



Annual Shareholders' Meeting 2022

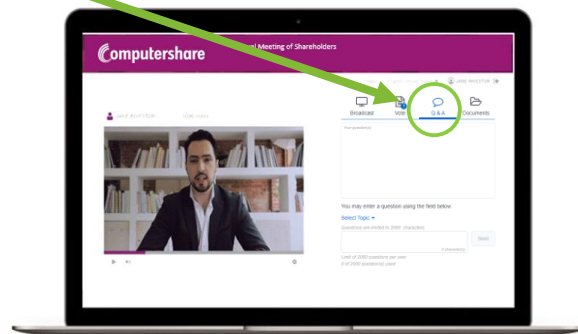


Welcome

Dave Knott
Chair of the Board

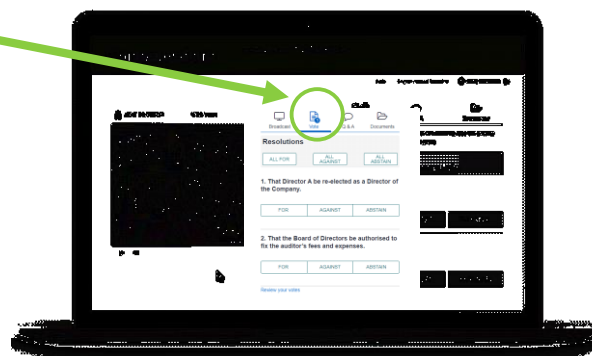
Online Questions

- To submit a question during the meeting
 - Select the Q&A tab on the right of your screen at anytime
 - Type your question into the field and press send
- For help
 - Refer to the virtual meeting guide
 - Use the chat function; or
 - Call Computershare helpline 0800-650-034



Voting

- When voting has opened
 - Click on the Vote tab
 - Select your voting direction from the options shown on the screen
 - You can vote for all resolutions at once or by each resolution
 - Your vote has been cast when the tick appears
 - To change your vote, select 'Change Your Vote'



Introduction



Paul Smart



George Adams



Andrew Baum



Alex Brown



Thomas Avery



Ozey Horton



Sharon
Ludher-Chandra



Pam
Wardenburg



Programme

- Chief Executive's review
- Chair's address
- Shareholders' questions
- Formal resolutions





Our Strategic Focus

- Core high-growth markets in the US South and Brazil
- Transformation of forest productivity with advanced genetics
- Our competitive positioning is supported by:
 - decades of proprietary R&D investment
 - strong production capability and supply pipeline
 - excellent sales and marketing capability
- Never been in a better position to execute this strategy with a strong balance sheet



March 2022 YE Results

Despite ongoing pandemic and supply chain challenges, we executed the Company's advanced genetics strategy and recorded our highest level of sales of Mass Control Pollinated (MCP®) products in the US



March 2022 YE Results continued

- Revenue from continuing operations of \$47.6m
 - up 11% on the prior period
 - \$39.9 m sales in the US
 - \$7.7 m sales in Brazil
- Gross margin from continuing operations of \$17.8m
 - up from \$15.6m in FY21
- Operating earnings from continuing operations (before other significant items) of \$2.7m
 - up from \$1.0m in the prior period



All references to currencies in this presentation are in US\$ unless otherwise stated

March 2022 YE Results continued

- Net earnings from continuing operations of \$1.7m
 - up from \$1.5m in the prior period
- Adjusted US-GAAP EBITDA result of \$10.1m
(excluding public company costs of \$1m and Other Significant Items)
 - 36% higher than the prior period
- Net cash from operating activities of \$7.5m
 - down from \$9.9 m in the prior period which included Covid grants



March 2022 YE Results continued

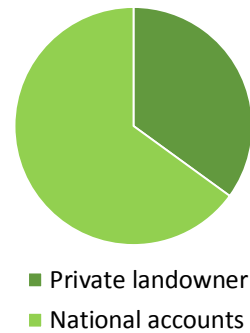
- Other Significant Items during the period was an expense of \$4m, compared to a gain of \$1.9m in the prior period
 - \$0.9m of government grant income
 - \$1.6m write-off of unsold seedlings due to Covid impact
 - \$1.5m relating to a freeze event that damaged flowers (Eastern orchards)
 - \$1.6m of strategic review costs (~\$0.6m related to ANZ transaction)
 - \$0.2m of other costs
- Net debt reduction from \$27.4m to \$11.5m
 - ANZ sale proceeds used to repay \$2.9m of sub-debt and reduce working capital facility by \$5.5m
 - Cash interest cost savings of ~\$0.5m p.a.



FY22 Seedling Sales

- Sales in the US and Brazil
 - 362m units, up 3m
 - 284m sold in the US
 - 258m pine
 - 42% of these were advanced genetics
 - 78m sold in Brazil
- US sales down 10m due to disruptions caused by Covid-19
 - Advanced genetics sales up 26m
 - Advanced genetics sales to private landowners up almost 60%
- Brazil sales of 78m units up 20%
 - Higher eucalyptus and pine sales

US Advanced Genetics
Sales Volumes



Advanced Genetics Adoption

Integral to the success of our strategy in the US is moving the market to advanced genetics (primarily MCP)



Our Product Portfolio

We are advancing genetics through breeding

Open Pollinated: OP Advanced, Select and Elite
Produced from best mother and fertilized with pollen of an unknown father tree

Elite Genetics Products

MCP®: Advanced, Select, Elite, 2.0
Seedlings produced from crossing selected mothers and fathers to produce the best MCP hybrid seedlings

Varietals
Identical copies of best MCP seedlings, selected from extensive trials

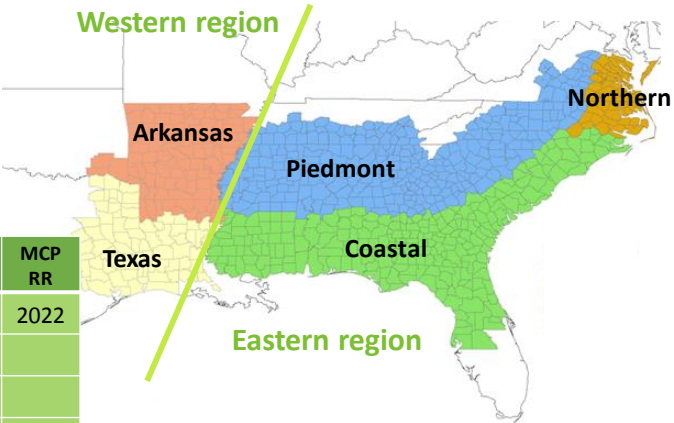


Our Product Portfolio continued

We have the most advanced and broadly adapted pipeline in the industry

Our Advanced Products are in all regions of the US South

Region	MCP -A	MCP -S	MCP -E	MCP 2.0	Var1	Var2	MCP RR
Coastal	✓	✓	✓	✓	✓		2022
Piedmont	✓	✓	✓	✓	✓	2024	
Texas	✓	✓			✓	2024	
Arkansas	✓	✓			✓	✓	
Northern	✓	✓	✓				



Value Proposition

- Advanced genetics offer compelling benefits including
 - faster growth rates
 - higher yields of wood per acre
 - 30 - 40% more high value sawtimber which typically sells for 2-4 times more than pulpwood
 - improved resistance to disease and stress
 - better straightness, reduced forking and better branch morphology
- With over 2 million acres now planted across the US South, the evidence is undeniable



Market Leader

- Historically sold over 80% of MCP seedlings to the market
 - only provider offering products adapted to all regions
 - portfolio is unmatched in depth and quality
- Substantially more production than any other supplier as decade-old orchards come into full production
- Continued investment in our pine tree improvement programme
 - next generation of products already in development



Sales and Marketing Capability

- Sales and marketing efforts are integral to customer conversion
 - Most industrial customers are committed to MCP
 - Focus is on private landowners
- Customer acquisition and conversion initiatives include
 - financial models
 - field tours of mature stands
 - webinars
 - customer testimonials
 - website and publications
- None of our competitors are conducting a more significant or comprehensive programme



Advanced Genetics MCP Seed Supply

- Younger orchards represent ~70% of footprint
- Productivity expected to increase steeply
- Goal is to build at least 2 years of advanced genetics MCP seed inventory to minimise risk
 - currently 1-2 years inventory for Western regions
 - supply tight in larger Eastern region
- Projected harvest of seed for calendar '22 equivalent to over 200m seedlings
 - seed will be in excess of that required for FY24 sales
 - will help build inventory in the Eastern region



Advanced Genetics MCP Seed Supply_{continued}

- Freeze event combined with high winds during pollination caused damage to flowers in Eastern orchards
 - this impacts cones and seed to be harvested in late calendar 2023 (for FY25 seedling sales)
 - isolated event with no damage to the orchards
 - Western orchards not affected
 - pleasingly recent cone inventory count for calendar 2023 indicates projected harvest could be higher than originally estimated
- We have several years of OP seed inventory



Brazil

- Investments in developing Brazil business now bearing fruit
 - strong end-use markets
 - expanding nursery footprints
 - increasing recognition of our advanced genetics products

This allows us to generate improving profitability this year and beyond



Brazil - Pine

- Pine sold out for 2023 fiscal year
- Sales negotiations for 2024 fiscal year underway
- Prices are increasing well ahead of inflation and margins are increasing
- New Canohinas nursery sales are ahead of projections
- Sales of proprietary product in fiscal 23 to represent over 95% of total volume
- We believe the Brazilian market will adopt advanced genetics as in the US



Brazil - Eucalyptus

- Expansion in pulp production is leading to increased seedling demand in Mato Grosso do Sul and Sao Paulo states
- Increased charcoal production driving markets in Minas Gerais
- Eucalyptus sold out for 2023 fiscal year
- Sales negotiations for 2024 fiscal year underway
- Sales of proprietary products are rapidly increasing



Carbon Markets

- Use of forestry to sequester carbon is an important element in addressing global warming
- In the US, new forests are being planted on pasture and farmland
- We have executed agreements with two well-funded, experienced companies to supply them with pine (including MCP) and hardwoods
- If successful, they will represent new sales opportunities



Summary

FY23

- Strong sales and earnings growth is projected in Brazil
- US sales will be affected by ongoing pandemic factors, geopolitical tensions and customer specific demands
- FY23 unit seedling sales are not expected to be materially different to FY22
- Higher historic MCP seed costs combined with inflationary pressures are expected to adversely impact gross margins



Summary continued

FY24 and Beyond

- Looking ahead
 - increased MCP seed supply
 - lower MCP seed cost
 - projected sales growth in US forestry markets
 - new carbon seedling supply contracts
- Projected to drive solid earnings growth
- We have the organisation, people, products and strategy to build our business
- Management is intensely focused on executing our business plan
- We have an exciting future



Chair's Address

Strategic Review

- Review considered all options to unlock value
 - further investment in the business
 - possibility of a US listing
 - full sale of the company
 - asset sales
- The process resulted in the sale of the Australia and New Zealand businesses for NZ\$22.25m
- Freed up capital to focus on
 - growth businesses in the US South and Brazil
 - emerging carbon markets



Growth and Strategic Initiatives

- Strategic focus is on
 - core traditional US South forestry markets
 - traditional high-growth Brazil markets
 - emerging global carbon markets
- Foundations are now laid, we will continue converting customers to higher-value seedlings as they see the commercial potential



Investments

- Sale of Australasian business has strengthened our balance sheet
- Greater flexibility to pursue investments in targeted growth markets
- We are being very selective and careful with spend
- Commitment made to
 - expand in-house container capacity across 2 sites from 10 to 16m seedlings
 - cost expected to be less than US\$1m
 - payback less than 2 years
 - in place for FY24 seedling sales' year
 - acquire 10m capacity pine nursery in Brazil
 - cost for under US\$1m
 - lease of a third eucalyptus nursery in Brazil later this year



FY2023 and Beyond

United States

- FY23
 - Sales volumes and mix are expected to be relatively flat on FY22 levels due to market dynamics and constrained MCP supply
 - We have sold over 95% of all seedlings, including 99% of MCP that will be despatched from December onwards
- Solid growth in advanced genetics sales are projected in FY24 onwards
- Longer-term, strong underlying demand fundamentals support US housing, with a large proportion of the population entering the house-buying phase
- Timber supply issues in Canada and Europe
 - ... should drive demand for wood products produced in the US South
- Expansion in sawmill capacity in US South supports growth in demand



FY2023 and Beyond continued

Brazil

- Underlying markets are very strong
- New pulp mills and charcoal markets driving domestic demand for eucalyptus and softwood
- Brazil's earnings are projected to be well over \$1m

FY23 US GAAP EBITDA

- We expect US GAAP EBITDA in the current fiscal 2023 year to be approximately 10% below the \$10.1* million adjusted US GAAP recorded in FY22
- Cash flows from operations are projected to be materially higher than prior year, which subject to any further approved expansionary capital expenditure, should result in net debt dropping by 30 – 40% by fiscal year-end

** US-GAAP EBITDA excludes NZ public company costs and Other Significant Items*



FY2023 and Beyond continued

- Increased MCP seed supply, lower MCP seed costs and projected seedling sales growth are projected to drive solid earnings growth in FY24 and beyond
- A number of operational improvement opportunities have been identified
 - organisation-wide evaluation of initiatives has commenced
 - these should drive improved earnings and cash flow in future periods
- The board and management are excited about the future
- We are well positioned to grow
- Commitment made to increasing resources as needed





Questions

Please raise your hand and wait for the microphone

State your name and whether you are a shareholder or proxy holder



Resolutions

Resolutions

Resolution 1

To re-elect George Adams as a Director

Resolution 2

To authorise the Directors to fix Deloitte's fees and expenses as the Company's Auditor for the year ended 31 March 2023



Deloitte