PrimeValue
Building Wealth Together
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INVESTMENT UPDATE

FEBRUARY 2021

Prime Value Citrus Trusts

Dear Investor,

We are pleased to provide you with the final Harvest 2020 Citrus Trusts update.

In summary

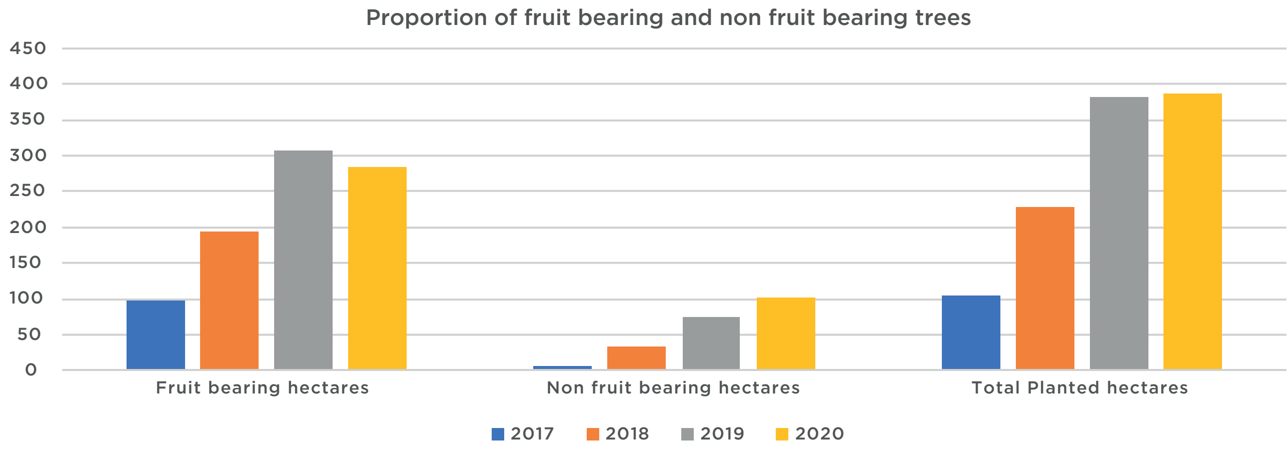
- Unit price ends January 2021 higher at 1.2251
- Distribution paused for 2020 due to lower volumes as development plans are brought forward.
- Outlook for the 2021 harvest is positive with highly favourable climatic conditions supporting fruit growth and declining water prices improving operational costs.
- Good results are emerging from early season assessments of fruit quality, size and overall yield.
- Major irrigation development work on the Nangiloc farm is on track for completion at the end of March.
- Production for Harvest 2021 is forecast at 9700T versus Harvest 2020 production of 8732T
- Resumption of distributions are forecast with the 2021 harvest and strong revenue growth going forward as our development work over the past three years begins to bear fruit.

Final prices from our fruit processors were received at the end of December and, although our results do reflect the difficult growing conditions, strong domestic and export prices have delivered an improved outcome versus our mid-year forecast. Although we have paused the distribution for the 2020 harvest due to a modest negative cashflow, we are pleased to report an upward revision in the unit price from 1.1867 in June 2020 to 1.2251 as at 31 January 2021. The revision higher in the unit price is related to savings in operational costs and stronger prices received for our fruit for the season.

To recap on the 2019/20 growing season, it was an exceptionally difficult time for the nation. Devastating bushfires, low rainfall, high winds, high temperatures and dust storms weighed heavily on agricultural production. These conditions dovetailed into COVID related labour, shipping, and export difficulties, but in light of all of these challenges, we are pleased with the end of year outcome for the Trusts and positioning of the farms.

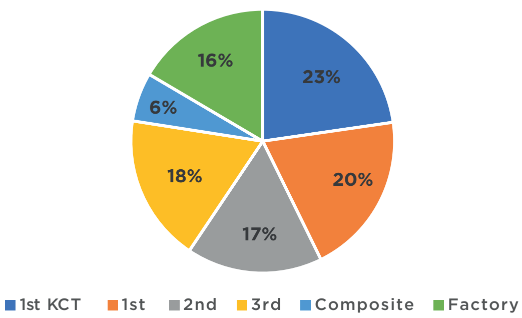
As was reported last year, due to the higher water price environment and challenging growing conditions, we took the decision to focus on farm and water efficiencies and bring forward our orchard development plans. To this aim, operational costs were reduced by removing poorly performing trees including older Imperial mandarins and Valencias at Nangiloc, and Sumos at Wiela. Additionally, we took the decision to top-work our lower valued Valencias at Orange One. We have replaced and top-worked these trees with premium variety navels including Cara Caras and Washingtons. This strategic work led to a reduction of our fruit bearing trees for 2020. We also took the opportunity to undertake significant pruning of the Afourer mandarin trees on Sunmar. This necessary work was timed in a difficult year to minimise the impact on profitability. Production from all farms for 2020 was 8732T versus 10,218T in 2019 but the farms are now positioned very well for the future.

With respect to our fruit grades, the 2020 harvest results were not dissimilar to 2019, which was also a



challenging year for the region. However, the focus for 2020 was ensuring fruit size was optimal which compensated for higher than average blemish. Our average price for the 2020 harvest was substantially stronger at $902/T versus $834/T in 2019.

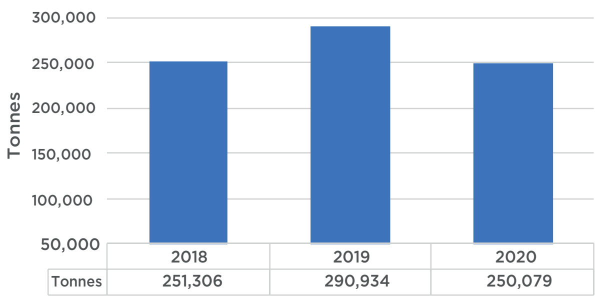
Prime Value Citrus Fruit Grades Harvest 2019/20



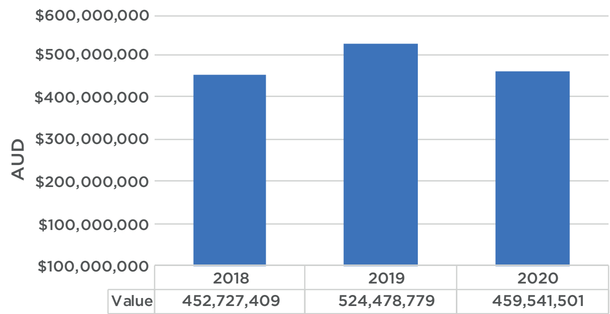
While our KCT 1st Grade and 1st Grade fruit combined was virtually the same as last year, our fruit sold into the KCT program was lower at 23% of our production versus 31% in 2019. Our decline is however in the context of overall orange shipments from Australia to China being 35% lower. Direct trade into China still accounted for 18% of national exports but there was an active switch by fruit processors/ marketers to diversify sales destinations in light of the 2020 trade tensions with China and broader COVID shipping difficulties. Japan became the strongest market last year and accounted for 23% of Australia's orange exports. HK ranked second and China third. There were notable increases in volumes to Vietnam, South Korea, Canada and the US. Of particular interest is the growing Asian demand outside of China as these are new markets processors have been working to develop. Despite the lower proportion of fruit exported under the KCT program last year, we will continue to manage our farms to meet KCT protocols to ensure all markets remain open to our farms.

Although overall export volumes for oranges were down 8.5% for the year (at 182kT), demand and prices continued to be strong with average prices up more than 7%. Mandarin export volumes were also lower, but prices remained near the highs of 2019. Although we do not have a full picture of domestic production yet, we believe the lower exports are related to both lower production yields due to the challenging growing conditions across the board and higher domestic demand due to COVID.

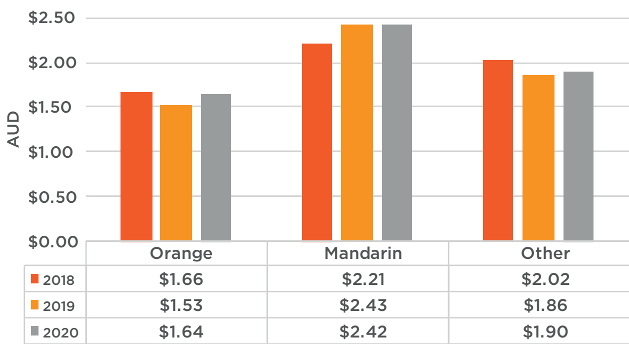
Total Australian Exports: 2018, 2019, 2020



Total export value: 2018, 2019, 2020



Price per kg : January – December 2018, 2019, 2020



Source: Citrus Australia February 2021

2021 Season Update

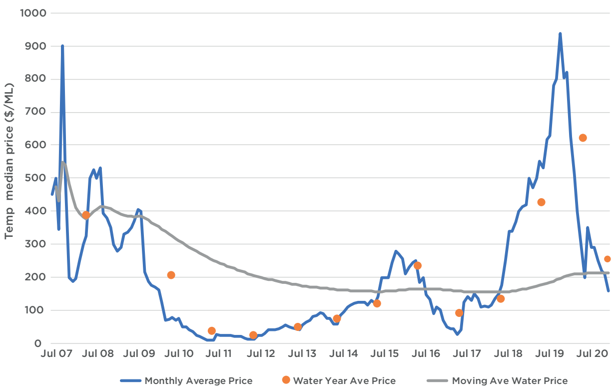
We are now several months into the 2020/21 growing season and it is progressing very well with ideal growing conditions which are in sharp contrast to the challenges of 2019 and 2020. Rainfall has been higher and water prices have fallen back to $100/ML versus the highs of December 2019. Fruit size continues to


New plantings November 2020


New drip line

track very well and there is considerably less blemish versus the last two seasons across all farms. There was a hail event at New Year causing some damage to fruit at Orange One and a small patch on the Nangiloc farm but the impact on revenues is forecast as negligible with insurance cover in place and no damage to trees.

Victorian Murray Water (Zone 7) Temporary Allocation Prices



SCF has been highly pro-active in securing labour for the 2021 harvest and remain confident there will be minimal disruptions from COVID related labour shortages. We expect there may be some increase in labour costs depending on quarantining requirements, but we do not expect them to be significant.

Our irrigation development work on Nangiloc is expected to be completed by the end of March and on completion we will have:

- installed some 85km of additional dripline irrigation to convert 110ha away from overhead sprinklers;
- installed 1 km of internal mainline piping from the dam and further submains piping across the farm;
- installed 12 large disc water filters at the damp pump providing primary filtration with secondary filtration at the field valves;
- installed 35kW of solar capacity to power the dam pump via 78 x 450 watt panels;
- installed two new 23,000 litre fertiliser storage tanks and upgraded the fertiliser injection process for injecting fertiliser into the irrigation water;
- Installed 57 control valves to enable automation of the irrigation system providing control via computer and monitoring via mobile app; and
- planted 9ha of trees.

Water savings from the use of drip versus sprinklers is substantial (approximately 30% less water is required) and the more efficient delivery of water and fertiliser to the root system underpins higher quality fruit. The root system of trees is wider with sprinkler irrigation and so we will gradually switch across from overhead to drip over the course of the next two seasons to ensure tree health remains optimal. The sprinklers will be retained for climate control cooling and potential frost events.

Post development, since inception of the Trusts in 2017, we have top-worked over 10,000 lower valued trees spread across 21 ha and converted them to higher valued varieties and planted over 50,000 premium variety citrus trees spread across 82 ha. The growth in our planted hectares, our annual production and the current variety of plantings are outlined below.

Year	Fruit bearing hectares	Non fruit bearing hectares	Total planted hectares	Production (tonnes)
2017	98	7	105	3,598
2018	194	35	228	4,924
2019	308	74	382	10,218
2020	284	103	387	8,732
2021 Forecast				9,700

Type	Area (ha)	Trees
Mandarins	109	70,868
Navels	242	132,440
Lemons	3	1,155
Grapefruits	11	7,174
Almonds	21	7,076
Avocados	1	300
	387	**219,013**

We forecast the resumption of distributions with the 2021 harvest and strong revenue growth going forward as trees mature. Yield assessments on the farms will take place in March but our initial forecasts are for production of 9700T+ for 2021. Higher forecast production in 2021 is related to non - bearing trees beginning to fruit, younger trees moving towards full production and a production rebound of the pruned Afourer trees on Sunmar. We will gradually move towards full production of 14,000-15,000T in 2025.

We have been continuing to seek to expand our citrus land holding but suitable acquisition opportunities remain scarce with citrus farms tightly held and sales prices too high to meet our return hurdles. This year we will be exploring further development opportunities on our existing farms.

Quek, James and Elizabeth