ASX Announcement

3 September 2024

Ricegrowers Ltd (SunRice) 2024 Annual General Meeting

SunRice today held its Annual General Meeting and a separate B Class Meeting, in Deniliquin, New South Wales.

Shareholders approved all resolutions at the 2024 Annual General Meeting and B Class Meeting

Shareholders approved all resolutions put to today's Meetings. This included the adoption of the Remuneration Report for the year ended 30 April 2024 and the re-election of Non-executive Director Dr. Andrew Crane and the re-election of John Bradford and Ian Mason as Grower Directors at the Annual General Meeting. At the B Class Meeting, shareholders approved the Long Term Incentive Award for the CEO, Paul Serra, and the Non-Executive Director's Fee Sacrifice B Class Share Acquisition Plan.

FY24 Full Year Financial Results

The Financial Year 2024 (FY24) Financial Results were also presented. Another year of strong growth across the SunRice Group was achieved, with the highest Group revenue, at $1.88 billion up 15% on the prior year, and highest total fully franked dividend, at 60 cents per B Class Share, in the Company's 74-year history. Despite external impacts that weighed on the Australian Rice Pool Business, the Group delivered a naturally determined Crop Year 2023 (CY23) paddy price of $430 per tonne for medium grain. The Group's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $143.9 million and Net Profit After Tax of $68.2 million, were up 23% and 24% respectively on FY23. The CY23 paddy price and FY24 total dividend demonstrate the Group's ongoing focus on delivering value to both A and B Class Shareholders.

Riverina rice production CY24 and CY25

The CY24 Riverina harvest was another large crop at approximately 618,000 paddy tonnes. Several factors continue to weigh on anticipated returns, including the large carry over of Riverina crop into CY25, and increased rice supply from Northern Hemisphere markets returning from drought conditions, which is placing pressure on tender markets. As a result, the CY24 paddy price range remains unchanged at this time, at $370 to $430 per tonne for medium grain.

With successively large crops in CY23 and CY24, the Group has healthy carryover levels and with another large crop expected, is facing a unique situation. To help maximise returns for growers, a two-pool system for CY25 has been implemented targeting ~500,000 paddy tonnes, comprising 450,000 paddy tonnes of medium grain and 50,000 paddy tonnes of speciality varieties. The Chairman and Group CEO met with Riverina growers in recent weeks to discuss the detail of this two-pool system and SunRice continues to watch catchment inflows as the seed ordering process commences.

Outlook for Financial Year 2025

Following a strong year of growth in FY24, the SunRice Group is seeking to repeat the performance at both the top and bottom line in FY25. Against this backdrop, the Group is prepared to navigate through challenges, including a softening in sales prices in some markets, increasing pressure from lower price offerings, unfavourable foreign exchange on imports, ongoing disruption to the global shipping industry, and cost pressures in global non-medium grain rice supply, energy and labour. The Group continues to focus on branded product sales, however, implementing effective pricing strategies will be challenging in FY25; particularly in markets where consumers are facing increasing cost of living pressures, which impact discretionary spending and are driving more trading down to lower priced products.

The Group also remains focused on integrating sustainability into the business, driving cost and procurement savings, and on other operational and manufacturing initiatives across the Group in FY25.

Comments from Group CEO

Commenting at the Annual General Meeting, SunRice Group CEO, Mr Paul Serra, said:

> *"It is 12 months since I was formally appointed CEO of the SunRice Group at the conclusion of last year's AGM, and it has been a privilege to have been part of a year in which the Group delivered another strong performance.*
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> *"Our results in FY24 demonstrate the resilience and effectiveness of our business model and Growth Strategy. They showcase the strength of the Group's brands, our growers, our talented team, as well as our operational excellence in navigating an unstable business environment to deliver growth globally. They also demonstrate our continued focus on delivering value for both our A and B Class Shareholders.*
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> *"As we mentioned at the half year, work is being undertaken to refresh our Growth Strategy to identify new opportunities as we look to continue the momentum achieved to date. As part of this work, aspirational targets and strategies are being finalised to lay the foundations for our future growth. This work is well progressed and will be finalised later this year. However, I can share that our 2030 Growth Strategy is founded on our established global presence and vertically integrated business model that will evolve to further diversify the business. It centres on a new purpose and vision that builds on our heritage, but also positions us for the future.*
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> *"As always, our Growth Strategy will focus on delivering returns for both A and B Class Shareholders, with aspirational targets for each, as well as on our employees, communities and other stakeholders. Specifically, these aspirational targets include to grow Group revenue to $3 billion by 2030 and to deliver improved profitability margins for investors and improved paddy prices for our growers. We look forward to sharing more detail on our 2030 Growth Strategy once this work is more advanced.*
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> *"The Group's outlook remains positive for FY25, with the business well positioned to manage the significant headwinds, with the support of our capable Board, management and broader team in place."*

Authorised by Paul Serra, SunRice Group CEO

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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.

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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/