LEARNINGS FROM ACCU MANAGEMENT

APRIL 2025

LANDARI

- Expert project support for CER Plantation Methods
- Experienced timber plantation management team
- Comprehensive understanding of the ACCU Scheme
- Over 60 projects in all states and all Schedules of Method
- The typical clients is;
    - Larger Corporate entering the Offsets sector
    - Home Office with broad Agribusiness
    - Land Speculators

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ASSUMPTIONS

International Protocols- Kyoto, Cop 29, Paris Agreement & the 1.5* C

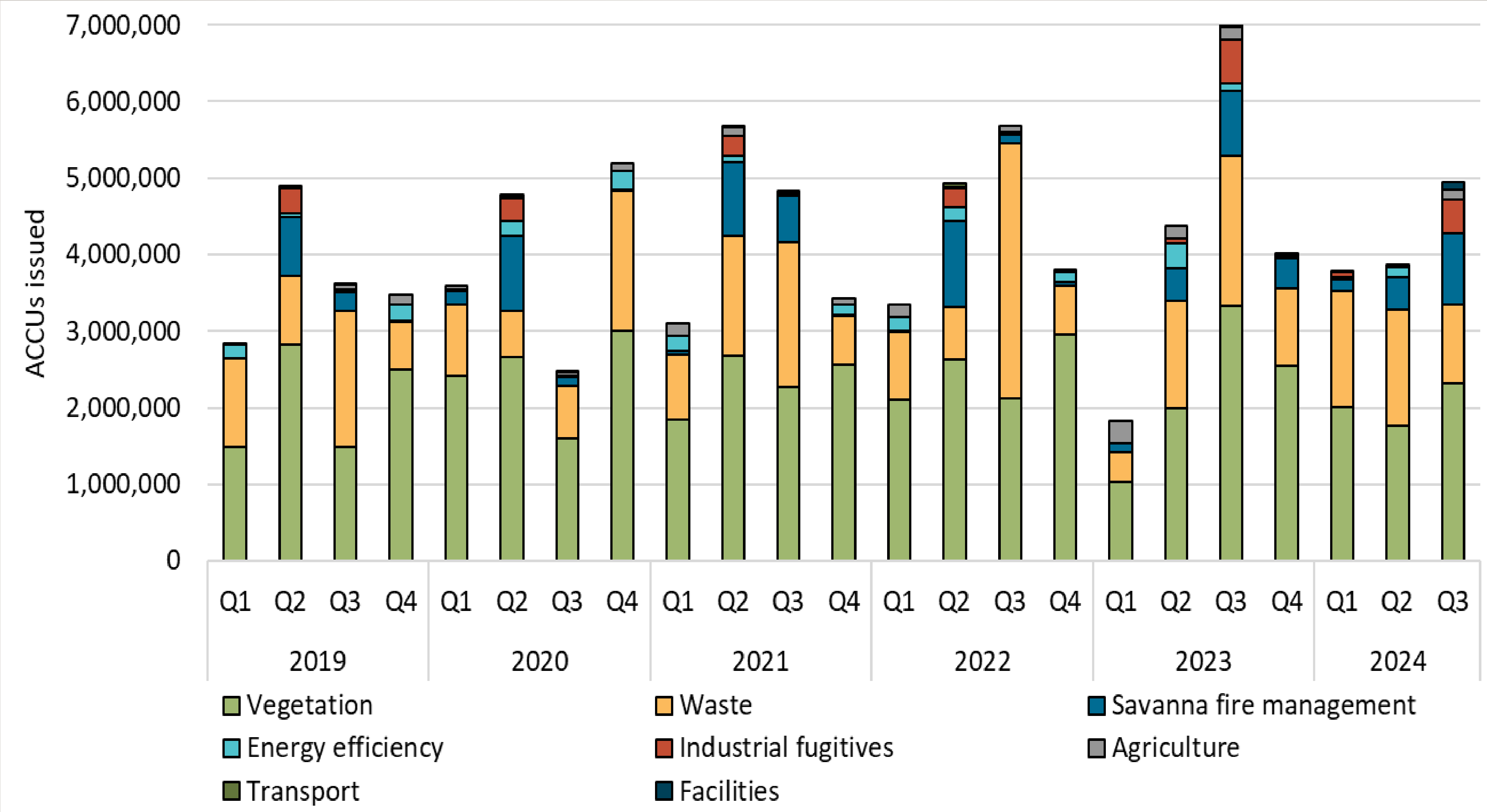
Australia, a late entrant: CFI [2011], Plantation [2017,2022]

Federal politics- Labor [2022]; Chubb 2022, & Safeguards

Industry Emitters- Reporting, Offsetting and Insetting @ 5% pa.

Offset choices -Plantations Method is 1of 38

2024 METHOD ACCU



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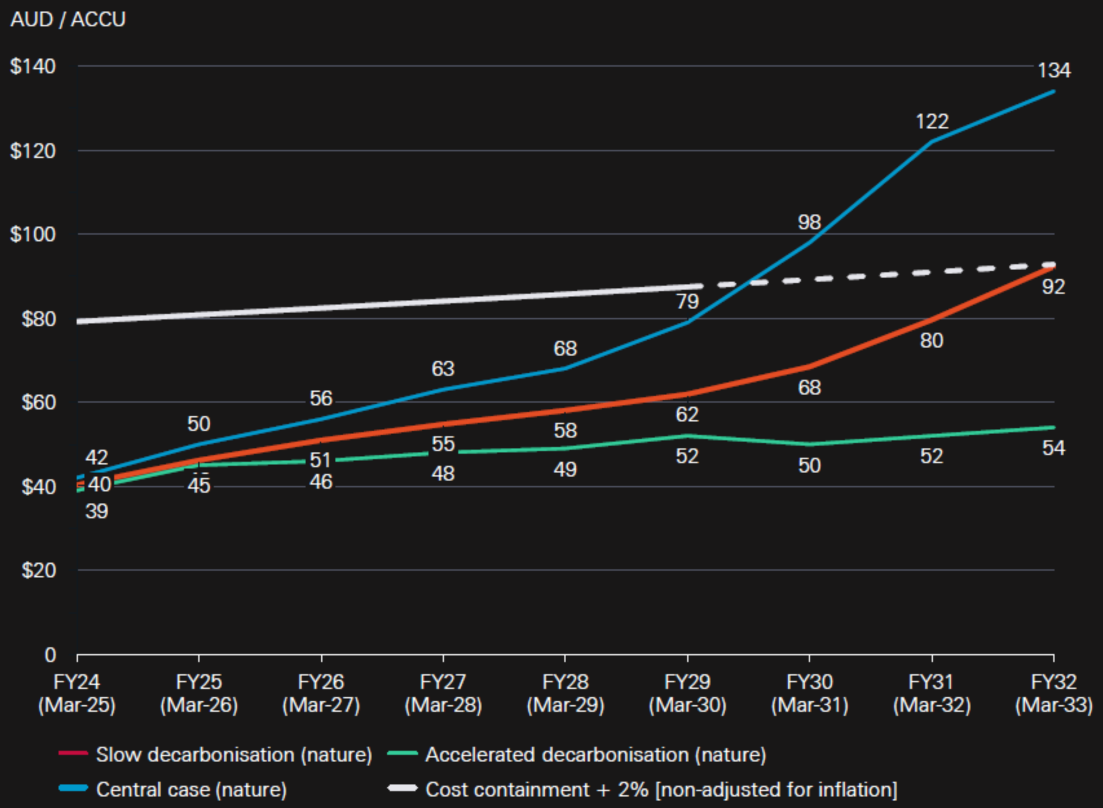
LEARNINGS FROM ACCU MANAGEMENT

- Land control is key driver
- Farmers dislike forestry but require CN30
- Safeguards Mechanism; reporting 2025
- Forestry has political enemies
- Legislation is complex and subject to political change;
- Eligibility must adhere to statute
- Registration usually requires 28 documents, including FMP and Permanence Plans, mandates third parties & geospatial data

REPUTEX FORECAST

The pace and scale of onsite decarbonisation will considerably impact ACCU prices



- Our Slow Decarbonisation scenario increases the CAPEX of unreleased technologies and reduces CAPEX decline rates of technologies not yet fully mature. This triggers higher decarbonisation costs and higher reliance on offsets, with the opposite applied in our Fast Decarbonisation scenario.
- This sees cancellation demand vary from 9-10 Mt in 2024, 31-42 Mt in 2030, and 38-51 Mt in 2033.
- This leads to a $27 spread in ACCU prices by Mar-30 and $80 by Mar-33, as higher demand increases spot prices due to the requirement for more supply at higher costs of production, as well as increased market tightness in the late 2020s and early 2030s.
- Differences in spot price projections occur from the start of the projected period. First-year compliance demand under the new Safeguard Mechanism is expected to provide a strong signal about the "headroom" of baselines and the extent of medium-term market over-supply.
- Under our Slow Decarbonisation scenario, spot prices exceed the current cost containment measure. For the purposes of this analysis, the CCM is not applied as a price ceiling beyond 2030 and is depicted for illustrative purposes.

ACCU SCHEME CHARACTERIZATION

- Compliance process is slow, conservative, subject to political risk
- Plantation Method is good news:
  - Federally ‘issued’ method
  - IRR accretion over 3%
  - No timber sector disruption to fibre supply
- Integration of Offsets into industrial scale plantations requires professional support