



22 March 2019

SEEKA EXTENDS GROWER LOYALTY SHARE SCHEME TO AONGATETE GROWERS

Following the Successful purchase of 100% of Aongatete Coolstores Limited Seeka Directors have determined to make an offer under the Grower Loyalty Share Scheme to the newly acquired Aongatete growers.

The purchase of Aongatete Coolstores increases Seeka's kiwifruit supply base by 96 growers and is expected to add an estimated 4m to 4.5m trays to Seeka's catchment and to deliver sustainable EBITDA of between \$3.5m and \$4.5m.

To make this offer the Board has resolved to issue up to 360,000 shares under the Grower Loyalty Share Scheme to the Aongatete growers on the same terms and conditions offered to growers on the 15th of March 2019.

Subject to conditions in the Offer, the Issue Price per Share will be the volume weighted average traded price of Seeka shares on the NZX Main Board over the 10 business days ending 1 April 2019, but will not be less than \$4.25 per share.

The essence of the scheme is that if a grower supplies all their fruit to Seeka or its wholly owned subsidiary Aongatete for a three-season period, that grower will have the right to receive shares in Seeka based on trays supplied at the issue price at the beginning of the scheme. Any dividends paid by Seeka on those shares will reduce the loan repayable at the end of the scheme. The Grower Loyalty Share Scheme provides an incentive and reward to those growers who remain loyal to Seeka.

This loyalty benefits all shareholders by securing fruit supply at a time when the industry continues to invest in post-harvest capacity in anticipation of increasing volumes.

The offer to Aongatete growers is intended to ensure that all Seeka supplying growers have the same opportunity to acquire shares and to help secure the new Aongatete crop supply, which will benefit Seeka's post-harvest business profitability. Assurances of supply also provide operational efficiencies when capacity planning.

Under the scheme the Company will issue up to 360,000 new shares at a minimum value of \$4.25 per share. If all potential shares are issued under the scheme this represents an approximate 1.1% increase in issued capital, with a loan value of \$1.530m if the issue price is \$4.25.

Ends.

For further information please contact:

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