



SELECT HARVESTS

Macquarie Small Cap Conference

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SUPPLYING PLANT BASED PROTEIN TO THE WORLD



Disclaimer & basis of preparation

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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.



Select Harvests Overview

One of the worlds largest almond growers, with a geographically diverse 9,262-hectare orchard portfolio

Company Overview

- Listed on the ASX (SHV), with a market capitalisation of A\$ 636m (14 July 2022) and 611 employees.
- Australia's second largest almond producer and marketer with core capabilities across: Horticulture, Orchard Management, Nut Processing, Sales and Marketing.
- We supply the retail and industrial markets, exporting almonds globally. Continuing to build relationships in the fast-growing markets of India and China, as well as maintaining established routes to market in Asia, Europe and the Middle East.

Orchard Profile

- Geographically diverse almond orchards located in Victoria, South Australia and New South Wales, with a portfolio that includes more than 9,262 hectares of company owned and leased almond orchards and land suitable for planting.
- Select Harvests weighted average almond orchard age is 13.5 years, with 100% of current planted hectares cash generative. Almond orchards remain economically viable for +25 years, providing Select Harvests with a solid foundation for long term growth.
- Our state-of-the-art Carina West processing facility has the capacity to process above 30,000 MT of almonds in the peak season and is capable of meeting the ever-increasing demand for in-shell, kernel and value-added product.

Almond Market

- The global almond market was valued at U.S.\$ 8.6bn in 2020/21. The U.S. (California) accounted for 79% of world production in 2020/21, followed by Australia and Spain at 7% each. Australia has more than doubled its almond production in the last 10 years.
- The underlying fundamentals of our business remain strong. Demand for almonds, both in their natural form and as a value-added food ingredient, in products such as plant-based milks and yogurts, continues to grow.
- We expect to see good consumption of almonds during the upcoming festive seasons of Diwali, Christmas and Chinese New Year. Customers will need to plan shipments earlier to ensure supply can meet demand.

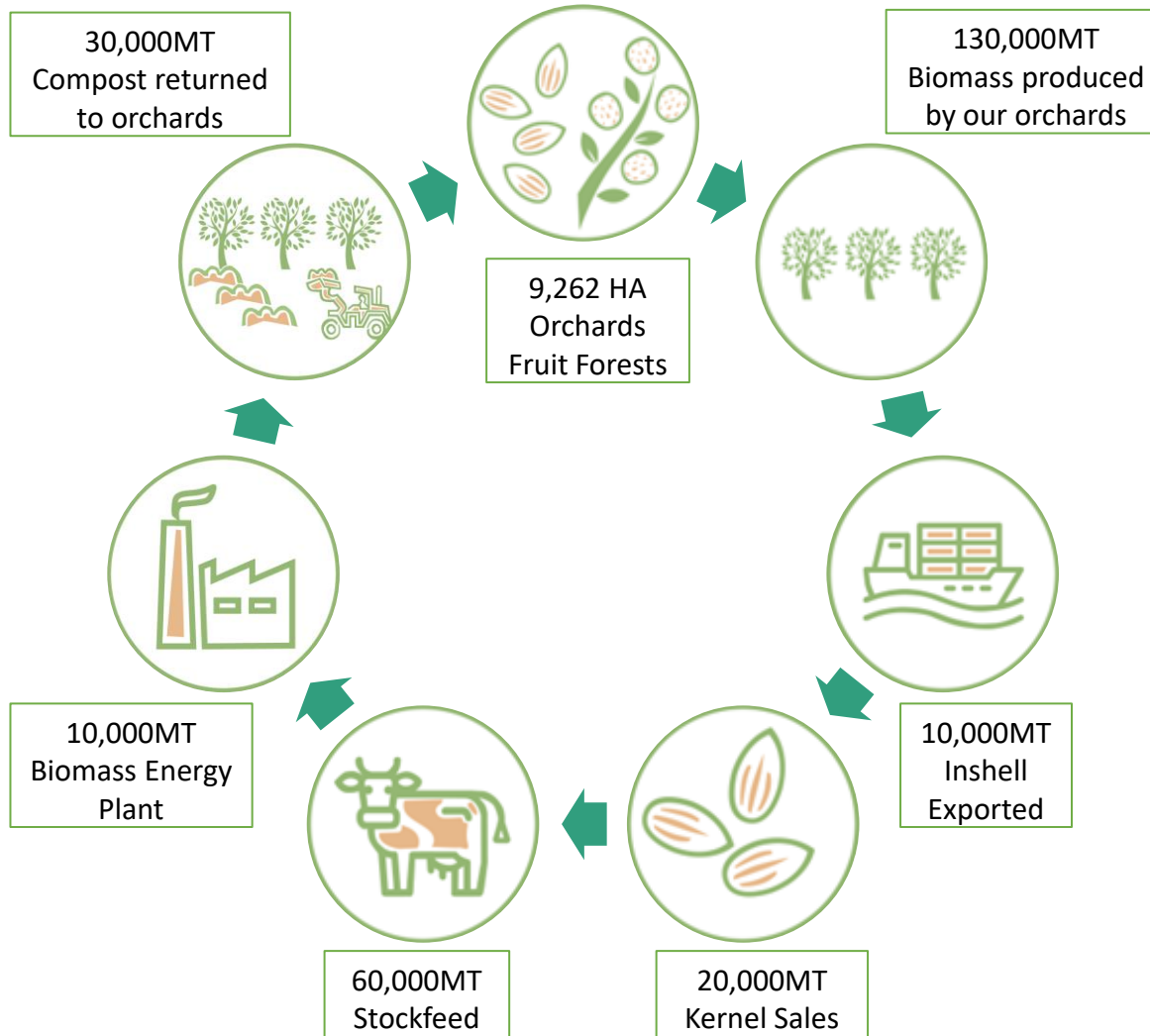
Growth Strategy

- Select Harvests remains well positioned through its low operating costs, ability to deliver large scale value-added production and strong balance sheet to benefit from the growing global demand for almonds.
- Our investment in greenfield developments and orchard acquisitions, including the December 2020 acquisition of the 1,566-hectare Piangil Almond Orchard, will platform long term growth.
- We continue to assess opportunities to increase our almond production base through acquisitions, if suitable orchards become available.



SHV is growing almonds in a closed loop

We utilise everything that comes from our orchards



- 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 crops³
- Research is being undertaken in Australia to establish Australian Almond Industry position.

Maintaining our values and delivering on our 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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Triple Bottom Line Focus

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

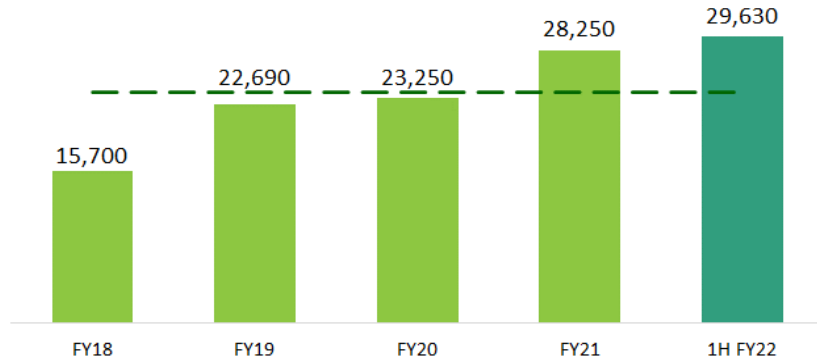


1. ROCE: Return on Capital Employed. WACC: Weighted Average Cost of Capital

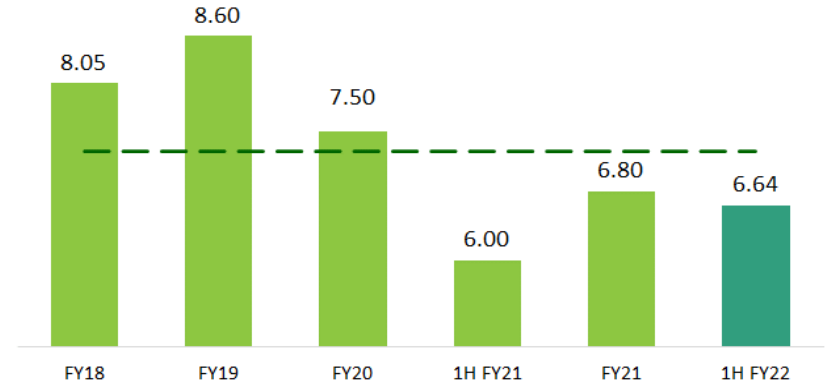
Financial performance in context

Focused on factors within our control such as almond volume, quality and production cost

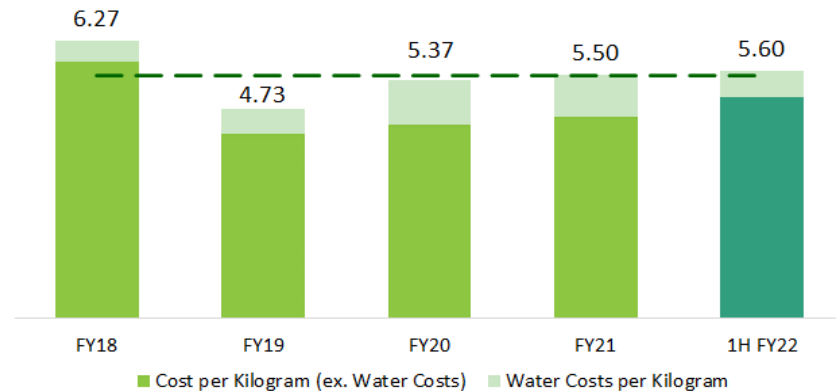
Almond Volume (MT)



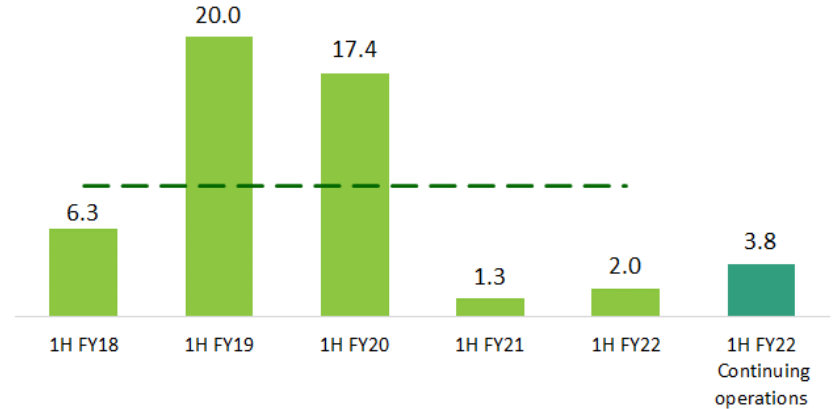
Fair Value Almond Price (\$/kg)



Total Almond Production Cost (\$/kg)



NPAT (\$m)



— 5 Year Average



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Market Outlook



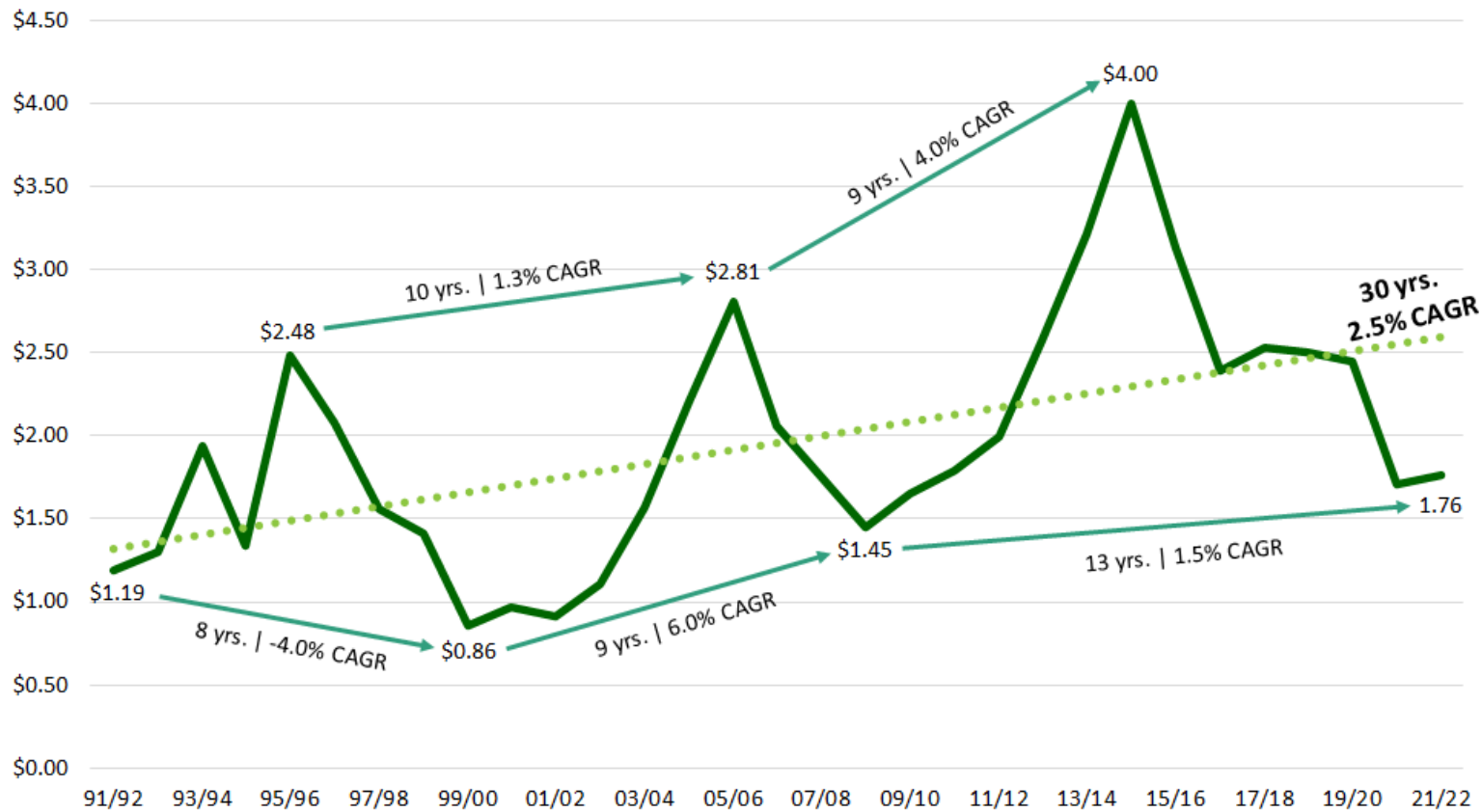
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Almond Price

A combination of the lower than expected Objective Forecast vs. prior industry consensus and a strong June California shipment report, should result in an appreciation of the almond price as the industry adjusts to a tighter supply scenario heading into the 2022/23 Californian season

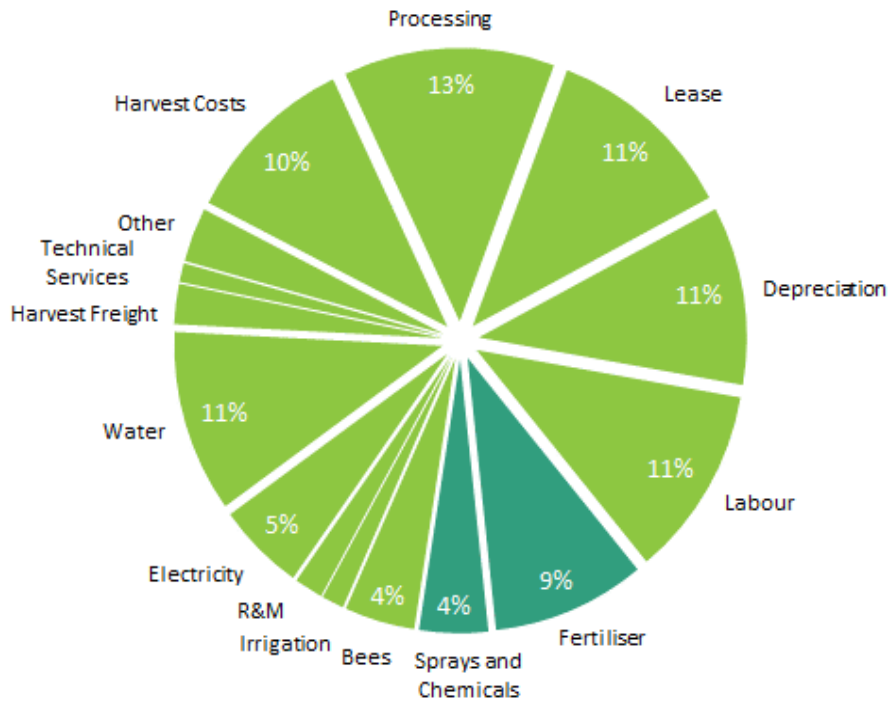
California Farm Gate Almond Prices (US\$ per pound)



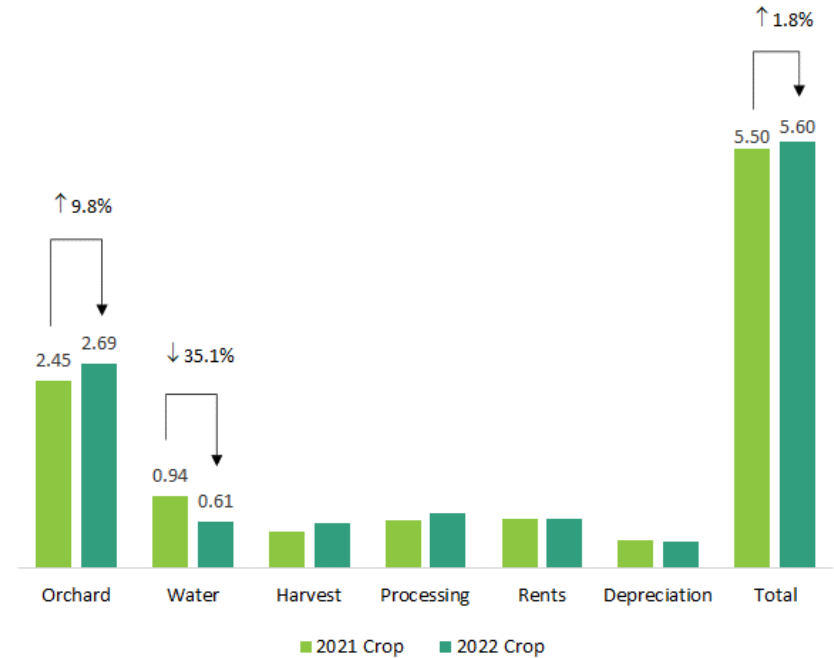
Crop Costs

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



California Almond Crop - Supply

The USDA's Objective Forecast of a 2.60bn pound California almond crop in 2022 is 11% below last years crop of 2.92bn pounds. Early season frost and the ongoing drought have negatively impacted yields

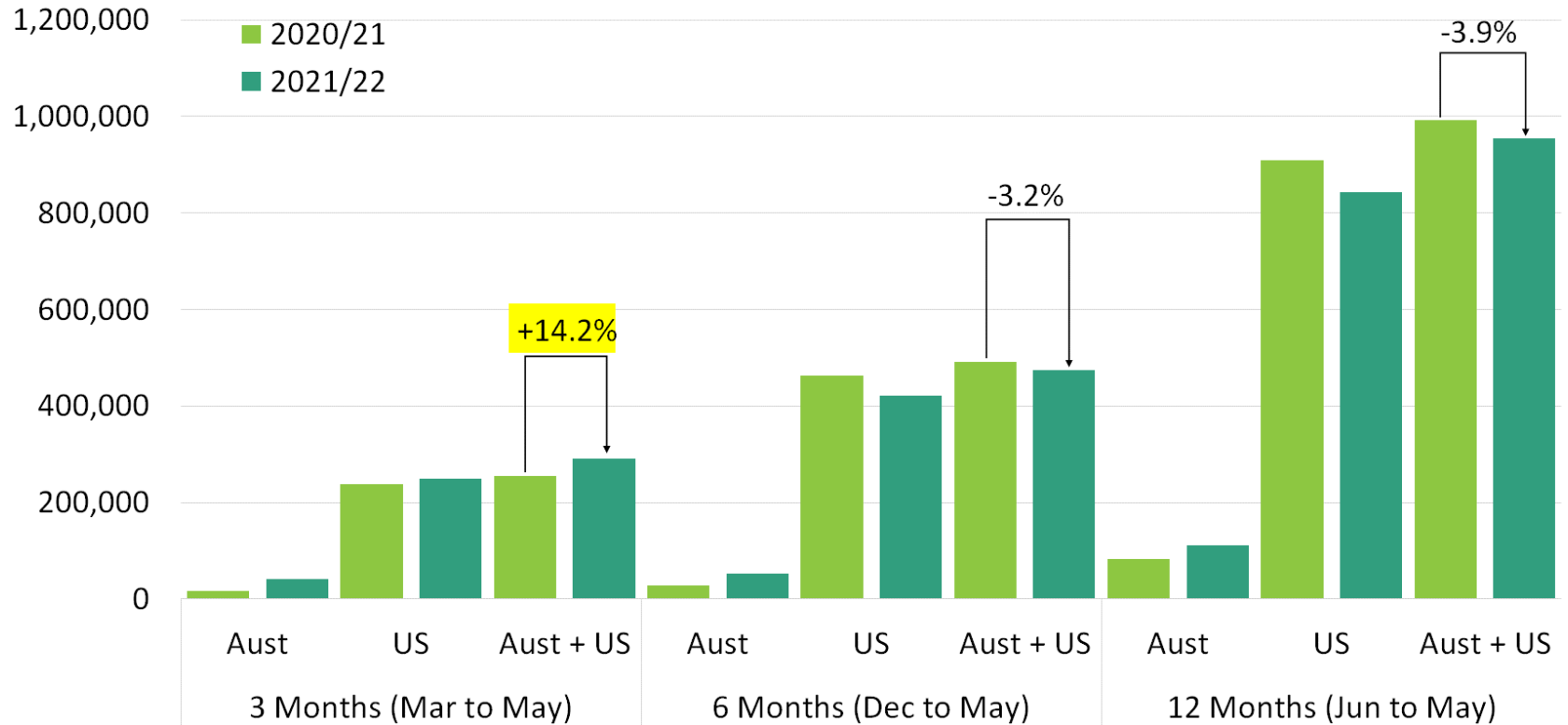
California Almond Production, Price and Yield



Almond Shipments - Demand

The final July shipment month of the current California almond season (August to July) is expected to be strong, following record monthly shipment numbers in May and June 2022, up 17.4% and 26.3% YoY

U.S. and Australian Almond Exports (MT)



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.

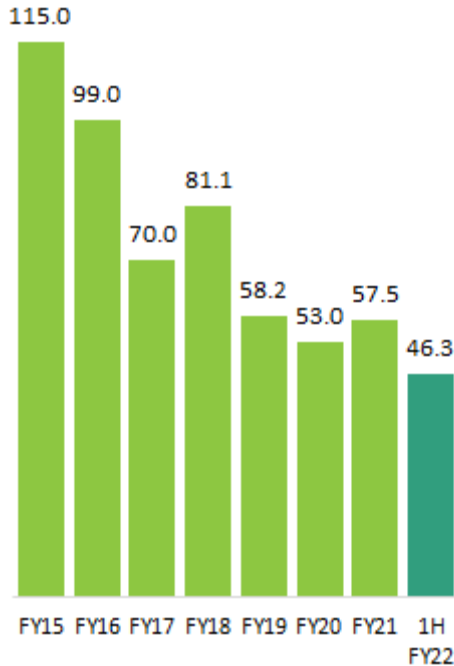


Health, safety and wellbeing

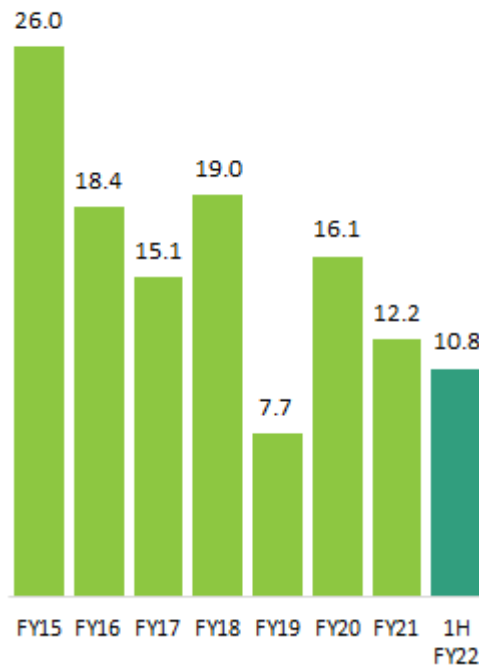
Focused towards achieving Zero Harm, with annual targets to improve YoY performance

Injury Frequency Rate

Recordable Injury Frequency Rate



Lost Time Injury Frequency Rate



Strategic Priorities

- COVID-19 management and response plan
- Hazard identification and eradicating risks before an incident occurs
- Process improvement and systems implementation
- Building on the safety culture and safety leadership
- Commence policy review to enhance employee wellbeing and safety culture



Triple Bottom Line Focus

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

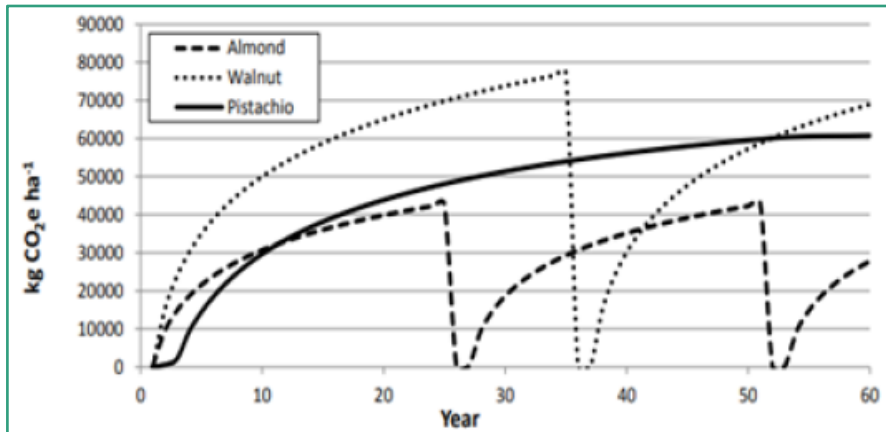


1. ROCE: Return on Capital Employed. WACC: Weighted Average Cost of Capital



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

Source: A scalable and spatiotemporally resolved agricultural life cycle assessment of California (Elias Marvinney, Alissa Kendall; The International Journal of life cycle assessment, March 2021);
 A comparative assessment of greenhouse gas emissions in California almond, pistachio, and walnut production (Elias Marvinney, Alissa Kendall, Sonja Brodt; 9th International conference LCA of food San Francisco, USA 2014)

Environmental policy commitment

SHV recognizes that many of our resources are scarce and finite. Our role is to ensure such resources are managed and used in a sustainable manner



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**



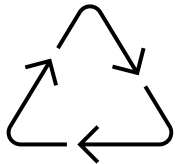
Air and land stewardship

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**



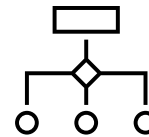
Internal and external stakeholders

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

Benefits

- Waste recycling
- Compost generation
- Renewable energy

Next Steps



Waste Ash to Compost

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

Benefits

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

Commercial Licence



Almond Hull to Fertiliser

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

Benefits

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

Pilot Plants



Fly Ash to Liquid Fertiliser

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



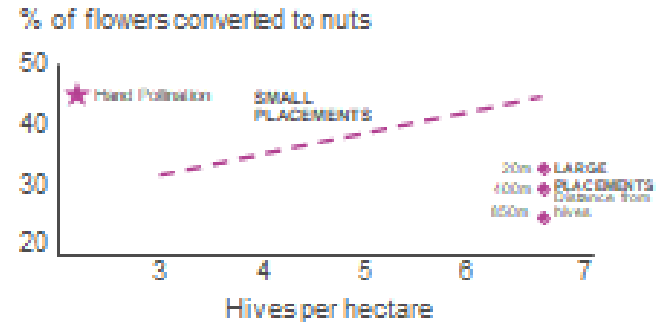
Bee stewardship

Our policy for optimum bee health and pollination outcomes:

- To supply alternative forage sources for bee arrivals where possible
- To supply water for bees at hive sites
- No weedicides to be sprayed when hives are present
- Predetermined preference not to spray fungicides during bloom unless disease pressure is severe and crop is at risk
- If a crop protectant spray is required, the choice of product would be discussed with the beekeeper/broker and it will only be applied from late afternoon to early morning outside of bee foraging periods
- Audited spray diaries for the period of bloom available for viewing
- Hive inspections to ensure endemic diseases and hive strength are monitored

Research findings by CSIRO*

- At the end of each day, flowers on trees far from hives had more pollen remaining on anthers than flowers near hives
- Trees near hives have better fruit set than trees far from hives
- Spreading hives around the orchard in small placements produced better fruit set than large placements far apart



KEY FINDING: Smaller drops produce better pollination outcomes.

* Cunningham, S., 2014. Enhancing almond pollination efficiency. Final Project Report WAL AL11003 June 2014. CSIRO Sustainable Agriculture Flagship.



3,074Ha

18,400 HIVES
CENTRAL REGION

1,948 Ha

11,600 HIVES
NORTHERN REGION

2,670Ha

15,500 HIVES
SOUTHERN REGION

1,570Ha

9,500 HIVES
SWANHILL REGION

2022/23 Season



WHAT TO KNOW

- We have had a relationship with the bee and pollination industry that spans over 30 years
- Bloom period = month of August
- Mature hive stocking rates = 5-6 hives/ha
- Minimum pollination standard = 8 frames of bees per hive

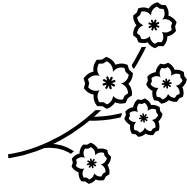


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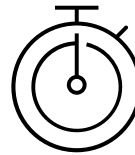
Effective almond pollination

Effective almond pollination is determined by flower density, synchronization and bee flight hours



Flower Density

A consistent multiyear horticultural program, with a particular focus on minimizing stress during the pre and post-harvest period, to ensure strong flower density. Select Harvests has maintained solid and consistent programs for the last few years which is supported by all our tree health data.



Synchronization

Synchronization is the flowering cross over days between varieties. When establishing an orchard: synchronization, harvest time and marketability are the main determinants of varietal selection. Dependent on the region, all Select Harvests orchards have three or four varieties, and we anticipate no issues with synchronization.



Bee Flight Hours

Bee flight hours is a function of weather, hive strength and hive placement. We have very strict guidelines on hive strength and placement. To further encourage bee activity, we enhance the environment by providing alternative foraging, windbreaks and water drops within our orchards. Optimum weather is a temperature above 14 degrees and light winds.



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.

This presentation has been approved for release by the Select Harvests Board



Useful Almond Industry Websites

Industry Associations

- Californian Almond Board www.almondboard.com
- Almond Board of Australia www.australionalmonds.com.au
- International Nut and Dried Fruit Council www.nutfruit.org/about-us/history

Industry Reports

- US Crop Forecasts (Subjective, Objective) www.almonds.com/tools-and-resources/crop-reports
- Monthly Almond Position Reports www.almonds.com/tools-and-resources/crop-reports/position-reports
- Almond Almanac www.almonds.com/tools-and-resources/crop-reports/almond-almanac
- UC Davis Almond Development Costings www.coststudies.ucdavis.edu/en/current/commodity/almonds/
- INC Nuts & Dried Fruits Yearbook www.nutfruit.org/files/tech/1625230833_INC_Stats_2021.pdf
- INC World Tree Nut Trade Flows www.nutfruit.org/files/multimedia/1621524924_Trade_Map_Series.pdf
- Nut News Podcast www.selectharvestusa.com/news-resources/nut-news-podcast

Almond Companies

- Blue Diamond Growers www.bluediamond.com
- Blue Diamond Ingredients www.bdingredients.com/category/almond-market-analysis
- Almond Insights www.almondinsights.com
- Derco Foods www.dercofoods.com/en/english-reports/english-almond-reports
- RPAC Almonds www.rpacalmonds.com/marketnews
- Wonderful Pistachios & Almonds www.wonderfulpistachiosandalmonds.com/#ourdifference

Definition & Explanations

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.

