



SELECT HARVESTS

High quality natural products

Select Harvests (ASX:SHV) - Capital Raising Presentation

9 October 2017

Select Harvests Limited
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Important Information (continued)

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The pro forma financial information has been prepared by Select Harvests in accordance with the recognition and measurement principles of Australian Accounting Standards and Select Harvests' adopted accounting policies of applicable accounting standards and other mandatory reporting requirements in Australia. Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Such information does not purport to comply with Article 3-05 of Regulation S-X.

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Capital Raising summary

Capital Raising

- Select Harvests (“SHV”) is raising approximately \$65 million (“Capital Raising”) through:
 - A non-underwritten institutional placement (“Placement”) of approximately 10.7 million new SHV shares at \$4.20 per share to raise approximately \$45 million; and
 - A non-underwritten share purchase plan (“SPP”) to facilitate retail shareholder participation of up to \$15,000 per eligible shareholder. The SPP is subject to a cap of \$20 million (approximately 4.76 million shares)
- Proceeds from the Capital Raising will be used to reduce gearing following the \$26.4 million acquisition of Jubilee Orchards, orchard development costs and expenditure on major projects during FY2017

Strengthened Balance Sheet

- On completion of the Capital Raising, pro forma 30 June 2017 gearing will reduce from 37.6% to 12.3% or 52.5% to 24.4%¹ including finance leases
- Provides Select Harvests with the financial strength and flexibility to continue to focus on its strategy of investing in productive long-term growth assets.

¹ Calculated using estimated net capital raising proceeds of \$62.5 million, post estimated transaction costs of \$2.5 million

Placement and Offer Details



Institutional Placement	<ul style="list-style-type: none"> A non-underwritten institutional placement (“Placement”) of c.10.7m shares (representing up to 14.6% of the shares on issue prior to the Placement) to raise \$45.0m The price per share under the Placement is fixed at \$4.20 (“Placement Price”), equal to the closing price on 4 October 2017.
Share Purchase Plan	<ul style="list-style-type: none"> A non-underwritten share purchase plan (“SPP”) is available to eligible shareholders in Australia and New Zealand Participation is limited to \$15,000 of new Select Harvests shares per eligible shareholder The SPP is capped at \$20m. Select Harvests reserves the right to increase this amount or scale back applications under the SPP at its absolute discretion The SPP price will be the lesser of \$4.20 per share, (a 7.1% premium to the 5-day volume weighted average price of \$3.92¹) and a 2.00% discount to the 5-day volume weighted average price of Select Harvests' shares traded on ASX up to and including the closing date of the SPP Offer (“SPP Price”) Full details of the SPP will be set out in the SPP Offer Booklet, which will be lodged with ASX and sent to eligible shareholders in due course
Use of proceeds	<ul style="list-style-type: none"> To reduce gearing and maintain balance sheet strength following the Jubilee Orchard acquisition and capital investments
Ranking	<ul style="list-style-type: none"> All New Shares issued will rank equally with existing Select Harvests shares
Risks	<ul style="list-style-type: none"> Investors are encouraged to review the risk considerations detailed on slides 23 to 28 of this presentation
Advisers	<ul style="list-style-type: none"> Adviser: Kidder Williams Limited Lead Manager: Bell Potter Securities Ltd Co-managers: PAC Partners Pty Ltd and Select Equities Pty Ltd

1. 5-day volume weighted average price is calculated to 4 October 2017



Capital Raising Timetable

Event	Date
Trading halt	Thursday, 5 October 17
SPP Record date	Friday, 6 October 17
Announcement of Placement and SPP	Monday, 9 October 17
Announcement of completion of Placement	Monday, 9 October 17 (unless completed earlier)
Issue of Appendix 3B for Placement	Monday, 9 October 17
Release of SPP Cleansing Notice	Tuesday, 10 October 17
Issue of SPP Offer Booklet	Friday, 13 October 17
SPP Opening Date	Friday, 13 October 17
Issue of shares under Placement (settlement date)	Wednesday, 18 October 17
New Shares issued under Placement commence trading on ASX	Thursday, 19 October 17
SPP Closing Date	Friday, 3 November 17
Announcement of completion of SPP	Friday, 10 November 17
Issue of New Shares under SPP	Monday, 13 November 17
Issue of Appendix 3B for SPP	Monday, 13 November 17
New Shares commence trading on ASX	Monday, 13 November 17
Despatch of SPP Shareholding statements	Thursday, 16 November 17

Outlook

- Fundamentals of the business and industry remain strong - global consumption of plant protein and almonds continues to grow
 - ✓ US sales up 16% last season, absorbing increased production
 - ✓ Further research supporting health benefits of consuming plant based proteins including almonds
- Select Harvests has invested in high quality orchards, processing assets and brands - the business has the growth platform in place to meet future market demands and be globally competitive, including benefits from:
 - ✓ Future earnings potential of our greenfield/immature orchards with over a third of orchards yet to mature
 - ✓ Investment in orchard infrastructure and fertilizer programs to improve yields
 - ✓ Upgrades to processing assets including soon to commissioned biomass plant
- Select Harvests 2018 “theoretical” crop would be approx. 15,800MT - based on acres planted, age profile & industry average yields and approx. 21,633 in 2024, a 53% increase from FY2017

Outlook

- Select Harvests 2018 crop is in the nut forming stage, pollination was fast and weather disrupted. Two frost events have occurred, predominantly affecting some areas within Select Harvests' NSW orchards. The remainder of the growing season has been normal allowing irrigation, fertigation and orchard hygiene activities to be performed to plan. The subjective crop estimate will be undertaken in late November/early December once nut set is complete.
- 78% of the Select Harvests 2017 crop is now committed, with the total estimated crop price remaining at \$7.43 per kg
- USD almond pricing outlook is firm - the US estimated crop of 2.25 billion pounds is within expectations, but quality is below expectations due to insect damage
- Domestic and Asian market demand remains strong across all channels
- Ongoing focus to reduce operating expenditure, working capital and capital expenditure
- H2E project remains on track; Parboil project is commissioned, but not yet running to business case.

Market Update

Indicative proposal to acquire Select Harvests

On 19 September 2017 Select Harvests received a non-binding, indicative and highly conditional proposal from Mubadala Investment Company PJSC (Mubadala) to acquire 100% of Select Harvests for \$5.85 cash per Select Harvests share (Indicative Proposal). The Indicative Proposal valued Select Harvests at approximately \$430.6 million on an equity value basis.

Key terms of the Indicative Proposal and its underlying financial assumptions and conditions are outlined below:

1. Key Terms

- a) Indicative Proposal to be executed via Select Harvests scheme of arrangement.
- b) Select Harvests shareholders to receive 100% cash consideration of \$5.85 per Select Harvests share.

2. Underlying Key Financial Assumptions

- a) 73,606,835 fully paid ordinary shares and no dilution impact through the exercise or vesting of any outstanding options or performance rights.
- b) No material changes in Select Harvest's cash and debt balances compared with its last publicly reported position.
- c) Working capital is maintained at appropriate levels.

3. Key Conditions

- a) Completion of confirmatory due diligence which must be exclusively provided to Mubadala.
- b) No material adverse change in Select Harvest's business, including no return of capital or dividends.
- c) Negotiation and execution of a mutually acceptable implementation agreement, containing conditions (including break fees, no stop/no talk and notification/matching rights in the event of a competing proposal and other appropriate protections for Mubadala).
- d) Unanimous recommendation from Select Harvests in favour of the Indicative Proposal.
- e) Select Harvests directors and management undertaking to vote in favour of the Indicative Proposal with respect to 100% of their shares.



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Market Update (continued)

On 25 September 2017 Select Harvests informed Mubadala that it was not prepared to advance discussions in relation to the Indicative Proposal and that Select Harvests was therefore not in a position to provide due diligence or engage with Mubadala.

In arriving at its conclusion in respect of the Indicative Proposal, Select Harvests undertook a detailed assessment of the Indicative Proposal including obtaining written advice from its legal and financial advisers. A number of quantitative and qualitative factors were considered by Select Harvests and its advisers in their assessment of the Indicative Proposal which led Select Harvests' Board to conclude that the proposal significantly undervalued the company. These factors included:

- a) the equity value per Select Harvests share in various stated scenarios compared to the headline value of the Indicative Proposal (\$5.85);
- b) the fundamental control value per Select Harvests share compared to the headline value of the Indicative Proposal;
- c) potential risks associated with regulatory approvals required for the Indicative Proposal, including FIRB, and uncertainty about any overseas regulatory approvals that might be required;
- d) the potentially disruptive due diligence process contemplated by the Indicative Proposal;
- e) the scheme structure of the Indicative Proposal which would necessarily cause Select Harvests to incur significant costs which it would have to bear irrespective of the ultimate outcome of the scheme process;
- f) the requirement to provide exclusivity which the Board was not prepared to provide at the headline value of the Indicative Proposal; and
- g) the requirements to maintain Select Harvests in stasis with no distributions to shareholders or changes in capital structure over an extended period, potentially hindering the capacity of the directors to act in the best interests of shareholders.

These and other factors, taken together from a Select Harvests shareholder perspective, persuaded the Board not to engage in the Indicative Proposal at its headline value.

It is possible that Mubadala may revise its Indicative Proposal or withdraw its Indicative Proposal, but to date no revised proposal reflecting a higher headline value has been received.

Select Harvests Overview



Strategy & Priorities

HORIZON 1 - PERFECT THE CURRENT MODEL



HORIZON 2 - TRANSITION INTO INTEGRATED MODEL



HORIZON 3 - EXPAND MODEL GLOBALLY



VISION

Select Harvests to be recognised as one of Australia's most respected agrifood businesses

MISSION

To deliver sustainable stakeholder returns by being a leader in the supply of better for you plant based foods

ASPIRATIONS

- ▲ Zero harm to people & environment
- ▲ EPS Growth minimum 5% CAGR
- ▲ Gender, age and ethnicity balance

ENABLERS

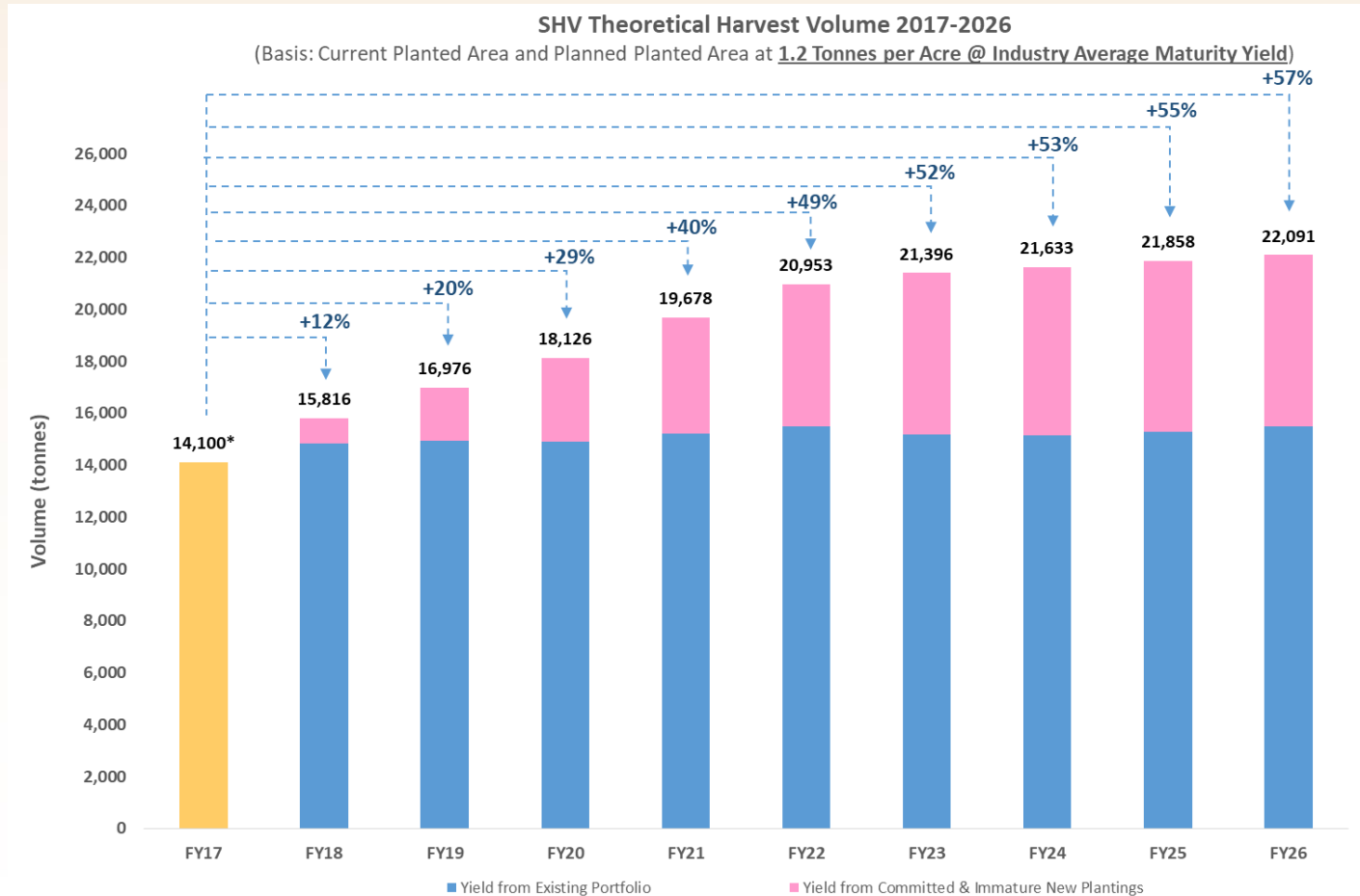
Employer of choice

▲ Culture of innovation

▲ Market aware

▲ Proactive communicator

Volume Growth



Investment in almond orchards & processing assets largely complete = increase future earnings

*Yields by tree age - refer slide 16

Select Harvests - Financial History



SHV Historical Summary	Units	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015	2016	2017
Total Sales	(A\$M)	217.9	229.5	224.7	248.6	238.4	248.3	251.3	191.1	188.1	223.5	285.9	239.0
EBIT	(A\$M)	38.4	40.5	27.1	26.8	26.0	15.4	19.6	37.7	31.3	89.6	41.3	17.0
EBIT Margin (EBIT/Sales - %)	(%)	17.6%	17.6%	12.1%	10.8%	10.9%	6.2%	7.8%	19.7%	16.6%	40.1%	14.4%	7.1%
PBT	(A\$M)	37.9	40.0	25.4	23.0	23.6	12.0	13.4	32.7	26.8	84.3	35.8	12.0
NPAT	(A\$M)	26.5	28.1	18.1	16.7	17.3	8.9	9.5	22.9	21.6	59.4	27.9	9.2
Issued Shares	No. of Shares	39.7	38.7	39.0	39.5	39.8	56.2	56.8	57.5	58.0	71.4	72.9	73.6
Earnings Per Share	AUD Cents per Share	67.1	71.0	46.7	42.6	43.3	17.0	16.8	40.1	37.5	86.8	38.5	12.6
Dividend per Share	AUD Cents per Share	53.0	57.0	45.0	12.0	21.0	13.0	8.0	12.0	20.0	50.0	46.0	10.0
Payout Ratio	(%)	80.0%	80.0%	96.7%	28.2%	48.5%	76.5%	47.6%	29.9%	53.3%	57.6%	119.5%	79.4%
Net Tangible Assets per Share	(A\$/Share)	1.83	1.57	1.41	1.56	1.87	2.17	2.19	2.14	2.38	3.35	3.22	2.95
Net Interest Cover	(times)	82.3	75.8	15.6	7.1	10.7	4.5	3.2	7.5	7.0	16.9	7.5	3.4
Net Debt	(A\$M)	1.3	1.6	46.8	52.4	45.0	73.1	66.8	79.3	94.8	115.6	67.3	145.8
Shareholder Equity	(A\$M)	101.5	95.5	94.1	100.9	113.6	168.8	160.3	159.5	175.4	287.4	290.9	277.6
Net Debt to Equity Ratio	(%)	1.3%	1.7%	49.7%	51.9%	39.6%	43.3%	41.7%	49.7%	54.1%	40.2%	23.1%	52.5%
Share Price	(A\$/Share)	13.02	11.60	6.00	2.16	3.46	1.84	2.40	3.90	5.14	11.00	6.74	\$4.29
Market Capitalisation	(A\$M)	517.0	449.4	234.1	85.4	137.6	103.5	120.0	224.3	298.1	785.4	491.5	315.8
P/E Ratio		19.5	16.0	12.9	5.1	8.0	11.6	12.6	9.8	13.8	13.2	17.6	34.3

* 2014 figures have been rebased according to early adoption of Accounting Standards, AASB 116, Property, Plant and Equipment, and AASB 141, Agriculture, impacting "bearer plants".

2011-2017 figures represent underlying earnings .

Source: Company Data



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EBIT Sensitivity

Assuming 2017 crop variables of:

- Volume: 14,100 tonnes
- Almond Price: A\$7.43/kg
- Exchange Rate (AUD/USD): 0.75

Key Variable	Impact on EBIT (\$m)
Volume +/-200 tonnes	+/- A\$1.5M
Almond Price (A\$/kg) +/- A\$0.10/kg	+/- A\$1.4M
Exchange Rate -/+ 1 cent movement in AUD/USD cross rate	+/- A\$1.4M

Select Harvests - Orchard Profile

Select Harvests Almond orchard portfolio	Planted*		Under Development		Total Planted & Under Development	
	(as at 30 June 2017)		(as at 30 June 2017)		(as at 30 June 2017)	
	Acres	Hectares	Acres	Hectares	Acres	Hectares
Central region						
Company Owned	4,151	1,680			4,151	1,680
Leased	2,909	1,177	500	202	3,409	1,380
Total	7,060	2,857	500	202	7,560	3,059
Northern Region						
Company Owned	1,797	727			1,797	727
Leased	3,017	1,221			3,017	1,221
Total	4,814	1,948			4,814	1,948
Southern Region						
Company Owned	2,722	1,102			2,722	1,102
Leased	3,034	1,228	870	352	3,904	1,580
Total	5,756	2,329	870	352	6,626	2,681
Total						
Company Owned	8,670	3,509			8,670	3,509
Leased	8,960	3,626	1,370	554	10,330	4,180
Total	17,630	7,135	1,370	554	19,000	7,689

870 acres were planted in July 2017 - 500 acres will be planted July 2018

*Includes Jubilee Acquisition

Targeting an Above Average Yield Per Acre @ Maturity

Year	Harvest Volume (tonnes) per acre based in 1.2 Tonnes per Acre @ Maturity	Harvest Volume (tonnes) per acre based on 1.3 Tonnes per Acre @ Maturity
1	0.0	0.0
2	0.0	0.0
3	0.3	0.3
4	0.5	0.5
5	0.8	0.8
6	1.0	1.0
7+	1.2	1.3

Note:

Biennial Nature of Crop

- The almond crop is biennial in nature with +/- 10% per annum variation in tonnage possible

Variation between Regions and Farms

- Yields are not uniform and vary across both farms and growing regions

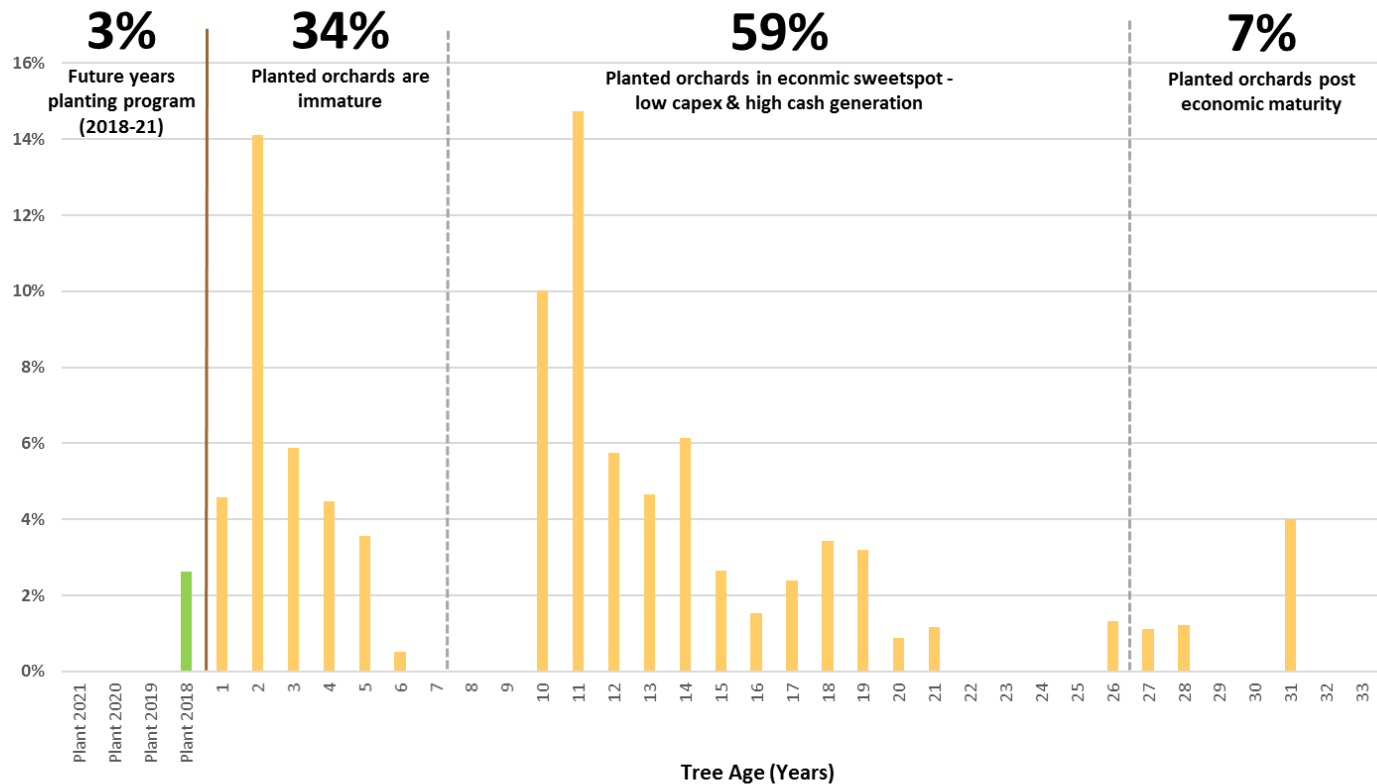
Post Economic Maturity Yield

- The yield for post economic maturity farms deteriorates as tree age increases

Significant tonnage upside available with a higher yield per acre at maturity

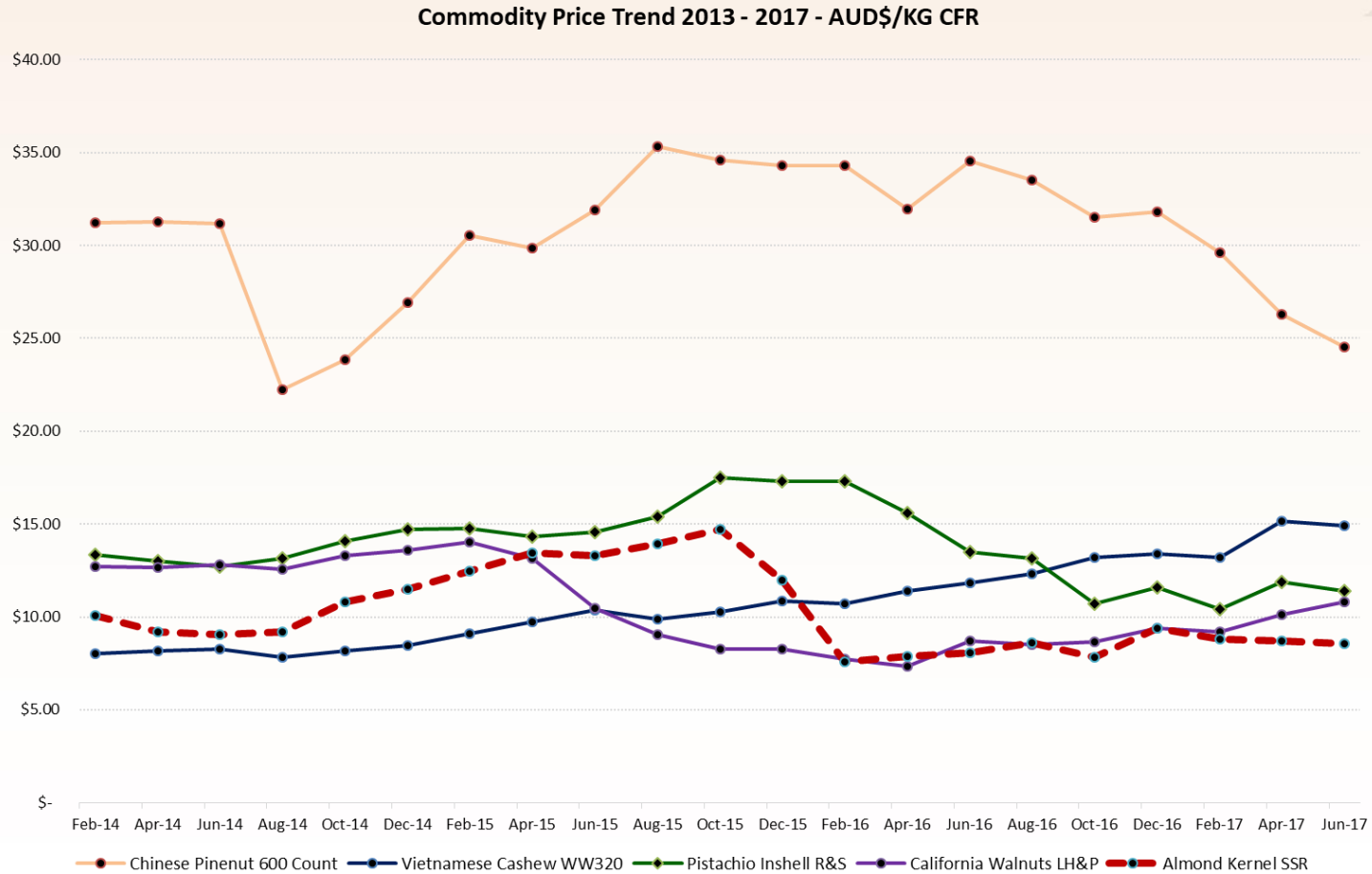
Select Harvests - Orchard Age Profile

Age Profile of SHV Almond Orchard Portfolio 75% of current planted acres are cash generative



Significant growth & improvement occurred in SHV orchard portfolio in recent years - acquisition, replants, greenfields

Tree Nut Pricing



Almonds are currently the best value in the basket - driving consumption

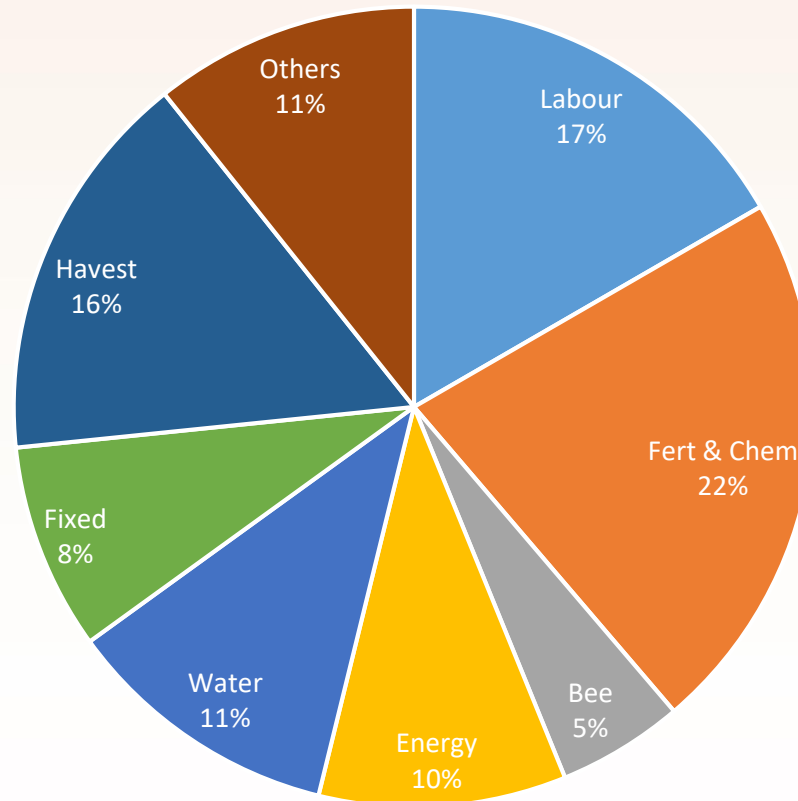


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Growing Costs

SHV FY2017 Orchard Costs by Percentage



■ Labour ■ Fert & Chem ■ Bee ■ Energy ■ Water ■ Fixed ■ Havest ■ Others

Note: exclude orchard rental or lease costs

Almond Market Outlook - US Shipments 2017 Season

	US Export Shipments				US Domestic Shipments				US Total Shipments			
	Last Year	This Year	Growth	Growth	Last Year	This Year	Growth	Growth	Last Year	This Year	Growth	Growth
	(million lbs)	(million lbs)	(million lbs)	(%)	(million lbs)	(million lbs)	(million lbs)	(%)	(million lbs)	(million lbs)	(million lbs)	(%)
July	87.6	96.5	8.9	10%	51.0	57.5	6.4	13%	138.6	154.0	15.4	11%
Last 3mth	332.9	320.3	(12.6)	(4%)	157.8	181.4	23.6	15%	490.7	501.7	11.0	2%
Last 6mth	672.8	644	(28.8)	(4%)	301.5	340.2	38.6	13%	974.3	984.2	9.8	1%
Last 9mth	941.4	994.8	53.4	6%	438.1	498.9	60.7	14%	1,379.5	1,493.7	114.2	8%
Last 12mth	1,218.1	1,424.8	206.8	17%	593.2	676.0	82.8	14%	1,811.3	2,100.8	289.5	16%
Season	1,218.1	1,424.8	206.8	17%	593.2	676.0	82.8	14%	1,811.3	2,100.8	289.5	16%

There has been a significant, global increase in demand over the last 18 months

Source: Almond Board of California July 2017 Position Report



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Useful Almond Industry websites

Industry Associations

- Californian Almond Board www.almondboard.com

Industry Reports

- US Crop Forecasts (Subjective, Objective) <http://www.almonds.com/growers/resources/crop-forecasts>
- Monthly Almond Position Reports <http://www.almonds.com/newsletters/position-reports?from-section=2881>
- Almond Almanac http://www.almonds.com/sites/default/files/content/attachments/2015_almanac.pdf
- UC Davis Almond Development Costings <http://coststudies.ucdavis.edu/en/current/>

Almond Companies

- Blue Diamond Growers www.bluediamond.com
- Blue Diamond Ingredients www.bdingredients.com/category/almond-market-analysis
- Almond Insights www.almondinsights.com
- Derco Foods www.dercofoods.com/en/reports
- RPAC Almonds www.rpacalmonds.com/marketnews
- Paramount Farms www.paramountfarms.com
- Hilltop Ranch www.hilltopranch.com
- Merlo Farming www.merlofarminggroup.com

Risks

This section discusses some of the risks associated with an investment in shares in Select Harvests. These risks may affect the future operating and financial performance of Select Harvests and the value of Select Harvests' shares.

The risks set out below are not listed in order of importance and do not necessarily constitute an exhaustive list of all risks involved with an investment in Select Harvests.

Before investing in Select Harvests, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Select Harvests (such as that available on the websites of Select Harvests and ASX), carefully consider their personal circumstances and consult their professional advisers before making an investment decision. Additional risks and uncertainties that Select Harvests is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Select Harvests' operating and financial performance.

Nothing in this presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of Select Harvests, its directors, senior management and advisers. Further, you should note that this section focuses on the potential risks and does not purport to list every risk that Select Harvests may have now or in the future. It is also important to note that there can be no guarantee that Select Harvests will achieve its stated objectives or that any forward looking statements contained in this presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Cooling off rights do not apply to the acquisition of New Shares.

Specific risks

Sales margins, almond price and costs

- Sales are impacted by the market price of products sold which are subject to market forces of supply and demand. Specifically, the sales of almonds owned by Select Harvests are subject to global pricing patterns.
- Margins are also impacted by the cost of inputs such as growing costs including fertilizers and water, and costs of raw material nut commodities used within the Food Products Division. Management Services fee income is based on a combination of fixed fee based contracts, and variable incentive fee based contracts linked to almond price realisation and production cost efficiencies.
- Changes to the tenure and terms of material management contracts, and realisation of incentives will impact sales margins in the business.

Weather patterns and climatic conditions

- Select Harvests is exposed to Australian weather patterns, disease and insect infestations and natural disasters, for example drought, extreme heat, floods, hail, frost, insufficient chill hours and associated changes in agricultural activity.
- Variability in weather conditions and natural disasters may impact key drivers of Select Harvests' earnings including: crop size and quality, supply and demand characteristics in agricultural markets, market prices for almonds and economic activity.

Water rights/growing conditions

- The main cost inputs to growing almonds are water, fertigation, equipment and direct labour. Select Harvests has ownership and access to permanent water rights which on a 90% allocation are sufficient to support the growing of existing almond crops it owns under best horticultural practice. Should water allocations not be at 100%, which due to impact of droughts has been the experience historically, a proportionate investment in temporary water will be required, which increases the cost of production.
- Fertigation costs are subject to market conditions which may result in volatility in input costs. There is a relationship between the proportionate investment in growing costs and resultant crop yield.

Greenfield developments

- Successful implementation of future greenfield developments may be negatively impacted by a range of factors including weather and climatic conditions, unsuitable land and soil characteristics, available water and rootstock, planning and other regulatory approvals and available financing.

Specific risks (continued)

Key suppliers

- In addition to water, crop size and quality is heavily reliant on a number of key suppliers including access to a sustainable annual supply of bees for tree pollination.

Impact of foreign exchange movements

- Export sales are realised in US dollars and translated to Australian dollars. Through this Select Harvests is exposed to movements in the value of the US dollar. The impact of exchange rate movements will vary from time to time and is dependent on any hedging entered into, the levels at which hedging contracts are arranged and the duration of hedging contracts. The impact of movements in exchange rates may be negative depending on their direction, timing and magnitude.

Material contracts

- A significant proportion of Select Harvests' planted acreage is the subject of long term leases with third parties. The rentals under these leases are the subject of market based rent reviews. There is a risk that Select Harvests' leasing costs will increase in the future.
- Select Harvests is subject to periodic review of its product range with Woolworths and Coles.

Counterparty risks

- As part of its ongoing commercial activities, Select Harvests enters into contracts with various third parties. The ability of third parties to meet their commitments under such arrangements may impact on Select Harvests' business and financial position.

Product liability

- The nature of products supplied by Select Harvests is that of a consumable food product. Such products may be liable to infestation, mould and other biological impacts which occur in natural products. Such products may also be subject to processing and production defaults against specification.

Bank debt covenants

- If Select Harvests' operational and financial performance declined, it could lead to a breach of its banking covenants. If Select Harvests breaches its covenants, its financiers could enforce their rights under the debt facilities and this may result in them requiring immediate repayment and therefore, this may have a materially adverse effect on Select Harvests' financial performance and position.

Specific risks (continued)

Capital Projects

- As previously announced, Select Harvests has a number of major projects intended to deliver cost savings and/or processing efficiencies. As with all major capital projects, there are risks that the projects will not be completed by their scheduled completion dates, and that the costs of completing the projects exceed original budgeted costs, with the result that the returns from the projects may be less than expected or planned. Either or both of these risks may have a material adverse effect on the financial performance of the company.

Competition

- Select Harvests' financial performance or operating margins and the value of Select Harvests could be materially adversely affected if existing competitors increase market share or new competitors enter the market.
- Such competition may have the effect of decreasing Select Harvests' sales, pricing and profit margins.

Reliance on key personnel

- Select Harvests is committed to providing an attractive employment environment, conditions and prospects to assist in retaining its key senior management personnel. However, there can be no assurance that Select Harvests will be able to retain these key personnel. The loss of key personnel or the inability to recruit and retain high calibre staff could have a material adverse effect on Select Harvests. The additions of new employees and the departures of existing employees, particularly in key positions, can be disruptive and could also have a material adverse effect on Select Harvests.

Litigation risk

- Litigation risks to Select Harvests include, but are not limited to, product liability, intellectual property disputes, customer claims, personal injury claims and employee claims. If any claim were to be pursued and be successful it may adversely impact the sales, profits or financial position of Select Harvests.

Occupational health and safety

- If Select Harvests fails to comply with necessary OH&S legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage to Select Harvests.

Environmental regulations

- Select Harvests is required to comply with environmental regulations. If any breach of these regulations occurs, Select Harvests may be subject to remediation costs and other liabilities.

General risks

Share price and volume fluctuations

- Securities may experience extreme price and trading volume fluctuations. Following the Capital Raising, there may not be an active trading market in Select Harvests' shares. If a market is not sustained, it may be difficult for investors to sell their shares at a price that is attractive to them or at all. The price of the New Shares may not be representative of the price that will prevail after the Capital Raising.
- The equity market has experienced price and volume volatility that has affected the share price of many companies. Security prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these may adversely affect the market price of Select Harvests' shares.

Economic risks

- Select Harvests is exposed to economic factors in the ordinary course of business. Factors such as changes in fiscal, monetary and regulatory policies can adversely impact Select Harvests' earnings. Given that interest rates in Australia are at historically low levels, there is a likelihood of some increase in the medium to longer term. A high proportion of Select Harvests sales are based on exports in US Dollars, and Select Harvests also imports raw materials which are paid in US Dollars. The company's earnings are exposed to fluctuations in exchange rates.
- Select Harvests has a hedging policy whereby a proportion of foreign currency risks are covered through the use of derivatives. Where a liability or asset arises in a currency other than Australian dollars, the exposure is covered by the proportionate forward sale or purchase of the currency. A portion of all variable interest rates commitments are hedged by the use of fixed-for-floating interest rate swaps, and/or interest rate caps. The principal amount and the duration of these swaps/caps is determined by the total level of Select Harvests' borrowings and the interest rate outlook prevailing in the financial markets.

Government policies and legislation

- Select Harvests may be affected by changes to government policies and legislation, including those relating to the agricultural industry, property, the environment, taxation, the regulation of trade practices and competition.

General risks (continued)

Taxation implications

- Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Select Harvests shares, or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Select Harvests operates, may impact the future tax liabilities of Select Harvest.

Changes in accounting policy

- Select Harvests is subject to the usual business risk that there may be changes in accounting policies which impact on Select Harvests.

Asset impairment

- The Select Harvests' Board regularly monitors impairment risk. Consistent with accounting standards, Select Harvests is periodically required to assess the carrying value of its assets, including its brands. Where the value of an asset is assessed to be less than its carrying value, Select Harvests is obliged to recognise an impairment charge in its profit and loss account. Impairment charges can be significant and operate to reduce the level of a company's profits and, potentially, its capacity to pay dividends. Impairment charges are a non-cash item.

Foreign selling restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

New Zealand

This document is not a product disclosure statement or any other form of disclosure document under the Financial Markets Conduct Act 2013 (the "FMC Act"). This document has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

Foreign selling restrictions (continued)

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) ("Qualified Investors") in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.



SELECT HARVESTS



Foreign selling restrictions (continued)

Hong Kong

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO").

No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it.

Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 item 1 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.



SELECT HARVESTS



Foreign selling restrictions (continued)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, or registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (b) to a relevant person under Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferrable for six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except:

- 1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- 2) where no consideration is or will be given for the transfer;
- 3) where the transfer is by operation of law;
- 4) pursuant to section 276(7) of the SFA or as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) a "relevant person" (as defined in section 275(2) of the SFA). You must ensure that you comply with the requirements under the SFA (including any applicable resale restrictions) in respect of any investment in the New Shares. In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.



SELECT HARVESTS



Thank you

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Please note that background material/data regarding the global almond industry can be found on the Select Harvests website.

www.selectharvests.com.au

