

Iba Botanicals Inc.

Pioneering a new high-value agri industry in the Philippines

Production of flavor and fragrance ingredients for export markets

Ben Mead
Founder & CEO
September 2022



Introductory video: <https://vimeo.com/481557491>

Unlocking a New High Value Industry



Pioneering Filipino flavor & fragrance ingredients; **ylang ylang**, **vetiver** and **elemi** essential oils. We are also developing high-value agarwood plantations.

Bringing Philippines F&F outputs to global markets; best practices, sustainability, traceability, socially inclusive development.

We are the only producer of commercial quantity, premium-grade plant extracts in the Philippines, with operations structured to achieve significant scale.



Vetiver grass: the high value oil extracted from the roots is in high demand in the fragrance industry due to its fixative properties

Working with the Flavor & Fragrance Industry



We produce essential oils, but what we also do is provide ingredients to the Flavor & Fragrance industry. We do not produce finished products.

Industry projected to reach \$34B per year by 2024 and Natural Personal Care Market to hit \$25B by 2025.



Personal
care

Laundry

Cleaning

Cosmetics

Fine
Fragrance

Food &
Beverage



Starbucks did not “invent” the Frappuccino, the concept came from a company in the F&F industry who still provides the flavor blend today

Integrated Sustainability



Partnership with local communities (Aeta in Zambales), for multi-generational impact.

More than 300 Aeta engaged at present plantation scale.

Long-term alignment with communities & holistic approach to area development supports the business & the community – everyone wins, and drives Iba's product demand.



Fully Integrated Production



1. Raw Material Production / Procurement

Full control over the raw material supply chain for risk mitigation, quality control and traceability.

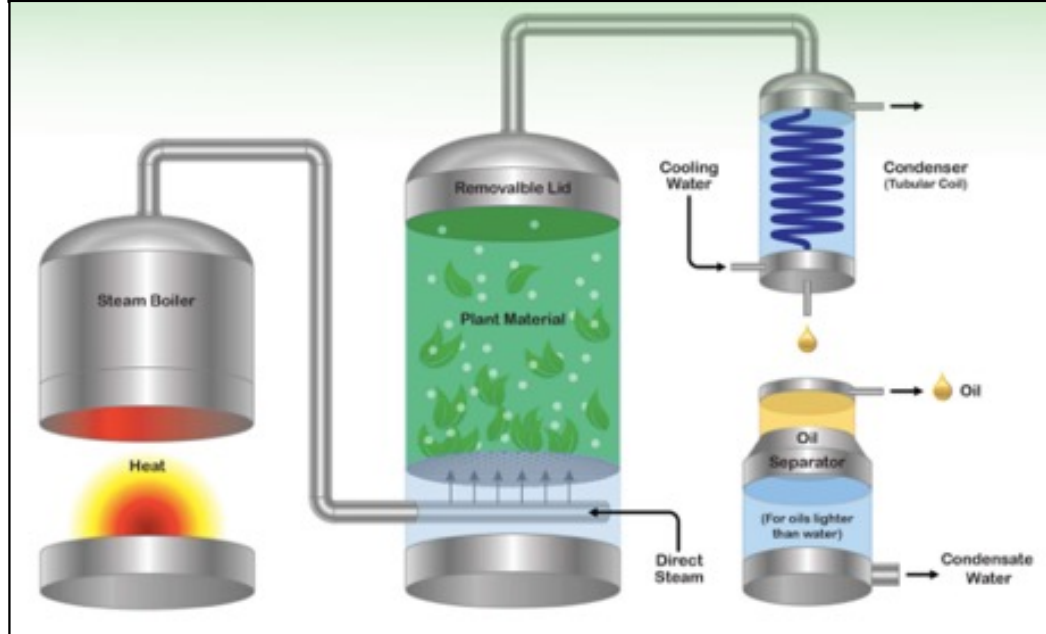
Plantation Models

1. Corporate Farm Sites
2. Community partner sites: company funded community plantation with oversight
3. Moving to contract growing with select partners.

Note: Elemi gum purchased from pre-certified suppliers, strict quality and traceability control.

All activity under strict, efficiency-tested Standard Operating Procedures & online efficiency / cost monitoring for risk mitigation & reliable production quality / quantity.

2. Processing



3. QA



4. Packing



5. Shipping





Significant Barriers to Entry



Access to capital

- Significant setup costs
- Working capital management

Industry knowledge / relationships

- Understanding industry structure, trends
- Access to key decision makers / prospective targets

Technical knowledge

- Precise operating procedures with impact on quality
- Customers testing to ppb

Agricultural knowledge

- Large-scale, efficiency tested precision agriculture
- Ability to implement and manage, aggregate land

Legal and government navigation

- This is a full-time job!
- Challenging dynamics in the Philippines

Disciplined, structure and determination

- Very challenging, but therein lies the opportunity
- Not for the faint-hearted!

Ylang Filipina

Ylang is an iconic fragrance ingredient, extensive use in fine fragrance and personal care products.

Starts to flower after ~3 years, flowering projected for 50 years.

Harvested early in the early morning to maximize quality and oil recovery.

Superior to 'conventional' sources, discussion of modernizing the demand for ylang, reinvigorating its use. Feedback from multiple perfumers "the truest representation of the ylang ylang flower".

Soon commencing production of ylang ylang tea with multinational buyers.







Primary Ylang ylang farm site: 2,000 trees.
Distillation & Guest House also on this site.

Vetiver Filipina

Oil is extracted from the roots, after 12-18 month growth.

Leading international perfumers and large customers confirmed superiority to other conventional sources + best practices.

Thrives in the Philippines volcanic soils, reinvigorating degraded soils and providing livelihood.

Semi-mechanized harvest for cost efficiencies and to remove bottleneck to scale.

Philippines will become the leading premium vetiver oil producer, and we plan to scale for 1,000+ ha. Engaging with contract growers of 50ha and above.



~75 hectares of vetiver plantation

Zambales, Philippines



Mature vetiver ready for harvest

Zambales, Philippines



Vetiver mechanization

Tumbler eliminates bottleneck to scale, returns topsoil before washing



Roots for Oil, Surplus Slips for Bioengineering



2 million slips maintained in nursery for quick turnaround on supply

Agarwood Initiative



Engagement with DENR-BMB led to agarwood initiative.

Agarwood IUCN Red List “critically endangered”. Significant poaching pressure and community interest.

First to secure permits to establish legal / sustainable Philippines agarwood industry.

Approach to support population; offset poaching, promote a new high-value sustainable agri industry, focus on indigenous species.



ABS-CBN NEWS

Share



Endangered agarwood, world's priciest tree, for commercial propagation now in PH

Michael Joe Delizo, ABS-CBN News

Posted at Nov 03 2021 05:15 PM | Updated as of Nov 03 2021 06:07 PM



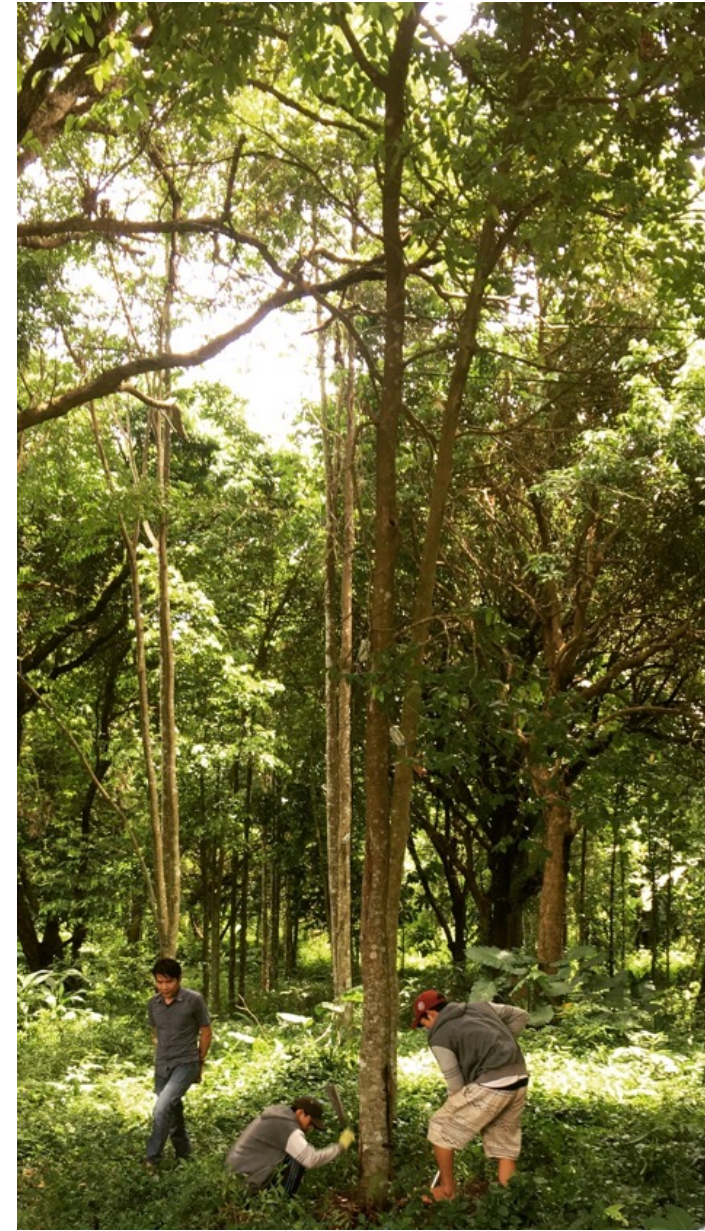
What is Agarwood and why plant

Most valuable tree species, due to high demand and limited supply as critically endangered.

Produces expensive heartwood in response to stress or injury. Can artificially stimulate in plantation to mimic nature (“inoculation”).

Since 1995, restricted for trade (CITES) but now can be grown under plantation with permits, if seedlings purchased from Iba Botanicals.

This legitimizes the industry in the Philippines, and will meet high demand for Philippines agarwood.



Agarwood Production Cycle

~7 year old trees are inoculated is recommended. Possible in 3-4 years but expect 7 years on average.

After 2 more year, trees are harvested and processed into wood chips or distilled for essential oil.

Plantation agarwood will have higher inoculation rates than wild, but lower value as faster cycle.

To harvest, the entire tree is cut and the roots are removed (as will have agarwood inside) and re-planting after.



Importance of Legal Sourcing

Iba Botanicals is the first to secure the permits to develop legal plantations.

Without legal source, a CITES permit to export the harvested agarwood can never be secured – would require smuggling and illegal sale. Risk of seizure and imprisonment.

Seeds and seedlings cannot be sourced from the wild forest in the Philippines, so seedlings purchased through unlicensed sellers has major risk and can never be legal.





Iba Botanicals' value proposition:

- Legal seedling supply (CITES)
- Permitting support for buyers
- Farm inspection, soil nutrient testing, pH testing, water testing
- Technical training of planters team
- Nursery set-up guidance
- Plantation planning assistance
- Ongoing plantation visits
- Membership: Agarwood Association of the Philippines: R&D, educational materials
- Inoculation services
- Harvest support
- First & last right of refusal buy-back
- Philippines distillation
- Connection to the market

Contact



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Iba Botanicals Farm Outlook