



Market Gardeners Limited
Annual Review 2020

® Together.
Stronger.





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Financial Highlights



Group gross sales under management
\$934.735 million



Group profit before income tax
\$12.898 million



Group profit for the year
 (after income tax)
\$11.370 million



Group total equity
\$143.800 million



Group total assets
\$362.693 million

Shareholder distributions

	2020 \$'000	2019 \$'000
- Special Bonus Issue (November 2020)		
• 1 for 30 on "A" shares (2019: 1 for 30)	941	772
• 2 for 5 on "B" shares (2019: 2 for 5)	3,068	3,308
• 1 for 2 on "C" shares (2019: 2 for 5)	741	399
- Supplier shareholder rebate (issued as 2020 "C" shares) (2019: issued as 2019 "C" shares)	250	250
- Bonus issue on supplier shareholder rebate of 3 for 1 (2019: 5 for 1)	750	1,250
- Final gross dividend on "A" share: 5 cents per share (2019: 6 cents per share)	1,459	1,436
- "D" shares - nil ("D" Shares - March 2019 - final gross dividend: 2 cents per "D" share)	-	66
- Imputation credits attaching to the above distributions	2,139	2,228
Total shareholder distributions in relation to the year ended 30 June	9,348	9,709





This year has again shown that we are in a good position to manage the inherent volatility of our sector by adapting to changing conditions.

Chairman's & CEO's Review

It is with great pleasure that we present the Annual Review for the Market Gardeners Group on behalf of the Board and Management.

Despite an uncertain and at times unpredictable environment, our story in 2020 was again one of strong returns, implementation of key strategic initiatives, and growing our relationships with our grower suppliers and our customers. We achieved our goal of steadily building on the momentum of previous years and ensured we have established ourselves on a firm financial footing. This is because our fundamentals remain strong and are grounded in a long history of adapting and delivering, which is evident in the underlying strength of our Co-operative.

Market Gardeners Ltd, trading as MG Marketing, delivered a very good financial result, underpinned by record domestic sales in New Zealand of \$486.8m and a profit after tax for our New Zealand based businesses of \$14.74m. A difficult year in Australia led to a \$3.37m loss after tax which offset some of the gains achieved by the Group, however, overall Group revenue increased by \$22.2m and we delivered a consolidated Group net profit before tax of \$12.8m. This is a particularly pleasing result, in what can be described as a turbulent year, against a backdrop of extreme external challenges.

Based on this result the Board declared a total distribution for the year of \$9.3m. This underscores our commitment to ensure the benefits of the Co-operative's growth and success are enjoyed by our

shareholders. A more detailed overview of our financials and distributions is outlined on page 10 of this report.

This year has again shown that we are in a good position to manage the inherent volatility of our sector by adapting to changing conditions. It also highlighted the advantages of our strategy to have diversity across our business offering. This includes imports, exports, growing operations, investment in IP as well as our core strength of marketing fresh produce on behalf of our family of growers in New Zealand and Australia. Having a variety of complementary subsidiary and associate businesses supports our robust business model through difficult conditions which are par-for-the-course in the horticulture sector.

While the Co-operative dealt with a myriad of issues throughout the year, including depressed New Zealand product pricing in the first quarter, a number of complex border issues for our imports business and a number of one-off events that adversely affected our Australian operation, undoubtedly the most significant challenge was the impact of COVID-19. Given the significance of the global outbreak, it is a theme throughout this review, as is the way our people responded.

Our navigation through the crisis highlighted that our Co-operative is as resilient as it is rich in history. Throughout our 97 years we have remained operational through wars, depressions, natural disasters and now a global pandemic. What has remained consistent is our ability to roll up our sleeves and get the job done. While the future remains uncertain, our simple strategy to remain focused on delivering excellent service, working hard to support our growers, maintain positive employee engagement and explore business opportunities that will contribute to the long-term success of our Co-operative, is unchanged. Our response to COVID-19 is covered in more detail later in this review.

The MG domestic business remains the cornerstone of our success and the most significant contributor to our result. While good values in the second half of the financial year had a positive effect, the overwhelming reason for our continued success is the ongoing support from our grower-suppliers and our ability to deliver a range of services to our customers that add value to their business.

We have advanced the planning for a new facility on our Auckland site, having committed \$20m for the project which will provide a much needed additional 3600sqm of warehouse capacity and a further 450sqm of office space. The Auckland branch has experienced rapid growth across the past decade and the new building will help alleviate pressure on our existing warehouse while providing capacity for further growth. It has advanced to the detailed design and consenting stage with contractors expected to turn soil in November 2020.

We have a clear strategy to position the Co-operative for the long-term and continue to grow the overall profitability

for the benefit of our shareholders. This year we have again focused our resources and expertise in areas we believe will strengthen our relevance to key retail customers and growers. We have made further investment in IP varieties that deliver superior taste, yield and shelf-life, including securing the rights to exclusively grow BerryWorld varieties in New Zealand. A key element to our growth strategy is securing supply in selected categories through investment in targeted growing operations. To this end there has been a direct connection between the volumes supplied by such operations, including JS Ewers and Kaipaki Berries, and the business MG is able to secure for all growers supplying into those categories.

In a diversified business like ours, some areas can be performing well while others face challenges.

After a positive financial result in 2019, LaManna Premier Group (LPG) was impacted by a number of issues, including difficult market conditions, weather events at farming operations, managing various

compliance expectations, increased labour costs and the requirement to deal with the impact of COVID-19 for a sustained period.

What is clear is that to be successful in the challenging and fast-paced Australian market, LPG must be more efficient and innovative, continually renewing the business while maintaining high standards to which they have long been committed.

While there will still be challenging times ahead in Australia, there will also be great opportunities and we are committed to making the appropriate decisions, at the right time, to improve LPG's performance. The LPG Board endorsed an operational review and the LPG management team has embarked on a considerable programme of work to modify the business. However, it is important to bear in mind that there is no short-term fix and the work underway will deliver incremental changes, with the full impact of the improvements not being realised immediately.



The overwhelming reason for our continued success is the ongoing support from our grower-suppliers

It is also important that the future for LPG is not to be clouded by a difficult year. Naturally, we are disappointed with the financial result, but we have confidence in the people leading the business and in the direction it is heading.

The MG Board has a shared desire to ensure the Co-operative's strategic business objectives are met at all times, while acting in the best interests of the shareholders as a whole. The Board has been focused on a number of projects aimed at creating greater value for shareholders.

The Board initiated the formation of the Co-operative Structure Working Group (CSWG) to reflect on the current

structure of the Co-operative and drive an engagement programme with shareholders to determine if there was any appetite for change. This is not because the business is in any sort of difficulty – quite the opposite. The Board felt that now was the right time to take a step back and seek the view of our shareholders with regard to the dollar-in, dollar-out model, the current share value in relation to the equity value and ensure our structure is appropriate for the type of business MG is today. The initial phase of the project has been completed. This included the option for shareholders to submit their view via a structured feedback form and the promotion of dedicated communication channels for shareholders to contribute at any time. The information received has been extremely useful and helped guide the CSWG towards a set of recommendations. The next phase is currently being worked through for communication to shareholders and an update will be provided to the 2020 Annual Meeting of shareholders.

At the 2019 AGM, shareholders voted in favour of establishing the MG Marketing Charitable Trust as a philanthropic arm of the Co-operative that will focus on charitable good within the industry and community. Progress has been made getting the Trust established with the charitable status application having been submitted. Former Board member, and current grower-shareholder, John Clarke has been appointed as Chair of the Trust and a process is underway to finalise the final additional Trustees.

Looking ahead, shareholders can expect steady growth through continued diversification in New Zealand, and continued improvements in our Australian business. The 2021 financial year will no doubt provide more challenges and opportunities, but our business is strong and we have a clear strategy that will position us to continue to grow.





Across the Co-operative we continue to build on our already strong relationships with our growers and customers and thank them for their support during the year.

Across the Co-operative we continue to build on our already strong relationships with our growers and customers and thank them all for their support during the year.

We would like to commend the entire team across our Co-operative. The business showed tenacity and commitment to produce a positive set of results. We would also like to thank the Board for their strategic contributions during the year and unwavering commitment and dedication.

Bruce Irvine
Chairman

Within this review, you can read more about the different businesses that make up our Co-operative, and the initiatives that are taking place to support our growers, customers and the communities in which we operate, as well as more detail about our response to the COVID-19 pandemic.

Lastly, we would like to thank all of our shareholders for their ongoing support. Together, we are creating a better future for our Co-operative.

Together. Stronger.®

Peter Hendry
Chief Executive Officer

RESPONDING TO COVID-19

The final months of the financial year were impacted by the serious health and economic consequences of COVID-19. Our Co-operative took swift action across our business in response to the unfolding crisis.

We introduced measures to ensure the safety of our people, support our growers, customers and communities, while also taking the necessary steps for the continuity of our operations. This included restricting access to our sites and implementing a large number of new operating procedures. We also invested in measures such as face masks, additional intensive cleaning and hand sanitiser stations to protect the health and safety of everyone who enters our facilities.

We are proud of the way in which our teams across our Co-operative flexed our operations to deal with dramatic market volatility while adapting to the new way of working.

We would like to make special mention of our people in operational roles who work at the coalface of our business. These

are the men and women in branches who turned up day-in and day-out to make sure we were able to support our growers and our customers. They were flexible, often undertaking new tasks, working in different teams, all without interruption to their standard of work or level of service. The response from our growers and customers was equally as committed, and together we've all helped New Zealand through the crisis.

As an organisation, we worked hard on ensuring we communicated clearly and consistently with all of our stakeholders throughout this crisis and that we kept people connected.

Given it's a rapidly changing situation, we enhanced our Board and Management oversight during the crisis by meeting regularly using video conferencing technology.

MG and all of our subsidiary and associate businesses remain committed to support government and community efforts to limit the spread of COVID-19. At the time of finalising this Annual Review, we are closely monitoring the status and impact of COVID-19 and remain focused on staying operational during this challenging time. Lastly, our thoughts are with the individuals and families whose lives have been impacted by COVID-19. We would also wish to express our appreciation of the healthcare professionals who continue to work tirelessly to look after and protect people throughout this crisis.

In summary, our response was anchored by three priorities:



1. Protecting our teams

Ensuring we communicated effectively and had the right safety measures in place to keep our people safe and healthy.



2. Playing an essential role

Ensuring our Co-operative remained operational throughout this period so we could continue to support growers, customers and the communities in which we operate by ensuring there was a continual supply of fresh produce.



3. Supporting those affected

Using our expertise and resources to provide guidance and support to growers and customers challenged by the pandemic, while also contributing to the communities and wider society.



FINANCIAL OVERVIEW

The Group's financial highlights are detailed on page 2 of this report.

For the year to 30 June 2020 Group Gross Sales under Management amounted to \$934.7m.

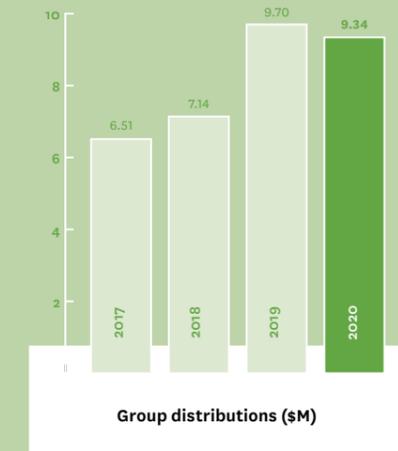
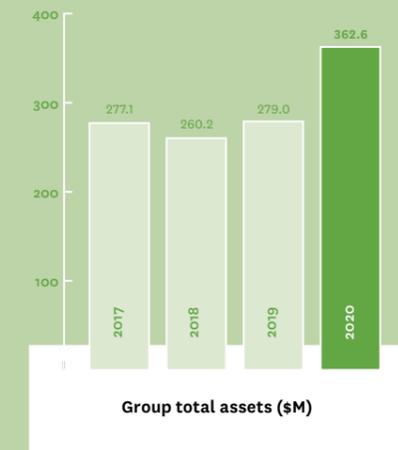
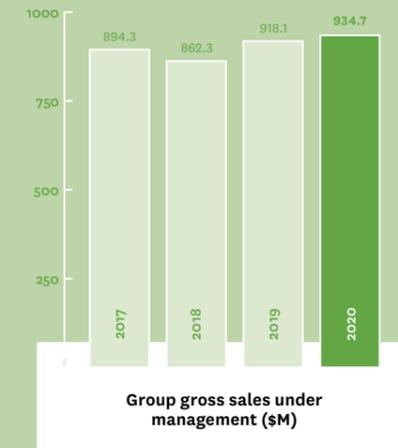
For the same period net profit before tax amounted to \$12.8m compared to \$24.7m in 2019. The 2019 result included the \$9.4m one-off sale of a Sydney warehouse property. This result is a reflection of the strength of our New Zealand operations and diversity of our business, offset by

the challenges that were faced by our Australian business.

It is pleasing to note the growth in the Group's total equity which now stands at \$143.8m compared to the prior year's \$133.9m. Our total assets have now grown to over \$362.6m, however this includes the new asset category of "right-of-use" assets relating to the new accounting treatment of leases which amounted to \$46.4m at 30 June 2020. Similarly, Group liabilities have increased to \$218.8m as a

result of the new lease liability totalling \$46.8m. The new lease accounting, as required by IFRS 16, is more fully explained in notes B1 and C6 of the full financial statements.

Cashflows from operations have remained strong and amounted to \$22.6m for the year which allowed the Group to invest in the underlying assets which the Co-operative relies upon.





DISTRIBUTIONS

Given the Co-operative's solid financial result, coupled with the goal to continue rewarding shareholders, the MG Board of Directors has resolved to return to its shareholders significant distributions totalling \$9.3m (2019: \$9.7m) by way of rebate shares, bonus issues and dividends. This is the sixth consecutive year that shareholders have received a special bonus issue.

On 5 August 2020 the Board declared the following distributions in relation to the year ended 30 June 2020:

- Special bonus issue – a fully imputed taxable special bonus issue of:
 - One new "A" share for every thirty existing "A" shares; and
 - Two new "B" shares for every five existing "B" shares; and
 - One new "C" shares for every two existing "C" shares.
- Supplier shareholder rebate – a taxable rebate of \$250,000 to be applied by the Company in paying up in full "C" shares of the Company to be issued at \$1.00 each and made in such manner as the Directors determine to those shareholders that are Current Producers that have supplied on a consignment basis during the financial year ended 30 June 2020.
- Bonus issue – a three for one fully imputed taxable bonus issue on the "C" shares issued out of the above rebate. This amounts to 750,000 worth of "C" shares being issued (Shareholders that are Current Producers receive three further "C" shares for every one "C" share they receive from the above rebate). As imputation credits have been attached to the bonus issue shares they are mostly tax paid in the hands of the shareholder.
- Final dividend – a fully imputed taxable gross dividend of five cents on every "A" share. Once again imputation credits are attached to this dividend.

The above distributions will be made only to those shareholders entered on the share register at 30 June 2020 who continue to hold, at the date of the 2020 Annual Meeting, the shares held at 30 June 2020.

The above special bonus issue, rebate, bonus issue and dividends represent \$9.3m being distributed back to MG's loyal and supportive shareholders. Not only is this a significant distribution of wealth to the shareholders, it represents the strength of the Co-operative as a whole.

In addition, and as has occurred for many years now, we are pleased to note the support of the shareholders through their high level of reinvestment of their dividends back into more MG "A" shares.



DIRECTORS & MANAGEMENT

The Board and Management remain focused on growing value for our shareholders, implementing our strategy and continuing to strengthen the loyalty of our shareholders by creating longer term shareholder value.

Our Management team has done a great job achieving a strong financial performance for the year and have also helped put the business on a firm footing to capitalise on the benefits that will come from future growth.

We continue to support the MG Associate Director programme which aims to improve the pipeline of talent coming into governance. The success of the initiative is highlighted by the appointment of Trudi Webb to the Board in 2019 following her successful internship. This year we welcome Robyn Wickenden to the role.

In accordance with the constitution, Mark O'Connor and Andrew Fenton retire by rotation. Mark O'Connor has put himself forward for re-election while Andrew Fenton is not seeking re-election. A further four nominees have put themselves forward for the two vacant positions. Voting instructions for the ballot will be sent by post in mid-October as well as electronically to those shareholders who have confirmed / provided their email addresses.

→ MG Board of Directors.

From left to right, top to bottom. Bruce Irvine; Andrew Fenton; Mark O'Connor; Joanna Lim; Lynn Crozier; Trudi Webb; Trevor Burt; Mike Russell; Robyn Wickenden (Associate Director); *Peter Hendry (Chief Executive Officer); *Kerry Wells (International Business Manager); *Duncan Pryor (Company Secretary & Chief Financial Officer).

*Executive Management attendees.



Robyn Wickenden

Associate Director
(appointed January 2020)

Robyn Wickenden joined as an Associate Director to the Board in January 2020. The MG Associate Director programme is designed for those who aspire to director-level roles and have an interest in corporate governance. The role has a non-voting seat at the board table normally for approximately 12 months. Due to the COVID-19 disruption Robyn's appointment has been extended through to 30 June 2021.

Robyn is currently a co-director of Mya Enterprises Ltd, a Tamarillo orchard in Poroti, Northland, and is a supplier to MG Marketing. She brings specialist industry skills and networks from her experience as a grower as well as her role, initially as secretary and from March 2020, as Chairperson of the New Zealand Tamarillo Growers Association.

Member of the IOD*.

Andrew Fenton

Elected Director
(retires on 24 November 2020)

We would like to take the opportunity to specifically acknowledge the significant contribution Andrew Fenton has made to the MG Board over the past 18 years. During his time, he has chaired our Remuneration & Nomination Committee, held the role of Deputy Chairman, represented MG on the board of LaManna Premier and contributed his time to a number of other committees.

Andrew decided not to seek re-election at the end of his term and will retire on 24 November 2020 at the conclusion of the Annual Meeting.

He has spent a large part of his working life committed to different roles in the horticulture industry and provided the Board with unique knowledge and insights.

He has always been an outstanding advocate for the Co-operative and a tireless champion for the role the Board has in representing the interests of our shareholders. He has done an excellent job in his role as a Director and leaves the Co-operative in a significantly stronger position than when he started.

The Board and Management wish Andrew all the best in retirement.

Bruce Irvine
Chairman, Appointed Special Director.

Bruce joined the Board in 1994. He has an extensive business background and previously held the position of Managing Partner of the Christchurch office of Chartered Accountants, Deloitte, between 1995 and 2007; and is past Chairman of Christchurch City Holdings Limited. Bruce is currently Chairman of Heartland Bank, House of Travel Holdings, Rakon and Skope Industries and director of a number of other public and private companies. Bruce is MG's Chairman, Chair of the LaManna Premier Group's Audit Committee and a Director of LaManna Premier Group Pty Ltd. Bruce is also a member of MG's Remuneration & Nomination Committee, Audit Committee and Co-operative Structure Working Group.

Chartered Fellow of the IOD* and Accredited Fellow of the Chartered Accountants Australia and New Zealand.

Andrew Fenton
Deputy Chairman, Elected Director.

Andrew joined the Board in 2002. He has more than 35 years in the avocado and kiwifruit industries through the Bay of Plenty-based Phoenix Partnership and Beresford Orchards Ltd.

He has extensive commercial and governance experience in businesses and industry groups.

Andrew is currently a director of New Zealand Horticultural Export Authority and Kiwifruit New Zealand, President of the NZ Fruitgrowers' Federation, Chairman of the NZ Fruitgrowers' Charitable Trust, a Member of NZ Kiwifruit Growers Inc. and Chairman of Huddart Parker Building Co. Ltd.

Andrew was previously the President of Horticulture NZ and Chairman of Satara Co-operative Group Ltd.

MG Deputy Chairman, Chairman of the MG Remuneration & Nomination Committee, member of the Co-operative Structure Working Group and a Director of LaManna Premier Group Pty Ltd.

Chartered Fellow of the IOD*.

Trevor Burt
Appointed Special Director.

Trevor has a high level of experience in the strategic leadership of large and complex corporate organisations, and a proven record of implementing change and achieving results. As an experienced professional director, Trevor has held a number of previous roles including Chair of Ngai Tahu Holdings Corporation Ltd and Lyttelton Port Company Ltd, and Deputy Chair of PGG Wrightson Ltd and a director of Silver Fern Farms Ltd. Trevor is currently Chair of the New Zealand Lamb Company Ltd, MHM Automation Ltd and Rua Bioscience Ltd and is a Director of Landpower NZ Ltd and Hossack Station Ltd. He is also a trustee of the Māia Health Foundation. Chairman of the MG Audit Committee and member of the Co-operative Structure Working Group.

Chartered fellow of the IOD*.

Lynn Crozier
Elected Director.

Lynn joined the Board in 2012. Today Lynn, through a family-owned and operated business since the 1960's, is a major grower of potatoes, onions and carrots in Central Canterbury.

Member of the MG Audit Committee.
 Member of the IOD*.

Mike Russell
Elected Director.

Mike was appointed to the Board in November 2016.

Mike is a first-generation Hawkes Bay grower with 35 years' experience, in partnership with his wife Julie, specialising in plums.

Member of the MG Remuneration & Nomination Committee.
 Member of the IOD*.

Mark O'Connor
Elected Director.

Mark is serving his second term as a MG Director having originally joined the MG Marketing Board in November 2014. He is a Director and shareholder of Appleby Fresh Ltd, a family-owned market gardening business in Nelson on the Waimea Plains.

Member of the Co-operative Structure Working Group.
 Member of the IOD*.

Joanna Lim
Elected Director.

Joanna (Jo) was elected to the Board in 2018. She and her husband have a market garden business (Jade Garden Produce) and a share in a cucumber glasshouse operation (Island Horticulture Limited), both in the Christchurch area. Jo is also a Senior Associate at national law firm Simpson Grierson and specialises in financial markets / services and corporate advice. She also has expertise in climate change issues and the New Zealand emissions trading scheme.

Chair of the Co-operative Structure Working Group and a member of MG's Audit Committee.

Member of the IOD*.

Trudi Webb
Elected Director.

Trudi is part of a fourth-generation family growing enterprise, Webb's Fruit, near Cromwell in Central Otago. Trudi holds a first-class honours Bachelor of Applied Science (Horticulture) degree and is Chairperson of the Central Otago Fruit Growers Association and director of Summerfruit NZ. Trudi completed the MG Director Internship programme (now Associate Director programme) in 2019 and became an elected director in the same year.

Member of the Remuneration & Nomination Committee.
 Member of the IOD*.

ANNUAL MEETING OF SHAREHOLDERS

All shareholders are invited to attend MG's Annual Meeting of shareholders. This year the event will be held at the Napier Conference Centre, 48 Marine Parade, on Tuesday 24 November 2020, commencing at 5.00pm. Shareholders are welcome to join MG directors, management and staff to formally or informally discuss topics of interest.

There will be a dinner following on from the meeting at approximately 7.30 pm and all shareholders and their partners are warmly welcome to attend – details are included in the notice of the meeting. RSVPs are required for catering purposes – please contact our Assistant Company Secretary Trudy Lewis (email: tlewis@mgmarketing.co.nz) by 9 November 2020.

If COVID-19 restricts our ability to proceed with the meeting as planned, we will advise of alternative arrangements closer to the time.

* Institute of Directors in New Zealand

Our vision is to be a leader in the horticulture industry, preferred partner for growers and customers and a great place to work.

We thank all of our staff for their dedication, hard work and loyal service to our growers, customers and to our Co-operative. We proudly acknowledge this contribution by featuring their names in this publication.

JINKY ACCHENI REJAIL ADILOVSKI OPETAIA AFUIE DHRUV AGGARWAL HEMALOTO AHOFONO VAL AHOMANA ALIPA ALAPATI CATERINA ALESSANDRINI ABID ALI VERDENE ALI PIFALATI ALOFAKI VINCENT ALOI ANNUNZIATO ANASTASIO PRANESH GUPTA ANDHYALA SHAJI ANTONY MAJA ARLOV VISHANT ARORA JAIPALA ARPORN JOSHUA ATKINSON CHARLIE ATTANA MAREE AUCKLAND USOALI AVIVII MATAHIKI BABINGTON ERROL BAIN KERRY BAIRD AMANDA BAKER LUKE BAKER-GARTERS QUINN BAKER-GARTERS NATHAN BALISLIE ADEEP BARAILI RACHEL BARKER TROY BARR PETER BARRETT DAVID BARRIE BLAIR BARWICK JAMES BATEMAN JEGATHEESWARAY BATHMANATHAN LISA BEATON JAMES BELL DIANA BELLAIZAC GUEVARA CAROLYN BELOE CAROLINE BENDALL FRANCESCO BENVENUTO LAURENCE BENVENUTO MARK BENVENUTO JACK BESWICK AJESH BHAI BEENA BHANA FAZLI BIN MASRI STACEY BLANCHARD MICHELLE BLIGHT ANDREW BODY TIMETHY BOGIDUA JAY BOLSTAD SENDRU PRANATA BONG CAROL BONHAM KAINE BOOTE TODD BOOTH CHRISTOPHER BORSATO JOSEPHINE BORSATO SHAUN BOWIE TONY BOYD EAMMON BOYLE MARIE BRAID BREV BRAK CHRISTOPHER BRAMMALL GREISI BRAVO MICHAEL BREITMEYER ANNA BRENMUHL NIGEL BRIDGE NEIL BRIDGENS KALEB BRIGHT JACK BROADBRIDGE GRANT BROUGHTON KATELYN BROWN TONY BROWN FIONA BROWNE SHARLENE BROWNE BRIAN BUCHANAN AARON BUDD HUYEN (CATHY) BUI RAHUL BUKSH DANIELA BUNN LUKE BURGESS TREVOR BURT PETER BUTCHER JOHN BUTTERS DARREN CACHIA GRANT CADDIGAN DOMINGO CAICEDO VALENCIA ANGUS CALDER FRASER CALDER MARK CALLEGARI SHAUN CALVI CHRISTINE CAMPBELL KIERAN CAMPBELL MICHAEL CAMPBELL ALLAN CANLAS JEANETTE CANNISTRA CAITLYN CASEY MICHELLE CASIM PAUL CASIMIRO FRASER CASTLE TIN LIAN CEM HRANG NU-CHIN CEN HRANG ALBERT CHALMERS ADITYA CHAND THI KIEU DIEM CHAU KIMBERLY CHAVEZ EDUARDO CHAVEZ VARELA YAQING CHEN YUMENG CHEN ROBERT CHRISTY HELENA CHUNG SAMUEL COFFEY MATTHEW COLLIER NICKI COLLIER AARON C CONDON GIUSEPPE CORRONE ROCCO CORRONE GAVIN COSGRIFF MARK COSSAR OLIVER COSSENS BRIDGET CRAIK JOSHUA CRAIK JAMIE CRAWFORD GIUSEPPE CREA JAMES CREED GRANT CREIGHTON ALISTAIR CRETNEY ANDREW CROSS LYNN CROZIER DIANA CUERO PORTOCARRERO DESDA CULLEARN JACQUELINE CUMMING CHRISTOPHER DAGNALL MELISSA DAMPIER DAHVY DAO LAWRENCE DAMPING MARK DAUNT PIA-MARIA DAVIDSON SAMUEL DAVIES COLIN DAVIS MICHAEL DEBONO AARON DEKKER MICHELLE DENSLAW SAMANTHA DEVINE MANDEEP DHILLON ANTHONY DI PIETRO FRANK DI PIETRO SCOTT DICKEY NU THANH DIEP JONATHAN DILLON JAMES DIMECH THI THI HAO DINH THWANG SWE DO RU ANIKA DOBBIE GOLDIE DODDS LEON DODDS DAVID DOHNT RAMON DONES CHRISTOPHER DONEY PHILLIPA DUNN DERRICK DYSON GEORGE EAGLES DAVID EDMONDS JACOB EDWARDS SHARLENE EDWARDS MIRUNALINI ELANGO KENT EFFORD IAKOPO ELISARA EPATI ELISARA SOLI ALLAN ELLIOTT NAW ELLIS SHIRLEY ELYVY JOSH ELY DAVID ERICSON ANN-KATHRIN ESSER ALAN EVANS PETER EVANS JOANNE EVERINGHAM JIM EVGENIADIS JOVIN FABIC MATTHEW FAIRCLOUGH ELISARA FALO KEVIN FARR WAYNE FARROW TANSWELL FELIX LAURIE FEMIA ANDREW FENTON INGO FENUKITAU STUART FERGUSON CHRISTIAN FETU MELASA FETUU ERIC FIELD BLAIR FISHER GWENDA FOLEY JAMIE FOLEY MURRAY FORBES JOSHUA FOSTER ANGELA FRANCIS GEORGE FRANCIS LINDSAY FRANCIS LUKE FRANKLYN FRANK FRAPPA DAVID FREEMAN AARON FRIEND CAMERON FRIEND MARIA FROOME TUJAMAFU FRUEAN NENIASI FUAPAU TOMU FUAPAU BAILEY GALL DEAN GALL FRANCESCO GALLICCHIO DAVID GANNON ROMEO GARCIA FLOYD GARDINER JESSICA GARDNER BRIAN GARGIULO DOMINIC GARGIULO JAMES GARGIULO MARCUS GARGIULO PIERRE GARGIULO ABRAHAM GARZA COLIN GASS ROGER GEORGIEFF BRENDAN GIBBONS IVAN GILBERT RYAN GILBERT CLAUDIA GIORNO JOHN GIUFFRE BENJAMIN GLANVILLE MARCUS GOBALD LA GOE JIMMY GOMEZ CRUZ LUKE GOODWIN MATTHEW GORDON SAMANTHA GORDON BRENT GRAHAM DAVID GRASSO ELIZABETH GREENWOOD ADAM GROVE MARTIN GRUNDLINGH ABBAS HAIDER CHRIS HAJOS DEAN HAMILL NALEEN HARAKH SIMON HARDIE JOSHUA HARDING MARK HARDING ALICE HARRIS LIAM HART BRUCE HARVEY SCOTT HARVEY ERROL HATTERSLEY SOSAIA HAVEA AARON HAYWARD JAMES HAYWARD DANIELSON HEATHER KINGSTON HEMI-WHAREKAWA MALCOLM HENDERSON ALEX HENDRY PETER HENDRY ADAM HEREMAIA CHRIS HIBBERT SIMON HICKEY WING HIEW IAIN HIGGINS MOHAMMAD HIJAZI TRUCE-ANNE HILLARY CORAZON HINCHCLIFFE TJ HIRINI ALEX HIRSLER GRAEME HIRST CUNG UK HLIHAL ANDREW HOARE MARK HOBBS ROB HOLLIER BLAKE HOOKHAM RAFAEL HORMIGO HAMANA HOUJA MATTHEW HOUSE ROSS HOWARD JYE HOWSON MARTIC HRABANOV YUAN YUAN HU QUI YING HUANG COLIN HUDGSON ANDREW HUESSER BENJAMIN HUME WAYNE HUME NIDA HUOT PIO HURINUI PETER HURRING PHUONG TAY HUYNH CHANTELLE INA GRANT INWOOD SALA IOANE MICHAEL IOPPOLO BRUCE IRVINE KAORI ISHIKAWA JEREMY JAMES BEATA JANKO SALOTE JEBREEL CHARLOTTE JEFFORD DEBORAH JENKINS RYAN JENKINS KYOHUN JEONG MATTHEW JEWELL NARENDRA JINA MAXWELL JOHANSSON PAUL JOHNSON ABBY JONES YULI JURADO JURADO TATSUYA KAKEMOTO TRIIN KALMIUS YOGENTHIRAM KANDIAH DIMITRIOS KAPETANIOS JONATHAN KARANTGIS PARDEEP KATARIA PENISONI KATOA RAMINDER KAUR SIOSAIA KAVA KELEMETE KELEMETE RORTHA KEO JAN KERR IRSHAD KHAN SAY MOY KHEE RAKSMEY KHUN RITHIPOLMOLY KHUN GORDANA KILIBARDA HYEMIN KIM PAUL KING DODINA KISONA ADAM KNAPP WAI YOU KOON NEELAM KOUR JAYAPRAKASH KRISHNAMOORTHY CHARLIE KUMAR GAURAV KUMAR MANDEEP KUMAR DAVID LADARU PANAPA LAFOA LATA LALONI PAKINAHLOTU LALONI SIONE LALONI TEVITA LALONI CHIN WING LAM INOKE LAMA LILO LAMA SIFA LAMA TIUETI LAMA GEOFF LAMONT DAVID LANDY PETER LANGE MU LAR LAWRENCE LAVERY HUMPHREY LAWRENCE SOLOMON JR LEAUPPE FROST HAZEL LEES ERONI LEILUA RICCARDO LE'MONT CHRISTOPHER LEONE GAVIN LEVY TRUDY LEWIS MICHAEL LIA SEFTON LIA JOANNA LIM BIMALA LIMBU KAREN LINDSAY CAROL LISSINGTON DANIEL LITTLE GRACE LITTLE WILLIAM LITTLE LEI LIU XIUGE LIU ANDREW LOCKYER MARK LOGIUDICE PETER LOPES

CHUN-CHIA LU DICKSON LUPO TUSIGA LUTAU BRUCE LYON LUKE MACEY ROSS MADAFFERI BAL MAGAR MANGAL MAGAR YAM MAGAR TK MAH BRADLEY MAHAR BRENT MAHAR JITH MAJHI AJAY MAJHI SHAQUILLE MAKIHA JAMES MALONEY JOSEPH MANARITI ROCCO MANARITI DIL KUMAR MANGAR GAURI MANGAR TIL MANGAR UNTI MANGAR DHAN MANGER FUSIPALA MANOA DAYAL MANU LOINISENI MANUMUA SAM MARSON IAN MARTIN PATRICK MARZANO HAMISH MASON SCOTT MASON SHANNON MASON FALCO MASTROCOLA LUKE MASTROCOLA BERNARD MATAELE ABBEY MATEW TAJELI MAUGA TIMOTHY MAWSON AARON MAYNE DANIEL MAZENGLIA VICTOR MAZUTTI SAID ALLAN MAZZOLA MURRAY MCBRIDE JANET MCCLUSKIE-SUBLETT SARAH MCCORMACK LOUISE MCDONALD STORM MCDOWELL BRETT MCGUIRE LYNN MCKAY ANDREW MCKENZIE MARGARET MCKENZIE MITCHELL MCKEOWEN LUKE MCKEOWN DEREK MCKINNEL FERGUS MCKINNON PHIL MCLEAN GREGORY MEIBUSCH REECE MERRETT RUEBEN MERRICK DALE METCALF MATTHEW METCALF MARK MIDDLETON SALVATORE MILANESE RANGI MILLAN JACQUELINE MILLAR STEPHEN MILLAR DON MILLER IAN MILNE JO MINTON-CONNELL LAR MIT MALACHI MITCHELL ROSNAH BINTI MOHD HASHIM NURUL HANA MOHD SHOKERI PURNA MONGAR DANIEL MOOR MICHAEL MOORE RUFINO MORALES STEVEN MORICE HEKI SUVA MOUNGA KIM MOUNSEY ROB MULHOLLAND KEVIN MUNROE SRINIVAS MUPPAVARAM LOGAN MURPHY ALLAN MURRAY VINCE MUSICO SOJAN MUTHUNNY WHITNEY MUTU CON MYDARAS FLORA MYDARAS CON MYLONPOULOS TIMEA NANASI MAHES NARAN SUSAN NEALE HOLLY NEENAN DANIEL NEUMANN JEFF NEUMANN COREY NGAIA PATIENCE NGUGI SY NGUON LIEM NGUYEN JASON NOBLE MOE NOI WASUNTARA NOINACHOT COURTNEY NORMAN TIMOTHY NORTH PETER NORTHERN CIA NUAI CESAR NUNEZ TORO STEVEN OAKES SAM O'CONNELL MARK O'CONNOR URSULA O'DONOHUE WAYNE O'HALLORAN BRAD O'KANE GRAEME OLDHAM BRENDAN O'NEILL SEAN O'NEILL CHRISTOPHER O'ROURKE NICHOLAS O'SULLIVAN ROGER O'SULLIVAN RICHARD OTT NOEL OWEN FRANZ PABLO SHAJU PADAYATTY HORMMIES ISMAEL PAGE SENITU PAKOME KIRAN PANT DIMITRIOS PAPAAGIANNIS GRACE PAQUERA HAN NA PARK TRACY PARKER MARCUS PARLATO JAMES PARRY JUSTIN PARSONS MONIKA PATEL SUNIL PATEL ALONE PATIA DEVON PATRICK CRAIG PERRY DARYL PETERSON LAR PHAN THUY PHAN HOON PHAT SUZANNE PHIBBS FRANK PICCOLO GIOVANNI PILATI ROBERT PITOITUA MARK PLYMIN ROCHELLE POSSON KAUSHIK POKKULA TIM POORTER ADELLE PORTER BLANCA PORTILLO ACOSTA CHANDRA PRADHAN BHIM PRASAD DHUNGANA JERRY PRENDERGAST DAVID PRICE LIAN PRICE STEPHEN PRIOR CRAIG PRITCHARD SAMUEL PROUTING DUNCAN PRYOR GREIG PULLAR LUKE RADAN KAREN RADWAY ASHOK RAI JONASH RAI JERIN RAJU AMIT RAM TONY RANALLI RUSSELL RANGI RANGI ABDUL RAHID JOSHUA RATIMA GIOVANNI RATIMA-MITA JAKOB RAUHIHI JITHENDRA REDDY BATTULA JADE REEVES MICHAEL REGAN BEH REH DAY REH NAY REH PLEH REH POE REH PREH REH SAY REH SHAR REH BRETT REID SHARON REID HOWARD REILLY COREY RHEA JOHN RHEA MICAH RICHARDS WENDY RICHARDS SHANE RICKIT MASELINO RISATI JASON ROBERTS JILLIAN ROBERTSON LANCE ROBERTSON RUSSELL ROBINSON KAREN ROBSON JOHN RODERICK LIGIA RODRIGUES TEDDY RODRIGUEZ MERY ROJAS ORTEGA CLARISSA ROMANO CARLOS ROSALES SERRANO DAMIEN ROSELLA PAULINE ROSELLA BENJAMIN ROSS HORI ROSS FRANK RUGGIERO A RUNG RUNG NATASHA RUS JAMIE RUSS MICHAEL RUSSELL NICHOLAS RYAN DANIEL SALAU JIAH ARLETTE SALLEY GLENN SALT MARY SAMPIERI MUANI SANGI LOVISH SAPRA DAVID SAVILLE ROCCO SCARFO NATALIE SCARGALL PAUL SCHEFFER PAOLO SCIANCALEPORA DIANE SCOTT ELIZA SCOTT SHANE SCOTT STEVEN SERCIA BRUCE SHEED REBECCA SHEED ANDREW SHIRLEY CURTLY SHRIMPTON KAMALKANT SHUKLA ANGUS SILVESTER TRISH SIMAILE AMANDEEP SINGH ARSHDEEP SINGH ASHNOTI SINGH DILDAR SINGH HARVINDER SINGH HARWINDER SINGH KULDEEP SINGH PARMJIT SINGH PRANEEL SINGH RACHHPAL SINGH SATNAM SINGH ARSHDEEP SINGH SIDHU JOHN SIOZIOS STEVEN SKRUZNY NATHAN SMART MARK SMITH TAFUNAI SOLI TREVOR SOLOMONA KIM OUN SOUNG DAVID SPEDDING MELISSA SPENCER RHETT SPENCER STEPHEN SPENCER JOSEPH SPITERI BRENDAN SPITLES HARSIMRAN (SIMI) SINGH SRAN KELLIE STAM PETER STAM NUNZIO STARVAGGI JAY STEEDMAN BELLA STEHLIN MICHAEL STEVENS OWEN STOTTS SIMONE STRATHAIRN GRANT STUMBLES DHAN SUNWAR WAYNE SWIFT GEORGE SYMEONAKIS JEROME TAEFU AARON TAHI RICHARD TAIAROA MURRAY TAIT MOSESE TALANOA CEM TALAWNG DAR TALAWNG BRONSON TALOA AJITH TAMANG BRINDA TAMANY TRAN NGUYEN TAN KHOA SUN TANG SAIMONE TANGATAEVAVA PIERRE TANNOURI FA'AILOGA TANUVASA ELLERY TAPPIN KELEKOLIO TAPUELUU ANGELO TARANTO MARIO TARANTO APITANGA TAUFA OTO TAUSINGA CAMERON TAYLOR GORDON TAYLOR EVAN TEHIKO SETH TEHORE-GARDINER BLING THACH HENG THACH KIEN THACH SADRY THACH TANE THACH THUON THACH BIJENDRA THAPALIYA DEP THI OANH THI UT KIM THI ELANGO THIVAGARAJAN BEN THOMAS EMMA THOMAS ANNE THOMSON WILLIAM THRUSSELL LAR THU SHANE TIDY MICHAEL TIERNEY SUNG TLIANG NEH ALFRED TOAIOLO BERNARD TOAIOLO MATTHAN TOAIOLO RIAAN TOAIOLO ROMERO TOAIOLO SHAOLIN TOAIOLO MAREE TOKOLAHI PENISIMANI TONGA PETERU TOPETO CYRIL TORRANCE MU TOY NUM TRAM DAO TRAN THISIDA TRAN TRAI TRAN VE TRAN THI TRANG DOUG TRASK JOSEPH TRIMBOLI HENRY TROTT NATASHA TROVATO ALAN TSAI JERMAINE TUHI TOLOVAE TUILAEPA TUITI-ANGELAS TUITI-TAHI BOBBY TUPOU FILIMONE TUPOU CARL TURNER TAMANGO UARUTA MAI LUNG BRANDON UTIA PENG VAN PENG IRINA VASSILIEVA KELEPI VAVE CON VELONIAS PATRICK VENA ADAM VUNIPOLA APOLLO VUNIPOLA JOHN WADDINGTON SHANE WADSWORTH MICHAEL WAGNER SHERYL WAGNER ALAN WAKE PHIL WALLIS XINYI WAN MURRAY WARD SHAYNA WARD WAYNE WATKINS BAXTER WATSON KATE WATSON ROSS WATSON TRUDI WEBB HARRY WEBLEY WAYNE WEBLEY JAMES WEBSTER KERRY WELLS KELLY WETRE LA WI ROBYN WICKENDEN JOANNE WILLETS HAZEL WILLEY ELLIOT WILLIAMS DIANA WILSON ANDREW WILTON CORRINEKE WINDLE WING WONG JARED WOODCOCK ETHAN WOODMASS ALEX YE JONGHO YEO CHENGMING YI JIAN YU ANTONIO ZANNINO CA TIN TIAL ZATHANG ANTHONY ZECCHINATI WENDY ZHOU

Together.

Stronger.

MG's core purpose is to grow the overall wealth and profitability of the Co-operative, its shareholders and growers, through relevant initiatives while maintaining co-operative principles.

RESILIENCE

Show true leadership to grow the business and overcome challenges by making decisions that protect the future of our grower Co-operative and make sure the benefits are enjoyed by generations to come.

CO-OPERATIVE BEHAVIOUR

Work hard together to make sure the benefits of our Co-operative model drive growth, value, trust and a willingness to work closely alongside each other.

VALUE

Keep reviewing the benefits our grower shareholders receive while finding new and relevant ways to add value.

GROWTH

Diversify and expand produce lines locally as well as make our Co-operative attractive to off-shore markets so we can grow our export activity.

PARTNERSHIP

Expand the level of communication to keep our grower shareholders up-to-date and support a positive delivery of our shared vision, direction and values.

CAPABILITY

Continue to have the best people, doing the right job, with the right tools to support the wide range of needs of our grower network.

MG PEOPLE

Thanks to the unique skills, knowledge and passion of our people, and our dedication to helping support growers and customers, MG continues to deliver a level of service unmatched in the market.

It is our belief that everyone working for the Co-operative has a role to play in delivering on our strategic pillars and makes a positive difference in our business.

Our culture is one of support, opportunity and on-going development, as well as providing a workplace that ensures our people go home safe and well each day. To that point, the well-being, health and safety of our people is front-of-mind at a Board, Management and operational level.

During the year, we introduced a number of safety initiatives through our Together. Safer.® programme to educate our people about risks which exist and their responsibilities with regards to keeping themselves and their colleagues safe. Our online reporting system, Ecoportal, is now implemented and providing improved reporting for incidents and near misses. Our goals for the future are to increase engagement in safety and further develop the culture of shared responsibility across our entire workforce.

Our response to COVID-19, detailed earlier in this document, highlighted the benefits of our investment in our people, who showed adaptability and resilience as we navigated the impacts of the pandemic.

On behalf of the Board and Management, we would like to thank all of our employees for their tremendous efforts and contributions during a year with unexpected challenges. The results our Co-operative has been able to achieve, and continues to achieve, are testament to their energy, hard work and dedication to the business.

Once again, we acknowledge our people by publishing their names in the Annual Review.



↑ MG Executive Management Team

From left to right: Peter Hendry (Chief Executive Officer); Duncan Pryor (Company Secretary & Chief Financial Officer); Chris Hibbert (Chief Information Officer); Roger Georgieff (National Procurement Manager); Ellery Tappin (General Manager Communications and Sustainability); Greig Pullar (National Operations Manager); Kerry Wells (International Business Manager); Jerry Prendergast (National Key Account Manager); Kimberly Chavez (Internal Audit & Risk Manager); Jade Reeves (Imports Manager); Iain Higgins (IT Manager International).



On behalf of the Board and Management, we would like to thank all of our employees for their tremendous efforts and contributions during a year with unexpected challenges.

GRADUATE PROGRAMME

We are pleased to again build on our successful MG Graduate Programme which is now in its fifth year. The programme was introduced to attract and retain talented young people into the business. The graduates are not required to have any previous industry experience and are provided with an opportunity to learn about key areas of the business before launching their career with MG.

The success of the programme is highlighted by the number of employees who started as graduates and have progressed through the business to now hold key roles in various departments. After five years we have retained 95% of the graduates.

The 2021 programme will be extended to build depth in other areas of the business, including IT and finance, warehousing and logistics.

SALES ACADEMY

The MG Sales Academy, launched in 2017, is a programme focused on training and mentoring current employees to strengthen their skills in sales roles. The programme forms part of the overall strategy which includes staff retention, increasing our depth in key roles and is part of our succession plan for the future, to retain, develop, and grow our people.

A further six employees benefited from the development opportunity by completing the Sales Academy programme this year.





NEW ZEALAND OPERATIONS

In a year of extraordinary global events, MG's domestic business has strengthened its commercial position. This has been achieved through a keen focus on fostering grower and customer relationships, together with a continued focus on managing costs.

Following a record financial result in 2019, our New Zealand operation grew its revenue a further \$16.6m to \$486.8m for the 2020 financial year. This is despite a year that started with a sustained period of depressed pricing that was initiated by soft consumer demand and further exacerbated by oversupply in a number of key categories. It was a challenging combination of trading conditions that continued through to December 2019.

Then the business was forced to navigate through the COVID-19 environment for the final months of the financial year. Our branch network suffered huge surges in demand which required our teams to deliver under enormous pressure, followed by dramatic dips, presenting the challenge of finding a home for stock-

on-hand. This reflected the challenges faced by our key customers and the unpredictability of consumer habits during the crisis.

During the period of enforced lock-down we suffered a sudden drop in business from independent fruit and vegetable retailers, who were not deemed essential, and a sharp decline in demand from our customers who service the hospitality sector.

We quickly adapted to these changing circumstances by supporting our customers who were under enormous pressure. In some locations this included acting as the main distribution centre, storing fruit and vegetables on their behalf, and delivering directly to stores. In other locations we worked closely with retailers who modified their business to sell fruit and vegetable boxes by assisting with contactless supply and distribution and, in some instances, used our branches resources to pack on site. Our teams across the country had a shared goal to remain operational throughout

the crisis to support New Zealand through the pandemic and continue to deliver exceptional service - we are proud to say this was achieved.

It is the diversity of our New Zealand operations and our branches' ability to align with local markets, combined with our strategy to remain relevant to retail customers, that contributed to significant uplift in sales through the second half of the year.

We continue to run a lean operation of highly capable people whose focus is on great service. A great deal of our overall success can also be traced back to the work undertaken by our sales team who work tirelessly to align supply and demand, our procurement team, who collaborate with growers to support supply programmes, as well as our key accounts team who work closely with our customers to support category planning and promotions.

We have also continued to invest in the development of IP varieties. Our 33% shareholding in the New Zealand Fruit

Tree Company and Zee Sweet Ltd is also an important investment in this area, as it gives MG better access to high quality IP varieties that have enhanced consumer appeal.

The MG Direct model is now well established in the North and South Islands and has proven to be a valuable part of the business. It has delivered consistent year-on-year gains while not having a significant impact on branch sales. This growth has been primarily driven by increasing market share and delivering efficient service to growers and customers.

Our diversity strategy includes our investments in farming operations. JS Ewers again performed well, despite the period of low values at the start of the financial year. A significant achievement for JS Ewers was the completion of a project to modernise the glasshouse heating system to generate energy more efficiently while significantly reducing the impact on the environment. JS Ewers' commitment to sustainability was further highlighted by a major project to retrofit glasshouses with thermal screens to protect produce crops from overheating on hot days, to minimise heat loss during cold periods, and to trap heat in when temperatures drop significantly overnight. Work was also completed on the improved use of recycled water.

The greenfield investment in Kaipaki Berryfruits Ltd, in which MG owns 100% of the property & infrastructure company and 50% of the berry fruit growing operation, made a solid start to its first season. The Cambridge based operation started strawberry production in January 2020 and continued through to June. Further development is underway on the west-side of the berry farm and raspberries are being planted and expected to be harvested in February 2021. This is a long-term investment and it has made a very promising start, confirming it's the right approach to invest in industry best practice infrastructure.

As mentioned earlier, MG has also secured the exclusive growing and market rights for BerryWorld varieties, a significant global player in the breeding of berries which are widely acknowledged as some of the best in the world. This is an exciting opportunity to strengthen our position in the berry category by contracting Kaipaki Berryfruits and other growers to produce the new varieties that are renowned for their superior yield, taste and quality.

Alignment of interests is a longstanding feature of our New Zealand business, demonstrated by our willingness to both invest in growing operations that are of value to customers and

also support growers in those same categories. This strategy has enabled MG to establish a leading position in key categories, which in-turn allows us to go to market with more influence and secure high-value programmes with key customers for our growers.

Originally planned for June 2020, our major project to roll-out a new IT system, M3, was delayed by COVID-19. This was mainly because resources were redeployed to support day-to-day operations during the lockdown period. The MG IT team are now refocused on delivering the project and have entered the testing and deployment phase. The new system will be implemented branch-by-branch, in 2021. This is a significant investment and we are determined to take the time to get it right. This new system is essential for us to provide the tools to increase business productivity, provide greater efficiency and enhance our service levels.

We want to emphasise though, that while technology is becoming more and more important, the fundamentals of putting people first won't change. We remain absolutely committed to giving our growers and customers the best experience we can, both personally and through the use of new digital systems.





AUSTRALIAN OPERATIONS – LAMANNA PREMIER GROUP PTY LTD (LPG)

While the 12 months reviewed have been a period of challenge for LPG, the company continues its business improvements and growth strategy to underpin the long-term future.

LPG's financial results are due to a mix of one-off costs incurred this year including additional provisions for doubtful debts (as a result of COVID-19), along with some significant farming challenges.

Following the ongoing review of facilities, the process to consolidate operations and rationalise the number of sites continues this year. This includes the permanent closure of four warehouses, and while this will greatly reduce the long-term operating costs, there is a requirement to incur immediate costs while LPG exits the facilities.

Being an integrated business has become a critical element to ensure LPG remains relevant to our key customers. However, being involved in horticultural farming, the business is always exposed to climatic conditions and other vagaries - this year was no exception.

A strategic decision was made to discontinue certain product lines in an associate's farming operations in order to best position the LPG Group for the future.

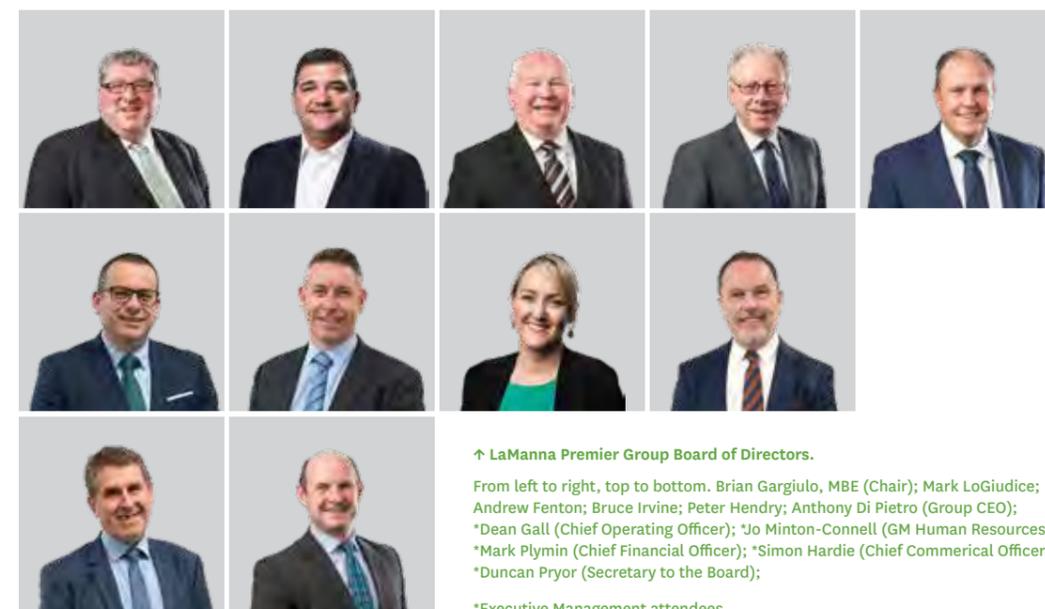
In addition to the one-off cost outlined above, a severe hailstorm and ongoing poor weather had a major impact on the outdoor tomato crop at the joint-venture farming operation, Mercuri Farms, in Victoria. The Innisfail Banana Farming Company endured a period of high-winds that damaged plants and impacted the quantity and quality of bananas available for harvest.

The future focus for growing is to mitigate the risks associated with variable weather and climatic conditions where possible. This strategy is reflected in the proposed expansion plans for the tomato growing operation in Lancaster, Victoria, where crops will grow in a controlled environment and be protected from the elements.

COVID-19 continues to have a significant impact on LPG's business operations. The benefit from the initial surge in

demand for fresh produce was largely offset by the investment required in business continuity. This included further development of IT systems, establishing safe work practices and the need to run multiple shifts, all of which contributed to increased operating costs. COVID-19 is also significantly affecting service provider customers, reducing growers' ability to sell their full crop, which in-turn is depressing the overall category pricing. It has been a very difficult period for staff. The people across LPG have demonstrated commitment above and beyond all reasonable expectations in supporting the business through a turbulent period.

The wholesale business was steady and gained momentum throughout the year in an increasingly competitive Australian market. Customers are increasing their own service provision facilities, refining their supply chain, and focusing on wholesalers that provide genuine relevance to their business. LPG is ensuring it provides efficiencies and an integrated offering that is of real value to key retail partners.



↑ LaManna Premier Group Board of Directors.

From left to right, top to bottom. Brian Gargiulo, MBE (Chair); Mark LoGiudice; Andrew Fenton; Bruce Irvine; Peter Hendry; Anthony Di Pietro (Group CEO); *Dean Gall (Chief Operating Officer); *Jo Minton-Connell (GM Human Resources); *Mark Plymin (Chief Financial Officer); *Simon Hardie (Chief Commercial Officer); *Duncan Pryor (Secretary to the Board);

*Executive Management attendees.

LPG has established a direct-to-distribution-centre strategy, similar to the MG Direct model, that facilitates a closer working relationship with growers and adds value to the services provided to key customers. It has already started living up to its promise of driving efficiency into the sales and marketing process.

LPG's Board and its CEO have made significant decisions to better position the business for the future and are relentless in their ambition to drive LPG forward. This includes taking steps towards reducing operating costs through the consolidation of facilities in key cities, streamlining the business, improving productivity, and development of smart systems and technology to support the operations.

While work is underway internally to drive improvements throughout

the business, there is also a focus on optimising the ability to grow revenue. LPG has directed key resources towards strengthening its core position across the banana, tomato, soft vegetable, melon and pumpkin categories.

These projects, and others in the journey towards reshaping the business, will require determination, focus, and capital investment to achieve the long-term financial rewards.

The year presented its share of good news stories, including winning the Metcash Produce Supplier of the Year for 2019 award at an annual event that acknowledges the best sales, support and innovation from Australian businesses in the produce sector.

The year also saw LPG further enhance its reputation as having some of the highest

compliance standards, with industry leading systems related to responsible sourcing and food safety. Further investment in this area has provided LPG with a point-of-difference from other suppliers and has made the business more relevant to key supermarket customers.

There is still more work to be done over the next 12 months, and further into the future, on reducing LPG's costs through an ongoing programme of continuous improvement while maintaining prudent capital and financial management.

The 2021 year will be characterised by continued volatility and some uncertainty. LPG has a clear strategy to continue as a sustainable and successful business over the long-term with the infrastructure, the scale, the diversity of people and thinking available to do this.



INTERNATIONAL

The first six months were extremely strong in the international trading division of MG, with good values across a wide range of product lines, while the second half of the year was characterised by significant biosecurity issues and COVID-19.

MPI took the precautionary measure to suspend all cucurbit imports out of Queensland in December 2019 after the discovery of the Cucumber Green Mottle Mosaic Virus on melons, with no clear indication of when authorities will reopen the pathway. This was coupled with the introduction of new biosecurity regulations which restricted our ability to bring certain product lines to market. Airlines scheduling fewer passenger flights to New Zealand resulted in a lack of airspace for freight and restricted volume in the later part of the year. The loss of trade from these issues had an impact on the division's revenue.

The on-set of COVID-19 in the later part of the financial year resulted in prices falling for high value categories, such as grapes and pineapples. However, other categories remained steady, while demand for citrus was strong as consumers were drawn towards produce with high vitamin C. The influence of

more home prepared meals also had a positive influence on sales with the likes of imported garlic and ginger enjoying strong growth this year.

The banana category remains highly competitive, but we have again continued to maintain the largest share in the New Zealand market. The volatility created by COVID-19 has meant we've come through the winter and start of the 2020 / 2021 financial year with depressed market conditions.

We would like to take the opportunity to thank our supply partners for their unwavering support in the face of this extraordinary global crisis. We import fresh fruit and vegetables from 17 countries, most of which were hit exceptionally hard by COVID-19. Our partners went above-and-beyond to manage logistics under exceptionally difficult operating conditions and ensured MG had a seamless supply of imported product.

We are very fortunate to be supported by long standing suppliers such as Dole, Sunkist, Mildura Fruit Co, Jasmine Vineyards, Mulgowie, GV Independent Packers, Fruitmaster and a large number of smaller family-owned businesses.



Despite a year significantly disrupted by biosecurity issues and COVID-19, our imports team delivered solid earnings growth, reflecting the strength of our diverse portfolio of products and the strong support of our supply partners.



TE MATA EXPORTS 2012 LTD (TE MATA)

Our export business, Te Mata, had another solid year of sales growth, however, there was a drop in profitability due to increased costs that were incurred to execute a growth strategy. Te Mata's financial year runs from January to December and it is pleasing to report that the business has made a strong start to their first six months of trading.

This year saw MG acquire an additional 24% stake, boosting our overall ownership in Te Mata to 74%. Exporting produce is a key pillar of our overall growth strategy and this further investment highlights our commitment to enhancing our capability in this area of the business.

Te Mata also strengthened its capability by formalising a presence in the Australian market. While Te Mata already traded product from across the Tasman,

it now has dedicated resources, including a team of experienced traders. This team will drive the fresh produce export business out of Australia and other countries. This required some upfront investment which will provide enhanced returns in the long-term.

The impact of COVID-19 created a number of logistical challenges which the team at Te Mata navigated reasonably well. Every export market is different with some pathways more accessible during the pandemic than others. The team was able to draw on their experience and leverage the strong relationships they have developed at either end of the supply-chain to successfully get product to markets that were available.

For Te Mata's new financial year commencing in January, the business experienced weak demand for grapes

following the outbreak of COVID-19. Queensland citrus volume has been back on forecast and Central Otago also had a poor cherry season. The revenue growth has largely come from apples with increased volumes coupled with favourable pricing.

Te Mata is also undertaking a programme to introduce new IP apple varieties that will further bolster relevance in the market, especially in Asia where they're expected to have widespread consumer appeal.

While the macroeconomic impacts of the COVID-19 are difficult to predict for the export market, Te Mata's strong base, along with the new focus introduced by the Australian team, has the business well positioned for the future.

UNITED FLOWER GROWERS LTD (UFG)

While COVID-19 trading restrictions did not have a substantive impact on fresh produce sales, our joint-venture flower business was adversely affected by the lockdown.

UFG was not considered an essential business so had to remain closed throughout the period of enforced lockdown. The pre-COVID-19 flower market was tracking well against predicted sales, with high values compared to last year. The inability to host live auctions for buyers did result in a reduction of business, however, this was mitigated to a certain extent by the ability to hold online auctions using cloud-based technology. UFG was also able to access government support in the form of the wage subsidy and while this eased the financial burden, it did not cover the loss of income over the lockdown period.

Given flowers are a luxury item, it is encouraging to see consumer demand remain steady throughout the COVID-19

period but because there's considerable economic uncertainty, there still remains market volatility in this sector.

The Board of UFG and the Management are working to ensure the long-term security of the business with a focus on reducing operating costs. There is a business continuity plan in place for managing through the remainder of the pandemic and a strategy to reposition UFG for the future. UFG is now leaner as a consequence, with an increased focus on efficiency and a plan to continue to grow the business.

The sales and marketing team across the country are focused on cementing existing business while establishing and growing new opportunities with supermarket customers. Further work has been completed to enhance the online auction system and there will be future investment in technology to improve efficiencies and lower costs.

There has also been a change in management with Bruce O'Brien retiring and General Manager, Tony Hayes, being appointed to the CEO role.

Despite the significant impact of COVID-19, UFG still managed to make a modest profit for the year. The team's commitment to work innovatively and to manage the change in supply channels was a significant factor in keeping customers supplied throughout the pandemic.



FIRST FRESH NEW ZEALAND LTD (FIRST FRESH)

MG owns 30% of First Fresh, a leading citrus and persimmon supplier for both domestic and export markets. The Gisborne-based business also supplies kiwifruit and sub-tropical lines.

First Fresh has delivered positive sales growth again this year, and under focussed leadership, continues to capitalise on market opportunities to position the business for future growth.

Citrus has a biennial cycle, and being an off-year, there were lower overall volumes but higher values. It was an excellent year for persimmons, with a record crop and strong off-shore demand.

COVID-19 presented a number of operational difficulties but the increase in consumer demand for citrus and other fruit had a positive bearing on domestic and international sales.

Off-shore trading through the COVID-19 outbreak was particularly complex due to market volatility. The experienced team at First Fresh have worked hard to redirect product toward markets that were performing well.

Last year we reported that First Fresh secured the exclusive rights to pack Sunkist branded citrus in New Zealand for receivers in Asia. First Fresh has now also secured the New Zealand rights to pack and market Sunkist branded citrus for the domestic market, starting with Navel oranges in September 2020. This ties in with the MG Marketing imports programme for Sunkist fruit from California and provides a year-round brand consistency for customers that is unmatched by competitors.

New Zealand Fruits, a post-harvest service provider which is partially owned by

First Fresh, has completed its significant upgrade to modernise the facility which is delivering significant efficiencies.

Looking ahead, First Fresh has started its financial year, which starts in April, with strong sales. This is due to a high volume of early crops, but this is expected to balance out as the year progresses.

The business is focused on growth opportunities and is well-positioned to continue to improve performance in coming years.





We understand that if we are alert and responsive, we will help create a healthier and more prosperous society and that will in-turn help our business to be successful.

SUSTAINABILITY

We recognise that the focus on the environmental and societal impact of businesses and performance has increased in recent years, with growing interest from a wider range of stakeholders including shareholders, grower-suppliers, customers and policy-makers.

This has been a significant year for MG, with the appointment of a General Manager Communications and Sustainability who is charged with developing and leading a sustainability programme.

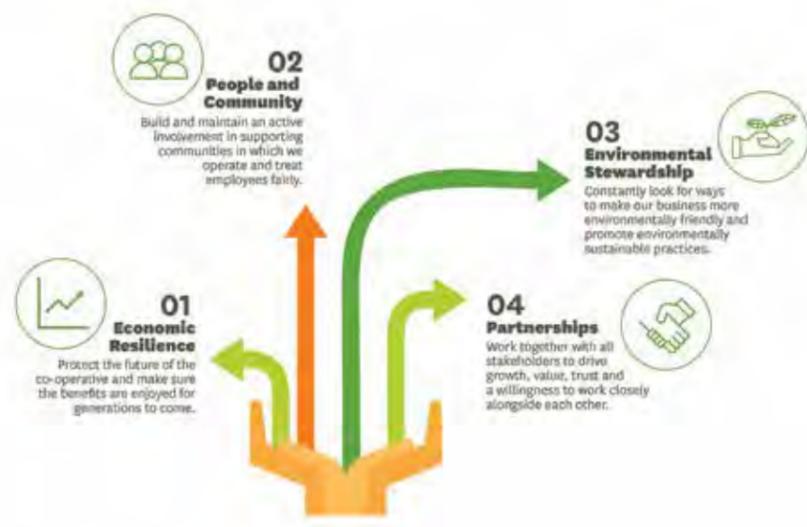
Subsequently, this year saw the launch of the inaugural Sustainability Roadmap. We have not adopted a one-size-fits-all approach, preferring to carefully consider what sustainability looks like for our Co-operative. We have also taken the time to look outward and ensure MG considers the interests of all its stakeholders. We understand that if we are alert and responsive, we will help create a healthier and more prosperous society and that will in-turn help our business to be successful.

The roadmap outlines MG's drive to create a better business by continually improving

the way we support the environment, our people and the community. However, we must create a long-lasting, sustainable and profitable business if we are to have a positive impact in these areas, which is why economic resilience is a key part of our plan.

We also understand that there's competition for fresh produce and we never take our growers' or customers' loyalty for granted. Therefore, we also have a clear focus on partnerships which includes doing a better job of communicating the benefits of working alongside MG.

The next step in our journey is to embed the principles outlined in our roadmap and take every opportunity to integrate sustainable practices across our business.



COMMUNITY

MG has continued its longstanding support of the non-profit sector during the year and contributes to the communities in which we operate.



Through our major partnership with the Māia Foundation, MG is contributing to a number of significant projects that make a difference to health care throughout the country. Māia recently helped fund a new helicopter pad at Christchurch Hospital and is embarking on a new project to help build a facility for youth mental health services. MG was a founding business partner in 2017 and earlier this year was pleased to extend the agreement by a further five years.



MG also sponsors the 5+ A Day Charitable Trust whose aim is to promote healthy lifestyles by encouraging people to eat five or more servings of fresh fruit and vegetables every day. The Trust uses the sponsorship contributions to help fund education material and curriculum-linked resources that are provided free to educators and health professionals.

MG continues to support the efforts of the Salvation Army and, along with Dole New Zealand Limited, is in the final stages of finalising a major national partnership to make a weekly contribution of bananas and other fresh produce to their network of food banks across New Zealand.

During COVID-19, MG worked alongside its grower-suppliers to channel fresh fruit and vegetables to food banks in order to support vulnerable communities during the COVID-19 pandemic. Food banks experienced a significant surge in demand due to the economic impact of the pandemic. With food service businesses and independent produce retailers unable to take their usual volumes during the crisis, growers had some excess produce on-hand. Rather than this end up being wasted or ploughed back into the ground, MG helped redirect over 25,000 kg of fresh fruit and vegetables to New Zealand's most vulnerable.

Our associate and subsidiary businesses also actively participate in a variety of initiatives to support local communities.

INCOME STATEMENT

FOR YEAR ENDED 30 JUNE 2020

	GROUP	
	2020 \$'000	2019 \$'000
Revenue – sale of goods	598,923	576,689
Cost of sales	532,398	507,677
Gross profit	66,525	69,012
Other operating income	3,277	2,870
Administrative expenses	12,932	12,252
Other expenses	43,289	42,419
Results from operating activities before other income and other expenses	13,581	17,211
Other income – gain on sale fixed assets	1,103	9,448
Other income – gain on acquisition	2,383	-
Results from operating activities	17,067	26,659
Finance income	166	290
Finance expense	4,051	2,855
Net finance costs	3,885	2,565
Share of (Loss)/profit of equity accounted investees	(284)	655
Profit before income tax	12,898	24,749
Income tax expense	1,528	7,583
Profit for the year	11,370	17,166

Revenue now includes Te Mata Exports.

Gain on the acquisition from increased shareholding in Te Mata Exports.

Last year's gain on the sale of the Sydney property.

CASHFLOW STATEMENT

FOR YEAR ENDED 30 JUNE 2020

	2020	2019
Net cash from operating activities	22,695	17,681
Net cash (used in) / from investing activities	(15,857)	4,114
Net cash from / (used in) financing activities	767	(15,072)
Net increase in cash and cash equivalents	7,605	6,723
Cash and cash equivalents at 1 July	15,498	9,253
Effect of exchange rate fluctuations on cash held	113	(478)
Cash and cash equivalents at 30 June	23,216	15,498

Continued strong cash flows from operations.

Continued investment primarily in property, plant and equipment.

This Annual Review is a summary of the full Annual Report and financial statements. Copies of the full documents can be found on the MG website (www.mgmarketing.co.nz).

BALANCE SHEET

AS AT 30 JUNE 2020

	GROUP	
	2020 \$'000	2019 \$'000
EQUITY		
Share capital	38,140	33,024
Reserves	44,336	44,105
Retained earnings	51,954	47,223
Total equity attributable to equity holders of the Parent Company	134,430	124,352
Non-controlling interest	9,370	9,595
Total equity	143,800	133,947
NON-CURRENT ASSETS		
Property, plant and equipment	208,696	157,198
Intangible assets	33,526	26,281
Investments in equity accounted investees	5,787	7,745
Investments other	4,767	4,384
Deferred tax assets	5,932	4,323
Total non-current assets	258,708	199,931
CURRENT ASSETS		
Inventories	9,874	9,425
Trade and other receivables	69,705	54,178
Cash and cash equivalents	23,216	15,498
Non-current assets held for sale	1,190	-
Total current assets	103,985	79,101
Total assets	362,693	279,032
NON-CURRENT LIABILITIES		
Borrowings	54,923	49,569
Trade and other payables	2,258	1,780
Deferred tax liabilities	7,368	8,665
Lease liability	39,501	-
Total non-current liabilities	104,050	60,014
CURRENT LIABILITIES		
Borrowings	10,880	6,886
Trade and other payables	91,861	73,775
Taxation payable	4,769	4,410
Lease liability	7,333	-
Total current liabilities	114,843	85,071
Total liabilities	218,893	145,085
NET ASSETS	143,800	133,947

Increase due to last year's distributions being capitalised into more co-operative shares.

Increase due to additions and a change in accounting standard which treats leases as a 'right-of-use' asset with an associated lease liability (below).

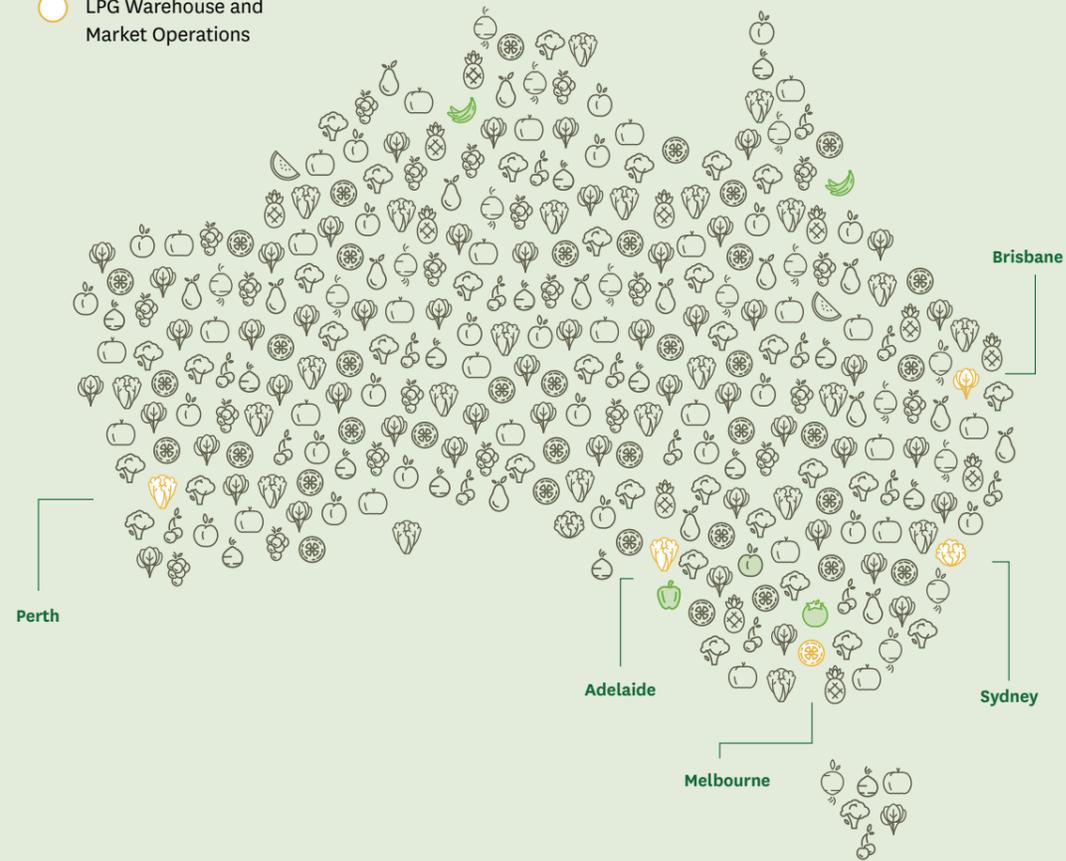
Increase as a result of an increased shareholding in Te Mata Exports.

Increase due to a change in accounting standard which treats leases as a "right-of-use" asset (above) with an associated lease liability (split between non-current and current liabilities).

Increase due to a change in accounting standard which treats leases as a "right-of-use" asset (above) with an associated lease liability (split between non-current and current liabilities).

This Annual Review is a summary of the full Annual Report and financial statements. Copies of the full documents can be found on the MG website (www.mgmarketing.co.nz).

- LPG Farming Operations
- LPG Warehouse and Market Operations



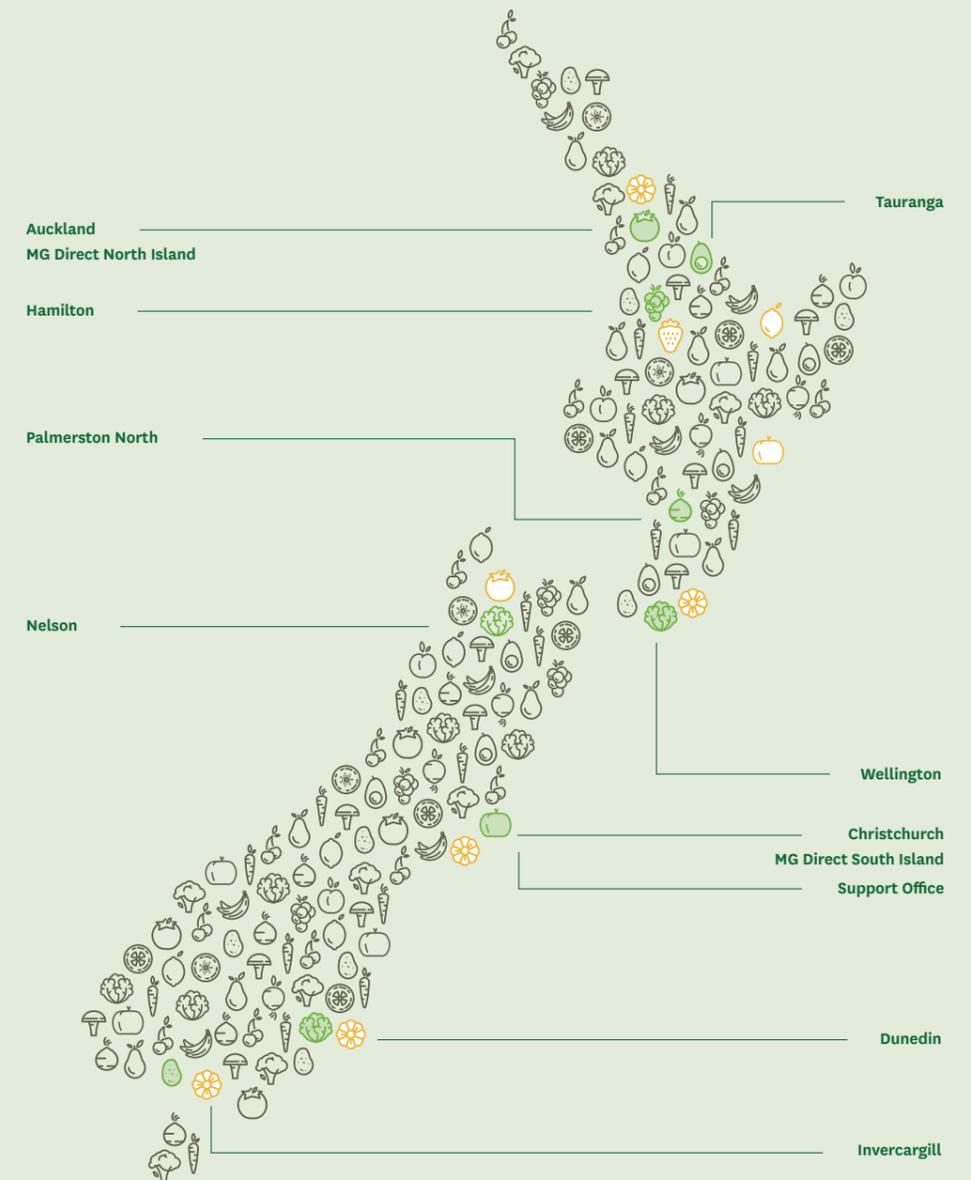
LPG FARMING OPERATIONS

- **Innisfail Banana Farming Company (Joint Venture with the Borsato Family), Innisfail, Queensland**
 - Circa 142 hectares under crop
 - Circa 340,000 cartons produced annually
- **Australian Banana Company Innisfail, Queensland**
 - 2 banana packing facilities
 - Specialising in banana packing
 - Circa 1.2 million cartons packed p.a.
- **Darwin Fruit Farms (Joint Venture with Piñata Farms) Humpty Doo, Northern Territory**
 - 369 hectares under crop
 - Growing bananas, pineapples, melons, pumpkins and tropical fruits (primarily mangoes)
 - Circa 320,000 cartons produced annually
- **Freshway Farms Virginia, South Australia**
 - 2.7 hectares of greenhouses
 - Growing tomatoes, capsicums, cucumbers, zucchini and eggplant
 - Circa 160,000 cartons produced annually
- **LPG Mercuri Farming (Joint Venture with the Mercuri Family) Lancaster, Victoria**
 - 57 hectares of field tomatoes and pumpkins under crop
 - Circa 340,000 cartons
- **LPG Cutri Fruit Global (Joint Venture with Cutri Fruits) Woorinen, Victoria**
 - International Sales combining LPG and Cutri Fruit resources
 - 384 hectares of stone fruit (nectarines, peaches, plums)
 - Circa 8 million kgs produced annually
- **LPG Lancaster Farming Lancaster, Victoria**
 - Hydroponic crops grown under a retractable roof structure
 - Stage 1 (5 hectares) of a 3 stage 25 hectare project complete and under harvest
 - Initially growing gourmet tomatoes
 - Circa 250,000 cartons to be produced annually in Stage 1

STRATEGICALLY POSITIONED TO SUPPORT GROWERS THROUGHOUT THE COUNTRY

- MG Market and Warehouse Facilities
- MG Subsidiaries and Associates

- Te Mata Exports
- United Flower Growers
- JS Ewers
- First Fresh
- Kaipaki Berryfruits



BRANCH REGISTER, BANK & ADVISORS

NEW ZEALAND

New Zealand Branches

Auckland

National Banana Ripening & MG Direct (NI)

801-803 Great South Rd
PO Box 12 370, Penrose
Auckland 1642
Phone: +64 9 601 8500
Branch Manager: Dominic Gargiulo
National Banana
Ripening: Graeme Hirst

Hamilton

24 Kaimiro Street
Pukete Industrial Estate
PO Box 675, Hamilton 3240
Phone: +64 7 849 2866
Manager: Roger O'Sullivan

Tauranga

86 Poturi Street, Tauriko
Tauranga
PO Box 9426, Greerton 3142
Phone: +64 7 262 0210
Manager: Jared Woodcock

Palmerston North

1 Mihaere Drive
PO Box 9112, Terrace End
Palmerston North 4441
Phone: +64 6 357 8076
Manager: William Little

Wellington

34 Jamaica Drive
Grenada North
PO Box 51 044, Wellington 5249
Phone: +64 4 232 3499
Manager: Ben Ross

Nelson

30 Pascoe Street
PO Box 170, Nelson 7040
Phone: +64 3 548 5859
Manager: Jamie Russ

Christchurch

68 Waterloo Road, Hornby
Christchurch 8042
PO Box 16 404, Christchurch 8441
Phone: +64 3 349 2070
Manager: Jeff Neumann

Dunedin

Cnr Midland & Otaki Streets
PO Box 2056, Dunedin 9044
Phone: +64 3 455 4004
Manager: Wayne Hume

Invercargill

162 Mersey Street
PO Box 209, Invercargill 9840
Phone: +64 3 218 2919
Manager: Lindsay Francis

Registered Office, Support Office, Marketing, Imports & MG Direct (SI)

78 Waterloo Road, Hornby
Christchurch 8042
PO Box 8581, Christchurch 8440
Phone: +64 3 343 0430

New Zealand Bank & Advisors

Bankers

Rabobank New Zealand Branch, (Primary facilities provider)
Bank of New Zealand, Christchurch, (Transactional facilities – New Zealand)

Share Registrar

Computershare Registry Service Ltd,
Private Bag 92119, Auckland

Legal Advisors

Chapman Tripp,
Barristers & Solicitors,
Christchurch

Auditors — Parent Company & Group

KPMG, Chartered Accountants
Christchurch

INTERNATIONAL

Australia

LaManna Premier Group Australia Registered Office/ National Support Office

103-107 Hyde Street
Footscray, Vic 3011, AUS
Phone: +61 3 9687 7725
Group CEO: Anthony Di Pietro

Australian Banana Company Pty Ltd

101-103 Upper Daradgee Road
Daradgee, QLD 4860, AUS
Phone: +61 7 4063 1600

Lancaster Farms

1160 Davies Road
Lancaster, VIC 3620 AUS
Phone: +61 3 9454 8004

Brisbane Market

Building C – Brisbane Markets, 385
Sherwood Road
PO Box 48, Rocklea, QLD 4106, AUS
Phone: +61 7 3848 2999

Melbourne Market

Stands 87, 89, 91-93, 95-97
35 Produce Drive
Epping, VIC 3076, AUS
Phone: +61 3 8405 4500

Adelaide Market

C31 Adelaide Produce Markets
Burma Road, Pooraka, SA, 5095, AUS
Phone: +61 8 8260 4188

Perth Market

E4 Central Trading Area, Market City
280 Bannister Road
Canning Vale, Perth, WA 6155, AUS
Phone: +61 8 9455 2355

Sydney Market

Stand 1-4 E Shed,
PO Box 323, Sydney Markets
NSW 2129, AUS
Phone: +61 2 9192 2228

Associates

Col Johnson (Sydney Market)

Stand 87-89
PO Box 87, Sydney Markets, NSW 2129, AUS
Phone: +61 2 9764 3899

Darwin Fruit Farms

270 Alphatonia Road
Lambells Lagoon, NT 0822, AUS
Phone: +61 8 8984 9016

Innisfail Banana Farming Company

101-103 Upper Daradgee Road
Innisfail, QLD 4860, AUS

USA

Market Gardeners (USA) Inc.

Bakersfield, California, USA
Phone: +1 661 322 4044
Manager: Doug Trask

International Bank & Advisors

Bankers

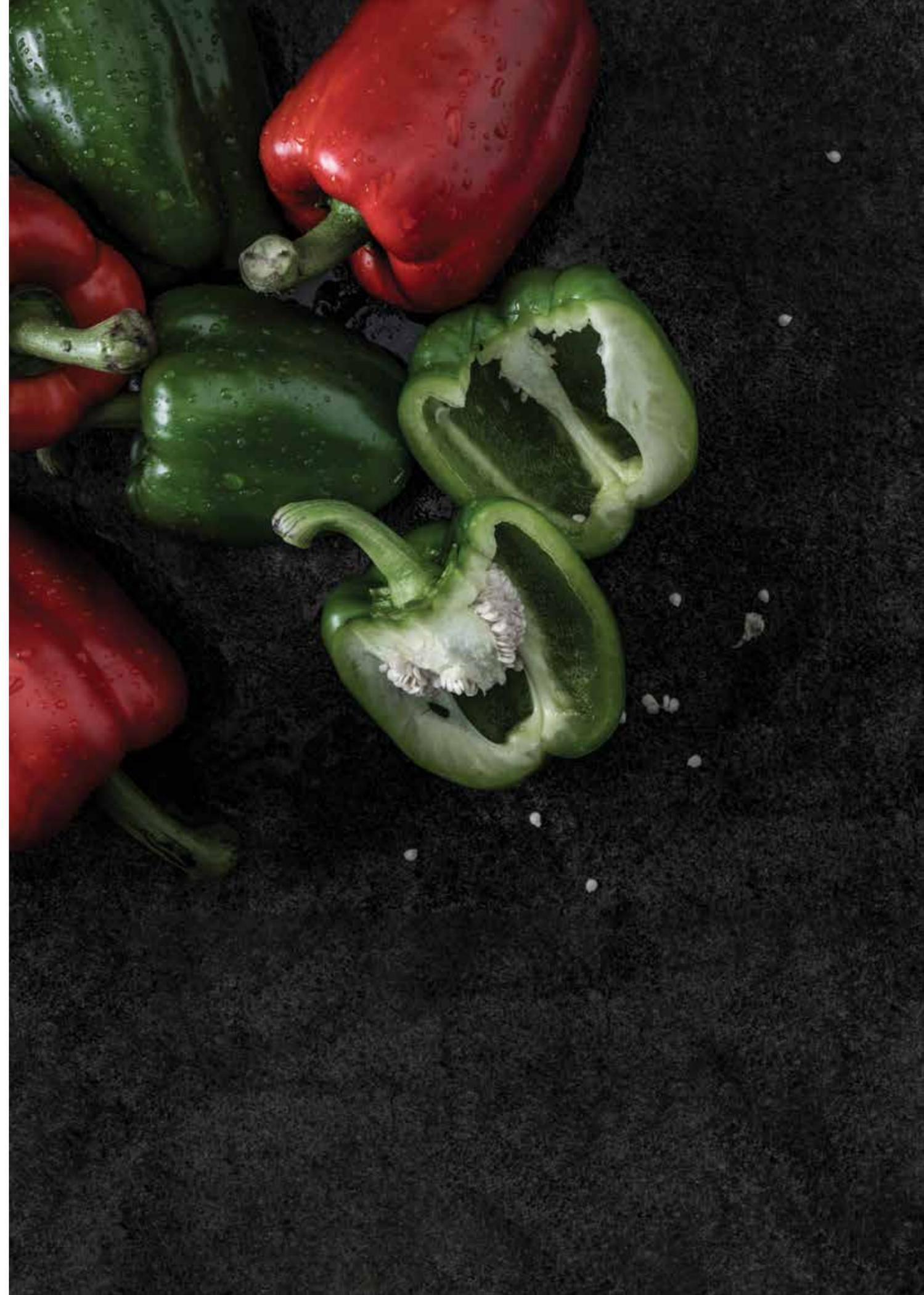
Rabobank Australia Branch
(Primary facilities provider)
Australia and New Zealand Banking Group
Ltd, Melbourne
(Transactional facilities – Australia)

Legal Advisors

Arnold Bloch Leibler, Melbourne
K&L Gates, Melbourne
Logie-Smith Lanyon, Melbourne

Auditors — LaManna Premier Group

Pitcher Partners,
Chartered Accountants
Melbourne



**® Together.
Stronger.**