



SELECT HARVESTS

ASX Release – Company Announcement

30th August 2021

SELECT HARVESTS LIMITED – MARKET UPDATE AND BRANDS SALE

Paul Thompson, Managing Director of Select Harvests Limited (ASX: SHV), is providing the following update on the 2021 crop, the current market conditions, and the sale of the Lucky and Sunsol brands.

Crop Update

80% of the crop has been processed. We estimate the crop volume, including the crop from the acquisition of the Piangil Almond Orchard, to be approximately 28,250 MT (2020 crop volume was 23,250 MT). This is unchanged from the previous update.

Market Conditions

Market pricing has increased by A\$0.50/kg to A\$7.25/kg - A\$7.75/kg since our previous update on 28th July 2021. The full year crop shipments published by Almond Board of California July Report for the period August 2020 to July 2021 were up 22.2% against the previous year. The Almond Board of Australia year to date March to June reported export shipments were up 44.5%. Demand remains strong.

70% of Selects Harvests' 2021 crop is committed (including internal sales) at prices in the range of A\$6.25/kg - A\$6.75/kg. It should be noted that the uncommitted portion of the crop is the lower value grades. 90% of the crop is covered at 0.73AUD/USD. Shipping remains challenging, with access to shipping tight to both India and China.

The 2022 crop is progressing well with good tree health in all regions. Pollination peaked in mid-August and we had good bee flight hours and crossover between varieties.

Asset Sale of Lucky and Sunsol Brands

Select Harvests today signed agreements to sell the Lucky and Sunsol brands to Prolife Foods Pty Ltd (Prolife Foods) as part of the previously announced Food Division Restructure.

The sale of the Lucky and Sunsol brands, which is expected to be completed on 30 September 2021, is in line with Select Harvests' strategy of resetting its food business assets to focus on growing opportunities in value-added almond products.

Select Harvests has agreed to sell the brands for A\$1.5million plus finished goods inventory. In addition, management estimates in excess of \$15million of working capital will be released back into the business upon completion of the Carina West facility upgrade and implementation of the new food business strategy. A Transition Supply Agreement has been signed with Prolife Foods for the Lucky and Sunsol brands until July 2022. During this period, both companies will discuss the sale of any related equipment and transfer of relevant employees from Select Harvests' Thomastown production facility.

Prolife Foods is New Zealand's largest privately owned "good for you" company and sells its products in over 20 countries. It has a significant presence in the Australian market with a manufacturing facility in Melbourne and sales under the Scoop and Weigh portfolio (nuts and a wide range of other products) and the Mother Earth brand.

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Conclusion

Select's Managing Director, Paul Thompson said:

“The continued strengthening of almond market conditions is pleasing. Despite ongoing shipping issues and increasing almond prices, demand for almonds remains strong.”

“The sale of Select Harvests' Lucky and Sunsol brands will enable the company to better focus its efforts and internal resources on growing our orchard portfolio and investing in almond value-added products such as paste, sliced and slivered almonds capacity, based at our Carina West production facility.”

ENDS

This announcement has been approved by the Board of Select Harvests.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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About Select Harvests:

Select Harvests Ltd (ASX:SHV) is an ASX-listed, fully integrated almond business consisting of orchards (company owned, leased, joint venture and managed), primary processing (hulling & shelling), secondary processing (blanching, roasting, slicing, dicing, meal), trading (industrial products) and Consumer products (Brands - Lucky, Sunsol, Soland, NuVitality, Renshaw & Allinga Farms, as well as providing Retailer brands). Select Harvests imports a full range of nuts (in addition to its almonds) and a wide range of other ingredients for inclusion in their Consumer Products range. Australia is a significant global almond producer and Select Harvests are one of Australia's largest almond companies, supplying almonds domestically and internationally, to supermarkets, health food stores, other food manufacturers, retailers and the almond trade.

The company is headquartered at Thomastown on the outskirts of Melbourne, Australia while its orchards are in North West Victoria, Southern New South Wales and South Australia. The primary Almond processing facility (Carina West) is located at Wemen in North West Victoria and the second processing, value-adding and packing facility is located at Thomastown.

For more information, visit www.selectharvests.com.au