



Market Announcement

9 November 2020

Vitalharvest Freehold Trust (ASX: VTH) – Trading Halt

Description

The securities of Vitalharvest Freehold Trust ('VTH') will be placed in trading halt at the request of VTH, pending it releasing an announcement. Unless ASX decides otherwise, the securities will remain in trading halt until the earlier of the commencement of normal trading on Wednesday, 11 November 2020 or when the announcement is released to the market.

Issued by

Todd Lewis

Adviser, Listings Compliance (Melbourne)

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9 November 2020

Dear Todd,

VITALHARVEST FREEHOLD TRUST (ASX:VTH) - REQUEST FOR TRADING HALT

The Trust Company (RE Services) Limited, in its capacity as responsible entity of VTH (**Responsible Entity**) has received the attached media release which has been released by Macquarie Infrastructure and Real Assets (**MIRA**) this morning regarding a proposal to acquire VTH or all of its assets (**Proposal**).

The Responsible Entity requests a trading halt pending an announcement by the Responsible Entity to adequately inform unitholders in relation to the Proposal.

The Responsible Entity requests that the trading halt remain in place until the earlier of:

1. the release of an announcement by the Responsible Entity in relation to the Proposal; and
2. the commencement of trading on Wednesday 11 November 2020.

The Responsible Entity is not aware of any reason why the trading halt should not be granted or of any other information necessary to inform the market about the trading halt.

Please contact me if you require any additional information.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Richard McCarthy", written over a large, stylized scribble.

Richard McCarthy
Group Executive, Perpetual Corporate Trust
on behalf of **The Trust Company (RE Services) Limited**
as Responsible Entity of **Vitalharvest Freehold Trust**



MEDIA RELEASE

MACQUARIE AGRICULTURE FUND PROPOSAL TO ACQUIRE VITALHARVEST

Sydney, 9 November 2020: Macquarie Infrastructure and Real Assets (**MIRA**) today announced an agricultural fund managed by MIRA intends to seek the support of Perpetual as Responsible Entity of Vitalharvest Freehold Trust (ASX:VTH, **Vitalharvest**) for its fully funded, all-cash offer to acquire:

- all of the issued securities in Vitalharvest for cash consideration of \$1.00 per unit¹, by way of a Trust Scheme (**Scheme**); or
- should the Scheme not be approved by the requisite majority of unitholders, all of the assets of Vitalharvest for cash consideration of \$300 million², (**Asset Purchase**), (together, the combined Scheme and Asset Purchase are the **Transaction**).

The Scheme and the Asset Purchase are both fully funded and all-cash, are not subject to due diligence, and have received FIRB approval. The Transaction is conditional on Vitalharvest not conducting any capital raising or assets sales or acquisitions.

MIRA strongly believes the all-cash Transaction is highly compelling and in the best interests of Vitalharvest unitholders, and expects the Transaction will be well received by the Responsible Entity. MIRA looks forward to engaging constructively with the Responsible Entity to put the Transaction to unitholders as quickly as possible.

Scheme highlights:

The all-cash Scheme consideration of \$1.00 per unit implies a total value for Vitalharvest of \$300 million³, and represents:

- an opportunity for Vitalharvest unitholders to realise certain cash value for their units;
- an 11.8 per cent premium to Vitalharvest's current adjusted net asset value of \$0.894 per unit⁴;
- a 27.4 per cent premium to the Vitalharvest closing unit price on 6 November 2020 of \$0.785;
- a 29.5 per cent premium to the 30-day VWAP of \$0.772;
- a 29.0 per cent premium to the three-month VWAP of \$0.775;
- a 28.1 per cent premium to the one-year VWAP of \$0.781;
- an 18.0 per cent premium to the VWAP since listing of \$0.847;
- greater than 21 times Vitalharvest's FY20 distribution; and
- a value greater than Vitalharvest's highest closing price since 9 January 2019.

¹ The consideration would be reduced for any dividends, distributions or capital returns declared or paid from the date of this announcement. Any termination payment to the manager in excess of \$4.5 million would also be deducted from the consideration.

² The consideration would be reduced for any dividends, distributions or capital returns declared or paid from the date of this announcement.

³ Based on Vitalharvest's 30 June 2020 statutory accounts, adjusted for the 1.5 cents per unit distribution paid on 30 September 2020.

⁴ 30 June 2020 NAV reduced for the 1.5 cents per unit distribution paid on 30 September 2020.

Asset Purchase highlights:

The all-cash Asset Purchase consideration of \$300 million represents:

- an opportunity for the Responsible Entity to realise Vitalharvest's assets at a material premium, with net proceeds available (whether in part or whole), for distribution to unitholders or reinvestment into alternate assets, should the manager put forward a compelling opportunity;
- a 7.0 per cent premium to the fair valuation of Vitalharvest's properties as stated at 30 June 2020; and
- an equivalent net asset value of \$1.00 per unit⁵, and an 11.8 per cent premium to Vitalharvest's current adjusted net asset value of \$0.894 per unit.

The Transaction structure allows two alternative outcomes for unitholders:

- if approved by the requisite majority of 75 per cent of votes cast, the Scheme will enable unitholders to realise certain cash value of \$1.00 per unit for their investment; or
- should the Scheme not proceed, the Asset Purchase provides unitholders with the opportunity to approve the sale of Vitalharvest's assets at a material premium to their book value, with net proceeds available to the Responsible Entity to distribute to unitholders and/or redeploy into any compelling acquisition opportunities proposed by the manager. The Asset Purchase requires approval by more than 50 per cent of votes cast.

MIRA's agricultural arm is an Australian-headquartered, active asset manager, with a longstanding track record in owning and managing farmland domestically. Vitalharvest owns a portfolio of berry and citrus farms in New South Wales, South Australia and Tasmania, which are leased to Costa Group. The properties and their operations are well aligned with MIRA's agricultural expertise and strategy.

MIRA's strategic relationship with Costa Group has seen the two parties collaboratively acquire and operate high quality horticulture assets in Australia, including having worked closely to build out Costa Group's avocado production portfolio. It is expected that the assets will continue to be operated by Costa Group in the long term.

About MIRA

Macquarie Infrastructure and Real Assets (MIRA) is one of the world's leading alternative asset managers. For more than two decades, MIRA has partnered with investors, governments and communities to operate, develop and enhance assets relied on by more than 100 million people each day.

For more than 10 years, MIRA has combined farming expertise, investment management discipline and a deep understanding of global commodities markets 'in-house', to become one of Australia's largest diversified farmers and a major investor in Brazilian agriculture. MIRA's Australian agriculture portfolio teams are based in Albury, Orange and Sydney.

MIRA is a part of Macquarie Asset Management, the asset management arm of Macquarie Group.

Media Contacts

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⁵ Adjusting Vitalharvest's 30 June 2020 balance sheet to reflect the property assets at \$300m, and payment of the 1.5 cent per unit distribution on 30 September 2020.