

Thank you for the opportunity to introduce you to Future Post and your consideration in working with us to develop an operation the Marlborough area. Future Post have received many enquiries from the agriculture, horticulture and viticulture industries in the South Island that would allow us to deliver a circular economy for agricultural and other plastics in the South Island area. We are currently restricted in the price that we can deliver to the South Island market due to the high cost of transport to and from our Waiuku facility.

Future Post would welcome the opportunity to work with government and council groups to establish a facility in the Marlborough Region. A Future Post Facility in the region would ensure that the South Island will have the ability to sustainably recycle a wide range of Agricultural and other plastics in an otherwise unstable international commodity market and deliver a circular economy outcome that would enhance the profitability and employment opportunities for many businesses based in the Marlborough Region. The cost of setting up a facility in the Marlborough would be in the vicinity of s 9(2)(b), which would include the supply at a favourable lease of a s 9(2)(b) facility.

Introduction

Future Post has developed a unique process to turn a wide variety of waste plastic, including plastics such as agricultural wrap materials, polypropylene products including bulk bags and other plastic containers used in the agricultural sector, into fence posts that are more durable and environmentally friendly than traditional treated wooden fence posts. We already have capacity to produce over s 9(2) of these per week from our Waiuku manufacturing facility, removing up to s tonne per week of plastics from landfill. Future Post was founded to find a solution to a ^{or}challenging problem. While attempting to build a fence on an old rubbish dump site, farmer and fencer Jerome Wenzlick found his wooden fenceposts were breaking as he tried ramming them through all the waste plastic in the ground. With a passion for the environment, Jerome discovered that if he could build a stronger fencepost from waste plastic, he would also help solve a bigger environmental problem. Future Post have created a product that does not leach CCA treatment chemicals, lasts longer, is made in New Zealand using recycled materials, and has the same functionality as wood. Future Post are now looking to expand the manufacturing capabilities of their Waiuku site, and also develop a new site in the Marlborough.

Key facts on the business are as follows.

- A positive environmental impact that resonates with people and has significant scale.
 - An innovative product that not only performs better than incumbents, but also delivers environmental benefits through the reuse of plastic in its manufacture, and reduction in demand for wooden fenceposts that requires felling of trees and results in CCA chemical leaching into the soil.
- A product recovery program for used Future Post that removes the need for disposal options for posts, unlike the difficult to handle treated timber posts.
- A circular economy outcome for recycling plastics in a region that not only delivers a sustainable outlet for recyclable plastics in an everchanging market but also gives cost benefits to employers in Marlborough region.

- Rapid progress since making its first production posts in early 2019:
 - o Future Posts are now widely distributed around NZ.
 - o We have achieved manufacturing efficiencies that allow us to deliver a cost-effective product.
- Future Post are the winner of the 2019 Fieldays' Innovation Award
- Highly scalable model, creating employment opportunities in the process, and large addressable market for the core product.
- Future Post is a preferred supplier to the Department of Conservation.

Short History

In July 2018, a lease was signed on the Waiuku site where Future Post makes its posts from repurposed plastic. Assembly and installation of the imported granulation and extrusion machinery took place from August 2018, with the New Zealand manufactured componentry being installed in November. The first production posts were made in late January 2019, and since April FP have three main SKU's, with 4 variations of length, with production levels of s 9(2)(b)(ii) posts per 8-hour shift. In March 2019 FP gained Bio Gro (NZ) certification that allows access as an accredited supplier to the organic farming sector. Future Post products are currently distributed through 52 North Island Farm Source stores, PGG Wrightson (94 stores nationwide), Carters (10 rural retailers), PlaceMakers (61 stores nationwide) and in December 2019 Farmlands joined as a distributor through their 70 stores nationwide. Farmlands is a key retailer in the South Island. In addition to these distributors there are also significant direct sales. Direct Sale making up approximately s 9(2) of sales.

Key Points of Difference for Future Post are:

- CCA free - no leaching of CCA into soil.
- Zero disposal requirements as posts are accepted back at Future Post when they need to be replaced.
- Organic farm friendly.
- Made from 100% recycled plastic.
- Consistent size and grade.
- UV stable, 50+ year life expectancy.
- No moisture, splitting, cracking, or rotting.
- Made in NZ from NZ material. This makes organic farms an attractive and obvious market for Future Post given the benefits Future Posts offer these farms.
- Our process allows the use of plastics that are not normally able to be recycled by anyone else, allowing to be used in the process. This leads greater opportunities around external fees from organisations that have these hard-to-treat waste streams.

Range of Plastics Acceptable in the Future Post Manufacturing Process.

While the international commodities market for recycling plastics has become more and more difficult to achieve sustainable outcomes for the recycling of agricultural plastics over the past few years, Future Post has been working to develop our manufacturing technology to increasingly add these plastics into our process.

Our operation includes shredding, granulation and wash plant equipment that allows us to take plastics in a form that are less likely to be acceptable to international markets. After extensive trials we are confident that once operating the proposed facility in Marlborough would be able to take the following range of agricultural plastics in the manufacture of our products.

As an example, our process allows us to be able to process as a minimum the agricultural plastics listed below.

- On farm waste stream - 5,10,20,100 & 200 litre HDPE containers & drums
- We have successfully trialled with Zoetis processing their dry cow therapy tubes & buckets.
- Silage wrap (LDPE) and inner tubes (PP and PS)
- PP fertiliser, feed, seed & mineral (salt, magnesium, zinc etc.) bags
- Animal health packaging various veterinarian plastic waste.
- Irrigation/water pipe - Farm and vineyard.

Currently at our Waiuku facility in Auckland we are able to process;

- Annual output - s 9(2)(b)(ii)
- Ratios
 - HDPE/PP/PS - s 9(2)(b)(ii)
 - LDPE - s 9(2)(b)(ii)

Our proposed plant in the South Island will be built with additional capacity to our Waiuku Facility. Having established the plant in the South Island, we would double the processing capacity to roughly s 9(2)(b)(ii) annually South Island only. This would allow for:

- Annual output - s 9(2)(b)(ii)
- Ratios
 - HDPE/PP/PS - s 9(2)(b)(ii)
 - LDPE - s 9(2)(b)(ii)



This would give a combined nationwide annual output capability with the two plants of s 9(2)(b)(ii) per annum:

Products

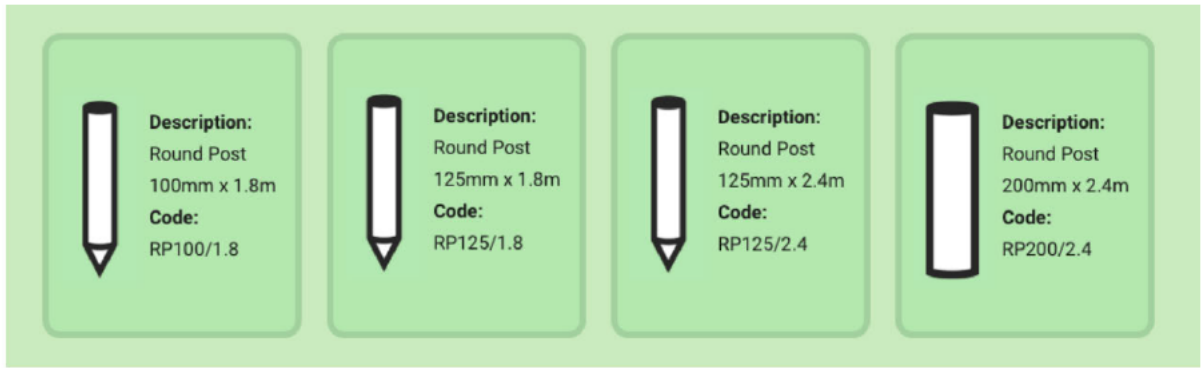
The cost of the Future Post is comparable with a pine equivalent., Future posts do not need painting, and can be handled like pine posts (cut, stapled, nailed, and driven into

the ground). Future Posts are Bio gro certified so can be used in organic farming applications. Our product features below but will further investigate the comparability to standard pine-based fence post.

Why plastic posts?

 Performance Benefits	Environmental Benefits 
<ul style="list-style-type: none"> • No moisture, splitting, cracking or rotting • Impenetrable by water, frosts, insects and fungi • Non-conductive – no insulators required / saves time, labour and cost 	<p>100% Recycled plastic construction – plastic bags, milk bottles & more</p> <p>CCA free – no leaching of CCAs into soil</p>
<ul style="list-style-type: none"> • As strong as a timber post but with additional flexibility • Can be post-driven, cut, drilled, nailed, screwed, bolted and stapled • Consistent size and grade 	<p>100% Environmentally friendly</p> <p>Organic farm friendly</p>
<ul style="list-style-type: none"> • Improves visual aesthetics of your fence line • UV stable, 50+ year life expectancy 	<p>100% Recyclable - we not only sell you the post but if required we will take it back and recycle it again</p>

The main SKU's are:



FP is also currently expanding its product range and moving into higher margin products including:

- Square posts: For more residential and varied use than rural fencing.
- Bollards: Sales direct to Councils to use the 'circular economy' product within parks and reserves. - Marine:
- Equine: FP have similar pricing to alternative wooden products for the equine market that is becoming a preferred product for equine customers.