

MIS Investor Update

June 2021



QUINTIS
SANDALWOOD

Forestry Management



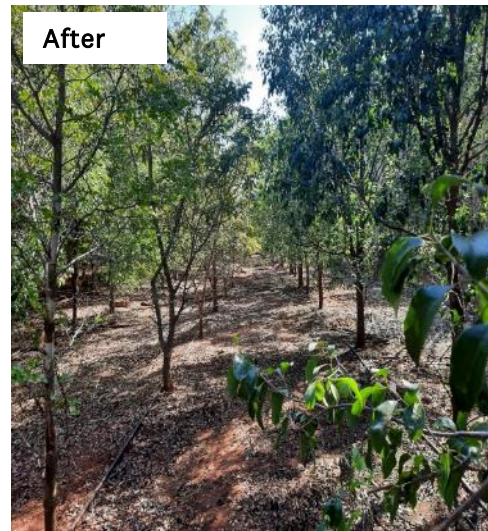


Post-Wet Season Activities 1

Weed Control

Weeds compete with the trees for water and nutrients – and provide a significant fire hazard risk. They thrive in wet and humid conditions meaning the weed load is highest at the end of the wet season in April.

Our weed control program involves the slashing and spraying of weeds. This has commenced across all locations and the below photos illustrate conditions before and after spraying.

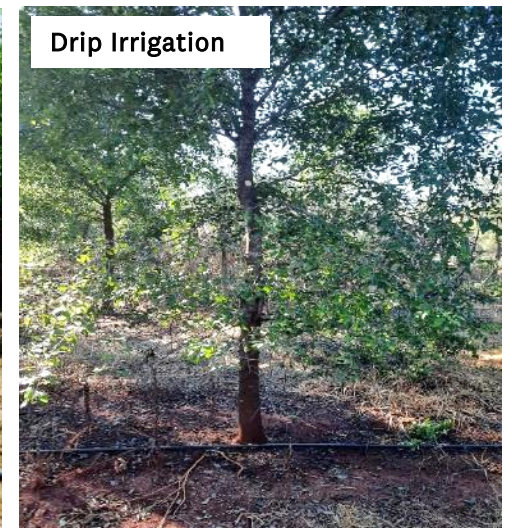


Irrigation

Our plantations are either irrigated by flood or drip irrigation systems. The trees require regular irrigation between the months of April and December.

Flood: water is gravity fed down the irrigation channels and into the plantations.

Drip: trees are irrigated by drip tape installed alongside the trees for a slow drip and absorption process.





Post-Wet Season Activities 2

Firebreaks

Our firebreaks require significant maintenance after the wet season. A programme to clear firebreaks (see below) and perform controlled burns is well underway across all plantations.

In Queensland, a fire truck was purchased for the plantations as part of the fire mitigation strategy.



Firebreak



QLD Fire Truck

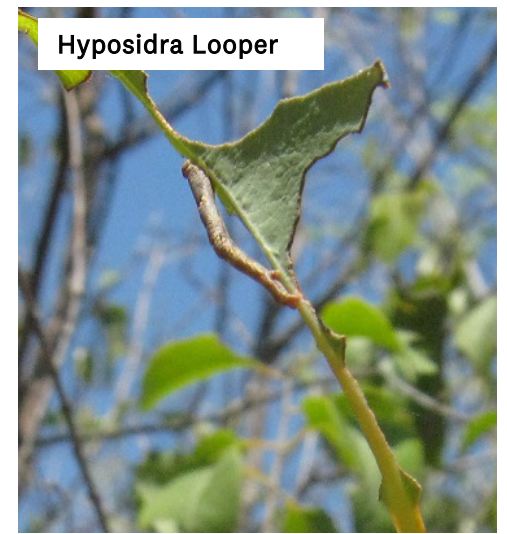
Pest Control

Staff from our Forest Protection Team conduct regular in-field monitoring of pests. The team manages risks with both pre-emptive and reactive techniques.

In the Northern Territory, certain plantations have required aerial sprays to control localised pests such as the Fig Leaf Beetle or Hyposidra Looper.



Fig Leaf Beetle



Hyposidra Looper

2021 Harvest: A Quintis Record!

Our 2021 annual harvest has commenced. This year, we will harvest approximately 250 hectares in Kununurra, Western Australia, of 15 year old trees, mostly owned by MIS investors in the TFS 2005 and TFS 2006 Projects.

The 2021 harvest will be our largest ever and will comprise more than double the area harvested last year (101 hectares). We expect to harvest over 50,000 trees.

To meet the demands of our ever-growing harvests, Quintis has invested in additional specialised equipment and machinery. This is designed to improve the output and the efficiency of our harvesting process, which will help deliver a lower cost service to the MIS Projects.

Click [here](#) to read about our harvesting operations and to see the team in action.

Quintis manages an estate of over 12,000 hectares of Indian sandalwood plantations, including around 5.5 million sandalwood trees. We provide industry-leading forestry and harvesting services to over 3,000 MIS Growers, over 80 High Net Worth individuals and 6 Institutional Investors. We employ over 100 permanent staff across our forestry, harvesting and wood processing teams (in WA, Queensland and the NT).

Click [here](#) to learn more about our **Forestry Management**



Indian Sandalwood Market Update





Recent Sale of MIS Project Sandalwood

In our December update, we reported on the completion of our 2020 harvest. At 101 hectares this was our largest ever annual harvest, the majority of which was owned by the TFS 2004 and TFS 2004 Premium Projects.

Quintis Forestry was the Forestry Manager for these Projects, contracted by the Responsible Entity, Huntley Management Ltd (“Huntley”). As Responsible Entity, Huntley appointed an independent sales agent (Smith Agri International Pty Ltd) to market and sell the harvested wood.

Huntley reported to Growers that:

- Smith Agri’s marketing campaign approached over 2,200 industry participants in 57 countries and generated 41 different bids.
- The sales proceeds of \$7.7 million were a record for the sale of MIS wood.
- There was a record number of global buyers, with wood awarded to 5 buyers from 4 different countries. The Australian buyers were Quintis and Santanol.
- The average price of \$51,000 per tonne was down on previous tenders. Smith Agri attributed the price decline to increased supply of sandalwood and the impact of China’s ban on timber imports from Australia.

Click [here](#) to view Huntley’s report on the sale.



Market Development

Quintis is committed to building demand for Indian sandalwood. We are actively promoting sandalwood worldwide, with a particular focus on Europe (fragrance), India (worship) and China (traditional medicine).

We have established a global sales and marketing team that is devoted to building awareness and demand for sandalwood. Click on this [link](#) to see the countries in which our sales team are based.

Our recent marketing activities include presentations at multiple international trade shows in China, Europe, the US, the Middle East and Japan, as well as advertising in global magazines (for example, see last page).

Quintis Signs Agreement with Leading TCM Manufacturer

In March 2021, Quintis signed a Memorandum of Understanding with Lanzhou Foci Pharmaceuticals (“Foci”) in China. Foci is one of the largest manufacturers of Traditional Chinese Medicine products.

For more information visit: [ABC News](#)



The Benefits of Indian Sandalwood

Indian sandalwood derives its value from the aromatic heartwood encased within its trunk and butt. This sacred species has a long history and, for thousands of years, Indian sandalwood has been used as a traditional medicine or to calm the mind with its distinctly woody scent.

Indian sandalwood offers the following benefits:

- to calm the mind and relieve anxiety
- reduce signs of aging and skin inflammation
- spiritual significance
- fragrances - ensuring they last longer on the skin

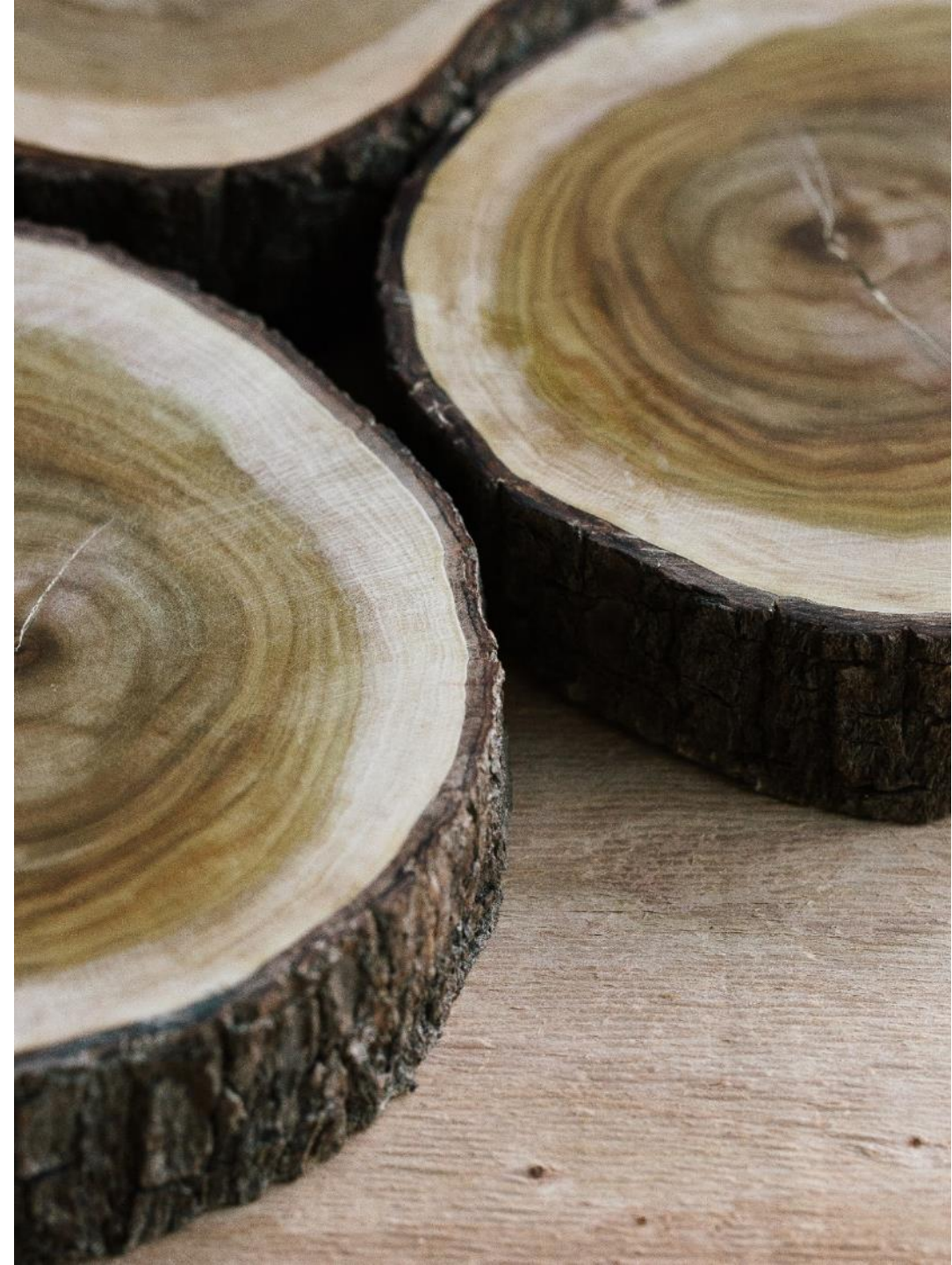
Modern science not only supports traditional beliefs but discovers new ways to benefit from Indian sandalwood. We continue the research into Indian sandalwood and the ways in which it can heal the mind and body.

Click on the below links to read more:

Sandalwood
Benefits

The King of the Woods

Essential
Articles





REMINDERS & LINKS



MIS Reminders

PROJECT PERFORMANCE ASSUMPTIONS

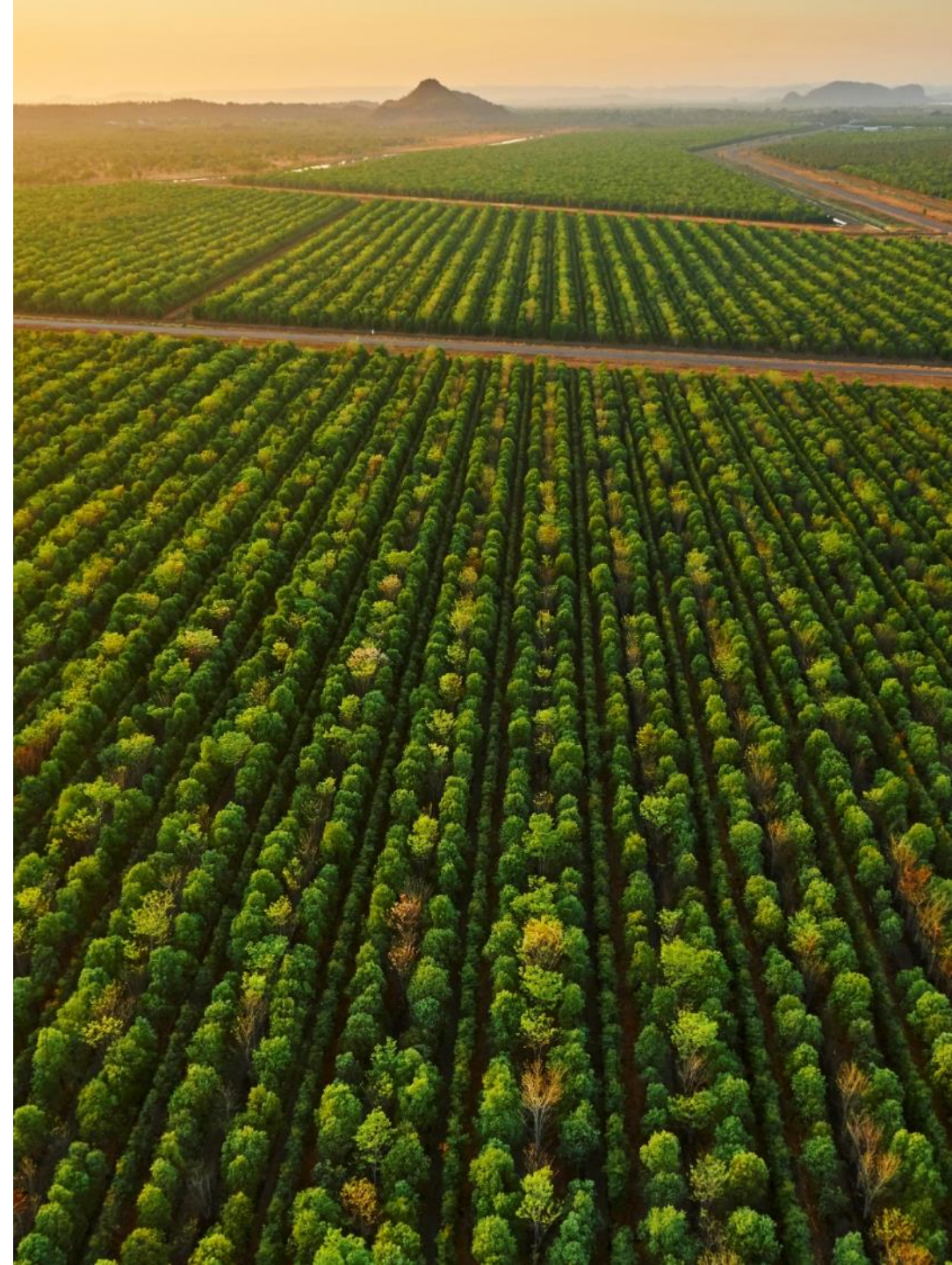
Quintis provides an estimate of the potential future value of your investment, including the performance of your plantation. Please contact us by sending an [email](mailto:info@quintis.com.au) to info@quintis.com.au or call us on +61 8 6458 4700.

EXPERT FORESTER'S REPORT

Each year we provide you with a report on your plantations from an Independent Expert Forester. The Independent Forestry Expert visited and assessed the MIS plantations this month. His report is included in the annual Project Accounts which will be finalised in October. These Project Accounts are published to all Growers and lodged with ASIC.

PLANTATION INSURANCE

We have previously provided you with an insurance offer for the period 1 October 2020 to 30 September 2021. If you missed the deadline there is still the opportunity to insure. To find out more, please call us on +61 8 6458 4700 or email insurance@quintis.com.au. The next insurance offer will be made in September/ October, for the year ended 30 September 2022.



Useful Links

Grower News &
Updates

Quintis Forestry
Management

Project Performance
Assumptions

Quintis Sales
& Marketing

Project Webpage
(select your project)

The Benefits of
Sandalwood

Policies &
Forms

2020
Harvest



Thank you for your time. If you have any questions about this update or wish to discuss your investment, please contact our Grower Team on +61 8 6458 4700 or email info@quintis.com.au.



Quintis' placement in the exclusive "Nez" magazine (France)