

two islands



MEDIA RELEASE

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HEALTH & BEAUTY BRAND TWO ISLANDS AND SANFORD ANNOUNCE MERGER

Two Islands and Sustainable Fishing Company Sanford Agree to Merge Businesses for Growth

Auckland, Tuesday 29 September 2020 – One of New Zealand’s leading health and beauty brands, Two Islands today announced that it has signed a merger agreement with Sanford, one of the country’s most iconic and sustainable listed seafood companies.

The merger agreement is a major development for both businesses, with Sanford acquiring 50% of the shares in Two Islands. The merger will see benefits around the use of New Zealand natural, sustainable products such as marine collagen. Marine collagen is sourced from fish skin, a natural by-product of Sanford’s certified sustainable Hoki fishery, and is also an important ingredient in Two Islands leading range of beauty and well-being products.

Julia Matthews, Founder of Two Islands says the merger agreement with Sanford will see the Two Islands brand continue but add significant benefits including growth into international markets for the already successful health and beauty business.

“We are so excited by the merger because it will allow Two Islands to rapidly scale up our expansion plans through access to Sanford’s global distribution channels, premium marine collagen, as well as increased R&D for new product development. By bringing our two companies together we now have a vertically integrated business from the ocean to the New Zealand and global consumer based on mutually shared values of sustainability, premium quality and healthy living,” says Matthews.

Sanford’s interim CEO and Chief Customer Officer Andre Gargiulo says the merger with Two Islands is an example of Sanford’s strategy and values in action.

“Sanford has always emphasised the importance in both a financial and an environmental sense of making the best use of every gram of material that we harvest,” says Gargiulo.

“The more we study this fantastic resource that is New Zealand seafood, the more opportunities like this we find.”

And the demand is clearly there. In the last 12 months, Matthews says that Two Islands has experienced exponential sales turnover with revenue increasing from tens to hundreds of thousands per month, driven by increasing consumer demand for its collagen and pea protein products.

“Over the past year loyal Two Islands customers have endorsed our products with over 800% growth in revenue and the health and beauty market category has seen a significant uplift as more consumers focus on premium well-being products. This joint venture with Sanford recognises the progress we have made and expansion into Australia in October as well as Asian markets over the next three years.”

Matthews adds that the merger follows a year or so of discussions with Sanford around its commitment to sustainability as well as its manufacturing of one of New Zealand’s only marine collagen source which is licensed from by Plant and Food Research which developed the natural process.

“The philosophy driving Two Islands is to only produce the best beauty and health products using where possible sustainable materials made in New Zealand and taking these to the world. Sanford’s work in the Hoki fishery gives it full traceability of every fish so when we start using this source, we will know that the collagen that goes in Two Island’s Beauty Powder is only using premium ingredients with the least impact on our environment. It also means Two Islands will be one of the only beauty products using a New Zealand made sustainable product where we have full control over quality and traceability unlike some of those imported from overseas.”

Sanford’s GM of Business Development Adrian Grey says the merger is a natural fit for both businesses.

“At Sanford we are about values and value. Our track record in innovation includes supplying collagen from Hoki skins to be spun into nano fibre for facemasks and producing premium anti-inflammation supplements from Greenshell mussels. Two Islands is an innovator and we believe in what it stands for – care, simplicity and a love of nature.”

In August, Two Islands also successfully launched the company’s first gut focussed dietary health supplement ‘Happy Gut’ which will be added to the significant sales opportunities in Australia and Asia over the next two to three years.

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About Two Islands

Two Islands was born in New Zealand in 2018.

Guided by a love for nutrition and a no-fuss philosophy, Two Islands founder Julia Matthews resolved to take a simpler approach to how the company formulated its health and well-being products: no fillers, no unexpected surprises, not anything at you don't need. Just the pure, great tasting goodness you do need to look and feel better every day.

Plus, Two Island found ways to make it even easier to fit those essential nutrients into peoples' too-busy lifestyle.

To everyone who shares Two Islands' passion for finding simpler ways we can all take better care of ourselves, welcome to our range of natural products.

For more information please visit www.twoislandsco.com/

About Sanford

Sanford is New Zealand's oldest and largest seafood company – we farm salmon and mussels and hold 19% of New Zealand commercial fishing quota. Sanford has been listed on the New Zealand stock market since 1924. We are focused on sustainability and on maximising the value of the resources we gather from our oceans, enabling long term value creation from oceans teeming with life. Sanford sites can be found in eleven locations around New Zealand and we are a team of 1500 staff and sharefishers across the country. We are committed to innovation: our scientists are on a mission to find new ways to make the most of the life-enhancing properties of seafood, from anti-inflammatory supplements to skin-nurturing collagen.

For more information please visit www.sanford.co.nz/