

24 August 2022

SunRice Group 2022 Annual General Meeting

The SunRice Group today held its 2022 Annual General Meeting, and a separate B Class Meeting, conducted face-to-face for the first time since 2019, in Jerilderie, NSW.

Shareholders approve all resolutions at the 2022 Annual General Meeting and B Class Meeting

Shareholders approved all resolutions at today's Meetings. This included adoption of the Remuneration Report for the year ended 30 April 2022 and the re-election of Non-Executive Director Luisa Catanzaro at the Annual General Meeting. At the B Class Meeting shareholders approved a new Non-Executive Director Share Rights Plan.

FY2022 Full-Year Financial Results

The Financial Year 2022 (FY2022) Financial Results were also presented. Progress against the Growth Strategy and the return of Australian rice underpinned strong financial performance in FY2022, with revenue, naturally determined paddy price and dividends all at the highest levels in the Group's history. Group revenue for FY2022 was \$1.3 billion, up 30 per cent on the prior year, while EBITDA of \$91.3 million and Net Profit After Tax of \$48.7 million were up 86% and 167% respectively on FY2021.

There was a record fully franked dividend distribution of 40 cents per B Class Share in total for FY2022¹, and a record naturally determined CY21 pool paddy price of \$428 per tonne for medium grain Reiziq, while fixed price contracts were also offered at \$475 per tonne for limited volumes of medium grain Reiziq and up to \$625 per tonne for specialty varieties.

Riverina rice production

The resurgence in Riverina rice production in 2021 (CY21) underpinned the return of Australian rice to the SunRice Group's most premium markets, and allowed the Australian Rice Pool Business to absorb its share of overheads. Production has further improved, with the SunRice Group updating the total tonnage for the recently harvested 2022 (CY22) crop to approximately 688,000 paddy tonnes – the largest in five years. The Group this week upgraded the lower end of the range for the CY22 pool to \$400 per paddy tonne for medium grain Reiziq, an increase of \$10 per tonne. The upper end of the range remains \$450 per tonne.

Looking ahead to planting of the next crop in October 2022, the Group will announce the opening of a pool and fixed price contracts within the next fortnight. With water availability and water pricing in the southern connected Murray-Darling Basin system at their most favourable levels in many years, another large Riverina rice crop is anticipated for 2023 (CY23). This crop will be processed and marketed throughout Financial Year 2024.

¹ This fully franked dividend distribution of 40 cents per B Class Share is inclusive of the interim dividend of 10 cents per B Class Share declared on 16 December 2021, a final dividend of 25 cents per B Class Share and a special dividend of 5 cents per B Class Share, both of which were declared on 23 June 2022.

Outlook for Financial Year 2023

The Group is expecting top-line revenue to continue to build in FY2023. While FY2022 finished strongly, FY2023 has started with worsening inflationary pressures on key business inputs and costs, and continuing volatility and disruption to global shipping, which is placing pressure on earnings. The Group remains focused on recovering the additional costs incurred progressively throughout the year.

The continued resurgence of Australian rice, coupled with SunRice's multi-origin, multi-market international rice supply capability, has the Group well placed to benefit this year from an environment in which key markets are under-supplied. This is due to factors including broader disruption from the Ukraine conflict and the impact of drought on a number of Northern Hemisphere rice-growing regions. The SunRice Group has built a diversified portfolio and maintained balance sheet strength and flexibility, which means it is well placed to take advantage of further expansion opportunities, either organically or through acquisitions. The continued execution of the company's Sustainability Strategy remains a core priority for Financial Year 2023, with all business units now pursuing individual sustainability plans aligned to the new Group targets and ambitions.

Comments from the Group CEO

Commenting at the Annual General Meeting, SunRice Group CEO, Mr Rob Gordon, said:

"After two years of extraordinary challenges – including the impacts of Australian drought, COVID-19 and unprecedented disruption to global supply chains – it is pleasing that the business has bounced back so quickly and was able to deliver strong performance in Financial Year 2022."

"The SunRice Group delivered an outstanding result in FY2022, which shows that we are back on track as the investments in line with our Growth Strategy of the past few years are starting to deliver benefits, as is the return of Australian rice and the continued strength of our international rice supply capability."

"While we face an uncertain and dynamic trading environment, we believe the SunRice Group is well positioned for Financial Year 2023 and the future."

Authorised by Kate Cooper, General Counsel and Company Secretary

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About SunRice's structure

The structure of SunRice contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares.

A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on ASX and may only be held by rice growers who meet the production quotas prescribed by the SunRice constitution. No person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution.

B Class Shares are quoted on ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not generally have the right to vote at general meetings of SunRice. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see: <https://corporate.sunrice.com.au/investors/>