

Prime Value is proud to update you as we continue to develop our dairy portfolio in Australia's finest dairy farming regions.

Prime Value Dairy Trusts

Update May 2023

This presentation has been prepared by **Prime Value Asset Management Limited**

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Sustainable Pasture Based Dairy Farming Across Southwest Victoria And Northwest Tasmania



Income

Farms have been selected to provide a stable income stream from milk sales with capital growth potential over the medium to longer term, driven by our high rainfall locations, and pasture based farming systems.



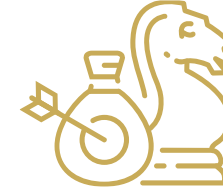
Profitable & Sustainable

Each farm operates sustainably and profitably as a stand-alone business however our portfolio of farms are managed collectively to achieve economies of scale, profitable breeding/cattle raising programs and receive the milk sales price benefits that come with higher volumes of production.



Turn Around

Buying well is critical to all investments and many of our farms were acquired at a discount as part of a wider turnaround strategy. They have all had the criteria to become premium farms but require an investment of time, energy and capital.



Value-Add

We are working with processors to establish a dairy-beef operation to profit from our breeding program and rear our young male calves. Additionally, once we have sufficient milk under management, we will explore the potential for value-add/niche dairy products. Forecast returns do not include these aspects.

- As of April 2023, our portfolio comprised an approximate 5,150ha (12,725 acres) landholding spread across 11 farms in NW Tasmania and two farms in SW Victoria. An additional farm in NW Tasmania is managed under a lease agreement.
- Our farms in Victoria and Tasmania are on target to deliver full year production of 40M litres of milk and 3.1million kg milk solids (Kg/MS) for FY23.
- We are on track to deliver a full year distribution of 6 cents per unit for FY 2023.
- Processors are beginning to release their minimum milk prices for FY24, and we are encouraged by the initial pricing which is just marginally lower than the record opening prices last year. We believe the same highly competitive market will deliver another strong farmgate milk price for FY24.
- Input prices have fallen, and with the development work we have done, we are positive about the coming year as we increase our cow numbers and aim to deliver 20% more milk production versus FY23.

Dairy Farms | VIC & TAS Locations



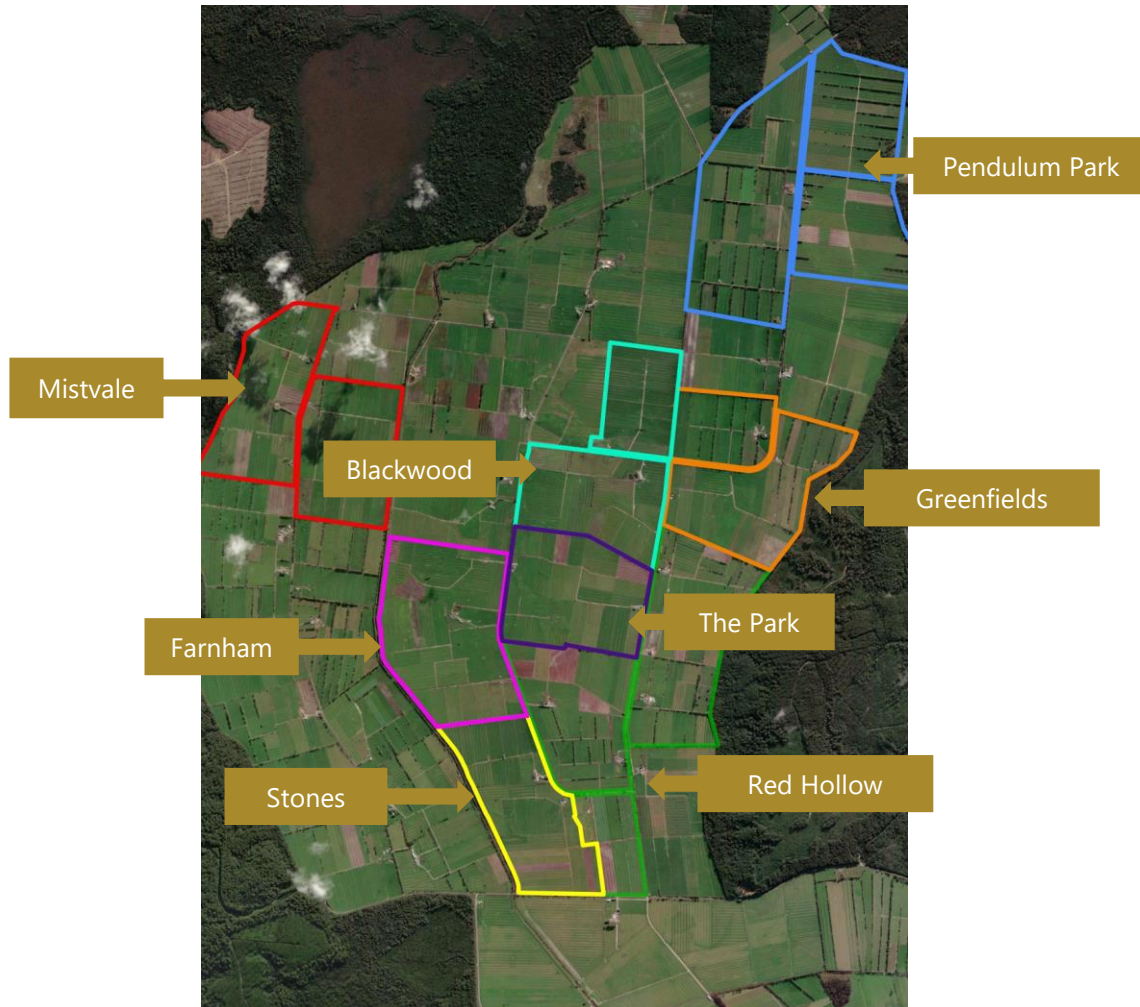
- Scaling the dairies for efficient operations.
- Acquiring support farms to meet our agistment needs and sufficient land to rear our young stock.
- New best practice effluent management systems protecting the environment and incorporating the recycling of nutrient rich effluent onto pastures to reduce our fertiliser requirements.
- Securing irrigation/bore water for drier periods, plus installing irrigation infrastructure to also distribute effluent water over pastures.
- Establishing a strong workforce.

Working towards best practice in farm management and future proofing the farms

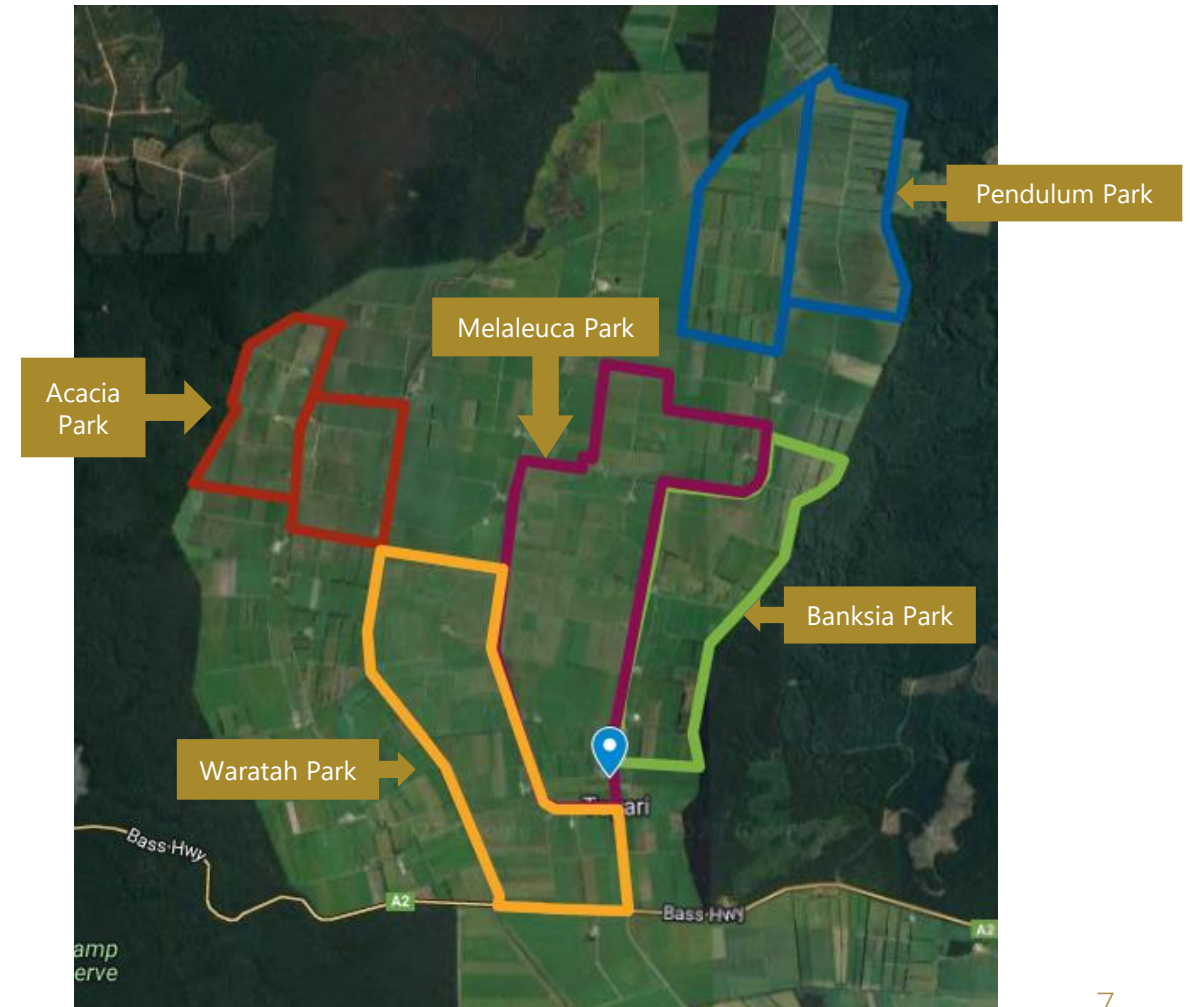


Togari Farms | Old Layout vs New Layout

Before our development work



After our development work



Development | Our Dairy Builds

We are re-sizing our farmland to create efficiencies of scale. Three new larger dairies are replacing six smaller ones.

Banksia Park, the first of our new dairies opened on 4 October 2022. It is a 54 bale rotary milking 870 cows. The dairy will milk 900 cows in FY24 with a capacity for 1000. This is the smaller of the three farm developments redesigned to eliminate road crossings.



The redevelopment at Melaleuca Park (previously Blackwood) is near completion (as pictured). The new 60 bale rotary will milk approximately 1000 cows in FY24, and the farm will have a capacity for 1400. Images are from 18 May 2023.

The new dairy shed and effluent ponds at Waratah Park (previously Farnham) are also progressing well and on track to be operational in the FY24 season. 900 cows will be milked in FY24 with the capacity to ramp up to 1200.



- We recently settled on the acquisition of a 746ha (1,844 acres) farm in the Rocky Cape region of NW Tasmania.
- This premium farm is only 60 kms (45 minutes) from our Togari farms, has significant water rights, substantial irrigation infrastructure, and quality soils suitable for diverse agricultural purposes ranging from cropping to dairying to beef. There is also a small herringbone dairy which we will expand this year for milking in FY25.
- We intend to use Rocky Cape primarily as a support block for agistment purposes.

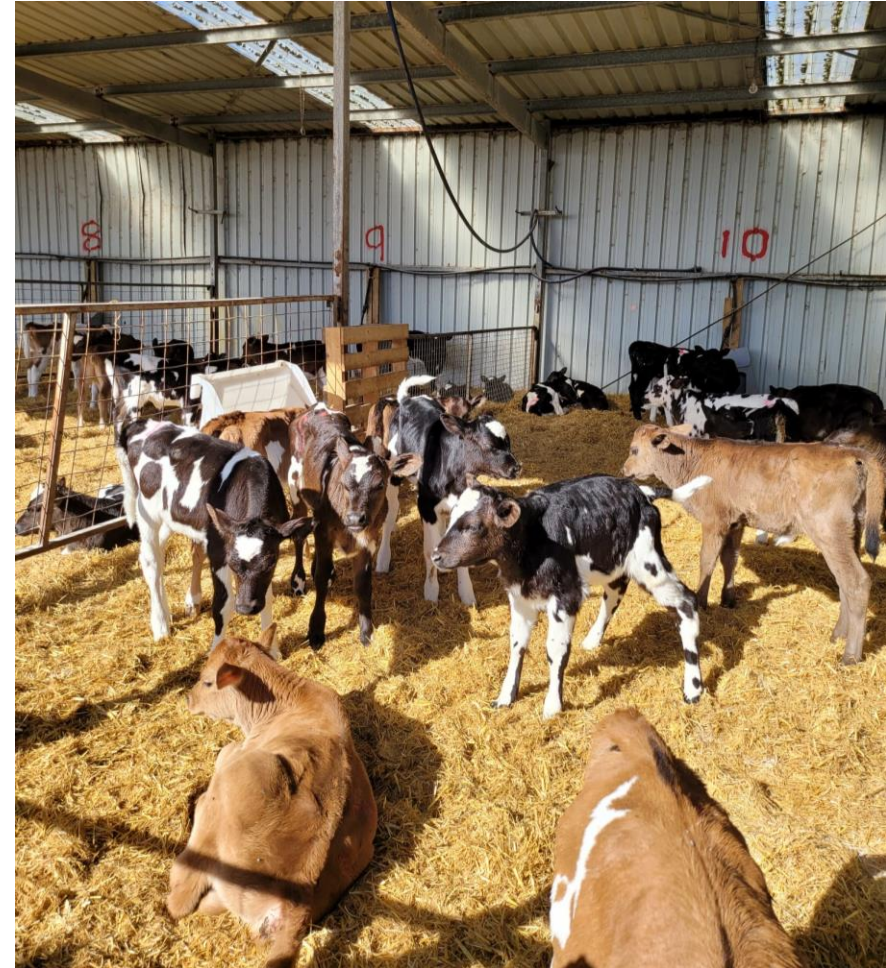


Support blocks are essential for effective farm management in Tasmania. They serve to agist our milking herd off the dairy farms during wet winters, grow additional hay and silage to reduce feed costs, and provide space to rear our young stock and grow out our replacement herds.

- Agistment of the milking herds off the dairy farms during winter is a critical aspect of successful dairying in NW Tasmania. It ensures the pastures are not damaged by the cows in wet conditions and allows for an essential bank of feed to be grown for the commencement of the milking season.
- In July 2022 we purchased farmland next to our Meadowbank farm. This acquisition, along with our Seven Mile Beach property, and now Rocky Cape allows us to agist our cows close to our existing farms and retain them fully under our care and management.
- Managing our entire herd in house enables us to ensure the health of our cows and the best outcome of calving. We have already seen significant improvements. These “run-off” farms that we use for agistment will also be home to our heifers and calves that become our future milkers and are managed by our youngstock team.

Cow Numbers & Production | Now and Future

| Farm | FY23 Cow numbers | FY24 Target | Future Target |
|-----------------------|---------------------|---------------------|----------------------|
| Country View | 650 | 650 | 650 |
| Aringa Park | 520 | 550 | 550 |
| | | | |
| Tarkine | 758 | 1,000 | 1,200 |
| Pendulum Park | 869 | 900 | 900 |
| Banksia Park | 879 | 900 | 900 |
| Melaleuca | 503 | 1,000 | 1,200 |
| Waratah Park | 628 | 900 | 1,400 |
| Acacia Park | 463 | 550 | 550 |
| Talawa | 727 | 750 | 1,000 |
| Harcus | 1,147 | 900 | 900 |
| Sunny Hill | 560 | 800 | 1,000 |
| Rocky Cape | | 0 | 800 |
| Total | <u>7,704</u> | <u>8,900</u> | <u>11,050</u> |
| | | | |
| FY23 Production | | | |
| | numbers (Forecast) | FY24 Target | Future Target |
| Litres | 40,038,225 | 49,706,500 | 61,714,250 |
| Litres/Cow | 5,197 | 5,585 | 5,585 |
| Kg Milk Solids | 3,128,262 | 3,916,000 | 4,862,000 |
| KgMS/Cow | 406 | 440 | 440 |



Tarkine increase in cow numbers is based on the acquisition of neighbouring land which is scheduled for settlement in July 23. The acquisition is conditional on the vendor completing the sale of another property. We expect to be proceeding with the purchase which enables us to expand the herd at Tarkine from 758 cows up to 1200 over the course of the next two years.

2022 Farmland Values Released

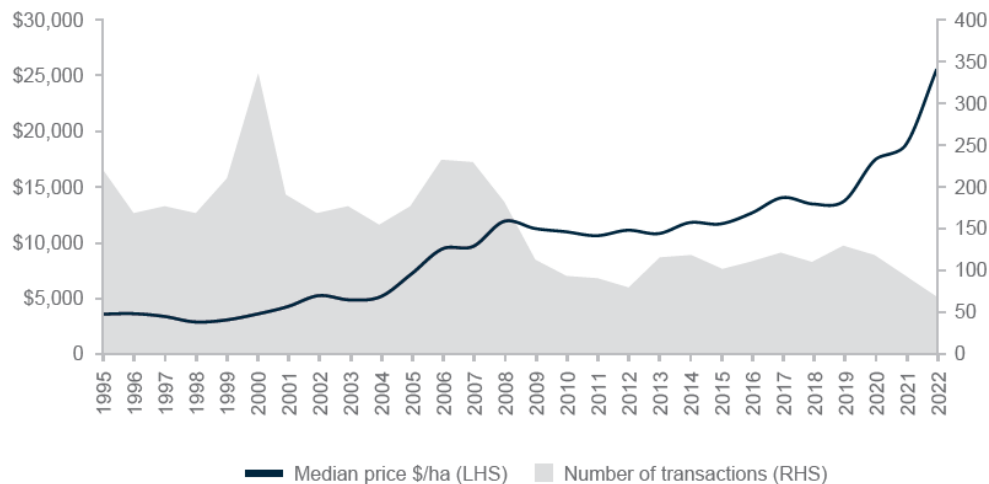
Northwest Tasmanian Price Rises continue through 2022



- ✓ **High rainfall**
- ✓ **Excellent availability of water**
- ✓ **Strong demand for agricultural land**

- 7.6% compound annual growth over 20 years
- Tasmania has the optimal climate for pasture-based dairying. It has a temperate climate, fertile soils, reliable rainfall and plenty of sunshine, all of which ensure excellent growing conditions for pastures that support the production of premium quality dairy products.
- Modeling undertaken by the Climate Futures Tasmania projects to 2040 that Tasmania, in the face of climate change, will remain globally competitive for perennial ryegrass production, the pasture that underpins the dairy industry of Tasmania.

North West – historic performance



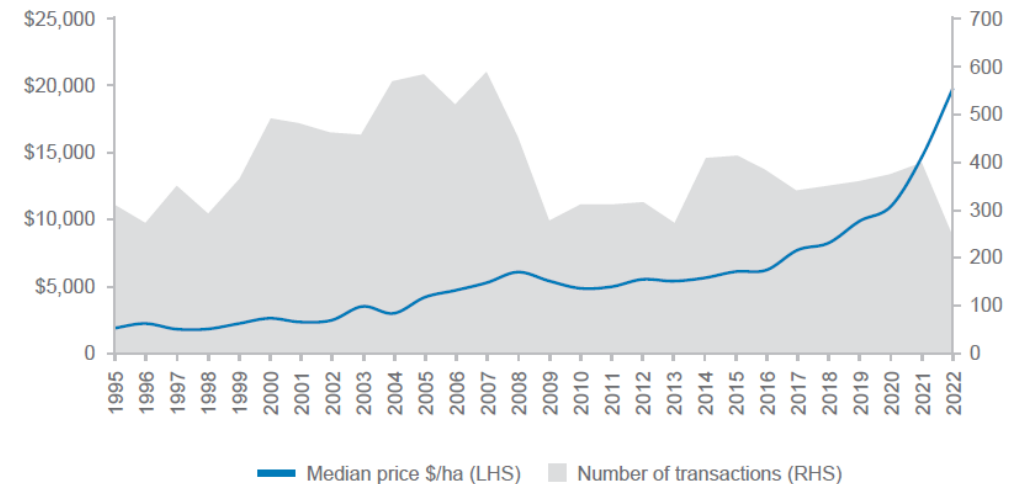
Ruralbank – Australian Farmland Values 2023

2022 Farmland Values – Released

Southwest Victoria – Six Years of Gains

- ✓ **High Rainfall**
- ✓ **Good Availability of water**
- ✓ **High demand for agricultural land**
- The average annual growth rate over the last 20 years has been 9.7% p.a. in SW Victoria.
- Prices plateaued after the GFC for a significant period of time and they are now driving higher. The supply of quality farmland is limited particularly in areas of high rainfall.

South West – historic performance



Portfolio Returns | Farmland gains



| Farm | Acquisition Date | Acquisition Price | Revaluation Date | Revaluation Price |
|----------------------|--|----------------------|------------------|-----------------------------|
| Aringa Park (Vic) | January 2020 | \$5,370,000 | Dec-22 | \$10,342,500 (+93%) |
| Country View (Vic) | December 2019 | \$6,900,000 | Dec-22 | \$11,970,000 (+73%) |
| Tarkine Dairy (Tas) | July 2020 | \$8,500,000 | Dec-22 | \$11,182,500 (+32%) |
| Pendulum Park (Tas) | July 2021 | \$9,100,000 | Dec-22 | \$11,340,000 (+25%) |
| Balance of Tas Farms | From May 2021 and more recently for new acquisitions | \$76,920,000 | Dec-22 | \$93,640,000 (+22%) |
| Total | | \$106,790,000 | | \$138,457,000 (+30%) |

Note that the revaluation prices in the above table are valuations done by approved Valuers for mortgage purposes and not necessarily reflective of current sale prices.

| | |
|---|-------------------|
| Unit price March 2023 (ex-distribution) | : \$1.1988 |
| Returns since inception (November 2019) | : 38.6% |
| Distributions since inception (up to March 2023) | : 0.1870 |
| Annualised return | : 10.3% |

Future Plans

A significant amount of capital has already been spent (approximately \$10m) on our Tasmanian portfolio to set the farms up to maximise profitability. Capital expenditure has been to scale the farms; replace and improve dairy infrastructure and housing; and significantly expand the irrigation to reduce the impact of drier summers. Further improvements will continue over the coming 12 months.

Building Wealth Together

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