

23 July 2024

SunRice Group to make strategic acquisition of SavourLife

The SunRice Group's CopRice business will expand further into the branded pet food market after signing a share purchase agreement to acquire 100% of SavourLife. SavourLife is an Australian pet food company, which specialises in premium dog food and treats, while striving to deliver on its social mission to save and re-home abandoned dogs.

- **The SunRice Group has entered into an agreement to acquire 100% of SavourLife for A\$20.3 million.**
- **SavourLife will be integrated into the SunRice Group's CopRice business, in line with its strategic objective to further expand into the branded companion animal market.**
- **The acquisition will utilise CopRice's existing manufacturing and nutrition capabilities, to help accelerate the growth of SavourLife while continuing to deliver on its social mission.**
- **SavourLife is expected to be accretive to CopRice's EBITDA contribution to the SunRice Group in FY25.**
- **This investment demonstrates the SunRice Group's ongoing execution against its strategy to move into branded products.**

Inspired by a love for dogs and a desire to make a difference, SavourLife offers a range of Australian made premium dog food and treats. The SavourLife team is driven by a social mission, to save and re-home abandoned dogs, by donating 50% of profits to help save rescue dogs (an arrangement CopRice is proud to support post-acquisition). Since its inception, SavourLife has donated more than \$8 million to Australian dog rescue organisations and supported the re-homing of more than 63,000 dogs.

Commenting on the acquisition, SunRice Group CEO, Paul Serra said:

"This acquisition positions our CopRice business to further expand into the branded companion animal market, where we've seen growing demand for premium products. We believe that SavourLife is well positioned to continue to grow in Australia, with Australia having one of the highest dog ownership rates in the world. SavourLife will also complement CopRice's existing products, which are known for their quality ingredients."

CopRice already manufactures SavourLife's dog food range. The acquisition will use CopRice's existing manufacturing facilities and supply chain to improve efficiencies and provide future growth opportunities. We look forward to working with Michael McTeigue, SavourLife's Founder and the SavourLife team to continue to deliver on SavourLife's mission of making a difference and continuing to support dog rescue groups."

SavourLife's Founder, Michael McTeigue said:

"I am excited by the opportunity for CopRice to help continue to grow the SavourLife business, which will expand our ability to deliver on our mission. CopRice has been an important partner in building SavourLife into the business it is today, and I know that together we will build an even greater business into the future."

Michael McTeigue will continue in his role with SavourLife, alongside Co-founder Kimberlee McTeigue and all other SavourLife employees who will remain in the business.

Further Details

The SunRice Group will acquire 100% of the shares in SavourLife Pty Ltd and SavourLife IP Pty Ltd and 100% of the units in the SavourLife IP Unit Trust for a purchase price of A\$20.3 million. SavourLife had Revenue of \$33.4 million and normalised EBITDA of circa \$2.8 million in the year to April 30, 2024¹. As an existing manufacturer for SavourLife, only incremental revenues will be recognised by CopRice going forward.

SavourLife is expected to be accretive to CopRice's EBITDA contribution to the SunRice Group in FY25.

The Sydney-based business has a national presence with its Australian made products available across all regions of Australia, from major cities to regional areas.

Completion of the transaction is expected to occur by 30 August 2024, pending satisfaction of a number of standard conditions precedent. The purchase price will be funded from existing cash reserves and available debt facilities.

More information about SavourLife can also be found at: <https://www.savour-life.com.au/>

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Authorised by Kate Cooper, General Counsel and Company Secretary, SunRice Group

Investor inquiries:

Richard Rose

Head of Corporate Development
(03) 8567 1132 / rose@sunrice.com.au

Media inquiries:

Anthony McFarlane

Head of Corporate Affairs
(02) 9268 2633 / amcfarlane@sunrice.com.au

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/>

¹ EBITDA normalised for April year end and provision for donations.