Half Year Results Presentation Building an MRO organic future - February 2021

Murray River Organics is an Australian leader in certified organic dried vine fruit and better-for-you food products.

Our aim is to strongly grow our MRO branded products locally and internationally in this $100+ billion global market.

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Murray River Organics' results are reported under International Financial Reporting Standards (IFRS). Throughout this Presentation, Murray River Organics has included certain non-IFRS financial information which has not been specifically audited in accordance with the Australian Accounting Standards, but has been extracted from the financial statements for the half year ended 31 December 2020.

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- Executive Summary
- Summary and Outlook
- FY21 Half Year in Review

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MRG Organic Branded Retail Growth gaining traction

Executive Summary

- Murray River Organics Group is transforming away from a bulk agri-producer into a branded retail organic food business.
- Revenues are up 7% despite Covid-19 and 2020 harvest issues.
  - Statutory NPAT loss of $7.5m, whilst disappointing, was a significant improvement on last year (down 68%).
  - Underlying EBITDA loss of $3.94m also improved on H1 LY's $4.34m loss
- Our MRO branded organic food products grew 30% whilst our overall retail categories were down 5%. This was mainly due to declines in low margin private label contracts which outpaced growth in branded retail categories.
- Wholesale & Ingredients is growing strongly (up 68%) as we continue to leverage our extensive overseas sourcing relationships to cultivate strategic Australian opportunities.
- Export (up 2%) was impacted by weather affected crops from last year's harvest. Our non-US markets grew strongly despite Covid-19 and other challenges and we are excited by the prospect of further expansion in fast-growing Asian markets.
- We have exited from nearly all our fresh categories thereby reducing our exposure to the price and agricultural risk associated with this sector of the market. Sales are down 17% in these lines.
- Our sourcing, innovation, branding and marketing strength combined with our production capabilities are keys to our future growth and providing our shareholders with an acceptable return on their significant investments.

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Executive Summary - continued

Farm & Harvest Update

- With harvest expected to complete by mid-May 2021, our Dried Vine Fruit ("DVF") farms are showing early signs of improvement on LY and we anticipate strong demand from export customers.
- $10m of non-core farms (non-DVF) were sold during H1 with proceeds to be used to pay down debt.
- We will focus on improved shareholder returns from a smaller, more efficient farming footprint.
- Quality and yield are key drivers of profitability, but so too are input costs with water pricing significantly lower than LY and other input costs better controlled.
- Our valuable 3rd party grower network is expanding as we seek new partnerships both in Sunraysia and overseas.
- We will actively explore opportunities to realise value from our agri-assets.
- The 2,600 ha Nangiloc property has significant potential for strategically minded investors.

Executive Summary - continued

Working Capital and Bank Funding

- Improved working capital management has resulted in a $0.3m improvement against December 19 despite revenues increasing 7%.
  - Compared to June 2020, working capital is down $2.1m and reflects better inventory management as well as seasonal factors
  - Operating cashflows have improved against H1 LY.
- Our net debt position of $40.5m is expected to drop in the second half as a result of our asset realisation program with the Nangiloc subdivision and part sale to the Costa Group anticipated to settle in H2.
- We have agreed an extension of our bank facilities through to October 2022.
- Our asset realisation program is consistent with the terms of the facility extension.

Balance Sheet

- Our key balance sheet items are
  - $17.5m working capital - improvements recorded vs the prior year.
  - $33m of farming/PP&E assets - asset sales program reducing our farm footprint.
  - $40.5m of net debt - anticipated to reduce further in H2.
- Our goal is to rapidly deleverage the balance sheet to prime the business for further growth!

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* Refer to Appendix for definitions of unaudited non-IFRS financial measures

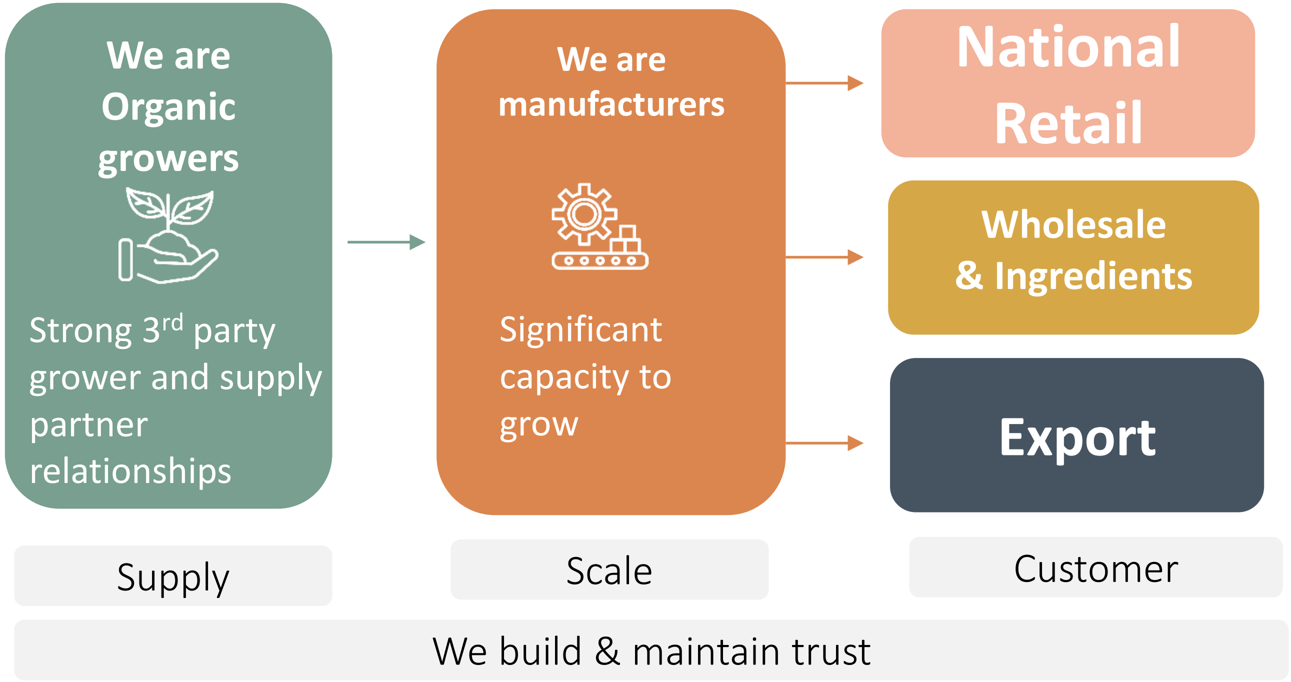
MRO is evolving

Murray River Organics is a vertically integrated organic food business.

As a grower, manufacturer and seller, we are agile and bring products to market quickly in response to changing consumer tastes.

We will continue to work through our farming opportunities and remain focused on aggressively growing our branded consumer categories while continually strengthening our ingredient sourcing capability.

We will continue to assess how to best use resources to maximise shareholder returns.



Executive Summary

Outlook Summary

- MRO is accelerating its transformation into a branded retail organic food business. Food is highly competitive in Australia and MRO's organic status offers a strong point of differentiation.
- MRO is well positioned to cater to the growing consumer trend towards "better-for-me" and organic produce.
- A January 2021 leadership change will focus on cost control, working capital and process improvement whilst accelerating growth.
- With a strong focus on 'getting the fundamentals right', MRO will aim to reduce net debt and simplify its operations.

MRO will therefore:

- Seek agricultural partnerships with a view to maximizing returns on underperforming assets - our remaining Nangiloc property represents a 2,600 ha greenfields opportunity for the right investor.
- Improve the yield, quality and returns on our reduced farming footprint.
- Increase investments in new product development, marketing, sales and distribution.
- Engage with strategically identified M&A partners to accelerate our growth.
- Grow the MRO branded retail business across Australia and Internationally heading the MRO business to profitability.

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FY21 - Half Year to 31 December 2021 Review

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Financial performance

$m	HY21	HY20	Change	%
Sales	26.5	24.8	1.7	6.8%
EBIT-L*	(6.4)	(21.1)	(14.7)	70%
One off items	0.9	12.4		
SGARA loss	0.4	1.6		
Depreciation & Amortisation	1.1	2.8		
Underlying EBITDA - SL*	(3.9)	(4.3)	(0.4)	9.2%

- Our branded retail strategy continues to grow achieving a 30% increase on the prior half year, offset by a decline in lower margin, non-organic, private label contracts
- Wholesale and ingredients grew strongly by developing deeper relationships with food manufacturers.
- Export remained relatively flat impacted by 2020 DVF fruit colour as well as COVID delays in key markets
- EBIT loss has improved by 70% mainly driven by one-off items in FY20 (specifically farm write-downs and the exit of the Colignan lease) and this reflects greater stability in FY21
- One-off items in HY21 relate to accounting losses on the sale of properties
- Smaller farming footprint and more efficient practices have improved SGARA accounting outcome
- Depreciation has decreased significantly due to exit from the Colignan leased farm

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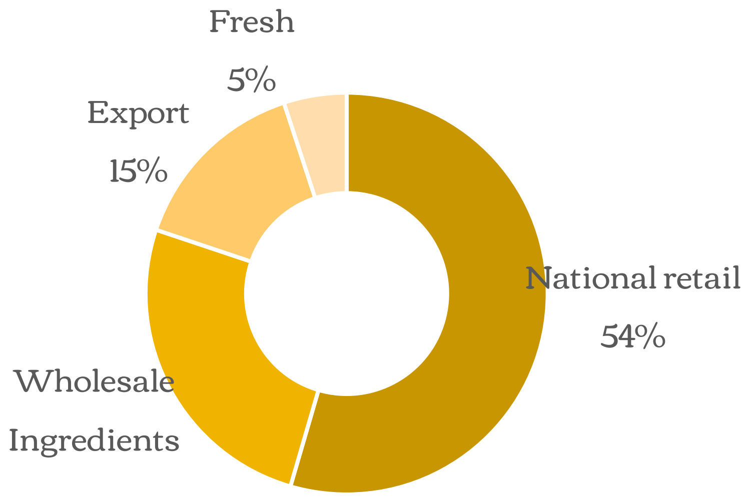
* Refer to Appendix for definitions of unaudited non-IFRS financial measures

Sales Overview

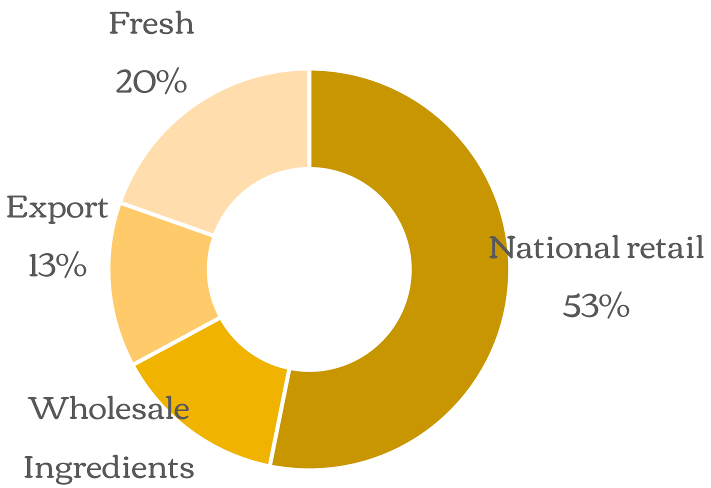
Gross Sales by channel *	HY21 ($'m)	HY20 ($'m)	%
National Retail	15.1	16.0	(5%)
Wholesale ingredients	7.1	4.2	+68%
Export	4.1	4.0	+2%
Fresh	1.4	1.7	(12%)

- National Retail MRO branded products have increased by $0.9m (up 30%), offset by reduced lower margin, non-organic, private label contracts of $1.8m (down 14%)
- The wholesale and ingredients business is up strongly by $2.9m (up 68%)
- Export H1 sales are up 2%, despite 2020 dried vine fruit crop challenges and COVID disruptions
- Lower sales of Fresh citrus (following exit of costly Colignan lease)

HY21



HY20



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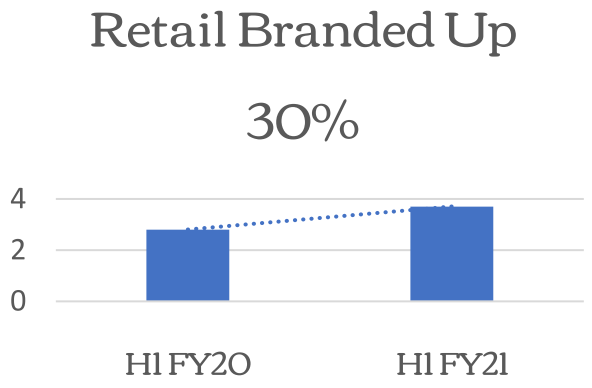
* Gross Sales exclude trade rebates and commissions

Ranging confirmed on a further 7 new MRO branded products in National Retail (on top of 37 previously announced)



MRO brand first ranged in Costco

Dec 2019

100% Organic Sultanas appears in market, followed by 100% Organic Goji Berries & Fruit Medley in May 2020

MRO brand first ranged in WW Oils category

March 2020

100% Organic MCT and Avocado Oil

100% Organic Virgin Coconut Oil

MRO Brand first launch in Coles Breakfast category

June 2020

100% Organic Muesli Range

MRO Brand launched in Metcash/IGA for across Pantry category

Aug 2020

100% Organic Pantry Range

MRO Brand enters confectionery and Dried Fruit & Nut categories with WW

Sept 2020

100% Organic Trail Mix & Dried Fruit Mix

Organic Mylk Chocolate

100% Organic Trail Mixes

MRO to extends confectionery with launch of Xmas Gifting for WW

Oct 2020

Organic Mylk Chocolate Seasonal Jars

Jan 2021

7 new organic Dried Fruit & Nut branded items in WW, including Sultana, Apricots, Walnuts and others

Leading Organic Brand

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Export H1 sales up 2% with Branded Retail Growing

- Sales outside of the US grew by 18%. Unfortunately, the FY20 weather-affected harvest resulted in a shortage of Golden DVF product; margins and growth in a number of markets were down as a result.
- We were able to grow China and Europe by 149% and 120% respectively where demand is less impacted by fruit colouring.
- Our "Sunraysia to Asia" campaign saw the launch of over 20 SKU's in Q2 FY21 into more than 18 existing and new retail chains across Asia.
- Branded retail sales currently represent 13% of our overall export portfolio, up from 8% in H1FY20. Our key highlights in this area include:
  - Increased brand recognition is evident for Gobble and Murray River branded products (MRW and MRO) and we have new retail products to be launched in Q4.
  - We have established a MRO/MRW branded flagship e-commerce store on T-mall and the RED social media platform.
  - As the new harvest is approaching, we see improving forward enquiries for Q4 FY21 and Q1 FY22 for our bulk DVF range.

Wholesale & Ingredients - sales up 68% on prior half year

- Business was challenged by COVID-19 as global freight movements were prevented or constrained.
- Sales uplift occurred in high demand pantry staple products
- Strong partnerships with leading Australian brands are developing
- Further growth expected from expansion of existing customer basket and new customers in food manufacturing
- We grew our strategic sourcing across a range of organic categories, leveraging our existing supply and processing capabilities to cater to a broader market.
- Grower-producer supply partnerships exist globally across North America, Europe, South America, India, Turkey and Asia.
- Key categories include dried fruits, grains, seeds, dried berries, sweeteners and functional ingredients.

~1400 tonnes globally sourced

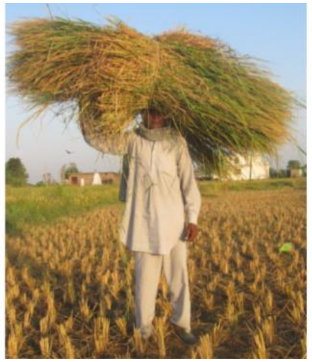
>100 containers

>40 sourcing partners

>25 countries supplying

Working with our partners around the world



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Financial Performance

Balance sheet deleveraged by asset sales and improved working capital

Balance sheet	Dec 20	Jun 20	Change
Working capital	17.5	19.6	(2.1)
Land, PPE, Right of use assets	32.7	39.0	(6.3)
Other assets	4.9	0.8	4.1
Assets held for sale	-	5.4	(5.4)
Agricultural produce	3.0	1.7	1.3
Net Bank Borrowings	(40.5)	(41.1)	0.6
Right of use (lease) liabilities	(3.1)	(3.4)	0.3
Provisions and other liabilities	(1.2)	(1.4)	0.2
Net Assets	**13.3**	**20.6**	**(7.3)**

- Working capital reduced \$2.1m driven by lower inventories and will remain a focus area going forward.
- PP&E reduced through sale of Nangiloc (part a)
- Other assets include funds receivable in relation to Nangiloc part (a) sale of \$4.5m anticipated to settle in H2.
- Assets held for sale reduced through sale of Fifth Street vineyard, settled in December 2020
- Agricultural produce is higher in December compared to June 2020 due to the crop cycle - DVF is harvested in H2
- Net bank expected to fall further in H2 as Nangiloc Part a) settles

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Property Sales
Exiting non-core, non-organic, farming assets

Fifth St Farm

	31 Dec 2020 $'000
Net proceeds on sale	**6,107**
Assets disposed	
Agricultural produce (at cost)	876
Fair value gain on agricultural produce	272
Agricultural produce (at fair value)	**1,148**
Assets held for sale	**5,379**
Gain/ (Loss) on disposal of Fifth St Vineyard	**(420)**

Nangiloc Farm (Part A)

	31 Dec 2020 $'000
Net proceeds on sale	
Deposit received – held in trust	450
Receivable	4,050
Net proceeds on sale	**4,500**
Assets disposed	
Property, plant and equipment	4,567
Agricultural produce (at cost)	380
Fair value loss on agricultural produce	(9)
Agricultural produce (at fair value)	**371**
Disposal costs	
Legal and other	56
Loss on disposal of Nangiloc Property	**(494)**

Comments – Fifth St

- After a lengthy sale process, Fifth Street, a non-organic fresh table grape vineyard was sold during the period
- Settlement occurred in December 2020, for $6.1m (net of costs)
- Accounting loss on sale of property of $420k was recorded following the SGARA accounting entries on hanging crops below.
- Non-cash fair value accounting gain $272k was recorded for the hanging crops pursuant to the application of SGARA accounting.

- $5.5m of the proceeds were used to repay bank debt

Comments – Nangiloc

- Sale of Nangiloc Part A, consisting of the non-organic wine grape and citrus plantations, was agreed with Costa Group during the period
- Whilst Settlement ($4.5m) will occur following subdivision of the property, the subdivision process is expected to be finalized on or around the end of Q3, FY21.
- As such, the sale and receivable was recognized in H1.

- Full proceeds to be used to pay down bank debt

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Financial performance
Operating cash flow improved by $0.5m

	Half-year ended	
	31 Dec 2020 $'000	31 Dec 2019 $'000
Cash flows from operating activities		
Receipts from customers	29,704	32,656
Payments to suppliers and employees	(35,037)	(36,316)
Receipts from government grants - Job Keeper	993	-
Interest paid	(1,189)	(2,436)
Net cash used in operating activities	**(5,529)**	**(6,096)**

Commentary

- Operating cashflow usage is lower by $0.5m due to improved inventory management.
- Cash receipts from customers were lower due to timing of Citrus receipts in the prior year.
- Lower interest payments related to the exit from the Colignan property

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Capital management

Banking facilities

- As at Dec 2020, our banking facilities were to expire on 30 November 2021 and our interest bearing borrowings have therefore been reported as Current on our December 2020 balance sheet.
- In February 2021, MRO agreed an extension of these facilities until 31 October 2022 subject to principal repayments of $4.5m in June 2021 and a further $10m by 30 April 2022.
- In addition to the part sale of Nangiloc to Costa Group to satisfy the FY21 obligations, a number of other asset realization opportunities are being considered by the Board.
- We anticipate being able to meet the above undertakings.

Share consolidation

- MRG received approval at its 2020 AGM, to proceed with an unmarketable share sale facility followed by a share consolidation to occur on a 50:1 basis.
- On the 24th December 2020, MRG completed the sale of unmarketable share parcels on behalf of 650 shareholders, reducing the number of shareholders by over 30%.
- On 20 January 2021, MRG shares were consolidated on a 50:1 resulting in 44,115,143 ordinary shares on issue.
- The NTA per share on a post consolidation basis is $0.30 per share as at December 2021.

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Appendices

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Appendix 1 - Non-IFRS financial measures

The following unaudited non-IFRS financial measures are included in this report:

1. **Net Debt -** Net Debt, represents total borrowings less cash and cash equivalents.
2. **Net Bank Debt -**Net Bank Debt, represents total borrowings (excluding the Colignan property lease liability and right of use asset lease liabilities) less cash and cash equivalents.
3. **EBIT-L -** EBIT-L, represents earnings or losses before interest, tax, excluding the impact of AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*.
4. **Underlying EBIT-SL -** Underlying EBIT-SL, represents earnings or losses before interest, tax, and before the fair value gain or loss on Self-Generating and Regenerating Assets (“SGARA” or biological assets), excluding the impact of AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*, and excluding one-off items as agreed with the Company’s financier.
5. **EBIT-SL -** EBIT-SL, represents earnings or losses before interest, tax, and before the fair value gain or loss on Self-Generating and Regenerating Assets (“SGARA” or biological assets), excluding the impact of AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*.
6. **Underlying EBITDA-SL -** Underlying EBITDA-SL, represents earnings or losses before interest, tax, depreciation, amortisation, impairment and before the fair value gain or loss on Self-Generating and Regenerating Assets (“SGARA” or biological assets), excluding the impact of AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*, and excluding one-off items as agreed with the Company’s financier.
7. **EBITDA-SL -** EBITDA-SL represents earnings or losses before interest, tax, depreciation, amortisation, impairment and before the fair value gain or loss on Agricultural Produce (SGARA), excluding the impact of AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*.
8. **Net Tangible Assets (NTA) -** Net Tangible Assets represents total assets less intangible assets less total liabilities (excluding deferred tax liabilities) less deferred tax assets, excluding the impact of AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*.

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