

MIDWAY LIMITED (ASX: MWY)

30 November 2023

Chair's and CEO's Presentations to Annual General Meeting

CHAIR – GORDON DAVIS

The financial performance of the business during the 2023 financial year was an improvement on 2022, but remains disappointing to management, shareholders, and the Board.

It is important to understand the factors which influence the fortunes of the company, but more relevant is what management is doing to improve performance.

In March 2022, the Board implemented a broad strategic review of the Company, designed to develop and implement an action plan to position Midway for sustainable growth.

The earnings profile for Midway has become more volatile in recent years, reflecting challenging global market conditions on pulp and paper markets, particularly in China.

Our response has been to structure the finances of Midway to be more flexible and more aligned to levels of business activity, which Tony will detail in his remarks.

We have also worked to mitigate some of the legacy obligations. We have recast our banking arrangements, with a focus on working capital, not core debt. We have also settled outstanding obligations under the sale of trees to Macquarie some years ago, known as the Strategy transaction. And finally, we announced this week an agreement to sell a portion of the Geelong site to CHS Broadbent, so they can utilise the shiploader for grain exports. As you know, the shiploader agreement with Geelong Port has a significant take-or-pay element. Extending the utilisation of the loader to grain will help mitigate our obligation.

Midway is also developing its expertise in the management of forest assets for the sequestration of carbon. Globally there is growing demand for verifiable, secure, long-term approaches to carbon capture. It is a natural adjacency for our plantation business.

I am very pleased with the progress over the last twelve months as the management team successfully implemented, and continues to implement, a range of initiatives to improve business performance and develop a range of other options that will maximise long-term shareholder returns. We have several new senior team members and we do not have any problems attracting talent.

Trading Conditions

Turning to the trading conditions. Unfortunately, the underlying improvement in business performance by Midway in FY23 has been masked by the deterioration in woodfibre trading conditions in China during the second half of the financial year.

The Japanese economy bounced back from its COVID-19 shutdown and our major customers in that country committed to a 10 per cent increase in the export price to US\$198.75 per bone dry tonne.

However, new pulp paper mill capacity coming on stream in China, at a time of prolonged weakness of the Chinese economy following the end of their COVID-19 shutdown, resulted in higher pulp and paper stocks and Chinese customers deferring woodfibre export contracts.

The management team responded quickly to these external developments by implementing a range of remedial measures; these mitigated the impact on Midway earnings and cash flow, including deferral of harvest plans and production at various mill sites.

We are seeing signs of recovery in 1H24, however uncertainty remains.

Financial Performance

Midway recorded sales revenue of \$187.8 million across the full financial year, which was effectively flat on the previous corresponding period after Midway Logistics is removed as a discontinued business.

The Company also achieved a positive underlying EBITDA for FY23 of \$2.9 million, a \$4.7 million turnaround on an underlying EBITDA loss of \$1.8 million in the previous corresponding period.

The full year accounts have several significant items including a pre-tax \$7.8 million provision for the value of an aged receivables held by PMP on the Tiwi Islands. The decision to write off the aged receivable was due to a deterioration of trading conditions in China in the second half of the financial year.

The net impact of these significant items meant that Midway recorded a Statutory Net Loss After Significant Items from continuing operations of \$2.2 million in FY23. This followed a Statutory Net Loss after Tax and Significant Items from continuing operations of \$9.1 million in the previous corresponding period in FY22.

Capital Management

Given the increasingly uncertain trading outlook during the year, the Board of Directors applied a prudent approach to capital management. As a result, the Company used the proceeds from the sale of surplus land and the Victorian plantation assets to repay all long-term corporate debt, substantially repay the legacy Strategy financial liability and manage through the unexpected working capital build in the second half of FY23.

This prudent approach to capital management saw Company net debt fall from \$41.9 million in FY22 to only \$3.9 million as at 30 June 2023 and Midway build a very strong balance sheet, with Net Tangible Assets (NTA) of \$1.43 cents per share.

Midway expects further cash injections in the next few years, including another \$33.6 million in net proceeds from the sale of its Victorian plantation estate to MEAG in FY24 and FY25 subject to meeting various operating hurdles and completion of all remaining transactions.

The Company also recently announced it has refinanced its banking facilities with the Commonwealth Bank. The revised facilities consist of a trade finance facility allowing drawings of up to \$35 million against inventory and debtors, that will allow Midway to support cyclical working capital build-ups.

Midway was pleased to announce a 5 cent fully franked special dividend to be paid on 22 December 2023 with a record date of 8 December 2023.

This special dividend is being paid out of the net proceeds of the sale of the plantation estate.

Board Renewal

The size and composition of the Midway Board of Directors has changed significantly in the last few years as the Company sought to broaden its skill set and expertise to understand and facilitate our new growth strategy.

With the retirement of former Chairman and founder shareholder, Greg McCormack, and Independent Non-Executive Director Tom Keene in November 2022, Midway appointed Kellie Benda to the Board as an Independent Non-Executive Director. Kellie brings a wealth of experience in energy markets and logistics as well as forest products to the Board.

The Midway Board now comprises three independent Non-Executive Directors, including myself as Chair, Kellie Benda and Leanne Heywood, two long-standing shareholder Non-Executive Directors, Nils and Tom Gunnensen, and the Managing Director, Tony McKenna.

The Board is working well together with the management team to achieve one objective – to positively position Midway for future growth that will deliver greater value for shareholders. We will continue to explore all options to reach that objective.

Despite headwinds, we have much to look forward to both in the short and long-term. Tony will speak to our carbon strategy, operating environment, and various other highlights in more detail.

But in closing, thank you for your ongoing support and patience. The management team has certainly not underutilised its initiative to reimagine this business.

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – TONY MCKENNA

I have now been at Midway for just under two years and this is my second AGM with the company. I am pleased to report that we are beginning to make some meaningful progress against our strategic plan and I'll take you through some of the key points in our presentation this morning.

We have continued to take decisive steps to reposition the company and we are building momentum with a strong team across the board.

Slide: Contents

Our agenda for today begins with key highlights.

I will then take you through some important developments on the capital management front.

We will cover our strategy and progress on the key elements, and then the operating environment and outlook.

We will then be happy to take questions through the Q&A box.

Slide: Creating shareholder value

We have a clear focus on creating shareholder value and we've made progress on a number of fronts including:

- Signing a really important grain deal with CHS Broadbent;
- Declaring a fully franked special dividend of five cents per share;
- Improving our banking facilities which will increase Midway's resilience through market cycles;

- making progress on our strategy execution in the operating business, improving performance in a tough market; and
- Building a very strong team of experts in the plantation carbon field.

Regarding the outlook for the business, we have seen significantly lower volumes to China and a precipitous drop in pulp prices in this first half but pulp prices are showing signs of improvement.

Slide: Highlights

I will now turn to our capital management initiatives.

Slide: Capital management

On the 29th of November, Midway declared a fully franked special dividend of five cents per share. The record date for this dividend is 8th December and payment date will be the 22nd of December. The special dividend has been made possible from the proceeds of the sale to MEAG.

Michael McKenzie and the finance team have done a fantastic job in securing the refinancing of our banking facilities. The new CBA facilities are competitively priced and better suit the needs of our business. A key element of the new facilities is a trade finance line of up to \$35 million. This line can be drawn down against inventory and receivables and will improve the resilience of the business.

Slide: Sale of the plantation use of proceeds

The sale of the plantation estate to MEAG has so far generated gross proceeds of around \$121 million.

As you can see from the waterfall chart, the sale proceeds allowed Midway to:

- Repay all long-term debt;
- Substantially reduce the legacy Strategy financing liability;
- Repay working capital debt and support large inventory balances across our five sites;
- Purchase \$5.1M of pine trees to enable the MEAG deal;
- Fund a small capital investment; and
- Pay tax liabilities.

I will now discuss the Midway strategy and where we are focussing our efforts.

Slide: Our Strategy

Midway is one of Australia's largest wood fibre exporters with a presence in five regions around Australia.

Our fibre goes into products that are a part of the bio circular economy and we have a strong and growing plantation carbon business.

Slide: Our value creating strategy

Midway has a very clear focus on its strategic priorities. These are:

- Firstly, lifting the operating performance of the business;
- Secondly, maximising the value of the company's assets; and
- Thirdly, growing the carbon business.

Solid progress is being made on each of these priorities.

Slide: Lifting operating performance

In lifting our operating performance, Geelong has established the capacity to process and export softwood with two vessels scheduled for export in the coming months. The Geelong grain project will make an important contribution to the earnings of this business unit.

In Tasmania, the Norfolk St mill has been commissioned and is fully operational. Supply contracts with Sustainable Timber Tasmania have been secured for additional volume. And we have received positive market feedback for the thinning's product.

We have also been able to complete four C.I.F. vessels from Tasmania this half.

The Plantation and Carbon segment is a new business opportunity for Midway, and we are working on a number of compelling projects. Real progress has been made with developing a high calibre and experienced team.

Acquisition of Greenfield land for MEAG is progressing well.

The pipeline for carbon projects is very encouraging.

Tiwis has had a tough start to the year with the downturn in the market limiting sales volumes. We have been selling Tiwi chips for biomass, which generally doesn't achieve the pulp chip premium but has kept operations going.

Slide: Geelong site: grain terminal

Having completed the sale of the plantation estate, the focus has been on maximising the value of the Geelong site. To do this we need maximise utilisation of the ship loader asset and better utilise the 19 ha waterfront site.

Midway has now entered into a binding Memorandum of Understanding with CHS Broadbent to sell them five hectares of the North Shore site in Geelong for \$15.5 million, which is well in excess of the current carrying book value.

Under the arrangement, CHS Broadbent will develop grain export infrastructure on the acquired 5 ha, and pay Midway for use of the ship loader.

CHS Broadbent is a joint enterprise between the Broadbent family, a third generation Australian grain business, and an American cooperative company CHS Inc.

CHS Inc is a Fortune 100 company.

We are really pleased to be working with CHS Broadbent and I believe this is a very important milestone for Midway.

There are many significant benefits of the project to Midway and these include:

- Lease earned for the initial period until settlement of the land sale;
- Revenue for use of the ship loader;
- Realised proceeds of \$15.5m on settlement; and
- Recognition of the value of the balance of the site.

Slide: Geelong site: map

This image shows the approximate boundary for the subdivision of the Geelong site. Midway will retain the larger part of the site to the right of the green dividing line.

We intend to develop the unused portion of the retained site for the wood chip business and other potential products which could go across the ship loader.

Slide: Carbon growth

I will now take you through the carbon opportunity that sits adjacent to our traditional business, and which is rapidly becoming part of our core business.

Midway's traditional business is forming partnerships, identifying land, establishing plantations, managing those plantations, and generating an economic return from them.

The plantation carbon opportunity has arisen immediately adjacent to our traditional business. I see it as the most natural growth opportunity for Midway and I am genuinely excited about the prospects.

Slide: Strong carbon market economics

The two graphs on this slide clearly show the expected trajectory of the carbon opportunity over the next ten years.

Analysts are forecasting substantial growth in volume and price for Australian Carbon Credit Units. This is consistent with what we are hearing from major carbon emitters and from other industry sources.

Midway is very well placed to be a solution provider and to take a lead role in the plantation carbon industry.

Slide: Elements of carbon strategy

The three broad models that Midway is using to participate in the carbon industry include:

- Managing carbon plantations; We are seeing a wide range of parties seeking plantation carbon management expertise including large landowners, large greenhouse gas emitters and debt and equity investors. Midway is currently providing this service to MEAG
- Managing carbon aggregation projects, starting in Tasmania with the first properties signed up with carbon earnings to commence in FY24. and
- Participating as a plantation owner - such as the 2nd rotation on the Tiwi Islands

This three-pronged approach will generate incremental income in the short term and has the potential to be transformational.

Midway has now secured access to an AFSL licence that will enable us to provide greater value-adding services on carbon projects.

The carbon market is rapidly evolving. Our approach is to position Midway at the forefront of the industry so we can capitalise on opportunities as they emerge.

Slide: Sustainability update

Sustainability and Safety are fundamental to Midway's business and are key enablers of our overall growth strategy. For example:

- Our Safety LTIFR is consistently below industry averages.
- Our relationship with the Tiwi people is very important to us. In 2023, 27% of our staff on the Tiwi project were Tiwi people.

- Midway products contribute to bioeconomy initiatives such as the replacement of plastic packaging and growth in bio-energy production.
- Over the past 18 months we have developed and recruited talent in plantation carbon. We have built a team of experts in registering and managing plantation carbon projects. Knowledge has been shared with each of the business units so that opportunities can be identified and executed in each local market.

We will continue to expand sustainability initiatives as part of our growth strategy.

Slide: Certifications

- FSC and PEFC sustainability certifications are an important third-party endorsement of the way we conduct our business.
- These certifications help us to achieve better pricing on some products and to access a broader market.

Slide: Operating and Environment and Outlook

2023 has seen a major drop off in wood chip sales into China. The reduced demand for pulp has reduced total consumption of wood chips. This has coincided with increased availability of domestic Chinese logs for chipping due to the downturn in the Chinese construction industry.

The Japanese market has been relatively stable for the year but the Japanese pulp producers are taking a very cautious approach to next year.

Slide: Operating and Environment and Outlook: Woodfibre demand and pulp prices

There are signs of recovery in both the volumes sold to China and in the hardwood Kraft pulp price. We are cautiously optimistic about the prospects of improved volume demand.

Slide: Summary

In summary, the key take-outs in today's presentation are that:

We are making solid progress in our strategy **to lift operating performance**. We expect 1H 24 earnings to continue to show signs of improvement despite low volumes.

Key actions have been taken in each operating business unit to improve their performance including securing additional volumes, minimising costs and selling into new markets.

The completion of the Tasmanian Bell Bay facility, securing increased fibre volume and the progress with the marketing of the thinnings product in Japan are all important achievements for the business.

On maximising the value of assets,

We have signed the Geelong grain deal for the sale of land to CHS Broadbent. In addition to an earnings boost, this will generate a profit on the land sale and improve the value of the site.

We have settled the first four tranches of the MEAG plantation sale with one further to come in September 2024.

We have in place a better financing facility including a trade finance line of \$35 million, which increases the resilience of our business through the cycle.

And we have now declared a fully franked special dividend of five cents per share.

In our carbon business:

We have developed a team of highly skilled operators with the capability to register and manage plantation carbon ACCU projects.

We have in place arrangements to use an Australian Financial Services Licence endorsed for carbon.

We are progressing the second rotation of the Tiwi islands project with the potential to generate 6 and a half million ACCUS.

We have signed the first properties in the Tasmanian carbon aggregation program and registered carbon projects for MEAG.

The pipeline of potential carbon projects is most encouraging.

In conclusion, I'd like to thank you all for your interest in our company and for coming on the journey with us. We will continue to work to improve the underlying operating performance, and to grow the business in the carbon space, while looking to maximise the value of the assets of the company.

It has not been an easy path, but I am confident that we can create meaningful shareholder value.

PROXY POSITION

Item 2 Remuneration Report: 35.7m FOR, 4.9m AGAINST, 88% in favour.

Item 3 Re-elect Gordon Davis: 45.3m FOR, 5.1m AGAINST, 90% in favour.

Item 4 Re-elect Nils Gunnerson: 41.7m FOR, 8.7m AGAINST, 83% in favour.

Item 5 Issue of performance rights: 49.1m FOR, 1.3m AGAINST, 97% in favour.

This announcement has been approved by the Company Secretary.

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About Midway Limited

Midway Limited is a leading Australian plantation management and woodfibre export company with headquarters in Geelong. Midway was founded in 1980 and is now primarily involved in plantation management and the production, processing, and export of high-quality wood fibre to producers of pulp, paper and associated products in the Asian region. Midway owns 100% of Midway Tasmania, based at Bell Bay and Plantation Management Partners (PMP), based on Melville Island. Midway also has majority shareholdings in South West Fibre Pty Ltd (SWF) based in the Green Triangle and Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane. Midway is also building a carbon management portfolio based on forestry plantations. For further information, visit www.midwaylimited.com.au.



FY23 Annual General Meeting

30 November 2023



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This document contains certain “forward-looking statements”. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “outlook”, “upside”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, including Midway's financial outlook, are also forward-looking statements, as are statements regarding Midway's plans and strategies and the development of the market. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Midway, which may cause actual results to differ materially from those expressed or implied in such statements.

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All references to dollars are to Australian currency unless otherwise stated.

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Creating Shareholder Value

01

Geelong grain deal signed

- Sale to CHS Broadbent of approximately five hectares for \$15.5 million, well above book value
- The grain volume will contribute to **GeelongPort volume commitments**
- Expected capex of **\$4.5 million to develop shared infrastructure and remainder of the Geelong site**

02

Dividends

- Special fully franked dividend declared on 29 November 2023 for 5.0 cents per share
- The record date is 8 December 2023, with a payment date of 22 December 2023
- Return of capital to shareholders, whilst preserving balance sheet strength and flexibility

03

Improved banking facilities

- Refinancing completed with Commonwealth Bank (CBA) to allow more funding flexibility
- Capex associated with Grain deal funded through a new facility
- New facility increases the resilience of the business through the cycle.

04

Strategy execution

- Continuing improvement on operational performance in a down market
- Multiple new carbon opportunities under review
- Corporate authorised representative under AFSL
- Tasmania mill commissioned and additional volume secured

05

Sustainability progress

- Built internal capability to register ACCU carbon projects
- Planted approximately **1.07 million** seedlings in FY23
- In FY23 27% of our employees on the Tiwi project were Tiwi

06

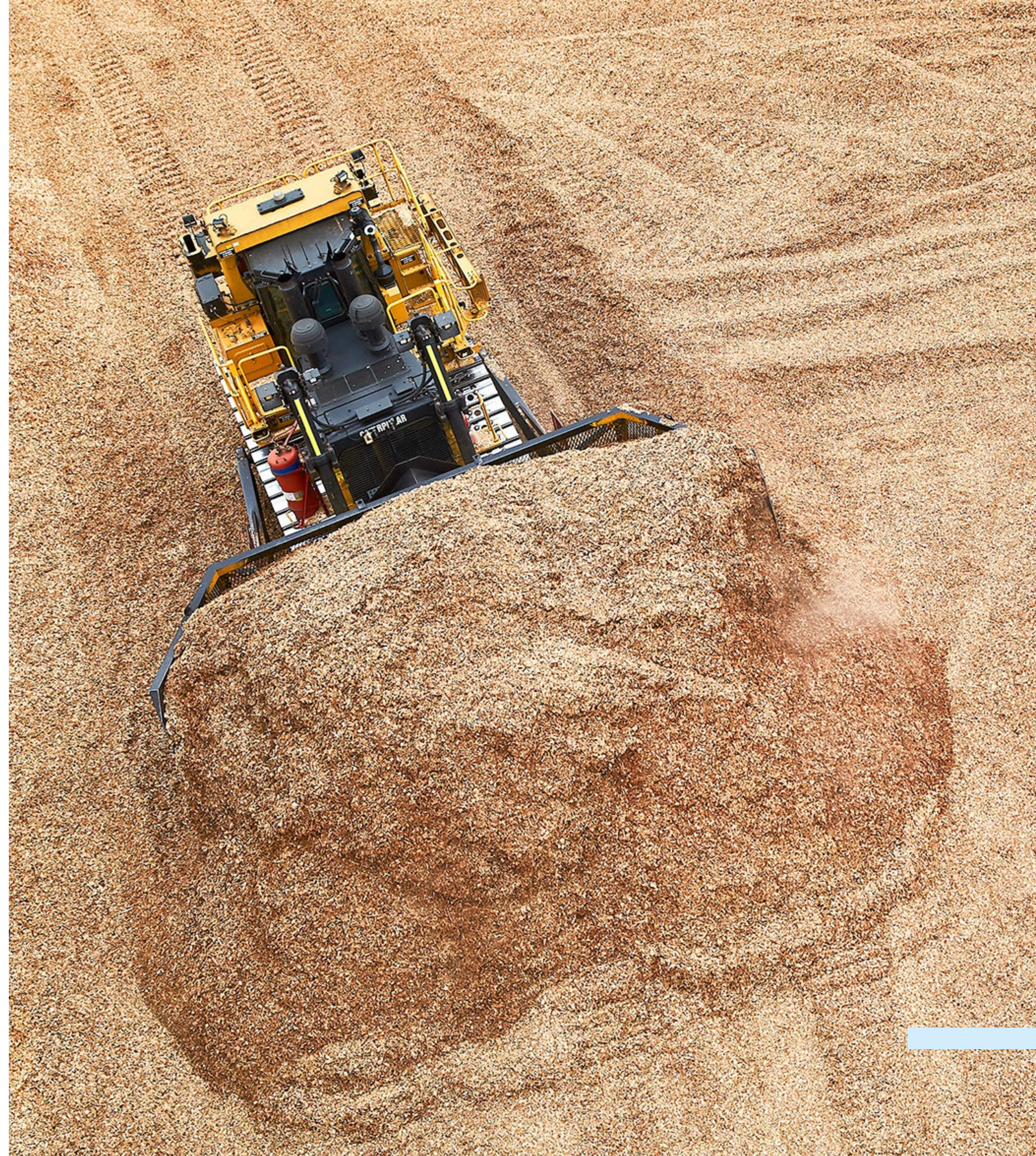
Outlook

- Sharp downturn in pulp prices has led to lower volumes in 1H24
- Pulp prices gradually increasing however uncertainty remains
- Forecast increase in price and demand for Australian carbon credits

Highlights

Midway has executed on a number of important initiatives on a pathway to generating shareholder value.

- The grain deal with CHS Broadbent will lift the value of the Geelong site and improve operating performance.
- Earnings show signs of improvement in 1H24 despite the market slowdown impacting volumes.
- Fully franked special dividend has been declared for 5.0 cents per share from proceeds of sale to MEAG.
- Refinancing will support cyclical working capital build ups improving resilience for operations and contractors.



Capital Management

Midway



Capital Management

**Fully franked special
dividend of 5.0 cents
per share announced**

Annual General Meeting
30 November 2023

Special dividend

- On 29 November 2023, Midway declared a fully franked special dividend of 5.0 cents per share.
- The record date for this full franked dividend is 8 December 2023, with a payment date of 22 December 2023.
- This special dividend is being paid out of the net proceeds of the sale of the plantation estate.

Improved banking facilities

- The Company has refinanced its banking facilities with the Commonwealth Bank.
- Midway's revised facilities consist of a trade finance facility allowing drawings of up to \$35.0 million against inventory and debtors which will allow Midway to support cyclical working capital build-ups.
- In addition, there is a \$4.1 million facility to fund capital expenditure associated with redevelopment of the Midway site following the Grain terminal announcement and a \$10.0 million increase in bank guarantee facilities to support the deal.
- The new facilities are competitively priced and allow the Group to minimise interruptions to contractors and operations in periods of market slow down.



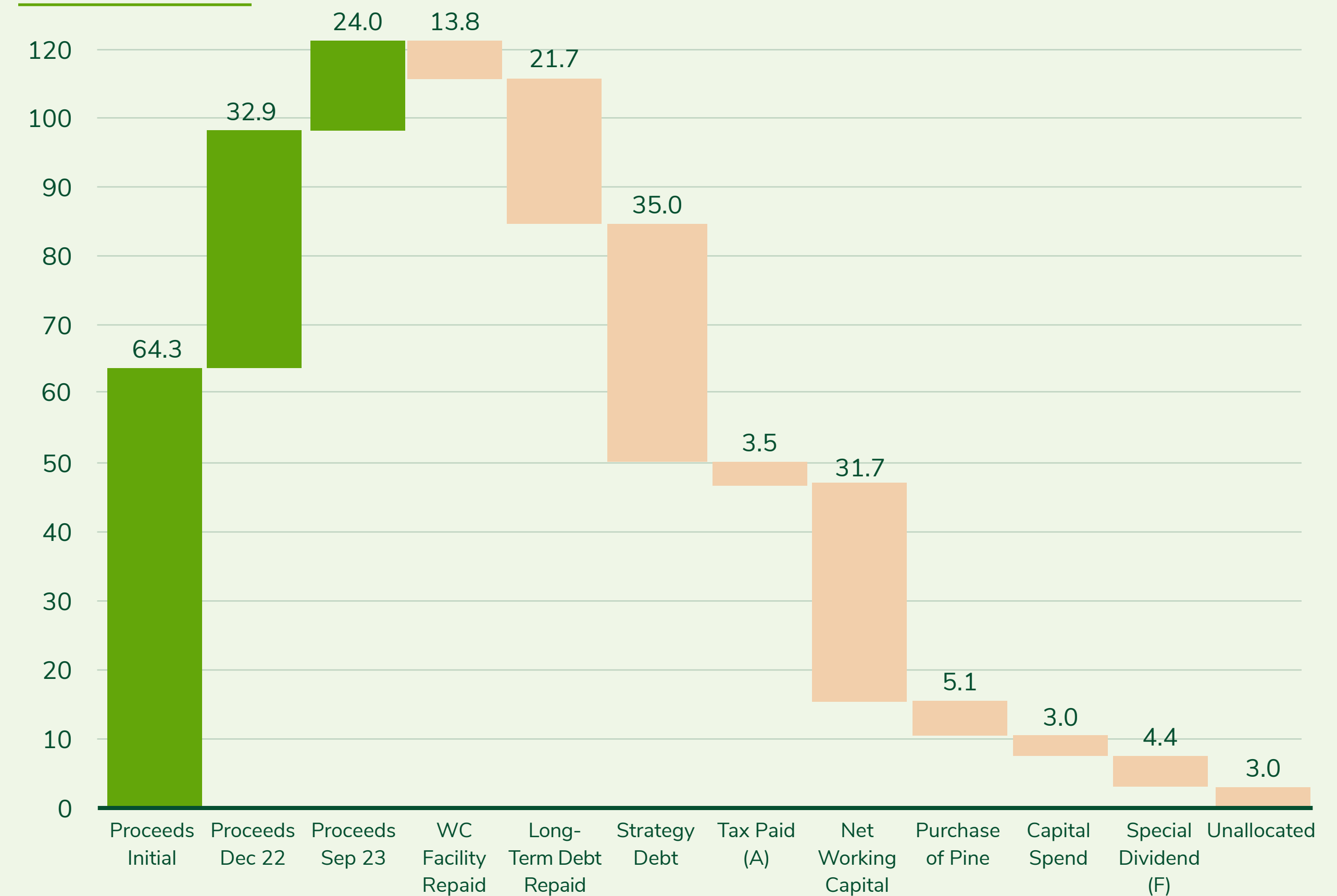
Capital Management

Proceeds from plantation sale

- MEAG proceeds have been used to restructure the balance sheet and reposition the Company.
- Prudent approach to capital management has protected Midway during the downturn and allowed the Company to build working capital that will generate future revenue when the market recovers.
- In addition, a special fully franked dividend has now been declared from the proceeds for 5.0 cents per share.

MEAG future proceeds \$m	FY25
Net cash received	35.1
Less:	
Purchase of strategy timber	(8.8)
Tax payments	(6.3)
Net cash retained	20.0

Sale of plantation estate - use of proceeds (\$M)



(A) includes a forecast receipt of \$4.4M in tax refund expected in December.

Our Strategy

Midway was founded in 1980 by a collective of Victorian sawmillers seeking a valuable market for their sawmill residue waste, that was otherwise being burned.

Today, Midway is one of Australia's largest wood fibre processors and exporters, with a strong and growing plantation and carbon management business.

Our fibre goes into recyclable paper and packaging, plastic replacement products and coal replacing energy generation.

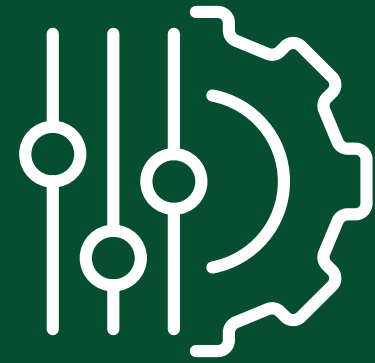
We provide solutions for carbon abatement and emissions offsets using natural processes and our expertise.

Midway



Our Value- Creating Strategy

We have a clear focus on delivering our strategy to create value for shareholders



**Lifting the
operating
performance**



**Maximise
value of assets**



**Carbon
growth**

Strategy Progress

Midway



Strategy Progress

Lifting operating performance

Annual General Meeting
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Geelong

- Executed on the Grain project to maximise the use of the site, and contribute volume to GeelongPort commitments.
- Secured softwood volume through the site.

Midway Tasmania

- Mill commissioning completed.
- Extended supply contracts with Sustainable Timber Tasmania.
- Positive market feedback on thinning's product.
- 4 CIF shipments complete.

Tiwi

- Tough start to the financial year with limited sales at lower biomass prices.
- Delivery of 2nd rotation is the focus.

Plantations and carbon segment

- \$23.0 million invested of \$200 million MEAG greenfield plantation fund. Further \$21.0 million under offer.
- Forest and carbon management fees being generated.
- Strong pipeline of carbon projects.



Strategy Progress

Maximise value of assets

Benefits of the project to Midway include:

- Contribution to GeelongPort volume commitments.
- \$15.5m sale of the site.
- Lease for the initial period until land settlement.

Geelong Site: Grain terminal

- Midway entered a binding Memorandum of Understanding (MoU) with CHS Broadbent to sell a portion of the Geelong site.
- CHS Broadbent to build and operate an 80,000 metric tonne grain storage and export terminal.
- CHS Broadbent will initially lease, then acquire freehold title to five hectares (approximately a quarter of the Midway site).
- CHS Broadbent is 50% owned by CHS Inc, a Fortune 100 global agribusiness and 50% by the Broadbent family.
- CHS Broadbent is a leading Australian agribusiness supply chain company with grain, marketing, storage, logistics and export operations on the east coast of Australia.
- The capital expenditure by Midway for the development of retained portion of the site and upgrade of shared infrastructure is estimated at \$4.5 million in FY24-25.



Strategy Progress

Maximise value of assets

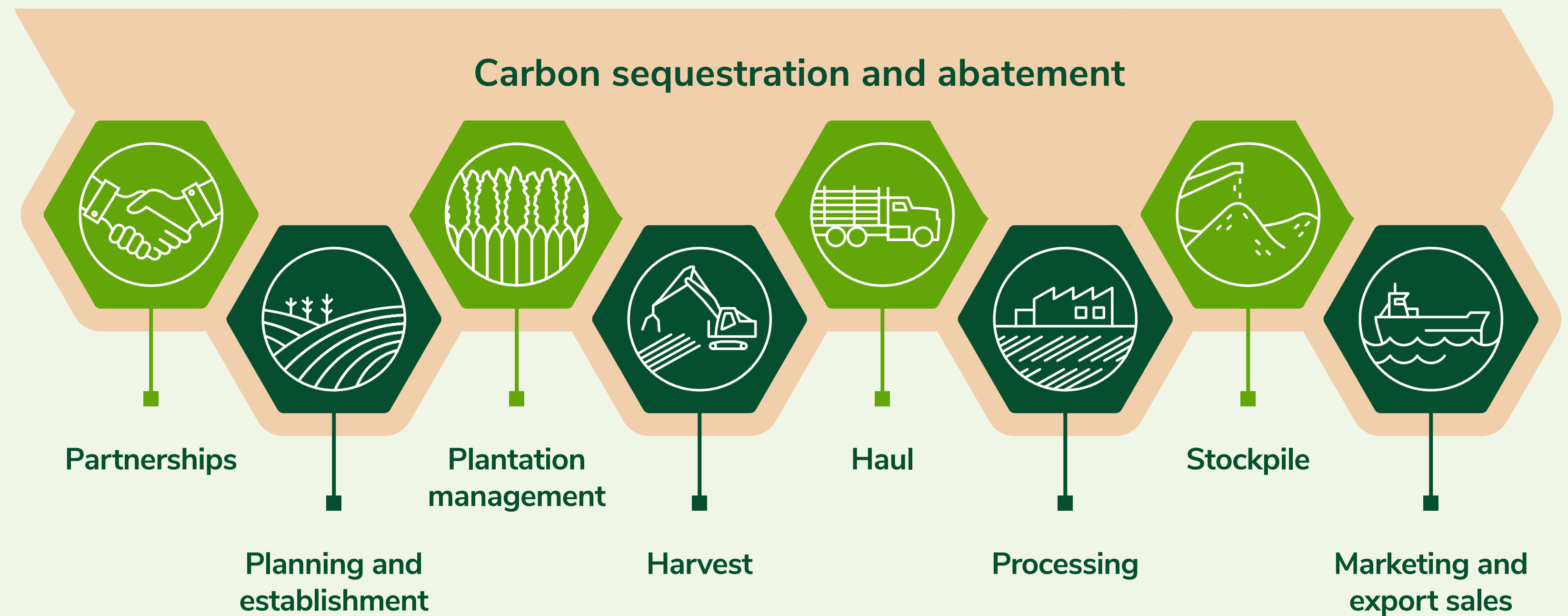


Strategy Progress

Carbon growth

- Plantation carbon opportunity sits immediately adjacent to Midway's core business.
- We are using all business units to access and deliver carbon opportunities.

Maximising shareholder returns



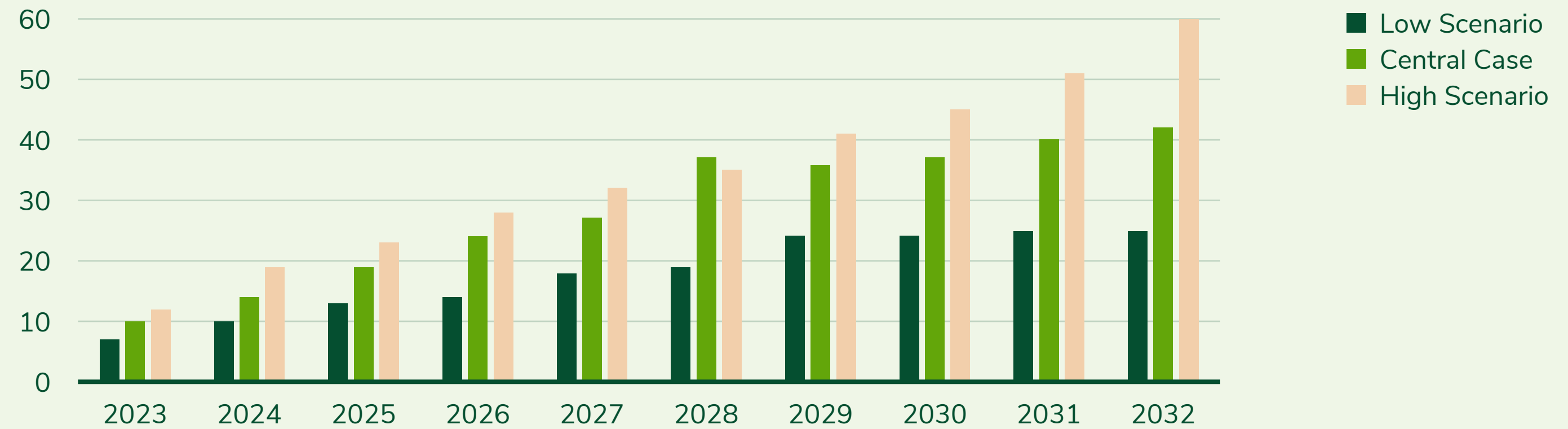
Strategy Progress

Carbon growth

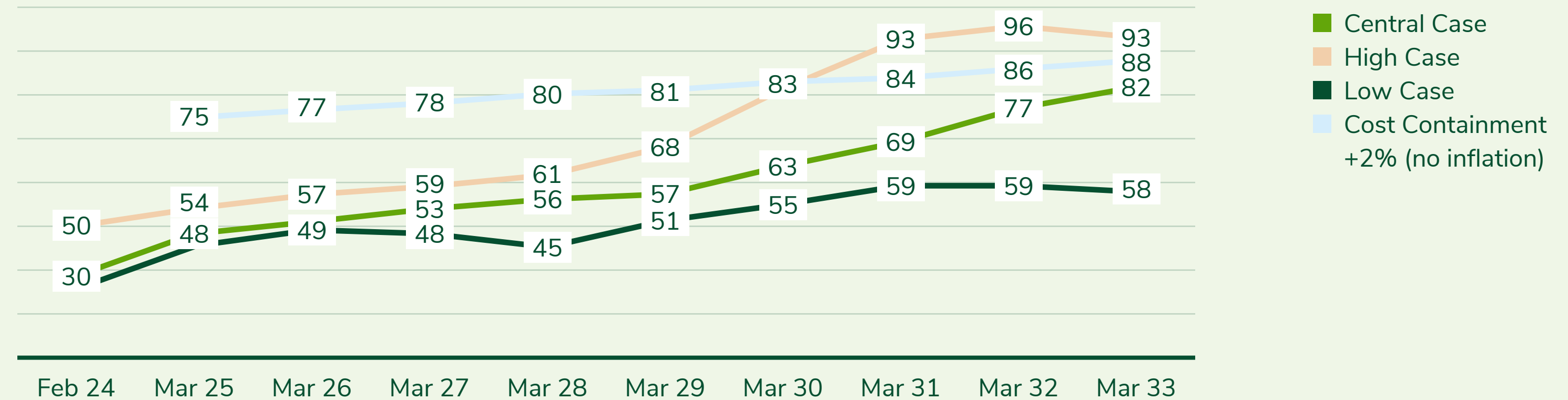
- Analysts are forecasting growth in ACCU demand and price.
- This is consistent with feedback from industry participants.

Strong carbon market economics

Forecasted demand for ACCUs (millions)



ACCU market pricing expectations (A\$)



Source: RepuTex Energy, August 2023

Strategy Progress

Carbon growth strategy

Midway is a provider of nature-based solutions to reduce and mitigate carbon emissions.

There are three broad models that we are progressing in the carbon market.

Elements of carbon strategy

Plantation and carbon manager

- Aggregation carbon opportunities are being developed and offered in Tasmania and Victoria for forestry-based projects.
- Large scale Northern Territory properties are being explored with land-owners for further carbon expansion.
- Carbon and plantation expertise working on related projects e.g. Bio Diesel.
- Managing carbon and plantations on behalf of MEAG.

Carbon aggregator

- Midway is a corporate authorised representative under a carbon AFSL allowing the Group to progress carbon projects.
- First properties in Tasmania signed for FY23 with carbon earnings to commence in FY24.

Plantation owner / lessor

- Potential second rotation on the Tiwi Islands.
- Up to ~6.5M ACCUs which could be utilised to fund the project.
- Would be the largest carbon plantation project with Traditional Owner involvement in Australia.

Sustainability Update

Midway







Sustainability Update

Continued progress against our commitments

- Midway has FSC (Forestry Stewardship Council) Certification across all our established operations.
- Midway has PEFC (Programme for the Endorsement of Forest Certification) - Sustainable Wood certifications across all our operations.
- The team planted 1.07 million seedlings in FY23.
- Midway built a team committed to registering and managing carbon sequestering plantation projects.
- In FY23 27% of Midway's employees on the Tiwi project are Tiwi people, and the Group is committed to ongoing skills and development training.
- Over the last 4 years Midway has spent \$3.6 million maintaining public roads on Melville Island.
- Safety - 2023 LTIFR was 5.7, below industry average of 14.5.
- Our products contributed to the circular bioeconomy for: recyclable and biodegradable packaging, hygiene products and print materials; plastic replacement packaging; and coal replacement energy generation.

Sustainability Update

Continued progress against our commitments

Certification Status				
	AFS CoC (AS4707) (PEFC)	FSC CoC FSC-STD-40-004	FSC CW FSC-STD-40-005	FSC FM FSC-STD-AUS-01-2018
Geelong	✓	✓	✓	Implementation planned FY24
SWF	✓	✓	✓	-
QCE	✓	✓	✓	-
PMP	✓	✓	✓	-
Midway Tasmania	✓	✓	✓	-

Operating Environment & Outlook

Midway

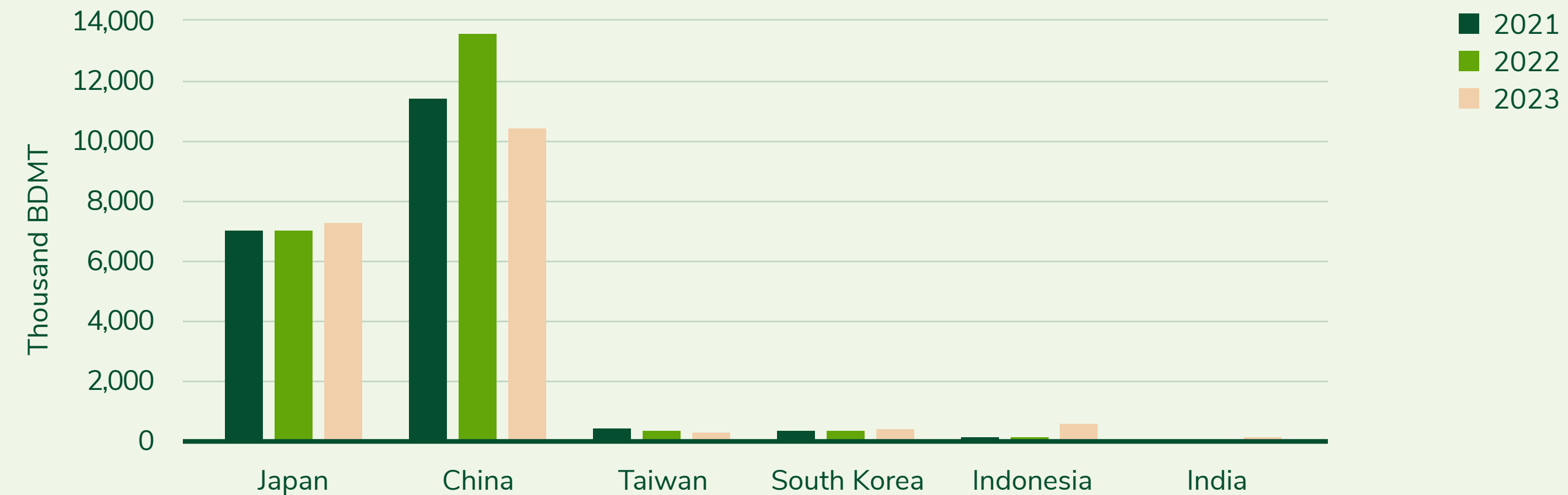


Operating Environment & Outlook

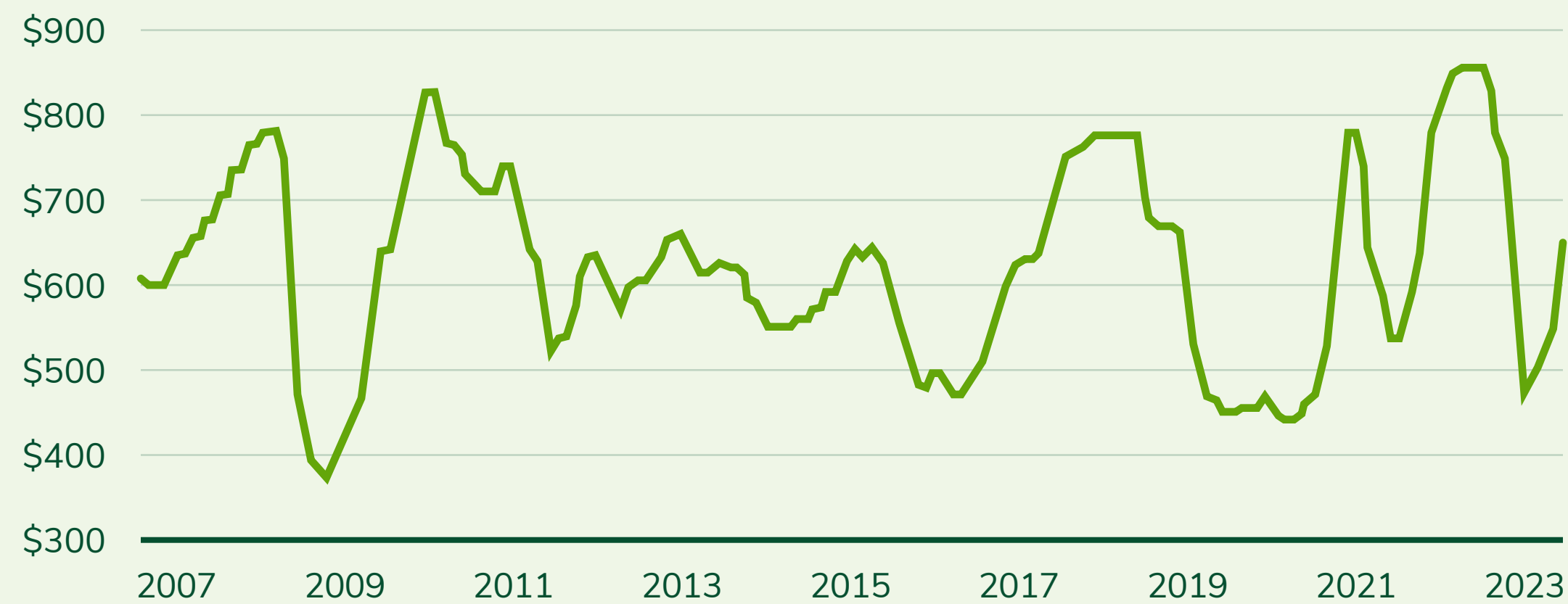
Signs of recovery in 1H24, however uncertainty remains

- Very substantial drop off in China's woodfibre imports YTD September.
- China pulp prices showing signs of recovery.

Hardwood Chip Markets Asia Pacific YTD September



Bleached Eucalyptus Kraft Pulp (US\$/tonne CIF China)



Extract: RISI and DANA Limited

Operating Environment & Outlook

Signs of recovery
in 1H24, however
uncertainty remains

Annual General Meeting
30 November 2023

Woodfibre demand

- YTD to September 2023, Chinese demand for hardwood chip is down 23.1%, or 3.14 million BDMT in 2023.
- Japanese hardwood chip imports are up slightly, 2.1%, year to date.
- China hardwood chip imports averaged 2.38 million BDMT per month during August and September, versus 2.06 million BDMT per month for the first 6 months of 2023.

Pulp prices

- Bleached hardwood kraft pulp prices imported to China are starting to show signs of recovery, bottoming out in June 2023 at US\$470/t and currently sitting at US\$630/t for November 2023.
- For October, pulp inventories at China ports were down 6% m/m to 1.7 million tonnes versus 1.8 million tonnes normal stocking.



Summary

Midway



Summary

Lifting operating performance

- 01** 1H24 earnings continue to show signs of improvement compared to the prior corresponding period despite the market slowdown which is impacting volume throughput.
- 02** Key actions being taken across each segment to continue to lift the operating performance including securing new volume, minimising costs and selling into new markets.
- 03** Finalised the building of port and processing facilities at Bell Bay in Tasmania and secured additional volume.

Maximising value of assets

- 01** Grain deal signed with CHS Broadbent.
- 02** Settled first four tranches of MEAG deal, with one tranche remaining.
- 03** Completed review of natural ownership of assets.
- 04** Refinanced existing facilities with CBA including a \$35.0 million trade finance facility for inventory and trade debtors.
- 05** Special dividend of 5.0 cents per share declared.

Carbon growth

- 01** Registered first carbon projects for MEAG.
- 02** Midway is a Corporate Authorised Representative under a carbon AFSL.
- 03** Agreements for first properties in Tasmania for FY23, further properties in pipeline for FY24.
- 04** Progressing second rotation on Tiwi Islands with potential -6.5M ACCU's. Will be Australia's largest plantation carbon project with Traditional Owner involvement.
- 05** Strong pipeline of plantation carbon projects.



Midway

Thank you