



Nutrano Produce Group's acquisition of Seven Fields and Abbotsleigh Citrus – questions and answers

1. What is the announcement?

Richard Byllaardt, Greg McMahon and the other shareholders in Seven Fields have accepted an offer to sell all of their shares in Seven Fields. Abbotsleigh has also agreed to sell its business. The buyer is Nutrano Produce Group, which is an Australian company of which Tony Mahoney (former managing director of Freshmax Australia) is founder and executive chairman. Nutrano have also joined with an Asian based funding partner which will acquire most of the underlying properties owned by Seven Fields and Abbotsleigh.

This is a big decision that came originally from an unsolicited offer to buy Seven Fields and Abbotsleigh.

2. What does this decision mean for our employees, suppliers and other stakeholders in Seven Fields?

There will be no change to the operations of the business.

The management of the business will remain the same with Richard Byllaardt (Managing Director of Seven Fields) and Michael McMahon (General Manager of Abbotsleigh) staying on in those roles with Greg McMahon continuing as well. Seven Fields' independent director, Peter Aubort, will remain on the board of directors.

The appeal of Seven Fields to Nutrano is the success we've achieved to date and they want all of the existing people and processes to remain in place, including the name and brands.

This was important to the current owners of the businesses as they all credit the success of the business to the contribution made by all of the team members and the ongoing relationships with those who are part of the broader Seven Fields and Abbotsleigh network.

3. Who is Nutrano Produce Group?

Nutrano was formed in November 2015 specifically to acquire the vertically integrated banana ripening and distribution business of Oakville Produce (formerly Moraitis Group) on 10th February 2016.

While Nutrano is a young company in the fresh produce sector, it brings a wealth of experience with co-founder and Managing Director Tony Mahoney having spent nearly 10 years as CEO of Freshmax which operates in the same sector.

The initial acquisition of Oakville involved Nutrano taking on circa 40 permanent staff and since making that acquisition Nutrano has done the following:

- (a) Added a number of produce categories to an existing banana business.
- (b) Developed a daily export trade into Singapore which is rapidly growing.
- (c) Acquired two general market stands in Sydney wholesale markets and re-branded existing stands in Brisbane and Melbourne markets.
- (d) Developed a retail "Farm to Table" JV business in Singapore.

- (e) Established a direct wholesale supply relationship into a very large supermarket chain in Hong Kong.

4. What is Nutrano's motivation for buying Seven Fields and Abbotsleigh?

Seven Fields and Abbotsleigh will provide a perfect fit for the existing business in that it provides a vertically integrated business model of scale that will underpin the existing trade and export businesses already in Nutrano's portfolio.

Nutrano has emphasised it does not want anything to change and intends to retain:

- All staff
- Existing customer facing brands
- Organisational culture and methods of doing business
- Workplace environment and opportunities for career progression, and
- The domestic and export customer base.

5. Why did the shareholders decide to sell?

The Seven Fields journey has been an exciting one and ultimately very successful. Through the hard work and dedication of many people who are still with us, the business was grown from a small base when Richard and Greg took over the management in 2007.

Choosing a partner like Nutrano and further expanding our product offering and global reach means the combined businesses have a platform for growth as agribusinesses continue to benefit from scale and the opportunities available to Australian companies operating in the fresh food category.

6. When will the transaction complete?

A binding contract has been signed but there are many steps which need to be taken before the transaction is ultimately completed. We're expecting this to be done by the end of November this year.

7. How will the business operate once Nutrano acquire Seven Fields and Abbotsleigh?

The transaction will proceed on the basis that Nutrano will buy both Seven Fields and Abbotsleigh, and all business will be operated in the same way as they are now. Seven Fields and Abbotsleigh have worked together closely over the years with some common ownership, but not as a complete merged group. Following this transaction, the integration will be complete even though both businesses will retain their separate brands and identity.

8. Will anything change in the way I interact with the business?

No. In terms of your interaction with the business and the people you deal with, please continue to proceed in the same way as you have always done.

9. Do you expect there will be any synergies?

This transaction did not occur on the basis of synergies. Usually the word “synergy” means that some people or locations are made redundant in order to generate cost savings.

On the contrary, Nutrano have acquired Seven Fields and Abbotsleigh to access the assets of both businesses as they operate now, especially the people. The benefits of fully integrating Seven Fields and Abbotsleigh with Nutrano will be seen through greater collaboration on managing farms, variety selection, marketing and administration.

For any additional questions, please contact one of the following three people:

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