



SELECT HARVESTS

Bell Potter Conference

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Managing Director & CEO

SUPPLYING PLANT BASED PROTEIN TO THE WORLD



Disclaimer & Basis of Preparation

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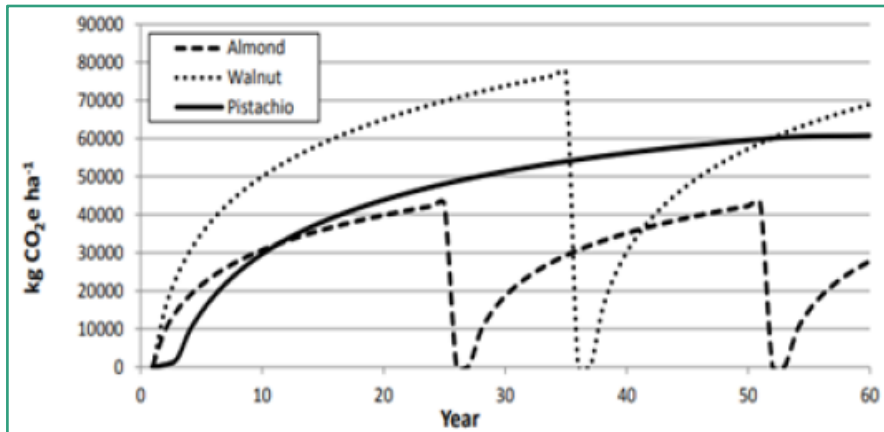
Certain statements contained in this presentation may constitute forward-looking statements or statements about future matters that are based upon information known and assumptions made as of the date of this presentation. These statements are subject to risks and uncertainties. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this presentation.

The Select Harvests Limited financial statements are prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. This includes application of AASB 141 Agriculture in accounting for the current year almond crop, which is classified as a biological asset. In applying this standard to determine the value of the current year crop, the Company makes various assumptions at the balance date as the selling price of the crop can only be estimated and the actual crop yield will not be known until it is completely processed and sold. The resulting accounting estimates will, by definition, seldom equal the related actual results, and have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



Almond Industry Carbon Facts from California

Almond trees in California absorb more CO₂ than they produce during their lifetime.



Total Biomass produced by Almond crop in California per Ha during the life cycle
 = 181MT Kernel + 220 MT Hull & shell + 40-50 MT of woody biomass
 = Total 450 MT Organic biomass
 = **CO₂ absorption by the crop during the life cycle 960 MT**

**Hull & Shell
(220 MT/Ha)**

CO₂ & methane emission

- Feed stock
- Emissions = > 440 MT CO₂e

Soil Carbon Sequestration

- Compost production
- Biochar/Cogen plant
- Hull digested liquid
- (potential for soil carbon credits)
- Emissions = > 440 MT CO₂

**Woody Biomass
(40-50 MT)**

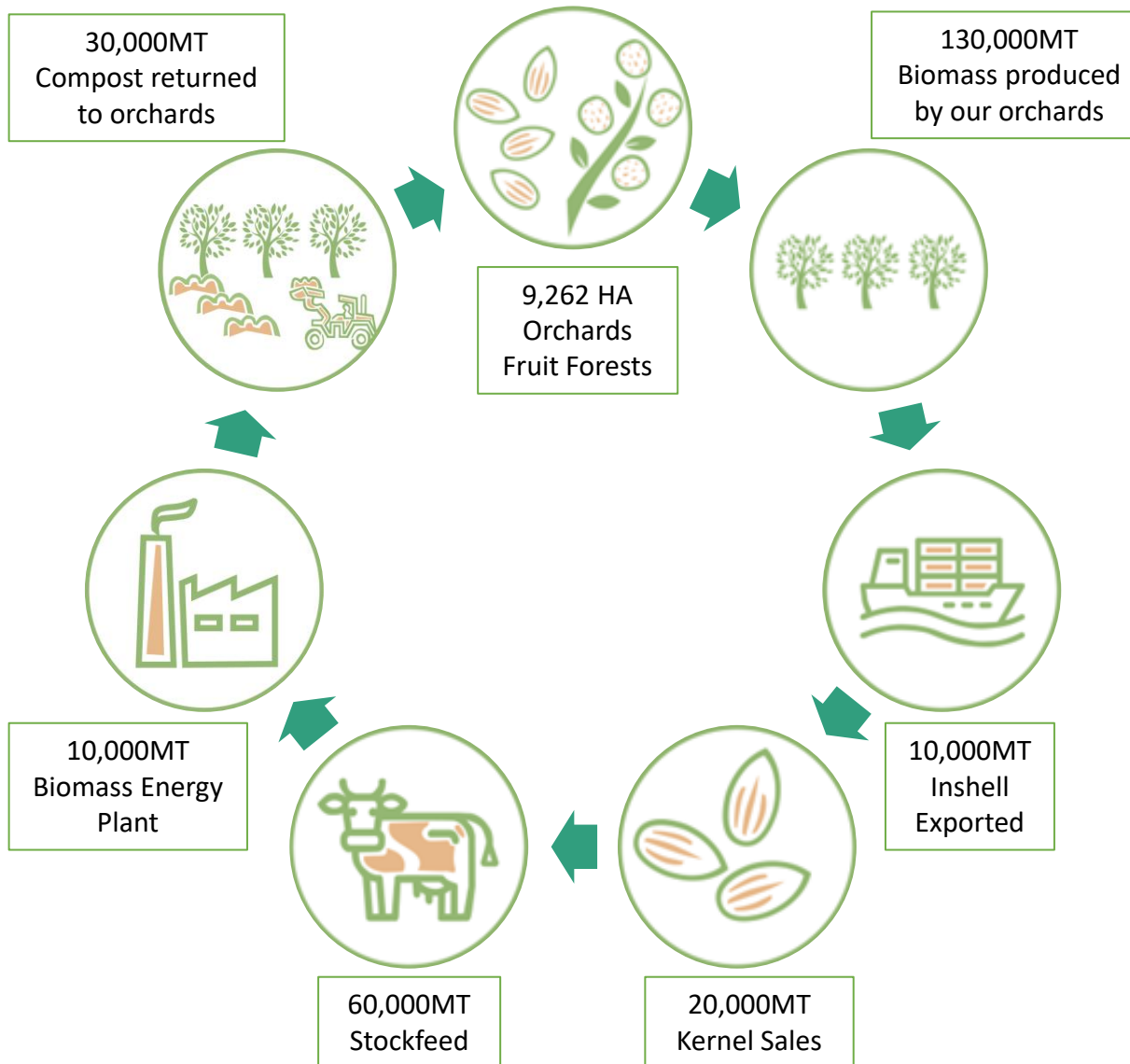
Burning woody biomass

- Emissions = >100 MT CO₂e

Whole orchard recycling

- Cogen plant
- Potential Soil Carbon credits = > 100MT CO₂e

Almond Growing a Closed Loop



- Almond trees in California absorb more CO₂ than they produce during their lifetime¹
- Almonds provide a very high nutritional value, ranking the highest amongst all crops²
- The direct economic benefits of almond production based on market sales are larger than any other crops²
- Research is being undertaken in Australia to establish Australian Almond Industry position.

Triple Bottom Line Focus

Sustainability is a core value underpinning our business strategy and centres across three platforms: Planet, People and Profit.



1. ROCE: Return on Capital Employed. WACC: Weighted Average Cost of Capital



Operating Performance

Harvest has been hampered by ongoing rain events, preventing access to the orchard and providing insufficient on orchard drying time. Approximately 4,000MT of kernel product remain to be harvested.



Almond Sales

With the global market starting to become increasingly active the company's focus is on selling the remainder of the 2022 crop. The focus will be direct access markets China and SE Asia.



Processing

Over 38% of the 2022 total crop has been processed to date with no major issues identified (other than lower inshell production). Recent investment in the new sorting and packing line has led to increased packing throughput and less quality issues.



Water

2022 crop water commitments have been completed, with a lower cost per kg achieved. The market cost of temporary water continued to decline as the 2022 crop year progressed.



Food Division Restructure

The company will have fully exited from the Thomastown site by 30 June 2022, with costs lower than those provisioned in FY2021.



Shipping & Logistics

The Company closely monitors and manages its export program based on accessibility, freight rates and associated costs. Where possible recent freight price increases will be passed on to our customers.



Corporate

Capital and cash management remain a key focus. Inventory levels remain higher than the same period last year as the sales program slowed resulting in higher levels of 2021 crop being held and reduced 2022 inshell sales.



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1H FY2022 Operating Overview

Continue to maintain better than industry standard yields, with a record almond crop estimated for 2022. Growing costs remain well controlled and per kg are lower overall due to the decreased water costs.



Almond Crop

29,630 MT

Continue to maintain better than industry standard yields



Fair Value Almond Price

\$6.64/kg

51% of the 2022 crop has been contracted for sale



Currency

\$0.72 AUD/USD

Crop export sales fully hedged



Total Almond Production Costs

\$5.60/kg

Growing costs remain well controlled



People and Safety

↓ 8.5% LTIFR¹

Over the last 6 months to March 2022



Water Costs

30% Reduction

In water costs vs. 2021 crop



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1H FY2022 Financial Overview

A lower almond price has impacted earnings. Without an improvement in almond pricing, it is anticipated that the second half result will be similar to the first half result.



Note: certain financial measures mentioned in this presentation (including EBITDA, EBIT & ROCE) are Non-IFRS measures. They are used by the company and are relevant because they are consistent with measures used internally by management and by some in the investment community to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.



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EBIT Movement

1H FY2022 EBIT benefitted from additional volume and a higher almond price. Higher growing costs were offset by lower water costs.

Movement in EBIT from Continuing Operations (\$m)



Current Year Almond Crop Sensitivities

38% of SHV's 2022 total crop has been processed to date, with 51% contracted for sale. Crop export sales fully hedged against the USD at \$0.72.

- A portion of the current year almond crop is classified as a biological asset and valued in accordance with AASB 141 "Agriculture". In applying this standard, the consolidated entity has made various assumptions at the interim balance date.
- The actual crop quality and yield will not be known until it is fully processed.
- The actual price will not be known until the crop is fully contracted and sold.
- Assumptions and sensitivities are outlined below.

Metric	Assumption	Sensitivity - EBIT Impact
Crop Size	29,630 MT	500MT movement = \$3.3m
Crop Price	AUD \$ 6.64/kg	10¢ movement = \$3.0m



Balance Sheet

Balance sheet remains in a strong position, with low net bank debt. The market value of the company's assets is significantly higher than book value.

\$ millions (except where indicated)	1H FY2022	1H FY2021
Current assets ex. cash	246.4	231.8
Cash	1.1	2.8
Right of use assets	211.4	228.3
Non-current assets (ex. ROU assets)	541.2	517.4
Total assets	1,000.2	980.3
Current liabilities (ex. borrowings)	86.6	76.3
Borrowings	126.9	115.4
Lease liabilities	242.9	256.7
Non-current liabilities (ex. borrowings)	255.6	268.8
Total liabilities	469.1	460.5
Total equity	531.1	519.8
Net debt/equity (%)	23.7%	21.7%
Return on capital employed (%)	0.6%	0.4%
Liquidity ratio (x)	3.53	4.09

- Inventory levels higher than 1H FY2021, due to a slower sales program and reduced 2022 inshell sales. Inventory will be unwound as the crop is sold in 2H FY2022.
- Property, plant and equipment has increased by a net \$15M (\$19M of additions) due to the purchase of new horticultural related equipment and investments made in the value-add facility to increase capacity and capability following the closure of the Thomastown facility.
- Company owned orchards, Carina West processing facility and permanent water rights are all held on the balance sheet at cost
 - The market value of the company's land assets remain significantly higher than the book value reflected in the balance sheet. An independent valuation will be completed for the full year results
 - **Management's internal estimate based on the most recent market transactions, recognising age profile and location of our orchards, indicate a valuation close to \$520m.**
 - **Company's portfolio of permanent water rights was valued by management at \$135.0m in March 2022, vs. a book value of \$58.3m.**
- Debt levels as at 31 March 2022 are close to their seasonal peak. With almond prices at their current level, and a delayed sales profile, debt balances are expected to peak in May 2022 and decrease during the final quarter of FY2022
 - All covenant measures for the period ending 31 March 2022 met
 - Current debt facilities remain adequate for operations moving forward
 - Gearing (net bank debt/equity) of 23.7% remains within target range.

Note: the above Balance Sheet includes both continuing and discontinued operations and should be read in conjunction with the notes to the 1H FY2022 Financial Statements

Market & Cost Outlook



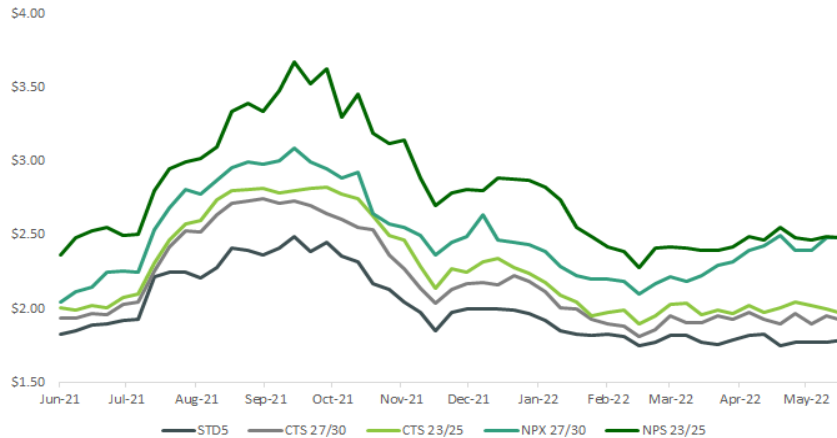
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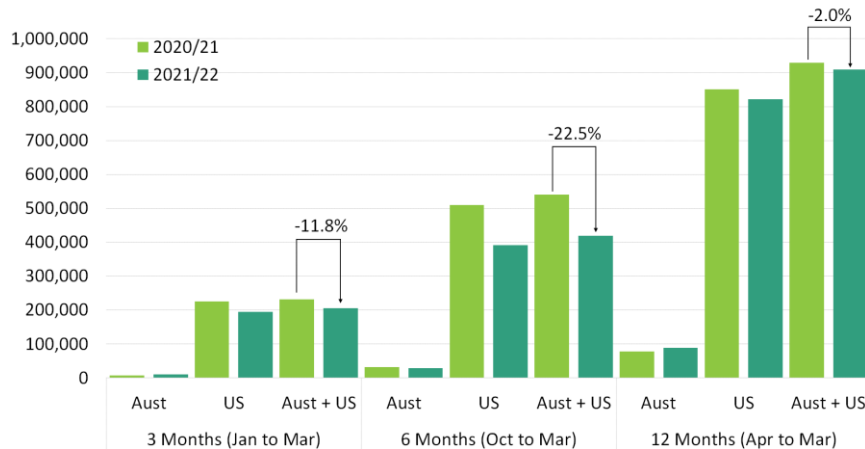
Almond Pricing and Market Conditions

The market outlook is becoming more positive, demand is returning post COVID-19 impacts and global inventories are returning to a more balanced position.

Almond Prices (US\$/Lb)



U.S. and Australian Almond Exports¹ (MT)



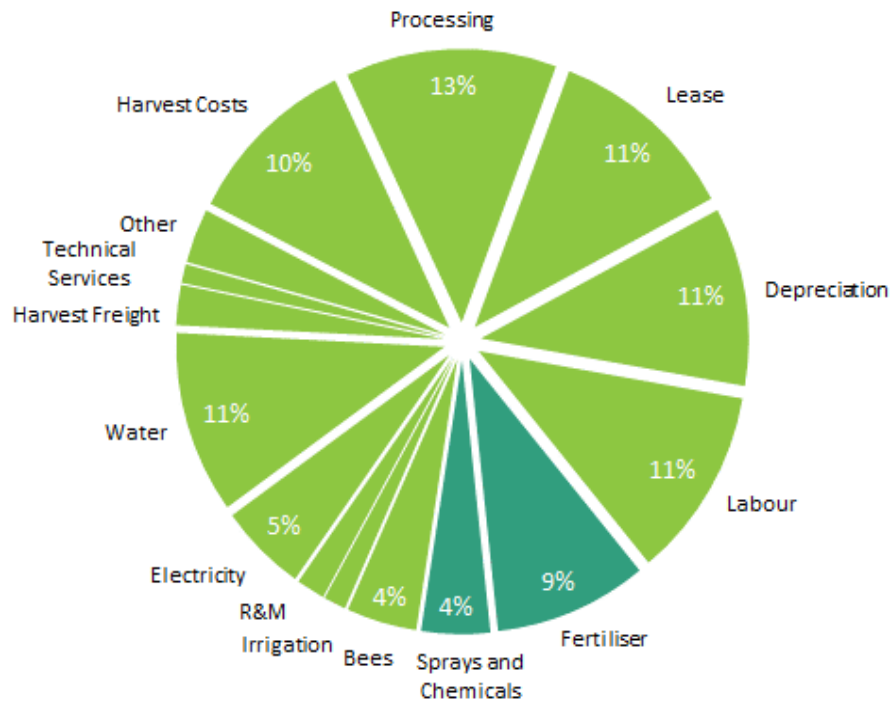
Market Conditions

- Global almond prices reduced significantly in the first quarter of FY2022 and continued to remain flat in the second quarter
 - Buyers remained cautious as they wait to see how the high levels of physical inventory are managed out of U.S. ports and storage
 - U.S. growers are needing to convert inventory into cash to fund their 2022 crop, particularly with increased crop input, labour and water costs.
- The U.S. Department of Agriculture Subjective Estimate of 2.8 billion pounds for the 2022 Californian crop was released on 12th May 2022, inline with industry expectations. This represents a 4% reduction on last years production of 2.92 billion pounds.
 - The USDA's Objective Estimate for the 2022 California almond crop will be released on 8 July 2022.
- Overall market pricing has remained unchanged. Inshell and nonpareil pricing is firm, and lower grade pricing remains low due to high current inventory in U.S. ports and storage facilities.
 - Logistics congestion is the main barrier to clearing the excess U.S. inventory, with carry-over from the current crop expected to be 850m pounds.
- Australia completed the 2021/22 export season (Mar 2021 to Feb 2022) with record exports of 86,584MT, a 13% increase on the previous season.

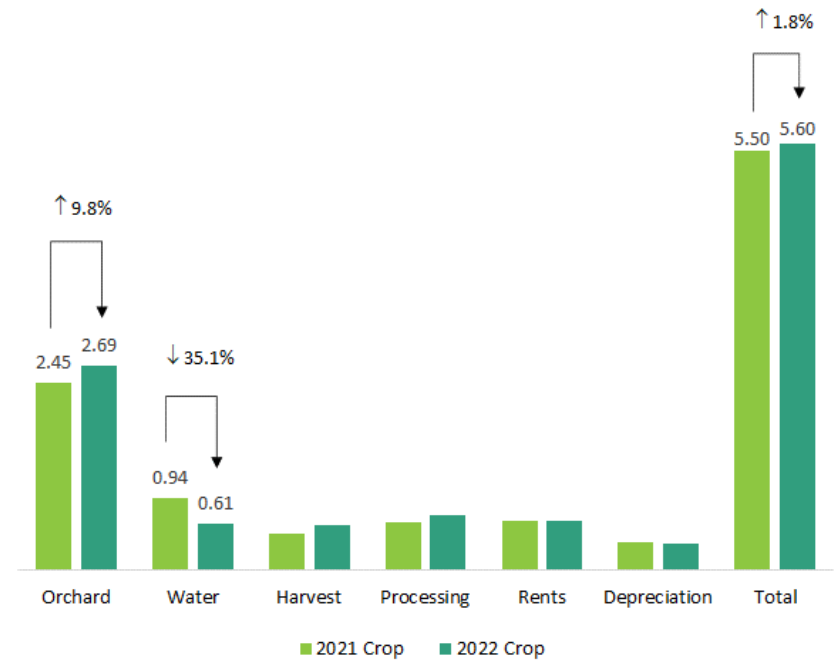
Crop Costs

2023 growing costs are expected to increase predominantly due to the higher cost of fertiliser and agricultural chemicals.

2022 Crop Costs by Type



Costs per Kg: 2021 vs. 2022 Crop



Triple Bottom Line Focus

Sustainability is a core value underpinning our business strategy and centres across three platforms: Planet, People and Profit.



1. ROCE: Return on Capital Employed. WACC: Weighted Average Cost of Capital



Environmental Policy Commitment



Water stewardship

Objective is to maximise the value per megalitre by intensive irrigation management practices. **100% of our orchards use drip irrigation**, soil moisture monitoring and water stress technology



Carbon neutrality

We recognise that greenhouse gas emissions represent a significant part of our environmental footprint. **Targeting to be carbon neutral by 2050 or earlier**



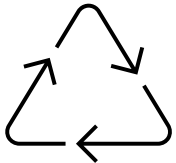
Air and land stewardship

We recognise that we are custodian of a significant area of land and air, including large tracts of native vegetation. Our goal is to create **no damage and protect native flora and fauna**



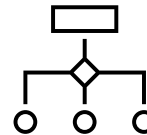
Internal and external stakeholders

Working with suppliers, clients, communities, and other stakeholders to reduce our environmental footprint. We will adopt a **Supplier Code of Conduct**, including reducing environmental impact



Reducing and recycling waste

Committed to reducing waste across our business, including **zero biomass waste to landfill**. We will strive for **100% recycled and/or recyclable packaging**



Implementation and oversight

The **Board Sustainability Committee**, with the support of the Executive Sustainability Committee, oversees our overall environmental strategy.

Reduce

Reuse

Recycle

Repurpose



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Co-Waste Projects

Select Harvests is undertaking three co-waste projects to increase sustainability and generate positive commercial outcomes for the business.



Almond Hull to Energy

Select Harvests co-generation power station is the integral link for our three sustainable co-waste projects



Waste Ash to Compost

Waste ash by-product generated by our co-generation power station is being used to produce high-quality compost



Almond Hull to Fertiliser

Select Harvests has developed a novel process for digesting almond hull to produce liquid and solid fertilisers



Fly Ash to Liquid Fertiliser

Select Harvests developed a novel process to convert waste ash into high-grade potassium rich liquid fertiliser

Benefits

- Waste recycling
- Compost generation
- Renewable energy

Benefits

- Replaces chemical fertiliser
- Improves soil quality
- Improved tree health

Benefits

- Replaces chemical fertiliser
- Current trials show preliminary results increase soil carbon levels by up to 100%
- Improves soil health and potentially water efficiency

Next Steps

Commercial Licence

Pilot Plants



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Triple Bottom Line Focus

Our most important asset.



1. ROCE: Return on Capital Employed. WACC: Weighted Average Cost of Capital



People & Culture Update

- SHV sponsored 23 Community based organisations, continuing to support important regional community organisations and helping to build our Employer Brand within our regional communities.
- We partnered with SuniTAFE to build an SHV custom-tailored Leadership Development Program for 100+ Managers across the organisation from CEO to 3rd level reports, upskilling our leaders to be agents for positive culture/behavioural change supporting SHV's Core Values.
- SHV has agreed to become a participant in the Hesta 40:40 Vision. We are pledging that SHV will target to have at least 40% female on the Executive by 2030.
- We are implementing an HRIS to support improved Performance, Development, Talent Acquisition, Training and P&C data tracking and reporting capabilities.





Select Harvests acknowledges and pays respect to the past, present and future custodians and of this nation and the continuation of cultural, spiritual and educational practices of Indigenous Australians and Torres Strait Islander people.

SHV FARM FACILITIES

Wiradjuri

The Wiradjuri are a group of Aboriginal Australian people from central New South Wales, united by common descent through kinship and shared traditions. They survived as skilled hunter-fisher-gatherers, in family groups or clans, and many still use knowledge of hunting and gathering techniques as part of their customary life.

Yilgah, Moorah, Mount View, Belvedere Orchards & Griffith Office

Meru (SA)

The Ngaiawang (Ngayawang) were an Aboriginal Australian people of the western Riverland area of South Australia, with a language considered part of the Lower Murray group. They are now considered extinct. They have sometimes been referred to as part of the Meru people.

Jubilee, Allinga, Hansen, Amaroo, Mullroo Orchards

Latje Latje, Kureinji, Madi Madi, Dadi Dadi, Wadi Wadi

Latje Latje are an Indigenous Australian people of the state of Victoria, Australia. Madhi-Madhi, also known as Muthimuthi or Madi Madi,^[2] is an Indigenous Australian language spoken by the Muthi Muthi Aboriginal people of New South Wales.¹

The Dadi Dadi or Tatitati are an Australian Aboriginal people whose traditional lands are located along the southern banks of the Murray River in Victoria Australia.

Bunargool, Wemen, Carina, Kyndalyn Park, Lake Powell, Boundairy Bend, Piangil & Carina West Facility

Wurundjeri

The area now known as the City of Yarra stands on the traditional lands of the Wurundjeri people. Their connection to the land and its waterways extends back tens of thousands of years to the beginning of time when their creator spirit Bunjil formed the land and all living things.

Melbourne Office

Strategy and 2H FY2022 Priorities



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Select Harvests Strategy

Select Harvests – in control of our destiny

VISION

To be a Leader in the Supply of Better for You Plant Based Foods

VALUES



**TRUST &
RESPECT**

DO THE
RIGHT THING



**INTEGRITY &
DIVERSITY**

BE ONE
TEAM



SUSTAINABILITY

PROTECT AND
GROW



PERFORMANCE

OWN IT



INNOVATION

THINK OUTSIDE
THE SQUARE

STRATEGIC PRIORITIES

THE PATHWAY
TO ACHIEVING
OUR VISION

Optimise the Almond Base

Increase productivity and achieve
sustainably high yields from our growing
almond orchard base

Grow our Brands

Grow our industrial brands,
aligned to the increasing
consumption of plant based foods

Expand Strategically

Pursue value accretive acquisitions that
align with our core competencies in the
plant based agrifoods sector

OPERATIONAL FOCUS

WHAT WE DO
EVERYDAY

Customers

Exceed our current
customer's expectations and
grow our customer base,
focused on the Asian
marketplace

Supply Chain

Optimise our end-to-end
supply chain to achieve
maximum value for the
business as a whole

People

Focus on a safe working
environment, well-being,
company culture, leadership
development and staff
training, attraction
and retention

Capital

Target capital discipline,
balance sheet strength,
superior shareholder returns
and long term growth

GOAL

Sustainable Shareholder Value Creation



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2H FY2022 Priorities

Continue to execute on our growth strategy, underpinned by a world class portfolio of almond assets.

1. **Safety and Wellbeing** - Ensure safety and wellbeing of all stakeholders
2. **Horticultural Program** - Complete 2022 harvest and invest in 2023 crop
3. **Input Security** - Secure critical inputs for the 2023 growing season, esp. fertiliser and agri chemicals
4. **Marketing Program** - Sell the remainder of the 2022 crop to achieve an optimal sell price
5. **Value-Add** - Optimise SHV's investment in state-of-the-art value adding technology
6. **Strategic Growth** - Assess options to deliver additional profitable growth
7. **Sustainability** - Further invest in sustainability, including understanding our carbon footprint and co-waste recycling opportunities
8. **Manage Cash Position** - Maintain the strength of the Balance Sheet
9. **Maintenance Capital Program** - Until there is more certainty around the almond pricing and cost inflation.



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Thank You

Please direct any queries to:

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Please note that background material/data regarding the global almond industry can be found on the Select Harvests Limited website.

