

Northland Acquisition – Briefing Pack

20 April 2018

Overview Introduction

- Seeka has agreed to purchase the Kerikeri Packhouse facility and related kiwifruit orchards as a going concern from T&G Horticulture, a wholly owned subsidiary of T&G Global. [in this pack both referred to as “T&G”]
- Seeka will also purchase approximately 253,000 Zespri shares at a market value determined by formula.
- T&G will continue to own the varieties known as ENZAGOLD and ENZARED with Seeka granted a Master License in New Zealand. T&G will retain some rights to sell the New Zealand grown kiwifruit varieties and citrus as part of the deal.

Overview (cont)

- All people directly employed by the acquired business will be offered employment on terms no less favourable than prior to the acquisition.
- T&G and Seeka will seek to transfer the RSE workers directly used by the acquired business operations.
- Staff will transfer as each component of the business is acquired.
[detailed later in this pack]
- Seeka will provide Post Harvest services to T&G for citrus and other services as required. T&G will also provide services to Seeka as required.
- Purchase consideration is 100% cash with banking support in place.
- Deal is subject to OIO approval, if required

Post-Harvest Detail

Purchase price approx. \$8.6m

- 6 Hectare site at 153 Waipapa Road, extensive packhouse, coolstore, fruit handling facility.
- Some deferred maintenance, some operational efficiencies available with investment.
- Packhouse will operate nearly all year handling kiwifruit, avocados and citrus.
- Part year earnings in 2018 due to mid season acquisition
- Settlement due on 30 April and employees transfer from 1 May.

Normal expected annual ebitda range \$1.8m to \$2.2m



Orchard Detail

Purchase price approx. \$31.6m

Orchards/ha included in the sale	Address	Kiwifruit						Citrus		Bare horticultural land	Total Land
		Rootstock	Enza Gold	Zespri G3	Red	Summer	Hayward	Mandarin	Lemon		
Gold Crest	244 Kapiro Road			2.39							2.39 ha
Gold Valley	1500 State Highway 10			3.85							3.85 ha
Kapiro	41 Orchard Road		14.06		5.56		9.00	12.62			41.24 ha
Kerifruit Farm	2624 State Highway 10		17.99	6.37					15.47		39.83 ha
Purerua	159 Kapiro Road	4.61	6.72						-	14.49	25.82 ha
Whites	93 Kapiro Road		7.30								7.30 ha
		4.61	46.07	12.61	5.56	-	9.00	12.62	15.47	14.49	120.43 ha

- 6 Orchards of approximately 120.4 hectares, with 77.85 ha in kiwifruit.
- Settlement on 30 June or when title is transferred following subdivision of three orchards Kapiro, Kerifruit Farm and Whites. Seeka has a long term lease in place in the interim on these orchards.
- Purchase price is on a crop off basis with 2018 fruit revenue attributable to T&G
- Excellent locations and orchards with irrigation scheme shares included.
- Orchard leasing and management business also acquired, Seeka to merge with its own orchard operations
- Seeka has tendered for 20 hectares of license in the recent Zespri SunGold tender round.

Normal expected annual ebitda range \$2.8m to \$3.2m



Zespri shares

Purchase price approx. \$TBAm

- Approximately 253,000 Zespri shares acquired as part of the acquisition.
- Valuation set by way of formula
- Settlement on 30 April

Strategy

- Acquisition is consistent with strategy
 - It is focused on Seeka's foundation variety, Kiwifruit
 - It spreads Seeka's geographical reach
 - It services existing customers [currently without a pack house], and introduces new customers to Seeka
 - There is real value and earnings improvement potential in acquiring this business which is a core competency of the group
 - Northland is a very good gold kiwifruit growing region.
 - The region is experiencing significant investment in avocado orchard development including by Seeka.

Thanks and further information

- Our thanks and appreciation to our corporate and legal advisers and internal diligence teams for a job well done. The hard work starts now as the transaction completes and operational managers take over.

- For further information please contact:

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