

# SunRice Shareholder Workshop

September 2015





# Agenda

- Strategic context
- Progress of strategy to date
- Challenges and opportunities
- The need for change
- Capital Restructure
- Other matters





# Strategic context





## A new direction post-drought

- Recovery post-drought signalled opportunity for SunRice to assess future direction
- Comprehensive strategic review undertaken in 2012/13:
  - Analysis by geography, market, channel and product
  - Opportunities identified for growth
  - Underpinned an optimised plan for the Group and each of our divisions
- Plan developed for rice

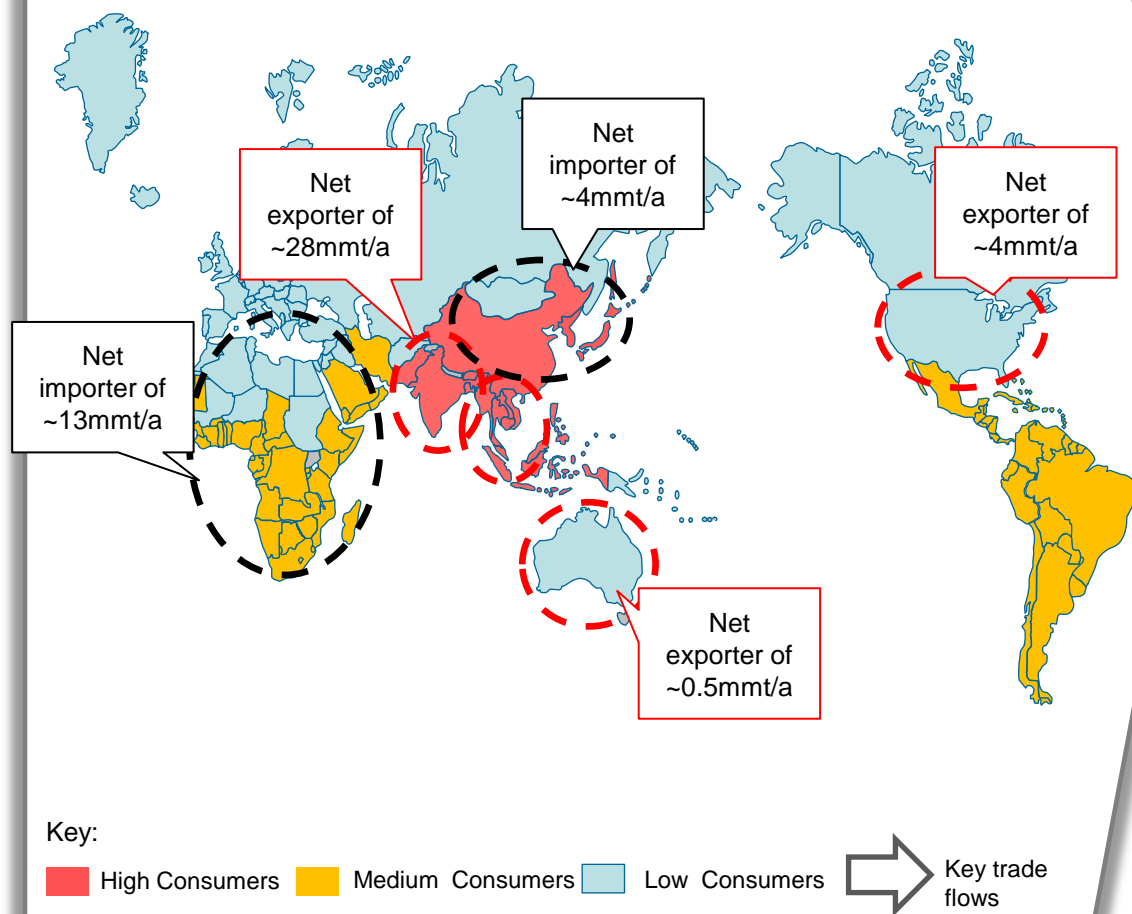




# Where we fit in international trade

## Global Commodity Rice Trade Analysis

High consumers of rice are SE Asia, China and the Indian Sub Continent.  
Medium consumers of rice are in the ME, Sub Sahara Africa and Latam



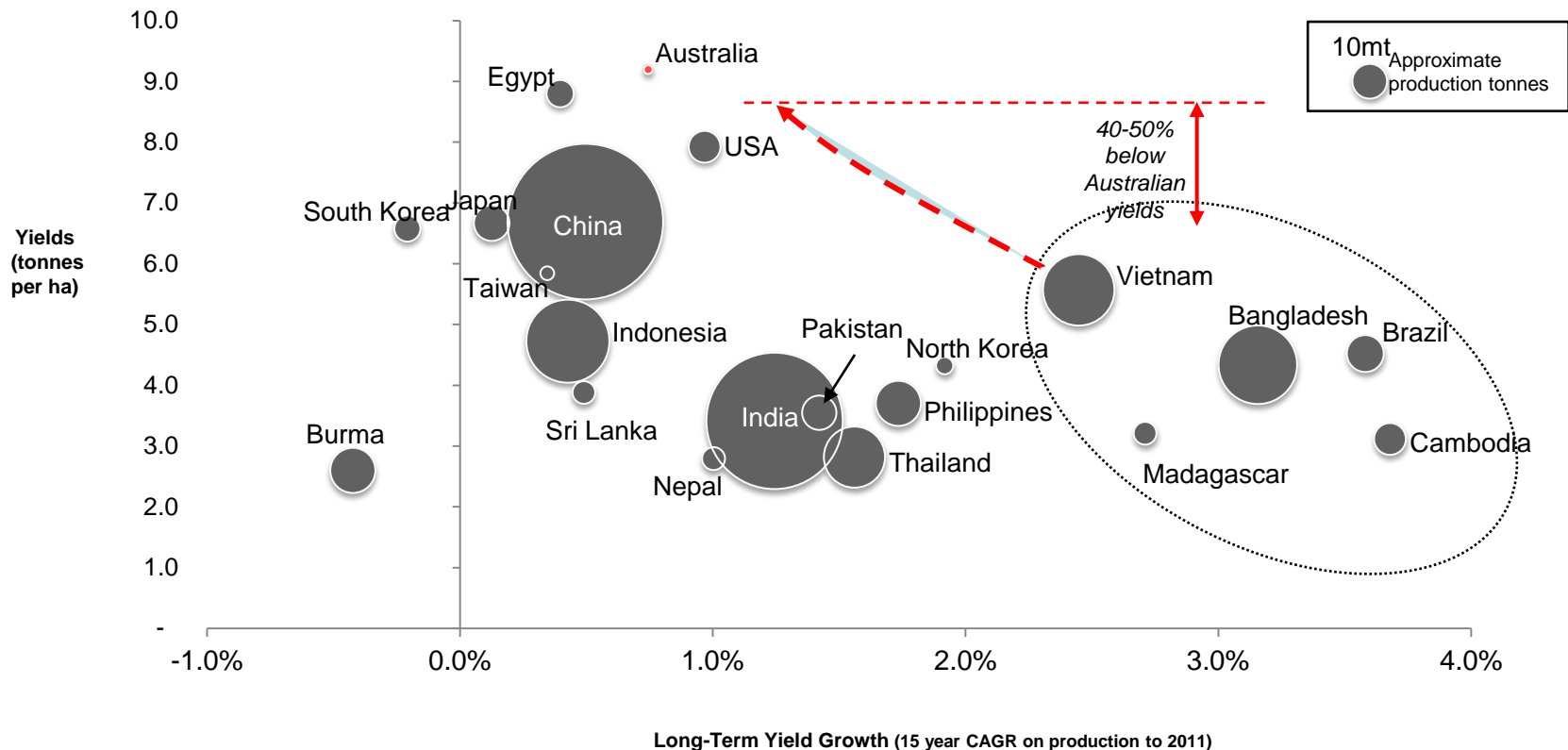
- ~**470mmt** rice is produced globally, **85%** of which is long grain and **15%** Japonica
- Only ~**36mmt** rice is exported globally, of which ~**2.2mmt** is Japonica
- Australia makes up ~**20%** of global Japonica exports, even though it only produces **1%** of the world's Japonica





# Limited opportunity for Australian rice to feed the world while the domestic market alone lacks scale

**Productivity of Major Rice Producing Nations**  
2011, including Australia



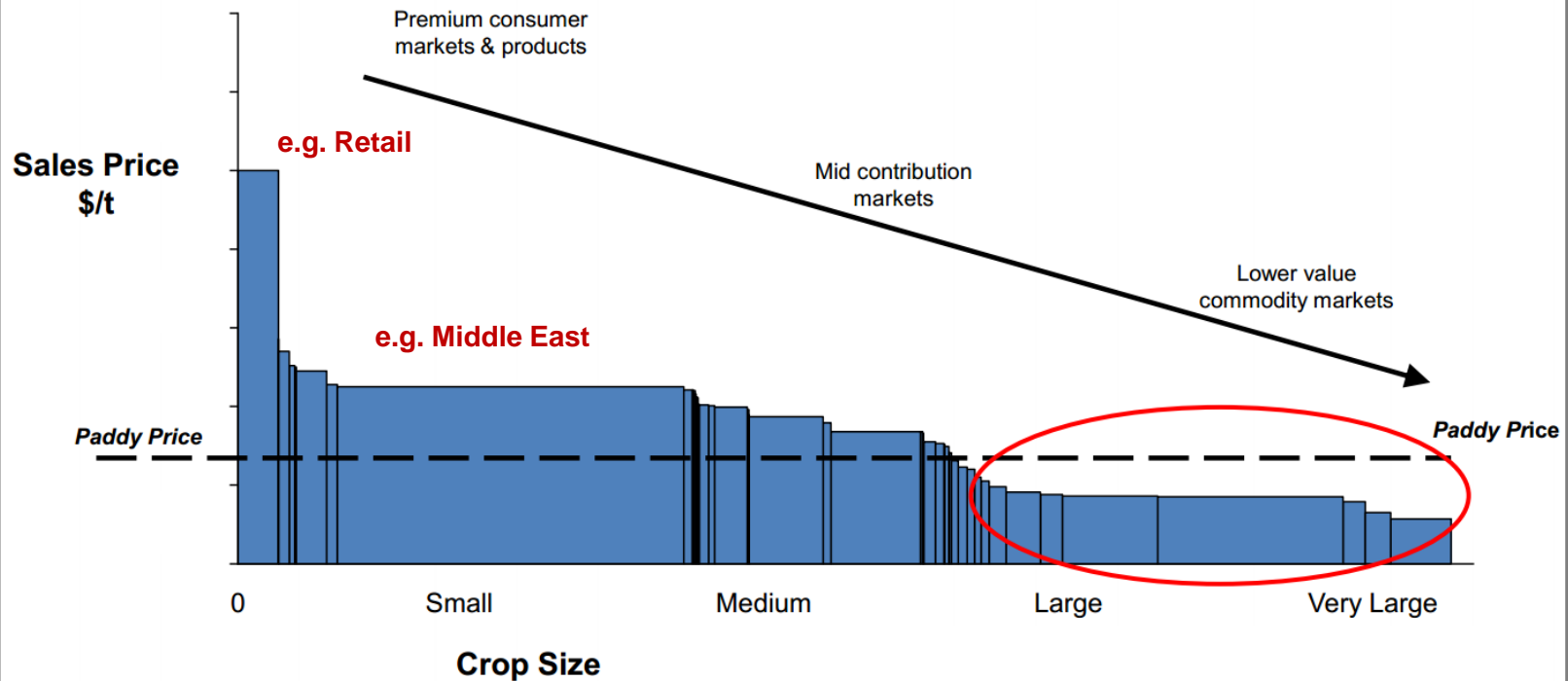
**Like many other branded agri-products, domestic-only market lacks scale (Australian market size only ~225,000 tonnes)**





# Opportunities identified to strengthen returns for rice by focusing on higher value markets

Effect of crop size on paddy price

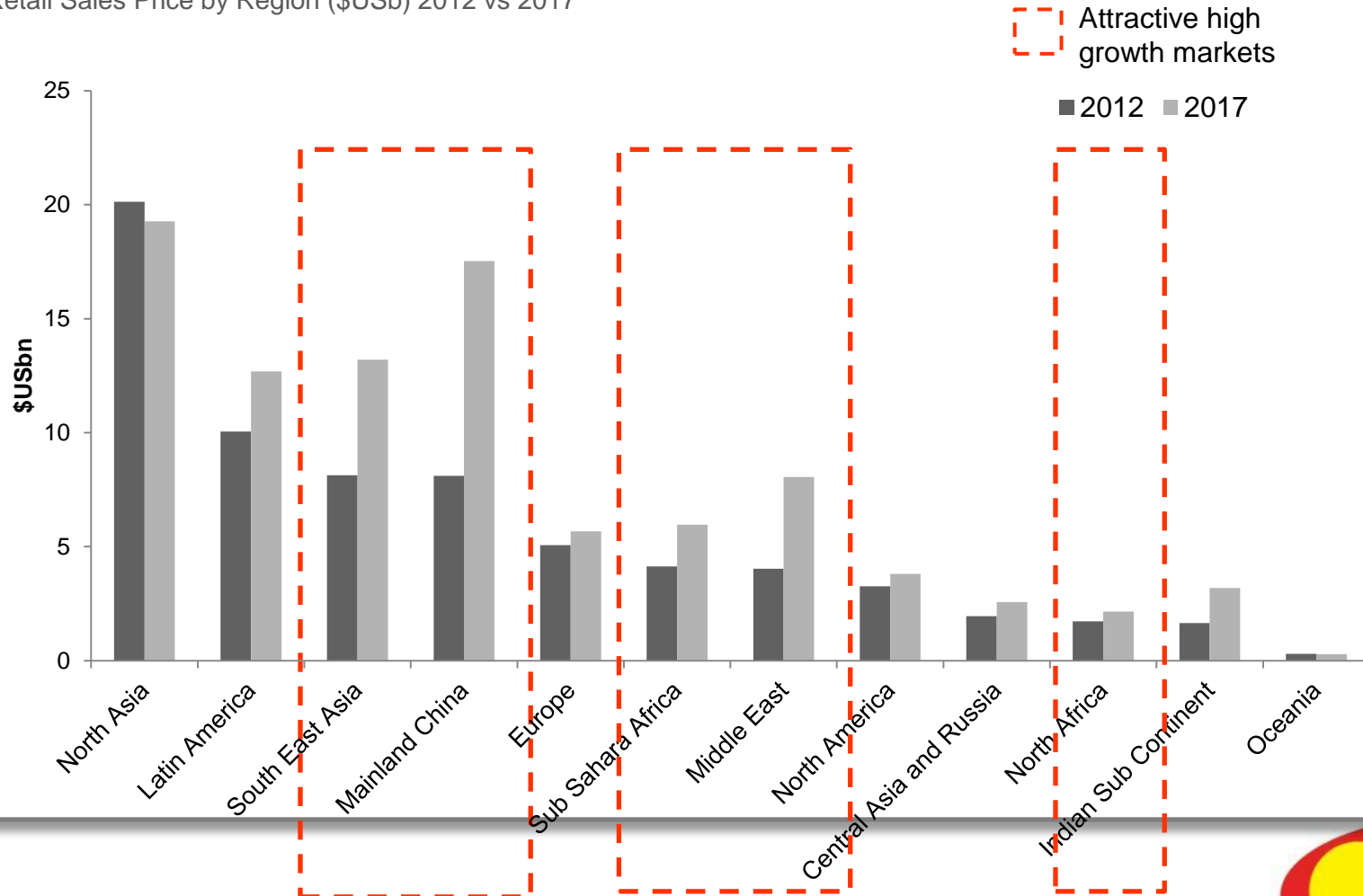




**Therefore our strategic focus on being an international branded, value add company differentiates us against commodity players**

### Branded Rice Sales Growth

Retail Sales Price by Region (\$USbn) 2012 vs 2017



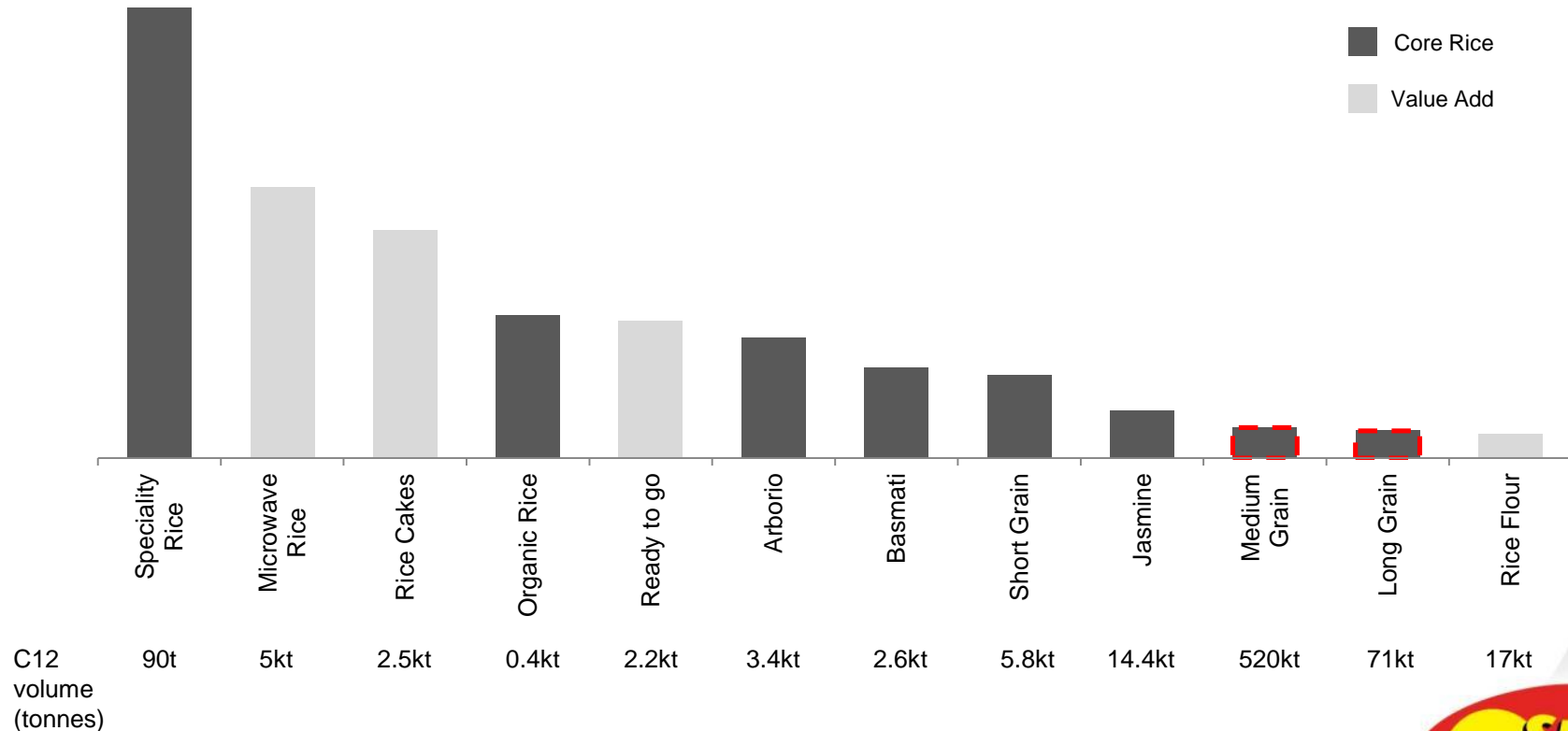


# Further optimisation of our product and varietal mix required to improve profitability and meet the needs of more discerning consumers

Over 95% of SunRice's varietal mix has historically been Medium and Long Grain

## Rice Based Foods – Global SunRice GP/tonne

C12 Average





# Implementing an ambitious strategy for growth

## STRATEGIC GOALS

- **Substantially increase annual revenue** within the next 10 years
- **Maximise grower returns** by optimising market, channel and varietal mix
- **Grow shareholder value** and **increase resilience of earnings** by pursuing diversified and stable growth
- Maintain or improve **Return on Capital Employed (ROCE)**

## OUR VALUE DRIVERS



## OUR STRATEGIC PRIORITIES



# Q&A / Discussion





# Progress of strategy to date

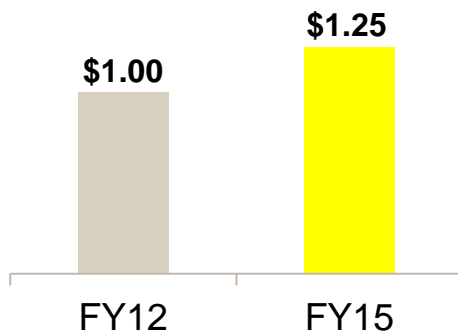


# Strategy to date has delivered results and positioned the business for the future

## FY12 - FY15 Business Performance

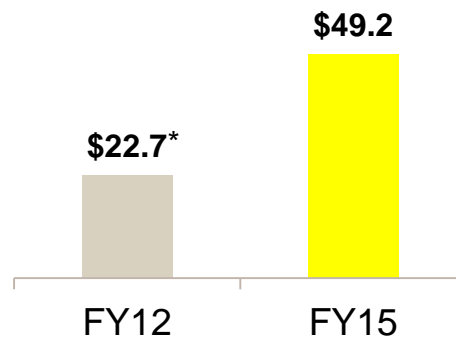
REVENUE  
Billions

**+24.6%**



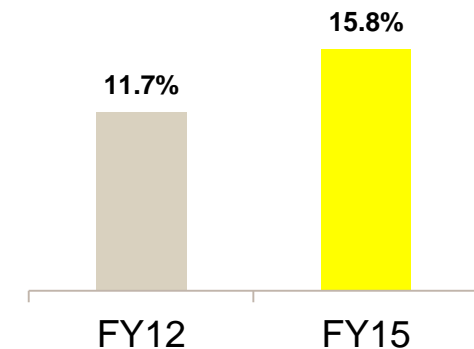
NET PROFIT  
After Tax - Millions

**116.5%**



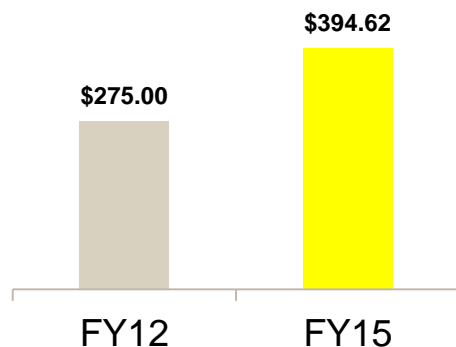
RETURN  
ON CAPITAL

**+410 BASIS POINTS**



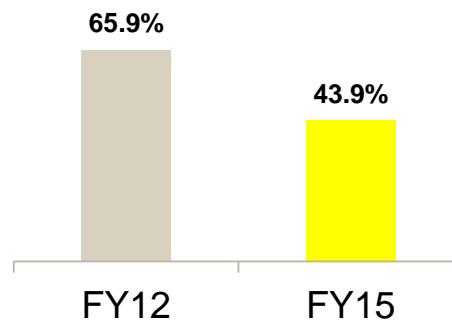
PADDY PRICE  
Medium Grain

**+43.5%**



GEARING  
Debt / Equity

**-33.4%**



CAPITAL  
INVESTMENT

**▲ \$80m in capital expenditure**

**at the same time**

**▼ \$82m reduction in average net debt**

- New Leeton retort facility
- Upgrades to core rice milling equipment
- New rice cakes lines
- Upgrades to CopRice feed mill and extrusion plant

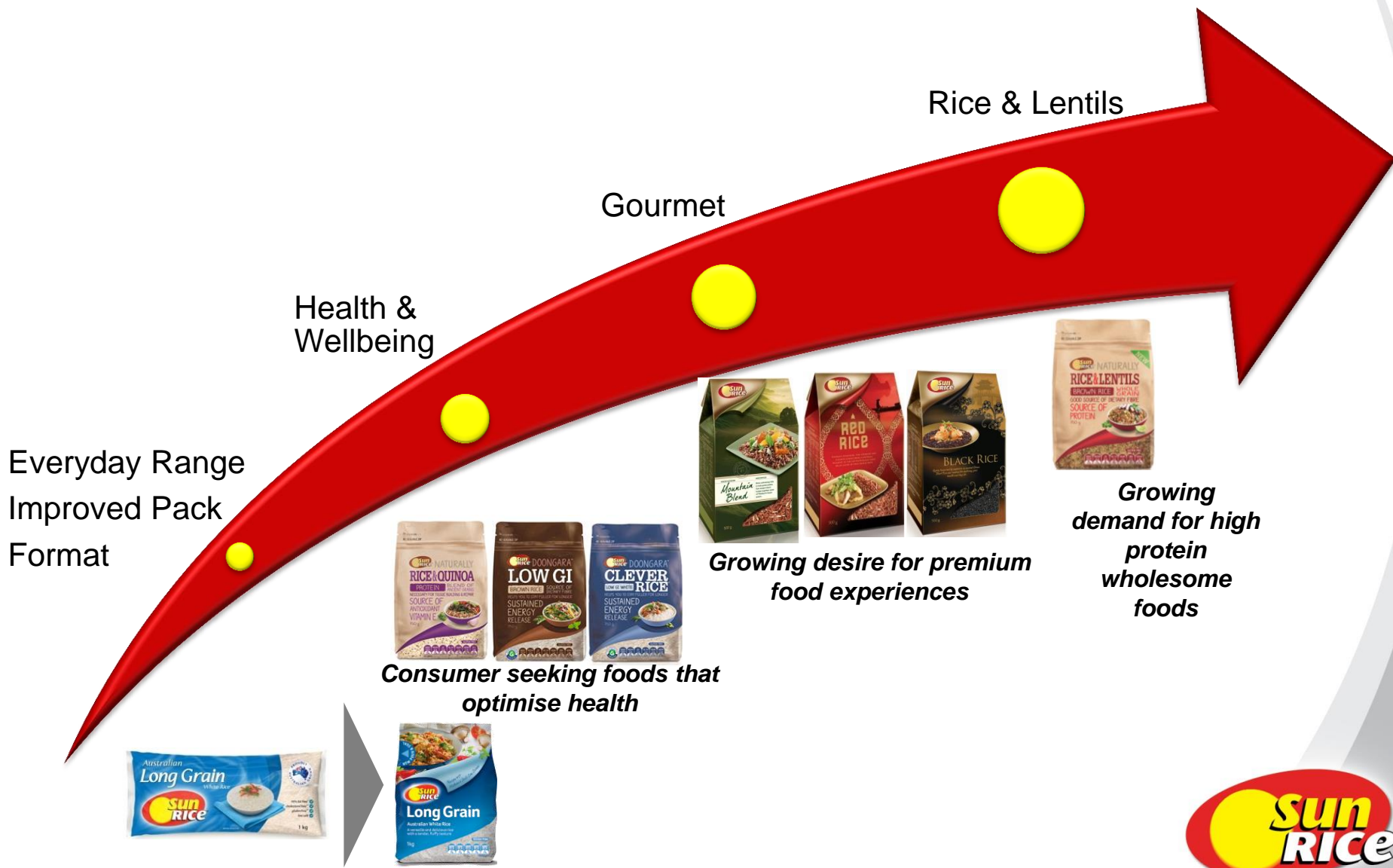




# Success built on innovation and building partnerships with consumers and customers

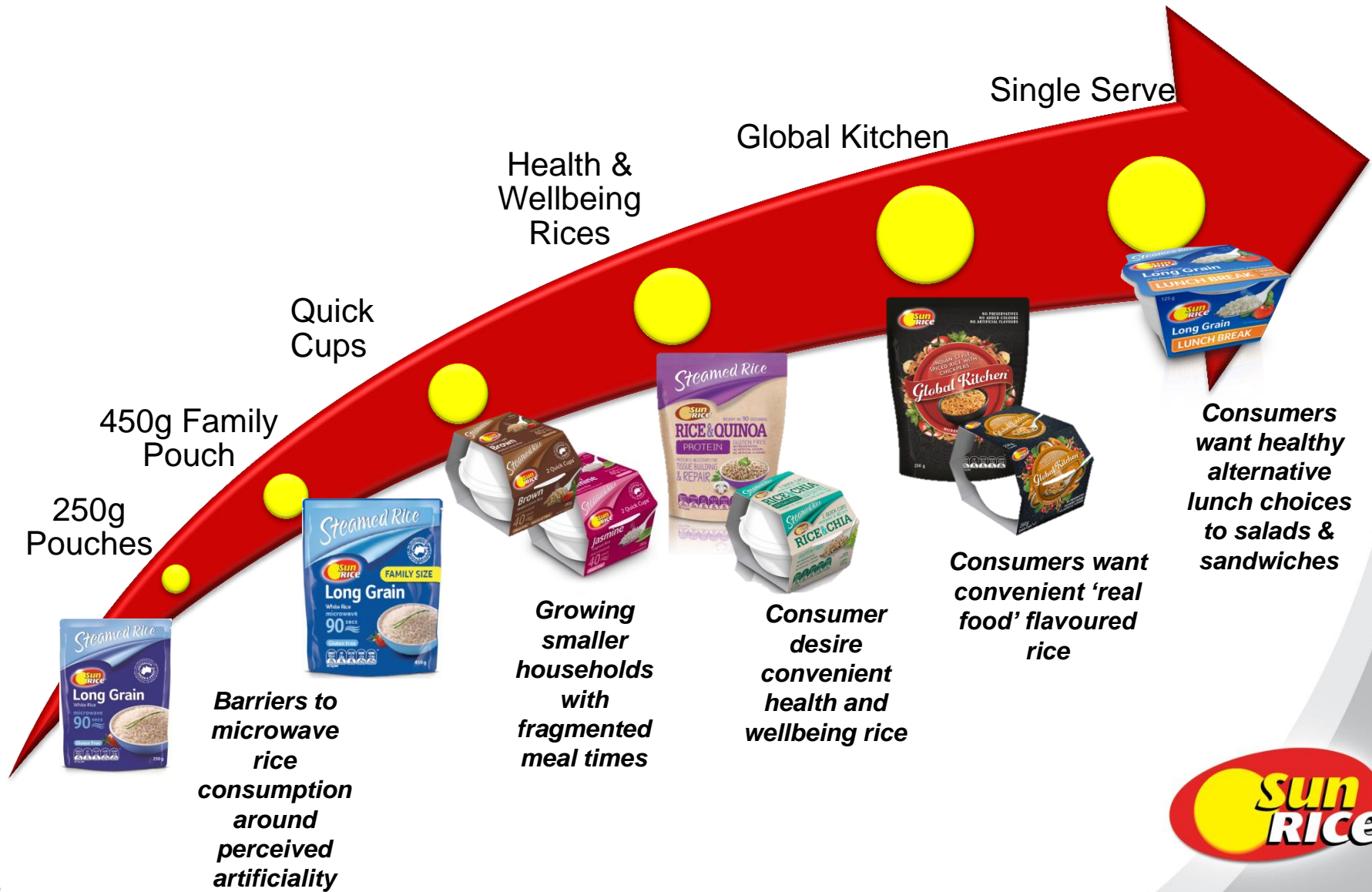


# Core Rice innovation road map





# Microwave Rice innovation road map



# Rice Snacks innovation road map



# Delivering value through customer partnerships

## Everyday Tier Pack Upgrade



## Launch of 3 Tiered Architecture



## Benefits

Saved shelf space

Improved retailer margins

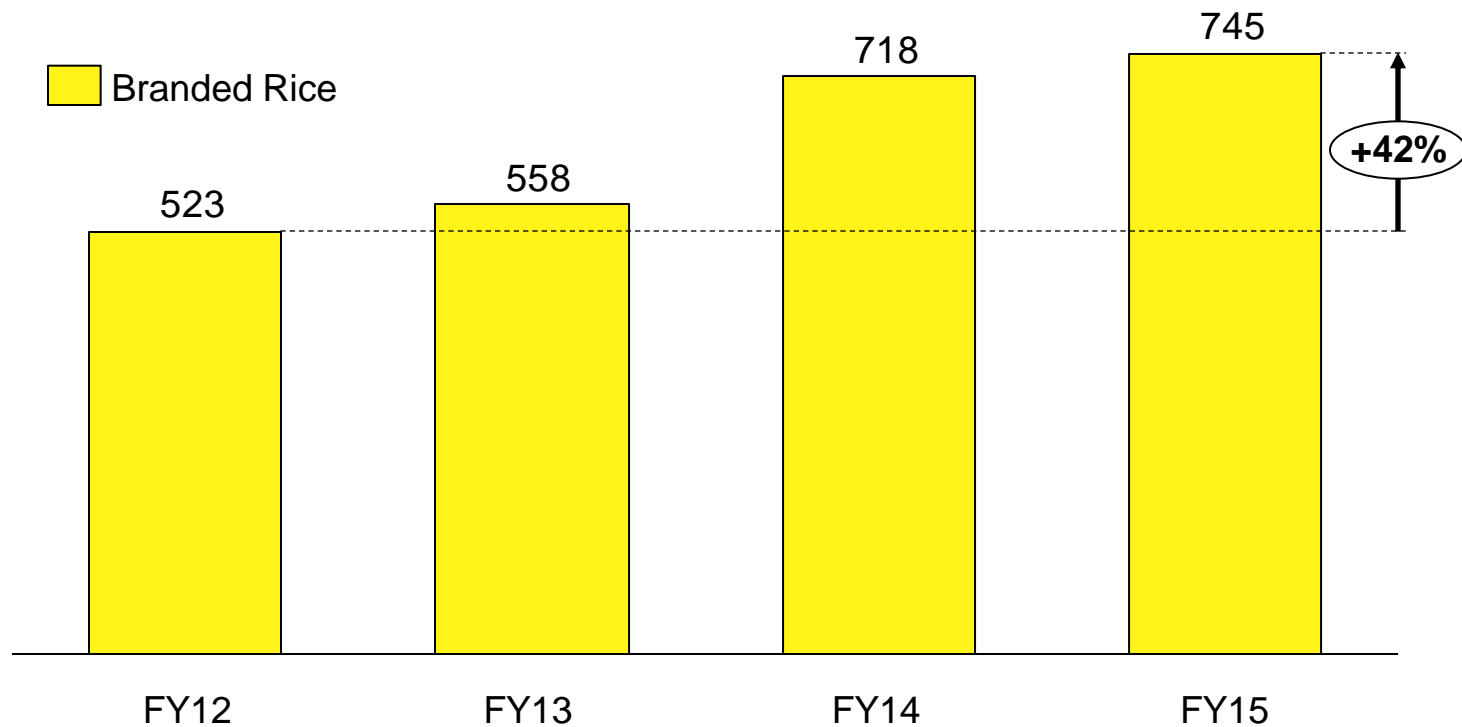
Increased sales





## Recent growth driven by focus on branded, value add markets but constrained by supply

**Sales Volume of Branded Rice**  
(paddy equivalent tonnes)



# Delivering on our strategic priorities

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## Establish a Secure and Sustainable Supply Base

- Encouraging Riverina production – **43.5%** increase in paddy price since FY12
- Expanding global sourcing – more than **843,000 tonnes** secured since FY11
- Investing in new regions – Brandon, QLD (plans for **50,000 tonnes** by 2020) and three trial sites in PNG with plans to expand commercial production of local rice



## Premiumise Commodity Markets

- Rice Pool business has increased branded sales by **42%** between FY11 and FY15
- Significant growth in ANZ food service market and higher value branded markets internationally



# Delivering on our strategic priorities

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## Differentiate & Build Value in Domestic Consumer Markets

- Revitalised domestic product offering
- Boosted retail rice market share in FY15 through consumer-led innovation from 52% to **57%** (moving annual total)
- Achieved net sales growth of **12%** across the major retailers in FY15



## Build Presence in High Growth Consumer Markets

- Reinvigorated the Sunwhite brand across the Middle East to deliver **41%** revenue growth in FY15
- Increased sales across the Pacific, delivering a **40%** increase in profit in FY15
- Leveraged long standing brand presence in Hong Kong and Singapore to launch Pan-Asia strategy into high growth South East Asia markets

# Delivering on our strategic priorities

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## Diversify Earnings by Accelerating Growth of Profit Businesses

- Strategic investment by CopRice to pursue higher growth, higher margin animal feed segments
- Established stockfeed businesses in PNG and Solomon Islands
- Overall, SunRice has successfully diversified earnings as reflected in strong Group financial performance since FY12



## Operational Excellence through Efficiency & Innovation

- Return on capital employed (ROCE) has increased by 410 basis points to **15.8%** since FY12. Reflects more than **\$80m** of capital expenditure
- Manufacturing costs per tonne have reduced by **15%** since FY12
- Throughput and efficiency gains have been achieved across Operations



A large yellow New Holland combine harvester is shown from a side profile, moving through a vast field of golden rice. The harvester's long header is extended, and its grain auger is visible at the rear. The background features a line of trees and a clear blue sky with a few wispy clouds. The entire scene is framed within a circular border that tapers off to the right.

# Q&A / Discussion





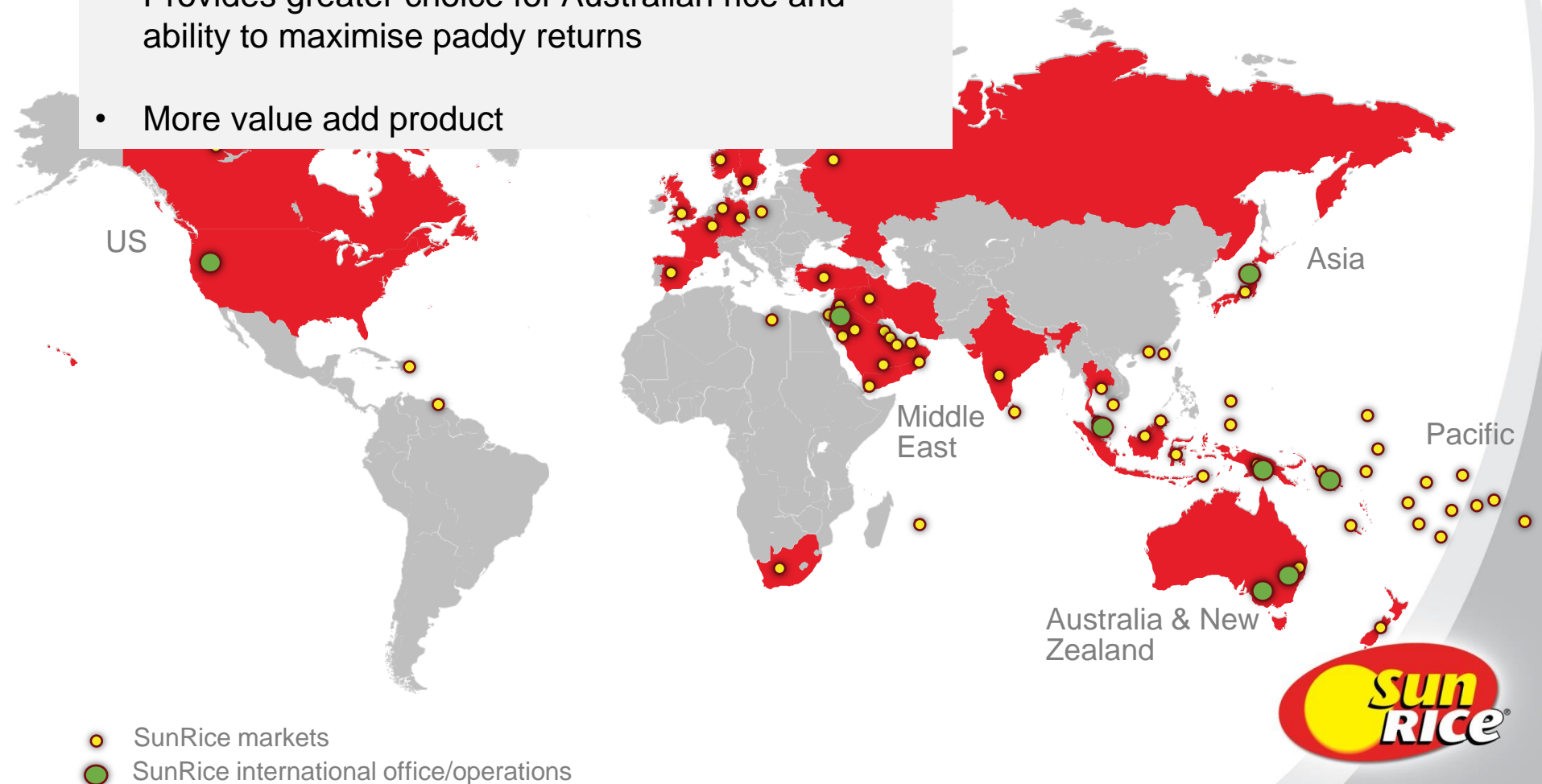
# Challenges and opportunities





# Maintaining global presence is critical

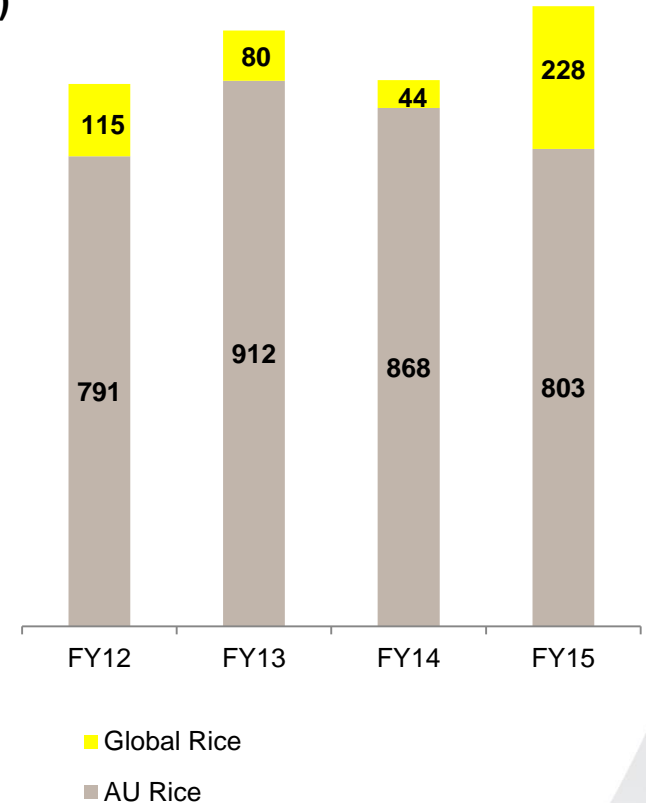
- Focus on establishing new higher value markets and maintaining existing markets
- Provides greater choice for Australian rice and ability to maximise paddy returns
- More value add product



## We need more rice

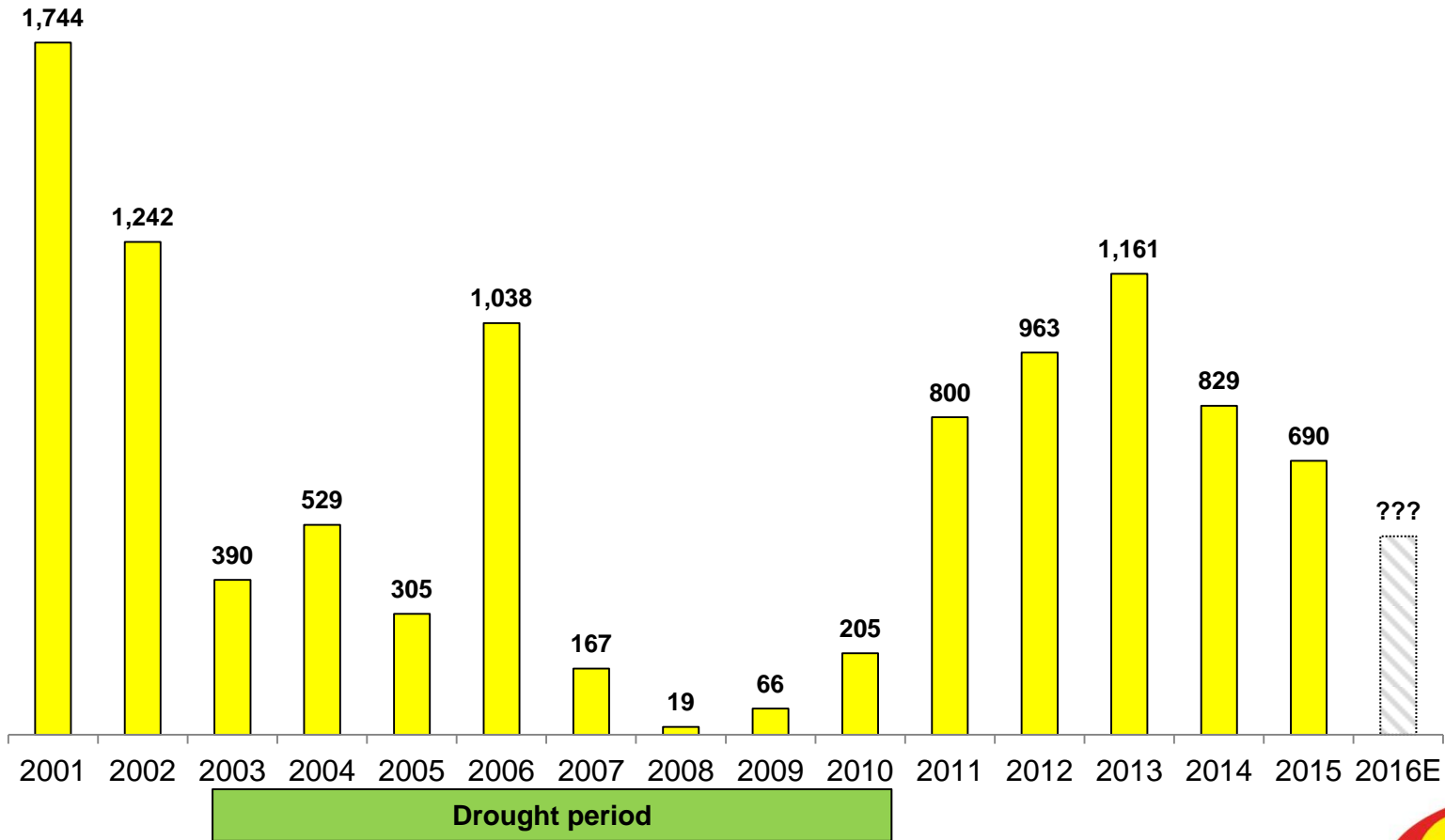
- SunRice has achieved consistent growth in rice sales post-drought
- Expectation from global customers that SunRice will maintain supply irrespective of Australian conditions
- Ability to meet demand in best interests of all shareholders:
  - Reduce business risk
  - Resilience against business shocks
- Access to Riverina rice will always be fundamental to SunRice's success
- Building branded presence and growing demand beyond the Riverina supply base will put us in a powerful position

**Rice sales volumes (paddy equivalent tonnes)  
FY12-FY15  
(000's)**



# Australian supply impacted by water availability and production constraints

**Australian Rice Crop Size**  
(2001-2015, '000 tonnes)





## We continue to support Riverina production

- Significant growth in paddy price:
  - 43.5% increase between FY12 (\$275.00 p/t) and FY 15 (\$394.62 p/t) for medium grain (Reiziq)
  - Increased varietal premiums
- Independent crop analysis (Booth & Associates) to assist growers
- Improved price forecasting
- Funding support for crop inputs:
  - Proposed new advance payment facility in development for C16
  - Grower Deduction Authorities
  - Post-harvest Early Payment Program



## Group Strategic Priorities: Background and objectives of global sourcing

- Priority always given to Riverina rice
- Establish reliable sources of supply:
  - Grow Australian supply
  - Identify and establish international sourcing bases
- Need to apply SunRice quality assurance and testing to all sources globally

## The role of global sourcing in supply and demand scenarios

### Group C:

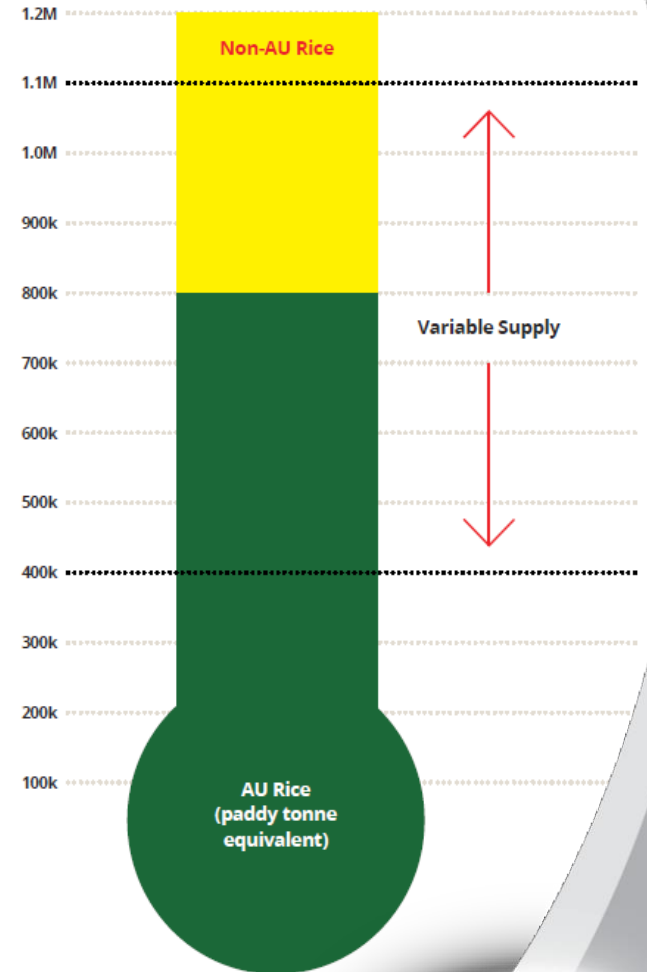
Demand can be supplied  
by non-AU rice/low GP  
market (100K)

### Group B:

Demand for branded  
products can be supplied  
by non-AU rice (500K)

### Group A:

Demand for branded  
rice MUST be fulfilled  
by high provenance rice  
(600k)



# Growth by developing alternative sources of supply

## Acquisition of Blue Ribbon's rice mill assets in the Burdekin, North QLD

- The Burdekin is regarded as one of the most promising rice-growing areas outside of the Riverina
- A fledging rice industry in North Queensland
- Opportunity for additional source of domestic supply to target premium, niche export markets
- Will complement growers, operations and investments in the Riverina, where we remain firmly committed
- Will also complement sugar and pulse industries in North Queensland



The Burdekin Blue Ribbon Rice operation is focussed on the development of rice, pulse and grain processing in the region

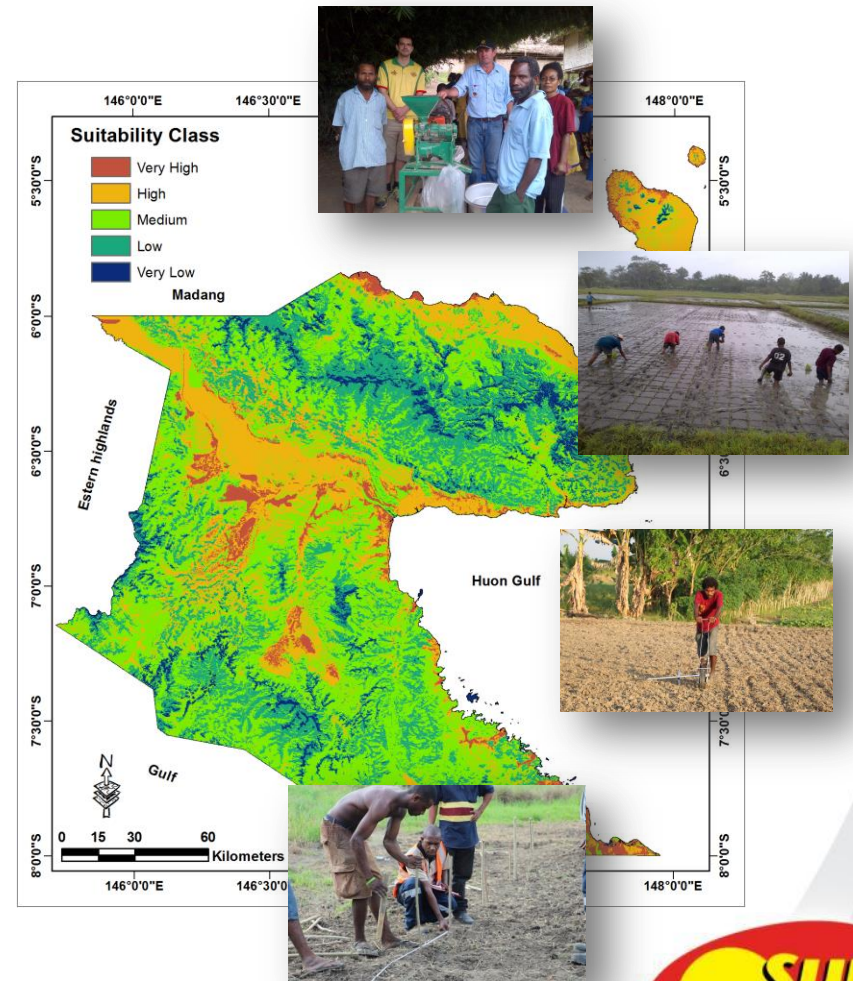




# Growth by developing alternative sources of supply

## Rice Development Program in PNG

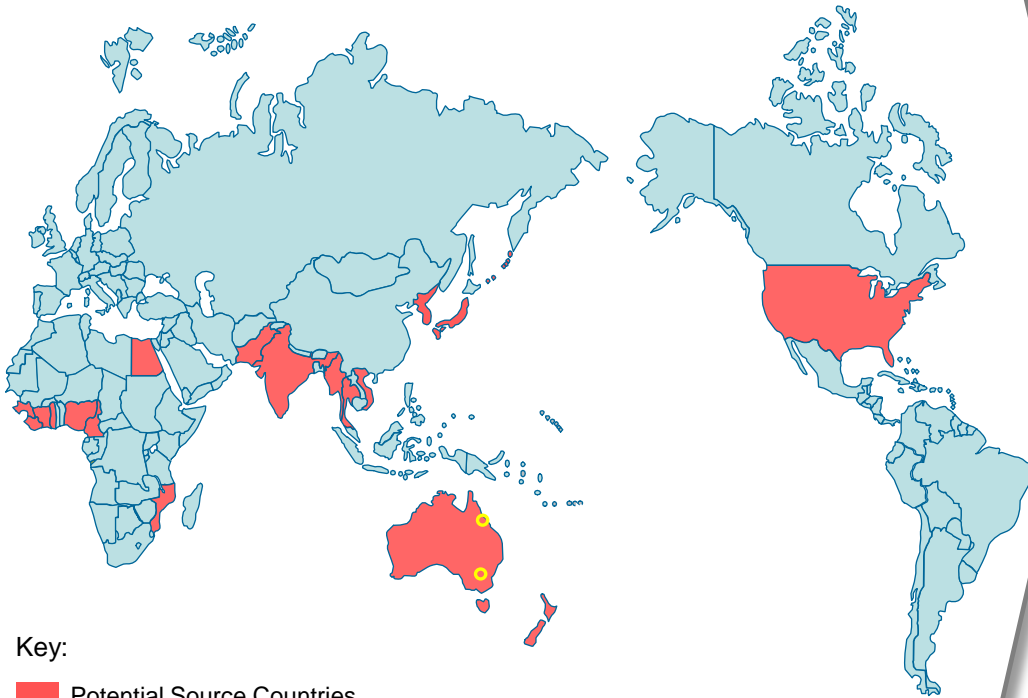
- To facilitate the development and expansion of agricultural production in PNG:
  - ‘Hub and Spoke’ model combining large and small scale farming to maximise output
- To enhance rural employment opportunities
- To increase local agricultural skills
- Agricultural Project Support Agreement (APSA). Projects include:
  - Mapping PNG to determine best locations for farming
  - Rice variety evaluation: **34 new varieties**
  - Large scale pure rice seed production: Two Trukai farms – **100 hectares under cultivation**
  - Rice cultivation training courses



# Opportunity now to build other origins leveraging agronomic capability

## Potential Sources of Supply

*Hypothetical Sources of Supply in 2025*



## Examples only:

Potential Source	Potential paddy
Riverina (NSW)	1,000kt
Burdekin (QLD)	100kt
Pakistan - India	50kt
Vietnam / Myanmar / Laos / Cambodia	50kt
California (USA)	100kt
Select African countries (e.g. Egypt, Nigeria, Guinea, Senegal, Ghana etc)	50kt
<b>Total</b>	<b>1,350kt</b>



# Group Strategic Priorities: International sourcing project design principles

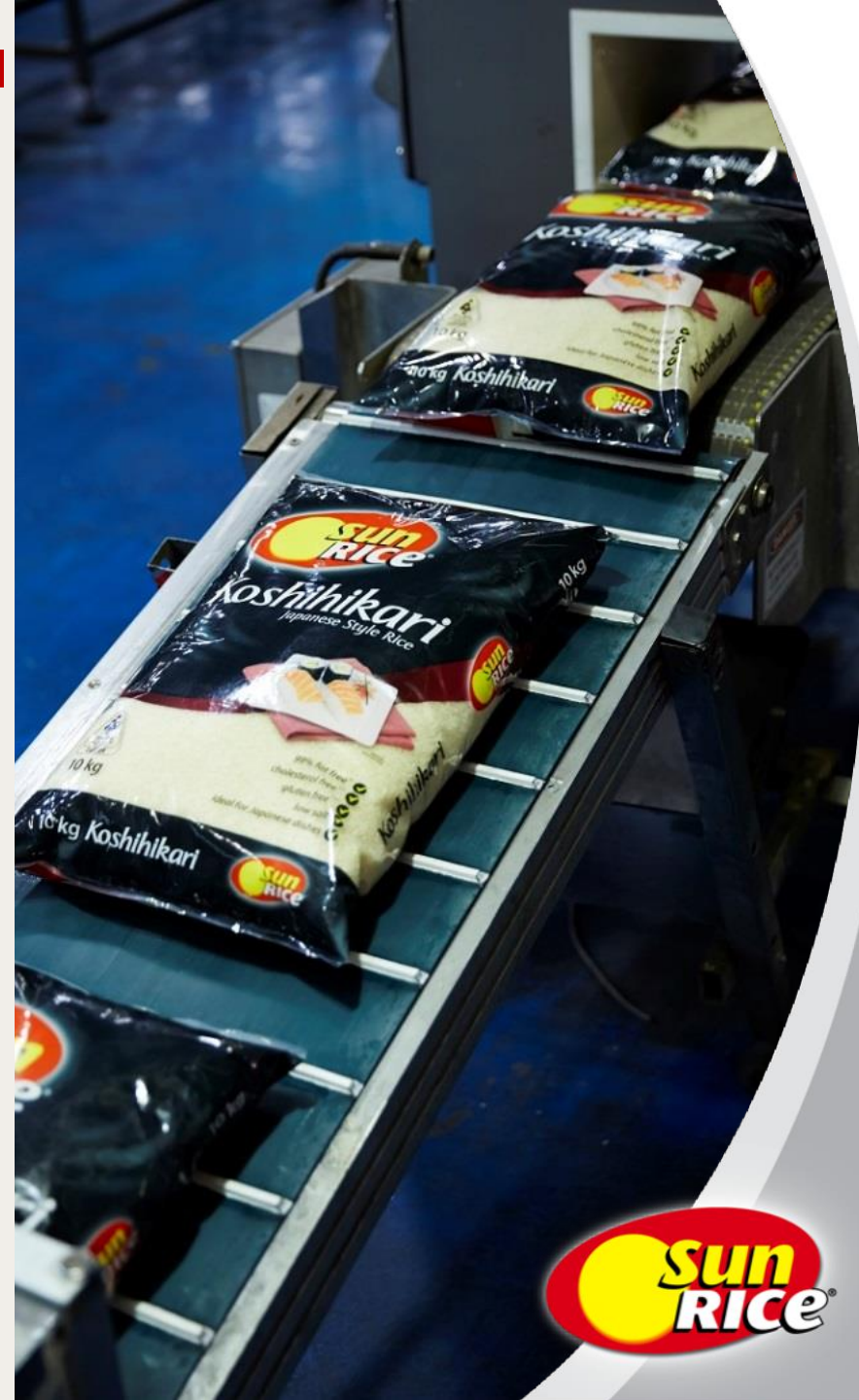
## Underpinning assumptions:

- Australian rice volume is prioritised in fulfilling demand in best returning markets
- Traceability is paramount
- Control not ownership
- Capital investment reflects critical control points e.g. supply, quality, packing
- Preference to be given to medium and long grain varieties, all others out of scope
- Basmati to be considered as an independent project

## Countries:

The following countries are being evaluated:

- |               |                 |
|---------------|-----------------|
| ○ Vietnam     | ○ Indonesia     |
| ○ Thailand    | ○ Korea         |
| ○ Uruguay     | ○ Japan         |
| ○ Cambodia    | ○ Egypt         |
| ○ Myanmar     | ○ Italy         |
| ○ China       | ○ Turkey        |
| ○ Philippines | ○ United States |





# Group Strategic Priorities: International sourcing 'deep dive' criteria – what's been analysed

## Political environment

- Export ban, minimum purchasing price, export licence
- Legal and court system
- WTO membership and compliance
- Tariff regimes, duties import / export
- Intellectual property enforcement

## Economic development status

- Macro economy e.g. GDP growth, inflation
- Banking and finance, e.g. currency, stability, and foreign exchange controls
- Infrastructure: power supply, transportation, port, storage

## Agronomics

- Climatic conditions
- Split between export and domestic volumes
- Varietal types currently grown
- Crop price history
- Farming techniques
- Yield horizon

## Business environment

- Restrictions on foreign-owned enterprises in relation to agriculture and more specifically rice growing, milling, packing and export
- Taxation regime
- Licensing processes
- Stance on bribery and corruption
- Investment incentives

## Materials and labour

- Paddy, packaging, utility and labour
- Processing capabilities
- Labour and employment overview, incl. expatriate rules, local conditions, wage rates etc.

## Ownership options / governance

- Whether available ownership options in the country suit SunRice's strategy:
  - Greenfield / wholly-owned
  - Collaborative buyer
  - Packing JV
  - Marketing JV
  - Milling JV



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# Q&A / Discussion





## The need for change: A dynamic business environment

- Global consolidation is occurring at pace across food and agriculture industries and means new players in rice markets
- This is both a threat and an opportunity





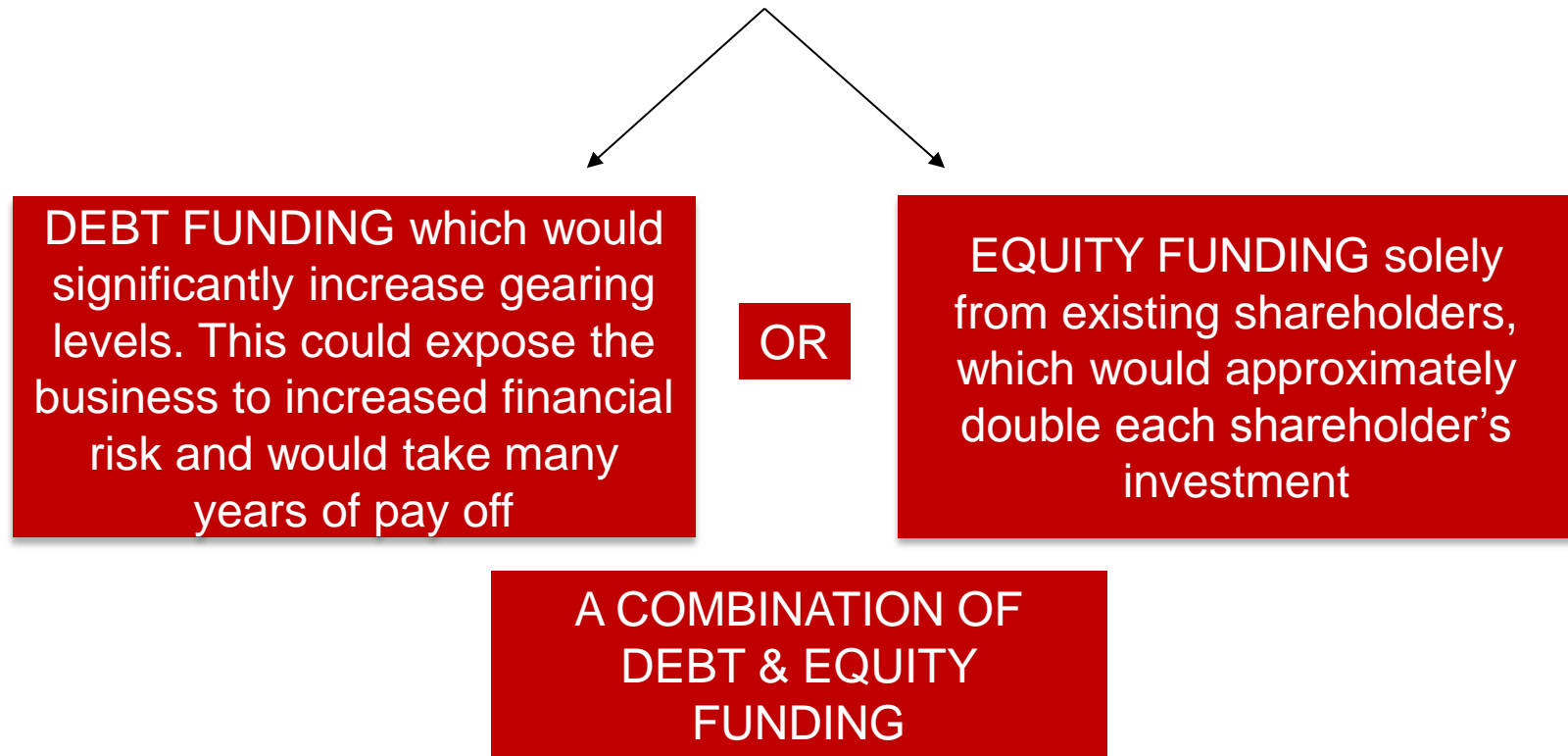
## Changing the way we fund SunRice to exploit opportunities and overcome challenges

- We have an opportunity to reshape our structure:
  - To create a strong, independent, Australian-controlled food business of scale on our terms
  - That can more effectively compete in global markets to benefit **all** growers and shareholders
- This investment will require access to a larger pool of equity capital



## SunRice's current funding arrangements

Consider an acquisition or market entry strategy to the value of \$150 million.  
Funding options currently available are limited to:



None of these options are prudent under our current structure





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# Q&A / Discussion





# Capital Structure Review

# IMPORTANT NOTICES

These materials have been prepared by SunRice for the sole purpose of providing information to its shareholders and growers on a potential new capital structure for SunRice and to seek feedback on it. The potential capital structure as outlined in these materials is a preliminary proposal and no decision has been made to implement a new capital structure for SunRice, whether as outlined in these materials or otherwise.

Nothing in these materials constitutes an offer, intended offer, invitation to offer or recommendation, in any place, to acquire shares in SunRice (or any interest in them) or securities in the fund that would be established if the potential new capital restructure is implemented, or constitutes any financial product advice. These materials do not contain all information that would be required in an explanatory statement or product disclosure statement prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**). If a decision is made by SunRice to offer any shares or securities as part of a capital restructure, that offer will be made in a document prepared in accordance with the disclosure and other requirements of the Corporations Act.

SunRice has engaged in discussions with the Australian Securities and Investments Commission (**ASIC**), Australian Securities Exchange (**ASX**) and Australian Taxation Office (**ATO**) in relation to the potential capital structure. However, ASIC, ASX and ATO have not expressed their final views in relation to the potential capital structure and their final views will be subject to further information and final documents being provided to them.

These materials have been lodged with the National Stock Exchange of Australia (**NSX**).

None of ASIC, ASX, ATO or NSX, or any of their respective officers, endorses or takes any responsibility for the contents of these materials or the potential capital restructure.

These materials contain forward looking statements, which may sometimes be identified by the use of forward looking words such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “likely”, “should”, “planned”, “may”, “estimate”, “potential” or similar words or phrases. Similarly, statements that describe SunRice’s objectives, plans, goals or expectations are or may be forward looking statements. All forward looking statements in these materials reflect views held as at the date of these materials. However, forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, events, performance or achievements to be materially different from expected future results, events, performance or achievements expressed or implied by those statements. None of SunRice or its directors or officers, or any other person gives any representation, assurance or guarantee that the results, events, performance or achievements expressed or implied in any forward looking statements in these materials will actually occur and you are cautioned not to place undue reliance on such statements.

The information in these materials is general in nature and does not take into account the investment objectives, financial situation or particular needs of any shareholder or any other person. If in doubt, you should seek consult your own financial or other professional advisor.





**Preserving grower shareholder control as it is today is non-negotiable**





## What does the review aim to achieve?

- A structure that can more readily access external sources of equity capital at a lower cost when needed, without:
  - Jeopardising existing grower shareholder control or paddy returns;
  - Making the company more vulnerable to takeover; or
  - Changing the key features of our industry structure today:
    - A Class shareholders retain control rights
    - B Class shareholders retain economic rights
- Any model had to deliver on this while equipping the company for the future, benefiting both classes of shareholders and addressing outstanding constitutional issues, such as estate planning

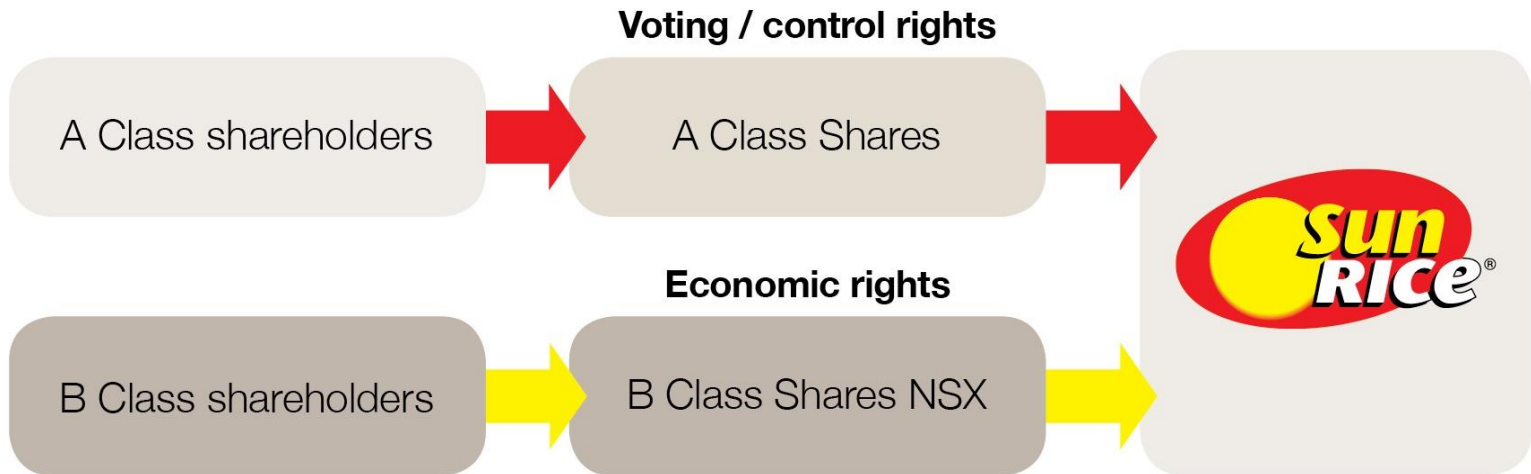


## Why the ASX?

- Provides access to the largest pool of investors in Australia
- Allows us to best achieve the review's objectives
- No initial capital raising planned

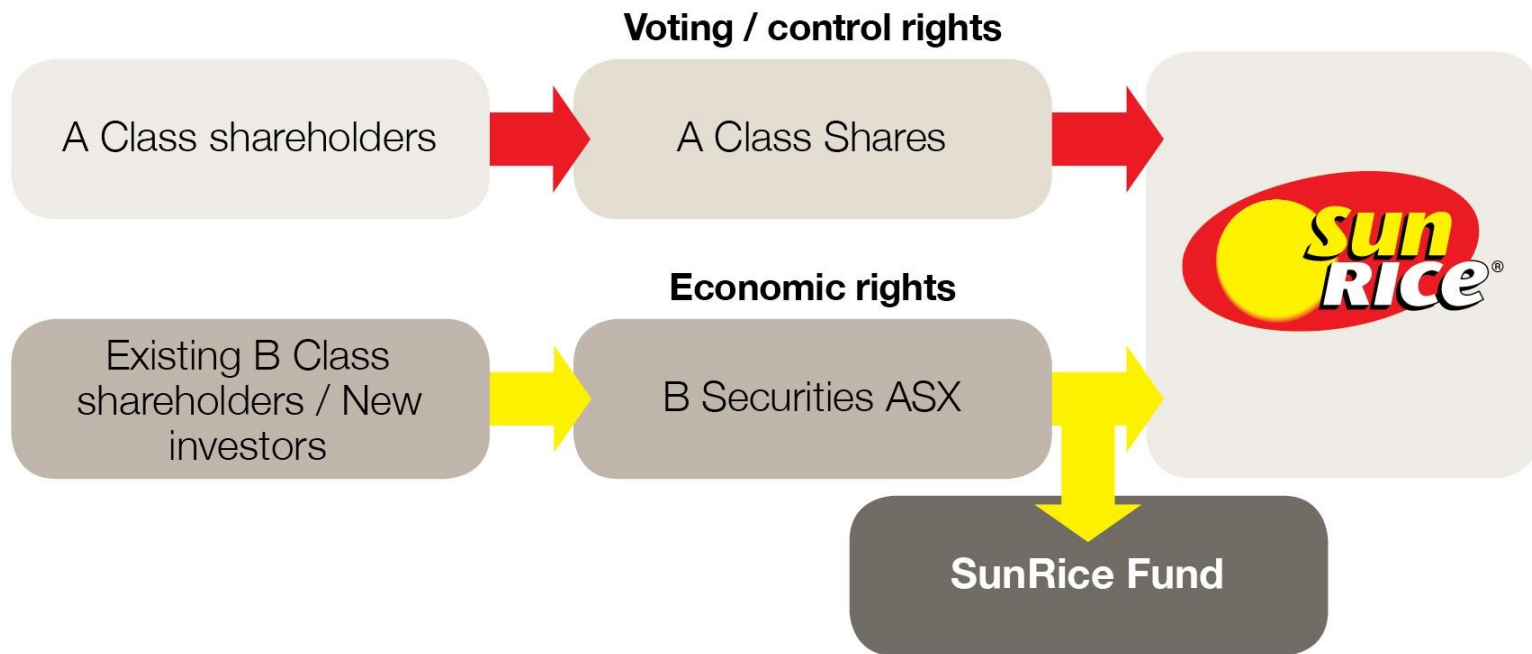


## Existing structure

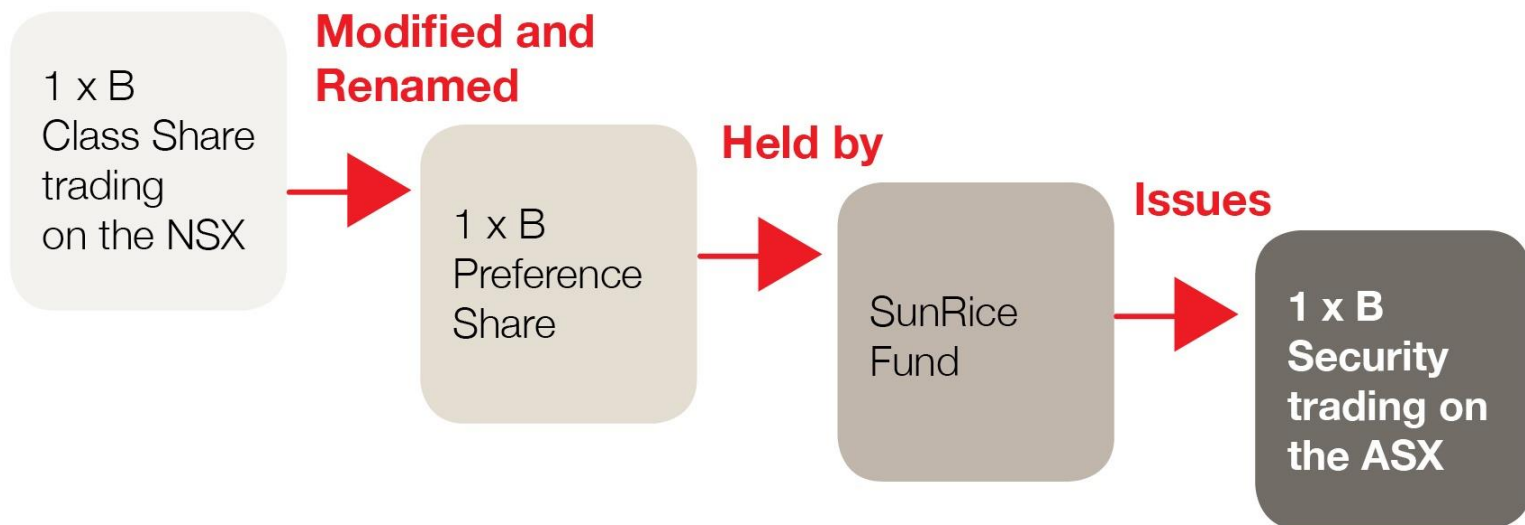




## Potential structure



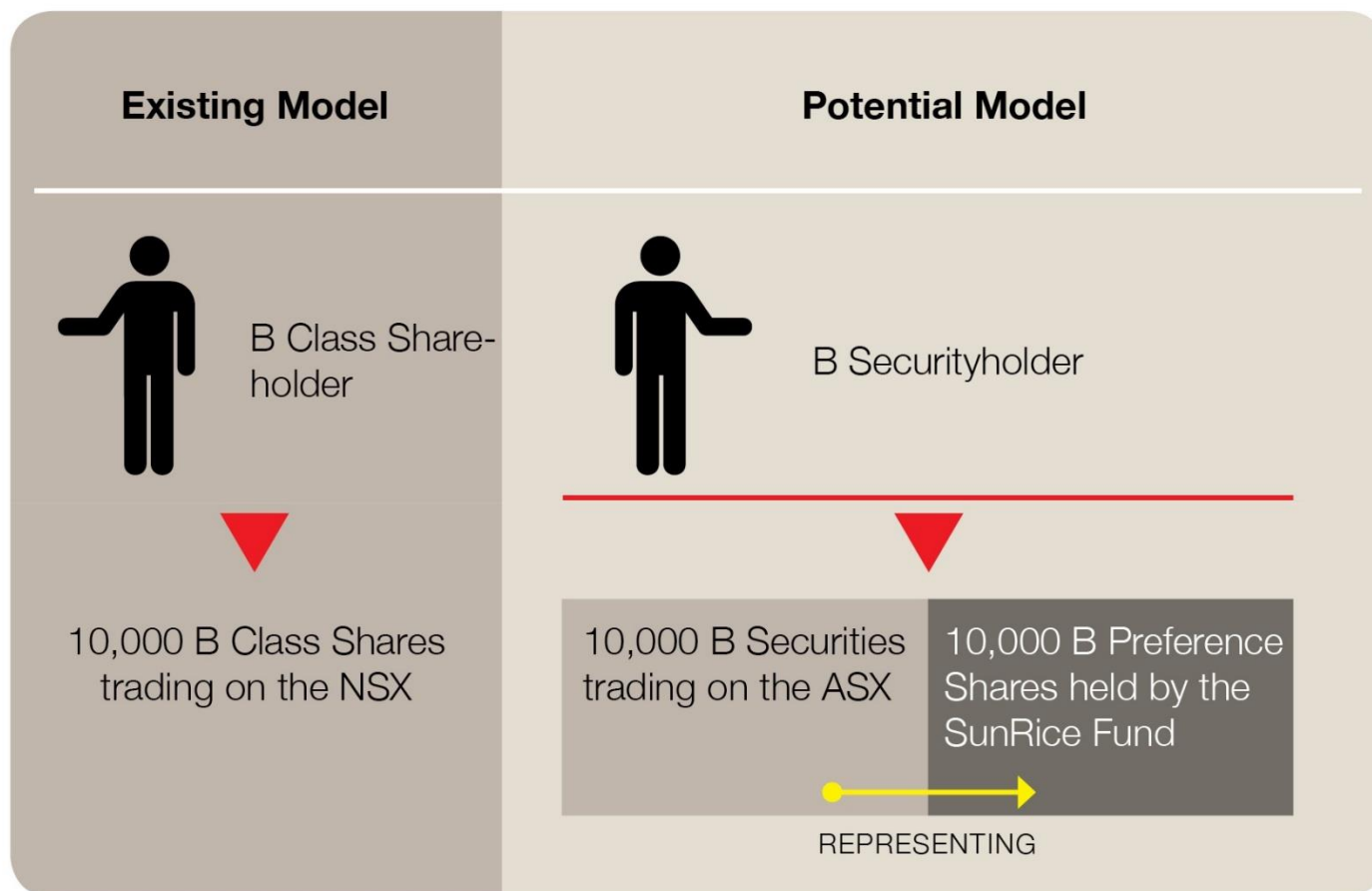
## How do B Class Shares change?



- Each B Class Share would be renamed and modified to become a B Preference Share
- Each B Preference Share would be held by the SunRice Fund
- The Fund would be listed on the ASX
- For each B Preference Share, one B Security would be issued by the Fund
- The B Securities would be able to be bought and sold on the ASX



## B Class Shares vs. SunRice B Securities





## Ownership interest in SunRice of SunRice B Securityholders

- B Class shareholders would retain an economic interest in SunRice equivalent to what they had as B Class shareholders
- Includes the right to receive all dividends and other distributions
- SunRice would continue to be a public company regulated by the Corporations Act:
  - SunRice Directors would continue to be subject to the duties and obligations set out in the Act
  - Includes a fiduciary and statutory duty to consider the interests of B Preference Shares
  - ASIC would continue to be in a position to hold SunRice and its Directors accountable for any breaches of the Corporations Act

***The creation of the SunRice Fund will not result in B Class shareholders relinquishing their interest in SunRice***



## What is the SunRice Fund?



- The Fund is an MIS, established as a trust
- It would be ASX listed and allow B Securities to trade freely
- Protections would be in place for Securityholders and investors:
  - A Responsible Entity to administer the Fund, which would be wholly owned by SunRice
  - A licensed custodian to hold the B Preference Shares
- No change to paddy pool or dividend structures under this model



## Protection mechanisms in the SunRice Fund

A Responsible Entity will be established to manage the SunRice Fund, which has certain duties to Securityholders. In addition to these duties, the SunRice Fund Constitution will include a number of protection mechanisms

### ***SunRice Fund Responsible Entity***

- Corporations Act provides SunRice B Securityholders with the right to change the Responsible Entity and amend the terms of the SunRice Fund Constitution

Protection mechanisms

### ***SunRice Interest***

- Proposed structure to restrict changes to the SunRice Fund Constitution in order to protect the interest of SunRice B Securityholders

### ***Repurchase of preference shares***

- Buy-back of B Preference Shares at a discount if they are withdrawn from the SunRice Fund

### ***Other***

- The SunRice Fund Constitution removes the right for the Responsible Entity to have their expenses reimbursed by SunRice, if SunRice is no longer the RE

***A change in the Responsible Entity will not impact the control of SunRice***





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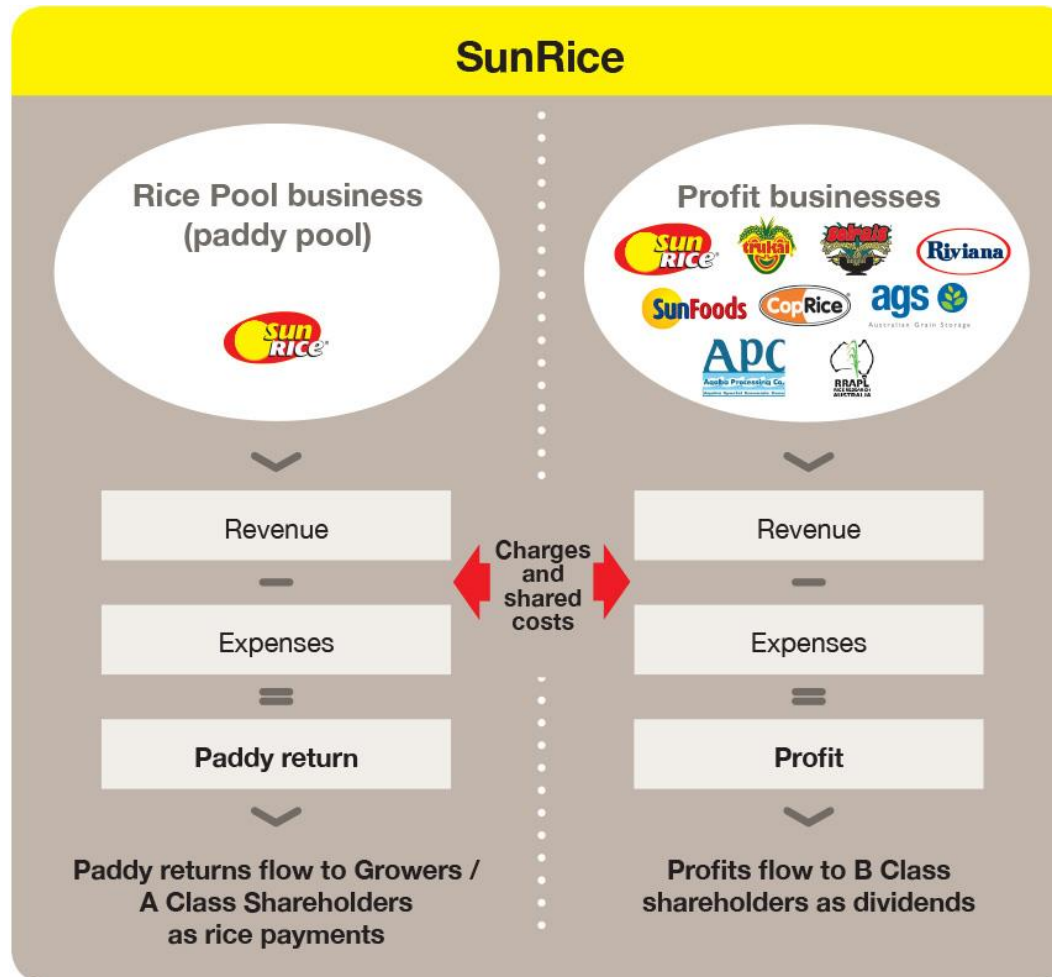
# Q&A / Discussion



# Paddy Price and Dividends

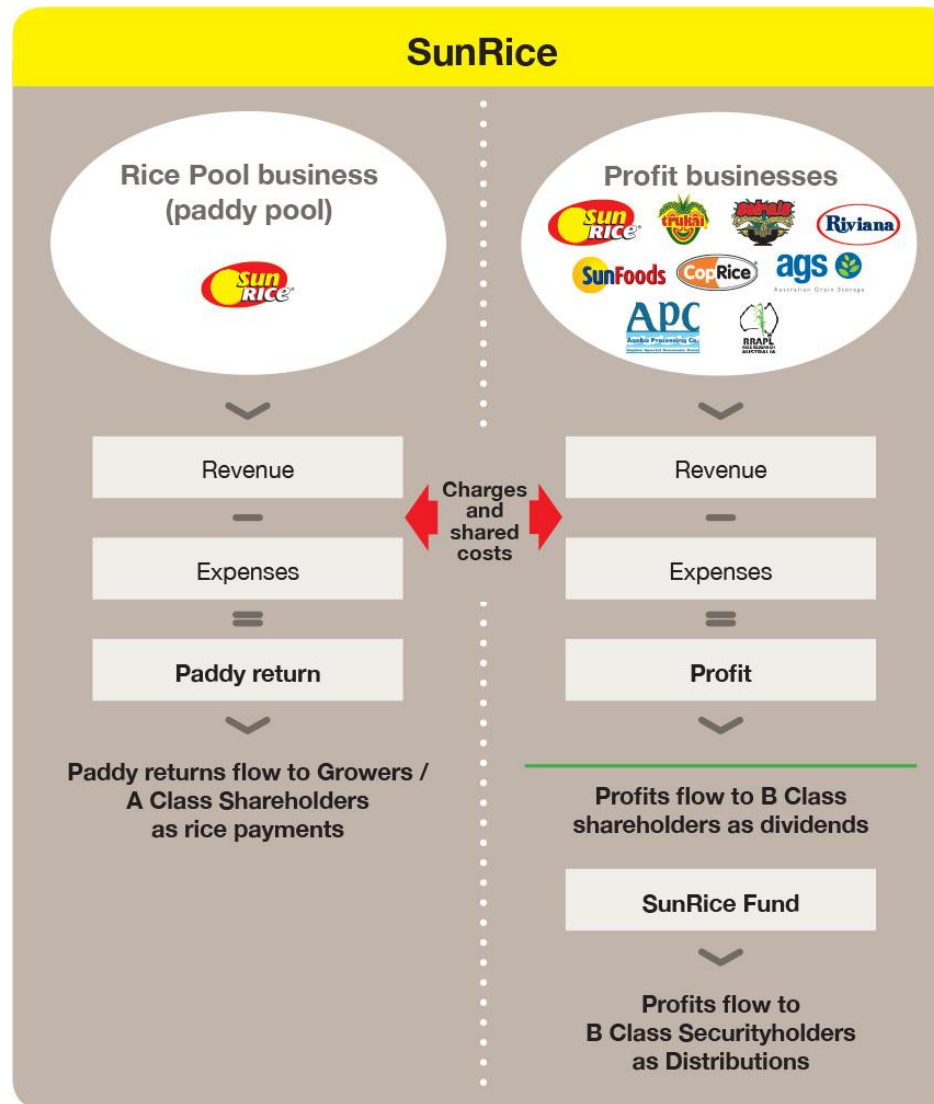


# Determination of Paddy Prices and Dividends





# Determination of Paddy Prices and Dividends under the potential model



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# Q&A / Discussion





# A Class shareholders





## What it means for A Class shareholders

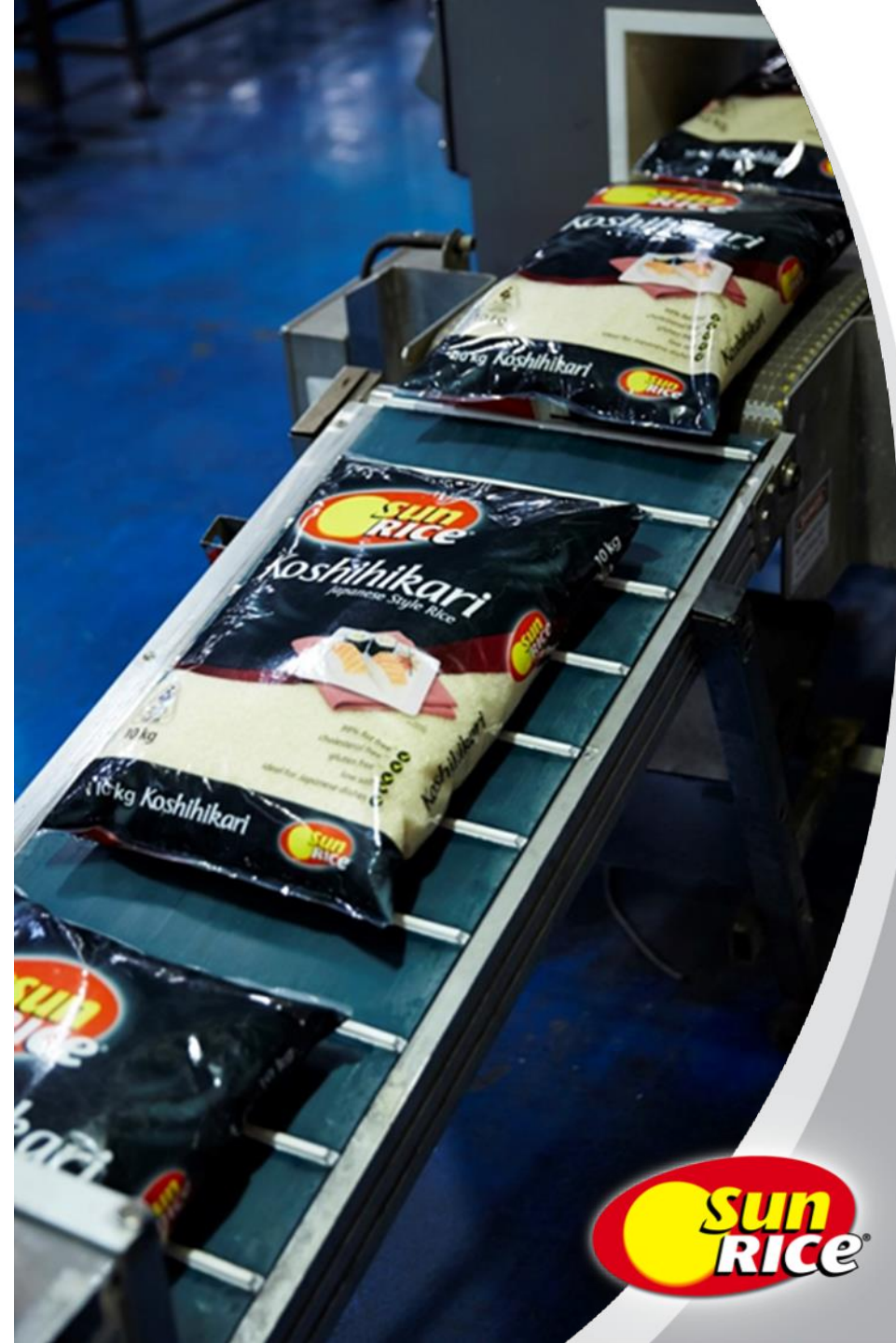
No fundamental change to A Class Shares, preserving grower shareholder control

Feature	Before	After
Director appointment to SunRice Board	✓	✓
Majority of grower / A Class Directors	✓	✓
Eligibility criteria to hold A Class Shares	✓	✓
75% vote on change of control of SunRice	✓	✓
Changes to SunRice Constitution	✓	✓
Paddy pricing policy	✓	✓



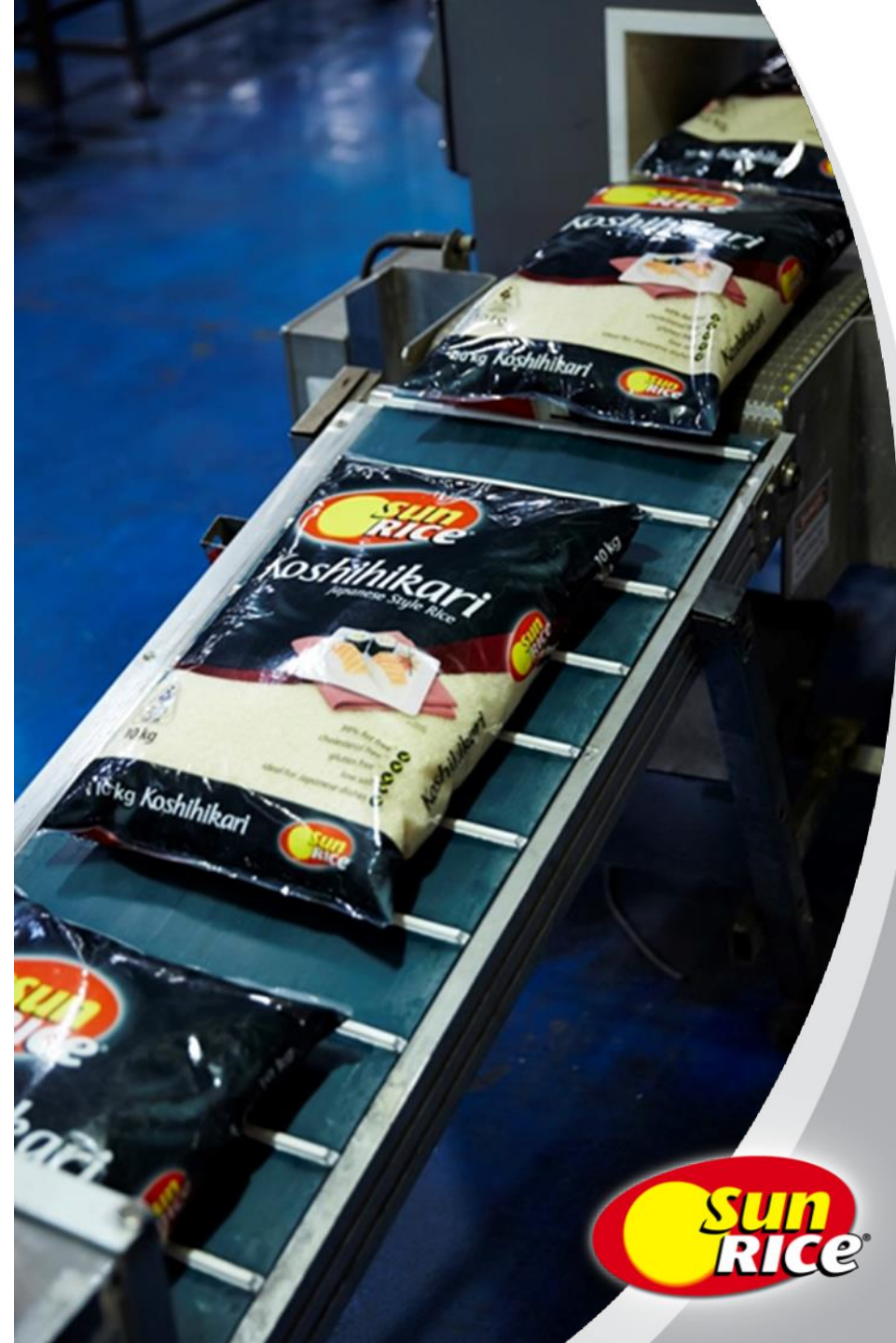
## Advantages for A Class shareholders

- Improved ability to raise capital and support future growth initiatives
- Preserves existing control of A Class shareholders (active growers) on an ongoing basis
- Should enhance SunRice's ability to grow the business to optimise paddy returns



## Disadvantages for A Class shareholders

- More expensive for growers who do not hold B Class Shares to meet the minimum Securityholding requirement
- Potential for further dilution of alignment in A and B Class shareholder interests





## A Class Share redemption during exceptional circumstances

- The Board can defer the redemption of an A Class Share if it believes the holder will resume being an Active Grower in the future, as it did during the Millennium drought
- The Board also periodically assesses the A Class shareholder base to ensure it remains representative of our industry
- We will continue to look at a range of mechanisms to ensure the A Class register remains strong in the future and reflects those farmers who are committed to the rice industry in the longer term. This includes:
  - Supporting rice growers and local production
  - Considering other options such as extending the period of time over which A Class shareholders can supply the minimum quantity of rice. The next review of the criteria is likely to occur in 2016/17 and any proposal would come back to A Class shareholders for consideration and approval



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# Q&A / Discussion





A man with blue eyes, wearing a white hairnet and an orange high-visibility vest over a white polo shirt, is smiling. He is standing in front of a control panel with many green indicator lights. The image is framed with a white circular border on the right side.

**B Class shareholders**





## What it means for B Class shareholders

Feature	B Class Shares	B Securities
Dividends	✓	✓
Director appointment rights	X	X
Voting rights in SunRice (only on “variation of rights”)	✓	✓
Ownership / estate planning	Restricted	Unrestricted
Liquidity / share price uplift	Limited	Potential for significant uplift over time
5% holding cap	Cap	No cap
75% vote on change of control of SunRice	✓	✓



## Advantages for B Class shareholders

- Improved ability to raise capital and support future growth initiatives
- Expected enhanced liquidity for B Class shareholders
- Potential for significant increase in security price for B Class shareholders over time
- Addresses estate planning issues



## Disadvantages for B Class shareholders

- Potential for greater volatility in the market price of B Securities compared to B Class Shares
- B Securityholders would hold an indirect, rather than a direct, interest in SunRice through the Fund





A large yellow New Holland combine harvester is shown from a side profile, moving through a vast field of golden rice. The harvester's long, black harvesting header is extended across the frame. The background features a line of trees and a clear blue sky with a few wispy clouds. The entire scene is framed within a circular border that tapers off to the right.

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# Valuation perspectives

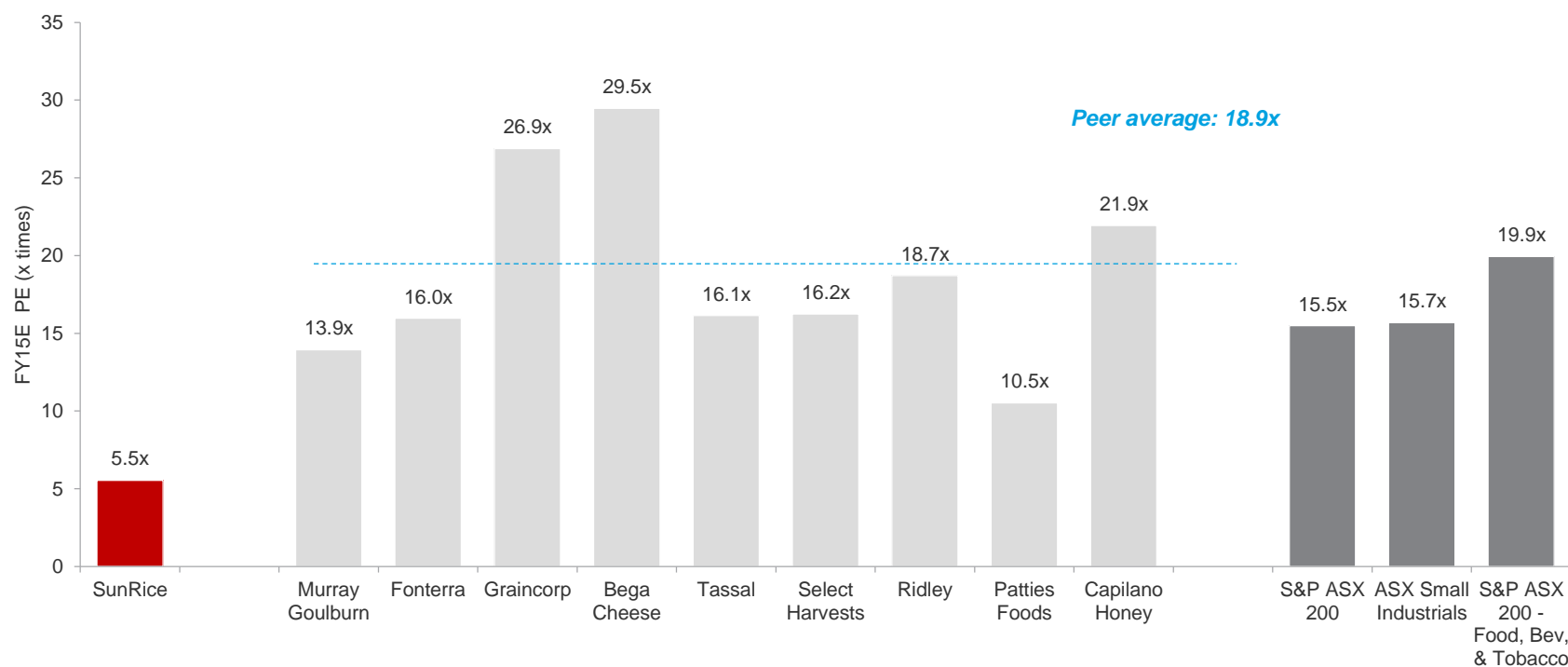


## Trading comparables

### Price earnings ratio (FY15A)

SunRice B Class shares FY15 PE multiple of 5.5x is a significant discount to the comparable peer set of 18.9x and the S&P ASX200 Food, Beverage, and Tobacco index of 19.9x

FY15A PER



Source: Company filings; Factset; Market data as at 31 August, 2015. Murray Goulburn earnings estimates based on Management forecasts from PDS. Data calendarised to April year end.



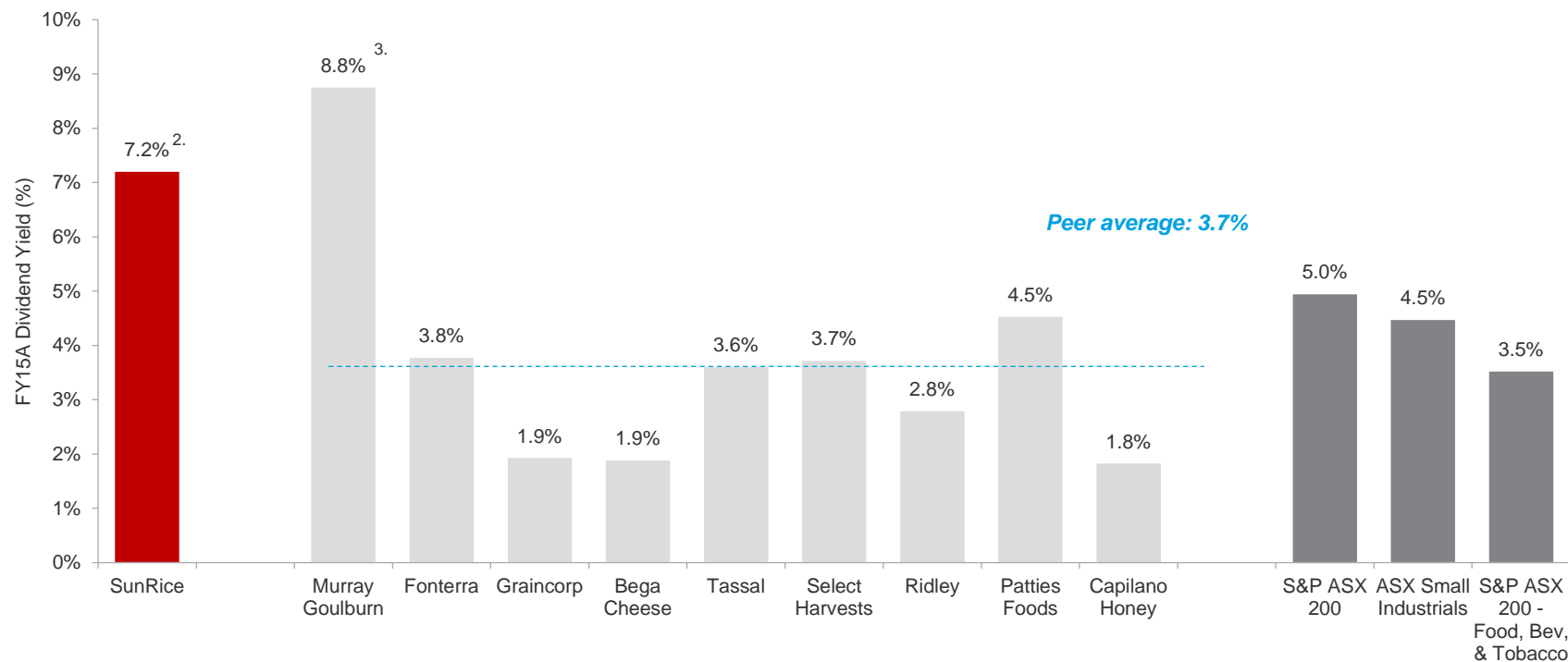
# Trading comparables

## Dividend yield (FY15A)

SunRice's dividend yield is significantly higher than peers at 7.2%, compared to the comparable peer set of 3.7% and the S&P ASX 200 Food, Beverage, and Tobacco index of 3.5%

### Implied payout ratio <sup>1.</sup>

35.2%	100% <sup>3.</sup>	78.8%	67.2%	60.6%	41.1%	58.1%	52.2%	47.7%	39.6%
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Source: Company filings; Factset; Market data as at 31 August, 2015. Data calendarised to April year end.

1. Payout ratio based on dividend declared and underlying NPAT.

2. SunRice dividend yield includes special dividend

3. Murray Goulburn dividend yield based on FY16 dividend of 17c per share (mid-point) as declared in PDS.

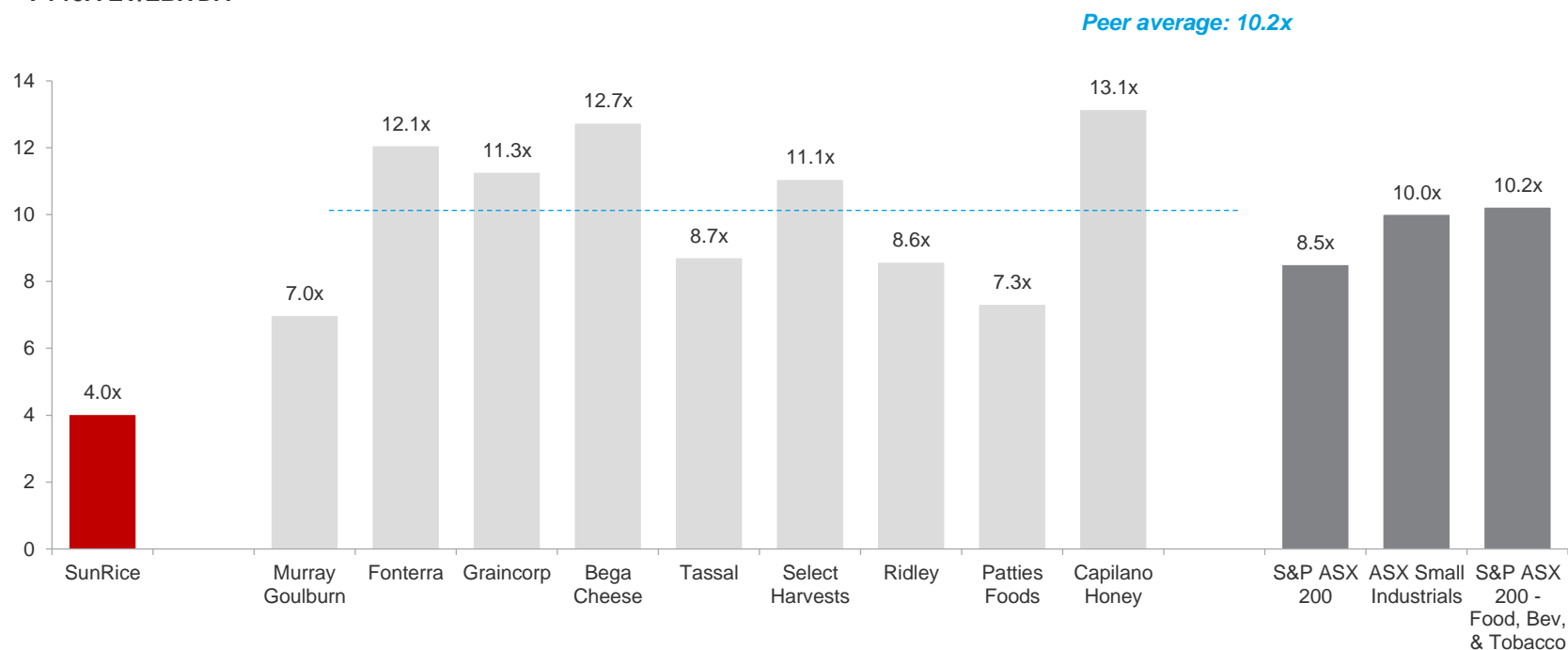


# Trading comparables

## EV/EBITDA (FY15A)

SunRice's FY15 EV/EBITDA multiple of 4.0x is a significant discount to the peer set of 10.2x and the S&P ASX 200 – Food, Beverage, and Tobacco index of 10.2x

### FY15A EV/EBITDA



**Over time SunRice B Securities listed on the ASX are likely to trade at higher prices than the NSX listed B Class Shares as a result of the following:**

- There will be no restriction on ownership of the SunRice B Securities, except for the restrictions under the Corporations Act
- There is enhanced liquidity trading on the ASX
- SunRice will be able to access a deeper pool of equity capital to ensure the company is positioned for growth



## What will attract future external investors?

- An established milling and marketing operation
- An established global distribution platform for rice products
- The ability to leverage our international distribution platform
- A well-diversified portfolio across operating segments
- A track record of growth and delivering shareholder value over past three years:
  - Consolidated revenue growth of \$250m or 25%
  - Increase in NPAT of 117%
- A strong track record of innovation to enhance shareholder value
- Potential for a significant uplift in B Class securities over time
- An attractive dividend yield, with a history of paying consistent dividends to shareholders





## Future capital raisings

- If the new model is implemented, future capital raisings would involve issuing new SunRice B Securities in the SunRice Fund most likely through:
  - An entitlement offer to existing Securityholders;
  - A placement, combined with an issue to existing Securityholders under a Security Purchase Plan; or
  - A combination of an entitlement and a placement.
- Our desire is to have each of you invest in SunRice when the opportunity arises
- We will be providing every opportunity to encourage existing shareholders to participate in future capital raisings



A large yellow New Holland combine harvester is shown from a side profile, moving through a vast field of golden rice. The harvester's long header is extended, and its grain auger is visible on the right side. The background features a line of trees and a clear blue sky with a few wispy clouds. The entire scene is framed within a circular border that tapers off to the right.

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A low-angle photograph showing a hand holding a bundle of rice stalks. The sun is positioned directly behind the hand, creating a strong lens flare and silhouetting the hand and the stalks. The background is a clear, bright blue sky.

**If not the Capital  
Restructure, then what?**





## Alternatives considered



- Status quo and NSX options limit access to capital for growth
- Other options considered do not preserve grower control
- A unique model was needed to balance these needs



## Review objectives vs. model

Objective	Delivered	Comment
Control preserved	✓	<ul style="list-style-type: none"><li>• A Class shareholders maintain control</li><li>• Director appointment and voting rights in relation to a change of control and changes to the Constitution remain consistent with today</li><li>• Existing paddy payment policies protected</li></ul>
Greater liquidity	✓	<ul style="list-style-type: none"><li>• Ownership of B Securities would be unrestricted</li><li>• An ASX listing would increase the pool of potential investors into SunRice</li></ul>
Improved access to new capital	✓	<ul style="list-style-type: none"><li>• Further B Securities can be issued to fund growth initiatives for the benefit of both A Class shareholders and B Securityholders</li><li>• Secures current balance sheet, reducing business risk and strengthening it for the future</li></ul>
Potential for uplift in share price	✓	<ul style="list-style-type: none"><li>• B Securities are expected to have an improved market value on the ASX over time compared to B Class Shares on the NSX</li></ul>
Manageable level of complexity	✓	<ul style="list-style-type: none"><li>• Satisfactory response from regulators to this structure, subject to submission of final documentation</li><li>• Key features of existing arrangements maintained</li></ul>



## Why are we pursuing this model?

- The Board believes the model is in your best interests
- It delivers a win-win for both classes of shareholders and the SunRice business:
  - ✓ **Ongoing grower control** for A Class shareholders
  - ✓ **Improved access to capital** to fund growth to deal with contingencies, better manage business risk and create a global food company of scale
  - ✓ **Likely enhanced value and liquidity** for B Class shareholders





# **Your views and feedback on change and adapting for the future**



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The image shows a sunset scene in a field. Three people are silhouetted against the bright sun, standing in the foreground. In the background, a combine harvester is visible, also silhouetted. The sky is a mix of orange and blue.

# Thank you

