



ASX ANNOUNCEMENT

20 December 2019

Corindi Water Supply

Vitalharvest Freehold Trust (ASX:VTH) owns Australia's largest citrus and berry portfolio and leases these assets exclusively to Costa Group Holdings Ltd (ASX:CGC).

On 20 December 2019, CGC released a statement to the market advising of weather and water challenges at VTH's Corindi berry farm. For the calendar year to date, Coffs Harbour (northern NSW) has experienced the lowest rainfall on record. As a consequence of little rainfall, run-off into the on-farm water storages and the available irrigation water supply at Corindi berry farm is low.

CGC is executing a plan to manage the water requirements which includes securing extra water from nearby sources and to "remove a significant part of the current annual raspberry crop and early prune some of the lower value blueberry varieties to conserve the priority crop"¹. This plan will remain dynamic and change in relation to seasonal influences. In support of these endeavours, VTH has also approved capital expenditure to install increased water-tank storage capacity at the Gray's Road property at Corindi.

Whilst this situation will have no material impact on Fixed Rent revenue, as at November, berries continue to not contribute to Variable Rent and appears that water issues will continue to adversely affect berries' contribution to Variable Rent revenue (which is calculated on a calendar year basis to align with the tenant's financial year).

VTH will provide further updates to the situation in the event of a material change, noting historically the wettest months of the year at Coffs Harbour are February and March.

The recent bushfires in north-eastern NSW have not impacted the Corindi berry farm.

END.

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¹ Costa Group 2019, ASX Announcement, 'Water and Weather Update', 20 December 2019

About Vitalharvest

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 goFARM Asset Management (ACN 625 505 455) AR No. 001264243.

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

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