



**ASX Announcement
Vitalharvest Freehold Trust**

18 March 2021

Revised Non-Binding Offer from Roc Private Equity Pty Ltd

The Trust Company (RE Services) Limited as responsible entity (**VTH RE**) for Vitalharvest Freehold Trust (**VTH**) advises that late on Wednesday, 17 March 2021 it received a non-binding proposal from Roc Private Equity Pty Ltd (ACN 615 322 060) (**Roc**) to acquire:

- 100% of the issued units in VTH (**VTH Units**) for \$1.12 in cash per VTH Unit by way of a trust scheme (**Trust Scheme Proposal**); or
- if the Trust Scheme Proposal is not approved by the requisite majority of VTH unitholders, but VTH unitholders approve a resolution under ASX Listing Rule 11, all of the assets of VTH for \$322.2 million in cash, subject to adjustments as described below,

(together the **Revised Roc Proposal**).

Other than as to price, Roc has stated that it intends that the Revised Roc Proposal, if it became a binding proposal, would be on substantially the same terms as the revised proposal, announced on 11 March 2021, from Macquarie Agricultural Funds Management Limited as trustee for the Macquarie Agriculture Fund – Crop Australia 2 (**MAFM**), including that VTH would be permitted to pay a distribution of 2.5c per VTH Unit from rent received for the first half year ended 31 December 2020.

Roc has stated that it expects to be in a position to submit a binding proposal on or about 31 March 2021. However, the VTH RE Board notes there is no certainty as to whether this non-binding Revised Roc Proposal will result in a binding offer or what the terms of any binding offer may be.

The VTH RE Board is considering the Revised Roc Proposal further and will provide a further announcement to the market once it has done so. VTH unitholders do not need to take any action at this time.

A copy of the Revised Roc Proposal is attached to this announcement.

Authorised for release by: The Board of The Trust Company (RE Services) Limited

ENDS



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About Vitalharvest Freehold Trust

Vitalharvest owns one of the largest aggregations of berry and citrus farms in Australia. These are located in prime growing locations in New South Wales, South Australia and Tasmania and are leased to Costa Group (ASX:CGC).

Vitalharvest provides investors with exposure to agricultural property assets whose earnings profile and underlying value are exposed to the growing global agricultural demand for healthy, nutritious food. These assets provide agricultural diversification by way of crop type, climatic region, water source and product end markets.

Vitalharvest is an agricultural real estate investment trust managed by Primewest Agrichain Management Pty Ltd (ACN 625 505 455) AR No. 001264243.

About The Trust Company (RE Services) Ltd

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (Responsible Entity), part of Perpetual Limited (ASX:PPT) (**Perpetual**), is the responsible entity for the Vitalharvest Freehold Trust ARSN 626 537 362.

Perpetual is a financial services group operating in funds management, financial advisory and trustee services and has been in operation for over 130 years. Perpetual provides the fiduciary and governance oversight for the Vitalharvest Freehold Trust and Perpetual's Responsible Entity Services are provided independently of the manager to ensure the Vitalharvest Freehold Trust meets its regulatory and compliance obligations. Perpetual currently acts for over 90 Australian and international investment managers making their Responsible Entity team one of Australia's leading providers.

17 March 2021

Mr Richard McCarthy
Director
The Trust Company (RE Services) Limited ('VTH RE')
as responsible entity for Vitalharvest Freehold Trust ('VTH')
Level 18, Angel Place
123 Pitt Street
Sydney NSW 2000

With a copy to:

Ms Rebecca Maslen-Stannage
Chair of the Scheme Meeting
Herbert Smith Freehills
Level 43, ANZ Tower
161 Castlereagh Street
Sydney NSW 2000

Revised proposal to acquire 100% of the units in VTH for an all cash consideration of A\$1.12 per unit (plus 2.5c 1H FY2021 distribution), with an asset sale alternative for A\$322.2 million

- **A\$1.12 per unit - in excess of the highest end of IER's valuation range**
- **4 cent premium to Revised MAFM Proposal**
- **Binding Proposal expected on or around 31 March 2021**

Dear Mr McCarthy,

Introduction

We refer to:

- the proposal from Macquarie Agricultural Funds Management Limited as trustee for the Macquarie Agriculture Fund – Crop Australia 2 ('MAFM') announced on 17 November 2020 ('**Initial MAFM Proposal**');
- the non-binding proposal submitted by us on behalf of Roc Private Equity Pty Ltd (ACN 615 322 060) ('**Roc PE**') on 25 February 2021 ('**Initial Roc Proposal**'); and
- the revised proposal from MAFM announced on 11 March 2021 ('**Revised MAFM Proposal**').

We are pleased to present this revised non-binding proposal for a transaction to acquire:

- 100% of the issued units in VTH ('**VTH Units**') for A\$1.12 in cash per VTH Unit by way of a trust scheme (the '**Trust Scheme Proposal**'); or
- if the Trust Scheme Proposal is not approved by the requisite majority of VTH unitholders ('**VTH Unitholders**'), but VTH Unitholders approve a resolution under ASX Listing Rule 11, all of the assets of VTH for A\$322.2 million in cash, subject to adjustments as described below (the '**Asset Sale Proposal**'),

(together the '**Revised Roc Proposal**').

Other than as to price, Roc PE intends that the Revised Roc Proposal will be on substantially the same terms as the Revised MAFM Proposal, including that VTH will be permitted to pay a distribution on scheme implementation of 2.5c per VTH Unit from rent received for the half year ended 31 December 2020 ('**VTH Interim Distribution**').

Roc PE has made substantial progress with the equity funding process described in the Initial Roc Proposal, and fully expects to be in a position to submit a Binding Proposal on or about 31 March 2021.

In all other respects, the sections of the Initial Roc Proposal titled 'Material assumptions', 'Funding', 'Approvals', 'Process for submission of a Binding Proposal', 'Conditions of a Binding Proposal' and 'Scheme Implementation Deed' are incorporated into this letter by reference as if set out in full here, with references to 'the Proposal' or 'this Proposal' being updated to refer to the Revised Roc Proposal, all references to the 'MAFM SID' being updated to refer to the amended Scheme Implementation Deed between VTH RE and MAFM as released to the market on 11 March 2021 ('**Revised MAFM SID**') and all references to the MAFM 'Reimbursement Fee', the MAFM 'Scheme' and the MAFM 'Asset Sale' being updated to refer to those terms as defined in the Revised MAFM SID.

Revised Proposed Consideration

Revised Proposed Scheme Consideration

Roc PE proposes to offer an all cash consideration of A\$1.12 for each VTH Unit (the '**Revised Proposed Scheme Consideration**').

Consistent with the Initial Roc Proposal, Roc PE will also not seek to restrict VTH from paying the VTH Interim Distribution on scheme implementation, nor will it deduct the VTH Interim Distribution of 2.5c per VTH Unit from the Revised Proposed Scheme Consideration.

We believe the Revised Proposed Scheme Consideration represents superior value for VTH Unitholders to the Revised MAFM Proposal and reflects:

- a 4 cent (3.7%) premium to the VTH Unit price value of the Revised MAFM Proposal;
- a 5 cent (4.6%) premium (when including the VTH Interim Distribution) to VTH's closing price on 16 March 2021 of A\$1.095 per VTH Unit; and
- a value that is in excess of the highest end of the valuation range as assessed by Grant Thornton in its independent expert's report dated 9 February 2021 in relation to the Initial MAFM Proposal ('**IER**').

The Trust Scheme Proposal is based upon VTH's current units on issue and the financial position and operating performance of VTH as disclosed in publicly available information.

Revised Proposed Asset Sale Consideration

If the Trust Scheme Proposal is not approved by the requisite majority of VTH Unitholders, but VTH Unitholders approve a resolution under ASX Listing Rule 11, Roc PE proposes to offer an all cash consideration of A\$322.2 million (subject to the adjustments described below) for all of the assets of VTH (the '**Revised Proposed Asset Sale Consideration**').

The Revised Proposed Asset Sale Consideration:

- represents a 4 cent (3.7%) premium to the estimated per unit return resulting from the Revised MAFM Proposal asset sale alternative; and
- is intended, based on publicly available information (including VTH RE's disclosures in the Scheme Booklet for the Initial MAFM Proposal ('**Scheme Booklet**')) to enable the VTH RE to make a final distribution to VTH Unitholders following completion of the Asset Sale Proposal which is equivalent to the consideration they would have received under the Trust Scheme Proposal.

The Revised Proposed Asset Sale Consideration would be subject to adjustments which are equivalent to those described in section 7.4(e) of the Scheme Booklet and in clause 5 of Schedule 3 to the Revised MAFM SID.

Roc PE confirms that, upon any binding proposal being submitted by Roc PE ('**Binding Proposal**'), it would also contain a cost reimbursement clause for the VTH RE in connection with the Asset Sale Proposal equivalent to that in clause 15.3 of the Revised MAFM SID.

Basis of this Revised Roc Proposal

This letter and the Revised Roc Proposal are not legally binding. This letter and the Revised Roc Proposal do not constitute an offer or commitment to acquire any VTH Units or any assets of VTH, are not capable of acceptance by VTH RE or of being put as an offer to VTH Unitholders, and may be withdrawn or modified by Roc PE at any time without notice.

Unless and until the Agreed Form SID (as defined in the Initial Roc Proposal) is entered into, Roc PE will not be under any obligation whatsoever with respect to this letter and the Revised Roc Proposal or any other offer or proposal to acquire VTH Units or any assets of VTH.

Release of this Revised Roc Proposal

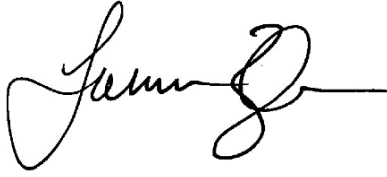
Notwithstanding the non-binding nature of this Revised Roc Proposal, Roc PE recognises that, particularly in the context of the Revised MAFM Proposal, information about this Revised Roc Proposal may be material to VTH Unitholders. On this basis, Roc PE confirms that it has no objection to VTH RE publicly announcing receipt of this Revised Roc Proposal and releasing this letter to the market (provided that this letter is released in full and it is made clear that the Revised Roc Proposal is non-binding) to ensure that VTH Units are traded on a fully-informed basis. Roc PE reserves the right to publicly release this letter should VTH RE choose not to do so.

Conclusion

Roc PE believes this Revised Roc Proposal represents a highly compelling proposition and superior value to VTH Unitholders compared with the Revised MAFM Proposal. The Revised Roc Proposal is at a substantial premium to the Revised MAFM Proposal, and Roc PE is well-positioned to deliver a Binding Proposal as soon as practicable and close the Revised Roc Proposal in an expedient manner and along a timeline acceptable to VTH RE.

We look forward to discussing this Revised Roc Proposal with you at your earliest convenience.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lance Zarb', with a stylized, cursive script.

Lance Zarb
Director

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