

Dear {CONTACT.SALUTATION}

Hope this email finds you well and you have had a wonderful Christmas with family and friends.

You are receiving this email as a follow on from the earlier email you received from me on behalf of the Independent Committee of the Board of Marandoo Estate Limited ("MEL") on 21st December 2021.

### **Recap on FABAL bid for MEL**

You may recall that I communicated to you that FABAL was awaiting upon a response from ASIC on its proposed offer to merge MEL and FABAL. ASIC and FABAL worked very hard to find a solution to allow ASIC to make their determination on its direction before the holiday break.

ASIC sent their response to FABAL on the 24th of December 2021 and determined that prior to FABAL continuing with their bid, it is required to complete a half year audit as at 31 December 2021.

### **What is the effect on MEL and FABAL being requested to do this audit?**

Based on the Corporations Law regulatory requirements, it was determined by ASIC that once FABAL converted to an unlisted public company to initiate the bids for both MEL and NVFAL and enable it to increase the number of its shareholders, FABAL was required to have audited accounts before allowing these offers to continue to ensure external review by an auditor for the Target companies (MEL and NVFAL).

Accordingly, FABAL will complete their audit for the 6 months ending 31 December 2021. This will provide FABAL with a set of UpToDate accounts for the half year (ending 31 December 2021) that they will review against their finalised accounts for the year ended 30 June 2022. We have been advised that FABAL do not expect any significant change from those already published in their annual report (see [www.fabal.com.au](http://www.fabal.com.au) if you wish to review this annual report).

You may be aware that EY are also auditors to MEL and NVFAL so this will provide consistency in the layout and understanding for each of these audits and reviews.

In the revised Bidders Statement, FABAL will update the abridged individual and combined balance sheets of FABAL, MEL (and NVFAL) with the December 2021 audited numbers to replace the accounts that were included in the original Offer document to the end of September 2021. FABAL will make available the full audited

financial statements to all shareholders in the new year once EY complete their audit and review.

As far as it concerns each of our shareholders, FABAL will continue this bid in approximately 3 months' time being around 31 March 2022, as this is the time it will take for the audit to be completed by Ernst Young ("EY").

The Board of MEL has been advised by the FABAL CEO, Chris Day (also one of our directors), that FABAL is committed to working with MEL to merge the two entities and FABAL also wish to continue their bid to merge with NVFAL at a similar time.

### **What's next?**

ASIC will review the Bidders Statement as soon as it is re-lodged by FABAL and then FABAL will dispatch it to each of you. If the Offer proceeds as originally planned, Directors of MEL will send you a statement called a Target's Statement, including BDO's Independent Expert's Report with recommendations for you to consider.

The BDO work has already been completed and once the Bidder's Statement is accepted by ASIC the independent committee of MEL will share our views and those of BDO with you.

We have been advised by FABAL that this is the last requirement and that ASIC do not wish to stand in the way of the bid proceeding once this audit/review process is completed.

### **What happens if ASIC don't approve the revised Offer document?**

As we have previously stated the independent committee of MEL believe there is a real commitment to make this happen. If ASIC don't approve the revised Offer document, the boards of MEL, FABAL (and NVFAL) will discuss alternatives to merge our groups.

The Board of MEL believe that a formal meeting of shareholders should be held to review all of the options with you in late February 2022. If this was to occur, the meeting will be organised by the company secretary and you will be informed of the proposed date in late January 2022.

### **In Summary**

At this point we are waiting for FABAL to undertake the required audit and provide us with a revised Bidder's Statement. If all timing is as expected, we expect to receive this before 14 April 2022 and if the bid then proceeds as timetabled, the offer will be open for between 6 and 10 weeks but in any event be completed before 30 June 2022.

Please note that the offices of FABAL are now closed for the festive season and will reopen on 4 January 2022 at which time you will be able to contact Irene Kamm or Chris Dundon on (08) 8132-5500.

On behalf of the Board of MEL I wish you all a joyous celebration for the new year.

Yours sincerely,

**George Havakis**

**Lead Director**

**Marandoo Estate Limited**