



ProTen

ProTen Ltd
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22 August 2018

Dear Shareholder,

ProTen Limited is today announcing that we have reached conditional agreement with an entity owned by First State Super to sell ProTen for AU\$1.65 in cash, subject to shareholder approval.

Given the long relationship that I have had with ProTen, this announcement comes with mixed emotions. Whilst I shall be sad to relinquish my role as Chairman, this is unquestionably the right path forward for ProTen, its stakeholders, management, and importantly, its shareholders.

Subject to the qualifications outlined in this announcement, my fellow Directors and I intend to vote our shares in favour of this transaction and unanimously recommend that you do the same.

I would like to thank the shareholder base for their continued support of ProTen and to acknowledge the privilege I have to be your Chairman. I look forward to seeing many of you at the Shareholder Meeting in late October.

Yours sincerely,

PP

John Signal
Chairman
ProTen Limited



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PROTEN LIMITED BOARD UNANIMOUSLY RECOMMENDS ALL CASH ACQUISITION PROPOSAL FROM FIRST STATE SUPER

- ProTen shareholders to receive AU\$1.65 (equivalent to NZ\$1.81¹) per share in cash
- Scheme Consideration represents a significant premium to recent share price
- ProTen Directors unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of ProTen shareholders
- Monthly dividends of AU\$0.0075 cents per share are expected to be paid up to and including October 2018

ProTen Limited (**ProTen** or the **Company**) today announces that it has entered into a binding Scheme Implementation Deed (**SID**) with FSS Agriculture 2 Pty Limited (**FSS Agriculture**), an entity owned by First State Super and managed by ROC Partners (**ROC**) on behalf of First State Super. Under the SID it is proposed that FSS Agriculture will acquire 100% of the shares in ProTen by way of a Scheme of Arrangement (the **Scheme**), for AU\$1.65 per share in cash.

First State Super is one of Australia's largest profit-for-member financial services organisations, run solely to benefit its members. It has more than 800,000 members and clients and over AU\$90 billion in funds under management. The majority of First State Super's members work in education, health, law enforcement, emergency services and other organisations that care for the community.

ROC is a leading alternative investment manager specialising in private equity and agricultural investments in the Asia Pacific Region. It is headquartered in Sydney and has current funds under management or advice of over AU\$6.0 billion*.

¹ Currency conversions throughout this announcement are at the current exchange rate of NZ\$1.0970:AU\$1.00 as at the date of this announcement; however the New Zealand dollar (NZ\$) equivalent of the scheme consideration proceeds received by shareholders will be a function of the prevailing exchange rate at the Implementation Date (expected to be mid-November 2018).

* As at 31 July 2018

Overview of the Scheme

Under the terms of the Scheme, ProTen shareholders will be entitled to receive AU\$1.65 per share in cash (**Scheme Consideration**), subject to all applicable conditions being satisfied or waived and the Scheme being implemented.

ProTen expects to continue to pay its monthly dividend until the Scheme is implemented, which is expected to occur in mid-November 2018. Under the current timetable, the last monthly dividend would be paid in late October 2018. The Scheme Consideration will not be reduced by the cash amount of the monthly dividends.

The Scheme Consideration of AU\$1.65 per share represents a **21% premium** to the closing price of NZ\$1.50 per share on 16 August 2018² and implies a fully diluted market capitalisation for ProTen of AU\$211 million³ and an enterprise value of approximately AU\$371 million⁴.

The Directors of ProTen unanimously recommend that ProTen shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of ProTen shareholders. Subject to those same qualifications, each Director of ProTen intends to vote, or cause to be voted, all the ProTen shares held or controlled by them in favour of the Scheme at the Scheme Meeting.

The Chairman of ProTen, John Signal said, “Over the past six months, the ProTen Board has undertaken a strategic review to assess ProTen’s long-term objectives and the capital required to fund future growth. After considering numerous options, including raising equity and drawing on our debt facilities, we believe a sale to First State Super is in the best interests of ProTen shareholders. First State Super’s proposal represents a significant premium to ProTen’s recent share price, is 100% cash consideration and provides certainty of value for ProTen shareholders.”

Key terms of the Scheme Implementation Deed

The implementation of the Scheme is subject to ProTen shareholders approving the Scheme by the requisite majorities (75% by voting rights and 50% by number of shareholders voting).⁵ ProTen shareholders will have the opportunity to vote on the Scheme at a meeting (**Scheme Meeting**) expected to be held in late October 2018.

The implementation of the Scheme remains subject to certain other customary conditions set out in the SID, including no material adverse change, prescribed occurrence or material

² Being the closing price prior to the trading halt announced on 17 August 2018. The closing price of ProTen's shares has been calculated using the data available from the trading of ProTen shares on the Unlisted market in New Zealand. There is no guarantee that historical share price on the Unlisted market represents the actual underlying value of ProTen shares.

³ Based on 127.6 million shares, comprising 122.6 million ordinary shares, 0.72 million employee incentive plan shares and 4.24 million warrants.

⁴ Based on an unaudited, estimated net debt as of the Implementation Date.

⁵ Please refer to the Scheme Booklet which will be circulated to shareholders in late September and will contain additional information on voting and the requisite majorities required to approve the Scheme.

breach of warranty and the Independent Expert concluding that the Scheme is in the best interests of ProTen shareholders. It is not expected that any regulatory approvals will be required in connection with the Scheme. ProTen is bound by customary exclusivity provisions under the SID.

The Scheme does not include any funding condition, with FSS Agriculture having secured committed equity funding and the continued support of the Company's debt financier.

A full copy of the SID, including all applicable conditions, is available on ProTen's website.

Indicative timetable

Shareholders do not need to take any action at the present time. An Independent Expert will be appointed to prepare a report on whether, in the Independent Expert's opinion, the Scheme is in the best interests of ProTen shareholders. The Independent Expert's Report will be included in the Scheme Booklet, along with information relating to the Scheme, the reasons for the Directors' recommendation and details of the Scheme Meeting. It is expected that ProTen shareholders will receive the Scheme Booklet in late September 2018.

The Scheme Meeting is expected to be held in late October 2018 to coincide with the Company's Annual General Meeting. Subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented by mid-November 2018. These dates are indicative and subject to change.

Fort Street Advisers is acting as financial adviser and Clifford Chance is acting as legal adviser to ProTen.

ENDS

For further information please contact:

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