

APPENDIX 4E

PRELIMINARY FINAL REPORT

ASX LISTING RULE 4.3A

1. COMPANY DETAILS

Name: Murray River Organics Group Ltd and its controlled entities (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement) (the “Group”)

ABN: 46 614 651 473

Reporting Period: 30 June 2021

Previous Corresponding Reporting Period: 30 June 2020

Review of Operations

Over the year ended 30 June 2021 the Group has continued its extensive transformation process to restructure its farm operations, develop and build retail brands and improve operating efficiencies in order to deliver long-term value for shareholders.

The Group completed the sale of a number of farming properties during the year and completed the sale of its Wargan and Mourquong properties on 27 August 2021.

During the year the Group continued to launch new Murray River Organics (MRO) branded products while expanding the export offerings with the Group partnerships in Asia, Europe and other key international markets.

On Company owned farming assets, the Group continued to remediate existing vineyards while exploring partnerships to exit farm ownership with long term fruit offtake arrangements. During the year, \$22.5m of asset sales was secured with proceeds used to reduce debt.

FY21 was not without its challenges with disappointing farms yields although they were up 28% on the prior year.

The Company was suspended from trading on the ASX on 1 October 2021 due to non-lodgement of its annual financial statements by the lodgement due date.

Following the appointment of the Administrators on 9 February 2022, the previous directors' powers were suspended and the Administrators assumed control of the Company's affairs.

The Company's shares are currently suspended from trading on the ASX.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Full Year to 30 June 2021		%		\$'000
Revenue from ordinary activities	down	11.88	to	42,603
Loss from ordinary activities after tax attributable to members	down	40.40	to	(23,288)
Net profit for the period attributable to members	down	40.40	to	(23,288)

Refer to Review of Operations for further details impacting the Results for Announcement to the Market.

3. DIVIDEND INFORMATION

In respect of the current year, no dividends have been declared or paid (2020: nil).

At 30 June 2021, there was no dividend reinvestment plan in operation for Murray River Organics Group Ltd.

**4. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Year ended 30 June 2021 \$'000	Year ended 30 June 2020 \$'000
Revenue	4a	42,603	48,349
Other income	4a	620	463
Fair value loss from agricultural produce	8	(2,571)	(5,269)
Change in finished goods		(3,389)	5,386
Raw materials, consumables used and farming input costs		(35,117)	(46,785)
Administrative expense		(1,899)	(1,762)
Selling expenses		(1,384)	(1,465)
Employee benefits expense	5	(7,927)	(8,935)
Depreciation expense	5	(3,619)	(4,927)
Freight out and distribution expenses		(1,684)	(2,086)
Other expense		(2,833)	(2,539)
Finance costs	5	(2,772)	(3,654)
Loss on disposal of properties	12	(248)	(11,739)
Revaluation loss on properties and assets held for sale	5	(845)	(3,157)
Impairment of bearer plants		-	(696)
Business restructuring costs	5	(2,223)	(258)
Loss for the year		(23,288)	(39,074)
<i>Attributed to:</i>			
Equity holders of the parent		(23,288)	(39,074)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Loss) / Gain on revaluation of assets	12,18	(1,943)	564
Income tax effect of other comprehensive income		-	-
Items that will be reclassified subsequently to profit or loss:			
Net movement in cash flow hedges		378	(400)
Income tax effect of other comprehensive income		-	-
Total other comprehensive income / (loss)		(1,565)	164
Total comprehensive loss for the year		(24,853)	(38,910)
<i>Attributed to:</i>			
Equity holders of the parent		(24,853)	(38,910)
		Cents	Cents
Basic earnings per share (cents per share)	22	(40)	(185) ⁽¹⁾
Diluted earnings per share (cents per share)	22	(40)	(185) ⁽¹⁾

1 Comparative earnings per share (EPS) have been restated as a result of the share consolidation that took place in FY21.

5. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	30 June 2021 \$'000	30 June 2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	20	820	1,129
Trade and other receivables	6	8,177	6,151
Inventories	7	11,730	20,789
Agricultural produce	8	422	1,743
Other financial assets	9	113	-
Other assets	10	1,096	773
		<u>22,358</u>	<u>30,585</u>
Assets held for sale	11	5,603	5,379
Total current assets		<u>27,961</u>	<u>35,964</u>
Non-current assets			
Property, plant and equipment	12	16,476	35,955
Right-of-use assets	19	2,419	3,014
Total non-current assets		<u>18,895</u>	<u>38,969</u>
Total assets		<u>46,856</u>	<u>74,933</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	5,416	7,330
Borrowings	14	40,952	11,607
Lease liabilities	19	584	543
Provisions	15	1,144	530
Other financial liabilities	16	-	303
Total current liabilities		<u>48,096</u>	<u>20,313</u>
Non-current liabilities			
Borrowings	14	-	30,603
Lease liabilities	19	2,269	2,853
Provisions	15	985	576
Total non-current liabilities		<u>3,254</u>	<u>34,032</u>
Total liabilities		<u>51,350</u>	<u>54,345</u>
Net (liabilities) / assets		<u>(4,494)</u>	<u>20,588</u>
EQUITY			
Contributed equity	17	174,505	174,505
Reserves	18	(40,645)	(38,851)
Accumulated loss		<u>(138,354)</u>	<u>(115,066)</u>
Total equity / (deficiency)		<u>(4,494)</u>	<u>20,588</u>

6. CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Year ended 30 June 2021 \$'000	Year ended 30 June 2020 \$'000
Cash flows from operating activities			
Receipts from customers		49,066	58,245
Payments to suppliers and employees		(57,289)	(70,472)
Receipts from government grants		1,203	555
Interest paid		(2,509)	(2,595)
Interest paid – Colignan property lease		-	(1,156)
Net cash used in operating activities	20 (b)	<u>(9,529)</u>	<u>(15,423)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(742)	(3,835)
Proceeds from sale of property, plant and equipment		11,859	143
Net cash from/(used in) investing activities		<u>11,117</u>	<u>(3,692)</u>
Cash flows from financing activities			
Proceeds from borrowings		11,745	11,750
Repayment of borrowings		(11,615)	(10,922)
Repayment of lease liabilities		(544)	(574)
Proceeds from equipment loans		128	73
Repayment of equipment loans		(1,611)	(1,752)
Payments for borrowing costs		-	(259)
Payments for Colignan property lease surrender fee		-	(1,325)
Proceeds from issue of share capital		-	25,004
Payments for transaction costs from issue of share capital		-	(2,965)
Net cash (used in)/from financing activities		<u>(1,897)</u>	<u>19,030</u>
Net decrease in cash and cash equivalents		(309)	(85)
Cash and cash equivalents at the beginning of the year		<u>1,129</u>	<u>1,214</u>
Cash and cash equivalents at end of year		<u>820</u>	<u>1,129</u>

7. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Contributed equity	Accumulated loss	Corporate reorganisation reserve	Share-based payments reserve	Asset revaluation reserve	Hedging reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2019	150,888	(75,766)	(47,453)	939	6,781	47	35,436
Balance at 1 July 2019	150,888	(75,766)	(47,453)	939	6,781	47	35,436
Impacts of adoption of new accounting standards (i)	-	(226)	-	-	-	-	(226)
Adjusted balance at 1 July 2019	150,888	(75,992)	(47,453)	939	6,781	47	35,210
Loss for the year	-	(39,074)	-	-	-	-	(39,074)
Other comprehensive income (loss)	-	-	-	-	564	(400)	164
Total comprehensive loss for the year	-	(39,074)	-	-	564	(400)	(38,910)
Issue of shares	26,582	-	-	-	-	-	26,582
Equity raising costs (net of tax)	(2,965)	-	-	-	-	-	(2,965)
Share-based payments	-	-	-	671	-	-	671
Balance at 30 June 2020	174,505	(115,066)	(47,453)	1,610	7,345	(353)	20,588
Balance at 1 July 2020	174,505	(115,066)	(47,453)	1,610	7,345	(353)	20,588
Loss for the year	-	(23,288)	-	-	-	-	(23,288)
Other comprehensive income (loss)	-	-	-	-	(1,943)	378	(1,565)
Total comprehensive loss for the year	-	(23,288)	-	-	(1,943)	378	(24,853)
Issue of shares	-	-	-	-	-	-	-
Share-based payments	-	-	-	(229)	-	-	(229)
Balance, 30 June 2021	174,505	(138,354)	(47,453)	1,381	5,402	25	(4,494)

8. NET TANGIBLE ASSETS PER SECURITY

	30 June 2021 \$	30 June 2020 \$
Net tangible (liabilities) / assets backing per ordinary security	(0.10)	0.46
Number of fully paid ordinary securities used in calculation	44,115,143	44,115,143 ⁱ

ⁱ On 20 January 2021 the Company completed a consolidation of capital on a 50 for 1 basis. For comparative purposes, the number of fully paid ordinary securities shown at 30 June 2020 has been restated to reflect the effect of the share consolidation as if it had occurred on that date.

9. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Not applicable.

10. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable.

11. ANY OTHER SIGNIFICANT INFORMATION NEEDED BY AN INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE GROUP'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION

All significant information has been included elsewhere in this document.

12. FOR FOREIGN ENTITIES, WHICH SET OF ACCOUNTING STANDARDS IS USED IN COMPILING THE REPORT

Not applicable.

13. COMMENTARY ON THE RESULTS FOR THE PERIOD

Both the basic and diluted loss per share for the year was (\$0.40).

There was nil return to shareholders including distributions and buy backs.

For further commentary on the results for the period refer to the Review of Operations.

14. STATUS OF AUDIT

The financial report for the year end 30 June 2021 is currently in the process of being audited.

15. DISPUTE OR QUALIFICATION IF NOT YET AUDITED

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Company since it entered voluntary administration on 9 February 2022. To prepare the annual financial report, the proponent of the Deed of Company Arrangement has reconstructed the financial records of Murray River Organics Group Ltd using data extracted from the Consolidated Entity's accounting systems and the record of receipts and payments during the Administration of the Company.

Whilst the books and records of the Company have been reconstructed to the maximum extent possible, the Administrators (now Deed Administrators) are unable to satisfy themselves as to the completeness of the general ledger and financial records as well as the relevant

disclosures in the financial report for the year ended 30 June 2021. The Administrators (now Deed Administrators) were not in office for the period presented in this report.

Although due care will be taken in preparing the annual financial report, based on the information available, it will not be possible to state that the financial information is complete or accurate. Neither will it be possible to state that the financial information was subject to the accounting and internal control processes that are relevant to the preparation and presentation of the financial report.

The report by the auditor for the year ended 30 June 2021 will be modified or qualified to this extent.

16. DISPUTE OR QUALIFICATION IF AUDITED

Not applicable.