busiest time in Mildura. It also allows us to present our refined strategy to shareholders and new investors as we commence the equity raising process after the Christmas break."

This transaction marks the second step of a broader capital management program. Discussions with the Company's equity funders and advisers are continuing as MRG looks to secure the capital required to fund the future growth of the business.

The equity capital raising is expected to be for a minimum of \$20M, and all shareholders will be given the opportunity to participate in the raising.

While the equity raising phase of the capital management program is ongoing and developing, MRG believes that resumption of trading in its securities would be premature and could adversely affect MRG's ability to successfully implement the capital management initiatives currently being assessed. MRG currently expects that the voluntary suspension of trading will remain in place until 28 January 2020 and will continue to inform the market of material developments as matters progress.

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Murray River Organics Group Limited (ASX: MRG) is a leading Australian producer, manufacturer, marketer and seller of certified organic, natural and better-for-you food products. We service the organic, natural and healthy food and snack market globally.

For further information please visit www.murrayriverorganics.com.au

*EBITDA-SL means Earnings Before Interest, Tax, Depreciation and Impairment, less SGARA (fair value revaluation of Self-Generating and Regenerating Assets (agricultural produce)) and adoption of AASB16 (New Leasing Standard).

