

# Terra Nova Fund

Investment Opportunity In The Portuguese  
Agricultural Land

TERRA  NOVA

 TERRA VERDE  
CAPITAL

 QUADRANTIS  
capital



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# TERRA NOVA FUND OVERVIEW

TERRA  NOVA



# Introduction From The Advisory Committee

## Dear Investor,

We are delighted to present you a unique opportunity to invest in a very attractive class, income generating Farmland, while being able to access European Citizenship through the Portuguese Golden Visa Program.

This asset class has consistently demonstrated capital appreciation whilst generating rental income.

Terra Nova is a private equity fund with best-in-class professionals that have more than 20 years of experience in the agriculture & asset management sector. The fund is focused on acquiring downside protected agricultural assets that will generate a consistent inflation-linked rental income in addition to the underlying capital appreciation of the land itself. These investments will be done with the highest ESG and Positive Impact standards.

Portugal, a small country with a strategic geo-political location and a reputation for reliability, transparency and dynamism has all the adequate climatic conditions to become a European agricultural powerhouse.

This fund offers an opportunity to earn robust financial returns with low volatility whilst participating in the much-needed green remodeling that our society needs.

We have the right partners to navigate this path with you, in a secure framework managed by a team of experts with proven track record, and under the regulation of CMVM, the Portuguese Stock Market Regulator.

We are fully committed to each of our individual investors, understanding our responsibility to be the best investor to our investors.

# FUND HIGHLIGHTS



**€150m**

TARGET FUND SIZE



**Portugal**

GEOGRAPHY FOCUS



**8 Years**

FUND LIFECYCLE



**5.0%**

ANNUAL TARGET CASH YIELD



**15-20**  
**in Agricultural**  
**opportunities**  
**with rental income**

TARGET NO. INVESTMENTS



**€100,000**

MINIMUM LP INVESTMENT



**Yes**

GOLDEN VISA  
ELIGIBLE



**8% IRR**  
- & -

**1.85x**  
**Money Multiple**

TOTAL TARGET RETURN

# Executive Summary

## WHY PORTUGAL:

### Golden Visa Program

- Portugal's Golden Visa program offers **residency**, or the right to live in the country, to non-EU citizens in return for making a **minimum of €500,000 investment in Portugal through venture capital funds for a period of 5 years**.
- After passing through the 5-year program, you are **entitled to apply for permanent residence and/or citizenship**. While other Schengen countries offer similar programs, **none grants citizenship for the price and convenience of Portugal**. To obtain citizenship, the Golden Visa Program only requires investors to spend an average of 7 days/year in Portugal (vs 183 days/year for other programs) or 14 days in each 2 year period.

## WHY AGRICULTURE:

### Asset & Investment Opportunity

- Terra Nova invests in agricultural land opportunities, a very attractive asset class:
  - › **Downside protection** thanks to its asset backed nature;
  - › **Low volatility returns** with a sharpe ratio of 1.24;
  - › **Inflation-protected** thanks to inflation-linked rents as well as faster land values growth during periods of inflation;
  - › **Uncorrelated to other asset classes**, performing well amidst market volatility thanks to robustness of food demand;
- Excluding rental income, **agricultural land's historical value has risen over the past 25 years at an average of ~6% per annum and generated total returns above 10%**.
- The **attractive supply/demand outlook for food** (+70% increase in crop production by 2050 to meet demand) can offer a **combination of income stability and growth prospects to landowners**, making the investment in agricultural land a unique and attractive opportunity.

## WHO WE ARE:

### Meet the Team

- The Fund's Management Team consists of **experienced individuals from Quadrantis Capital and Terra Verde Capital with extensive experience in fund-raising, deal-flow and execution of investments and divestments transactions**.
- **Terra Verde Capital team is managing and operating water-rich plantations in Portugal, representing 3,431 ha and a total investment of €108.8m**.
- **Quadrantis Capital is a growing player in the Portuguese Venture Capital and Private Equity investment landscape**, with a proven track-record of managing over €200m of AuM.
- The Fund's management team is further **strengthened by an experienced, best-in-class Advisory Board** that brings additional knowledge, expertise and diversified sourcing network in the agricultural sector.

## WHY US:

### How we invest

- Terra Nova will **aim to opportunistically invest through companies targeting the acquisition of prime agricultural land and subsequently lease it to tenants with a strong operating history and deep farming resources**.
- Our **integrated investment strategy** enables us to **provide investors with a steady income stream in addition to the natural appreciation of the underlying asset, while shaping a positive outcome for the future** by investing and managing in a way that **seamlessly balances the environmental, social, and economic imperatives of a sustainable agriculture system**.
- Our **proprietary sourcing capabilities and network**, provides us with a unique edge when it comes to **accurately analyzing and invest in agricultural land opportunities**.
- **Terra Nova Fund aims a target return of 8% IRR / 1.85 MoM**.



An aerial photograph of a terraced vineyard in Portugal. The vineyard is composed of many rows of grapevines, creating a stepped pattern on the hillside. A river flows through the valley in the background, and mountains are visible in the distance. The image is overlaid with a semi-transparent green graphic element that resembles a stylized 'C' or a curved line.

02

# WHY PORTUGAL

# Portugal Distinctive Factors

The fund will invest at least 60% in Portugal, a country with a population of 10 million known for its safety, affordability and lifestyle as well as increasingly dynamic economy. The nation's reliability of the legal and tax system and fresh inflows of capital are making it a leader in new venture creation



## RELIABLE LEGAL & TAX FRAMEWORK

- **26** best overall rule of law, among 139 countries (WJP Rule of Law Index, 2021)
- **20** best property taxes, among 37 countries (International Tax Competitiveness Index, 2021)
- **8** lowest time to resolve civil & commercial cases at all court instances in the EU-27 (Justice Scoreboard, 2021)



## AFFORDABLE & HIGH QUALITY LIFESTYLE

- **1** best for working remotely, among 111 countries (Kayak, 2021)
- **5** best quality to live and work (Expats Destination, 2021)
- **12** lowest cost of living in the EU-27, with consumer goods' prices 17% below the EU average (Eurostat, 2020)



## DYNAMIC ECONOMY ATTRACTING FOREIGN INVESTMENT

- **14%** estimate of GDP growth 2021-2023 (OECD 2021)
- **8** most attractive country for Foreign Direct Investment in Europe (EY, 2021)
- **27.3%** CAGR of FDI projects in the country (EY, 2015-21)
- **€13.9b** grants from Portugal's Covid Recovery Plan



## SAFE, SUNNY & WARM COUNTRY

- **2** safest country in the world (Global Peace Index, 2021)
- **15.7°C** average temperature in mainland Portugal (IPMA, 2021)
- **247** sunny days in Lisbon (PORDATA, 2020)



## HIGH QUALITY OF TALENT & SKILLED LABOUR

- **2** highest rate of engineering graduates, 20%, in EU (Eurostat, 2020)
- **7** best English language proficiency in the world (EF, 2021)
- **4** Schools in the Financial Times TOP 100 (Financial Times European Business Schools Ranking, 2021)



## LEADING IN RENEWABLE ENERGY

- **5** in the share of renewable energy in gross final consumption in the EU-27, 34% vs 22% in EU-27 (Eurostat, 2020)
- **65.4%** share of electricity generated from renewable sources (APREN, January-December 2021)



# Why Portuguese Residency & Citizenship (1/2)

Portugal is consistently ranked as a leading country to live and invest. Portuguese Residency entitles an individual to work, live and study in Portugal and is today the best gateway to be in Europe & travel freely, without a visa, within the 26 Schengen countries

## 1 PORTUGAL AS THE GATEWAY TO EUROPE

- **Opportunity to access European Citizenship**  
– the depth and breadth of protections offered to European citizens is unrivalled in the world
- Ability to **work and study within the EU and European Economic Area (EEA)**
- **Permanent free entry and movement** within the **Schengen Area**
- **Access to the EU Customs Union**  
– the largest trading area in the world

## 2 LIVE & WORK IN PORTUGAL

- Portugal is the darling of the European Union, offering **temperate weather, safety, spectacular beaches and vibrant cities**
- Welcoming and **fluent English-speaking population**
- **Affordable and high-quality lifestyle** with great food and nature
- **Strategic location** for business and travel
- Free high-quality **healthcare and education**

## 3 PLENTY OF OPPORTUNITY IN THE MARKET

- Increasingly **dynamic economy**, projected to grow by 5.8% in 2022 and 2.8% in 2023
- **Robust growth is mainly driven by domestic demand** and will be **boosted by the absorption of EU funds** (the reforms and investments in Portugal's Recovery and Resilience Plan will be supported by €13.9b in grants and €2.7b in loans)
- **Largely untapped market**, abundant with opportunities for forward thinking investors, retirees, and entrepreneurs

# Why Portuguese Residency & Citizenship (2/2)

To attract additional foreign investment, a specific tax regime for investment in Venture Capital Funds was put in place, with tax advantages over other investments

## 4 TAX BENEFITS FOR FOREIGN INVESTORS

0%

### FUND PROFITS

Investment in private equity funds are fully exempt from Corporate or Capital Gains Tax

0%

### INVESTOR PROFITS

Non-resident investors are exempt from tax on profits or investments. Those who register as tax residents in Portugal will be subject to 10%

0%

### NHR

New residents in various industries can register for Non-Habitual Residency status, capping tax on income from overseas at 0% tax on most foreign sourced income for 10 years

10%

### PENSION TAX

Pensions ported can be drawn down with 10% income tax

0%

### INHERITANCE TAX

Spouse and children are exempt from Inheritance tax

## WHY GOLDEN VISA PROGRAM

# The Residence for Investment Program

Portugal's' Golden Visa program offers residency, or the right to live in the country, to non-EU citizens in return for making an investment in Portugal. After passing through the 5-year program, you are entitled to apply for permanent residency and if you choose, citizenship

● **Golden Visa Portugal** grants a **5-year residency permit** to non-EU citizens who:  
→ **Invest** a minimum of **€500,000** or more through venture capital funds



● **Visa-free travel to the 26 Schengen countries**



● Ability to apply for **permanent residency** or **citizenship** after **5 years**

**GOLDEN  
VISA**  
For 5 years

- ✓ Right to live & work in Portugal
- ✓ Access to the Schengen Area
- ✓ Free health & education in Portugal
- ✓ Qualify for citizenship or permanent residency after 5 years
- ✓ Tax Efficiency
- ✓ The most reputable GV program in Europe - over 10,000 investors have successfully converted their GVs to passports

**PORTUGUESE  
PASSPORT**  
Perpetually

- ✓ 5th most powerful passport in the world - visa-free travel to 186 countries (source: Passport Index)
- ✓ Full EU citizenship
- ✓ Permanent rights to live & work in all Schengen countries
- ✓ Access health & education systems across the 26 Schengen countries
- ✓ Dependents have the right to apply for passports
- ✓ Descendants inherit passport
- ✓ Descendents, if under age, are entitled to claim citizenship



WHY GOLDEN VISA PROGRAM

# Portugal vs Alternative Countries Comparison Table

While other Schengen countries offer “Residence by Investment” programs, none offers full citizenship for the price and convenience of Portugal. To obtain citizenship, the Golden Visa Program only requires investors to spend an average of 7 days/year in Portugal (vs 183 days/year for other programs)

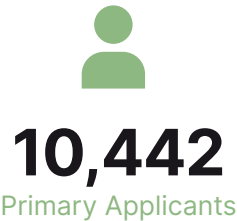
	PORTUGAL	IRELAND	GREECE	MALTA	SPAIN
INVESTMENT CRITERIA	€500,000 in Approved Funds	€1,000,000 In Government Sanctioned Projects	€300,000 Real Estate	€350,000 (incl €360 000) in Bonds & Real Estate	€500,000 Real Estate
ADDITIONAL BENEFITS	Work and Study Schengen Travel	Work and Study Schengen Travel	Work and Study Schengen Travel	Work and Study Schengen Travel	Work and Study Schengen Travel
STAY REQUIREMENT TO RETAIN RESIDENCE	7 Days a year	1 Day a Year	No Minimum Requirement	No Minimum Requirement	No Minimum Requirement
ROUTE TO CITIZENSHIP	5 years of residency 7 Days a Year A2 level (Basic) Portuguese Test	5 years of residency 183 Days a Year No Test	7 years of residency 183 Days a Year Language and Citizenship Test	5 years of residency 183 Days a Year No Test	10 years of residency 183 Days a Year Language and Citizenship Test
TAX INCENTIVE PROGRAM	NHR Tax Regime 0% on international income 20% on local income	Irish Resident non-Domiciled Regime	Under review	Malta remittance base taxation	No Programme
INHERITANCE AND GIFT TAX	No tax for direct descendants and ascendants	33% above €335 000 depending on relation	From 10% (immediate family) up to 40%	No tax for direct descendants and ascendants	Between 1-7% depending on region

WHY GOLDEN VISA PROGRAM

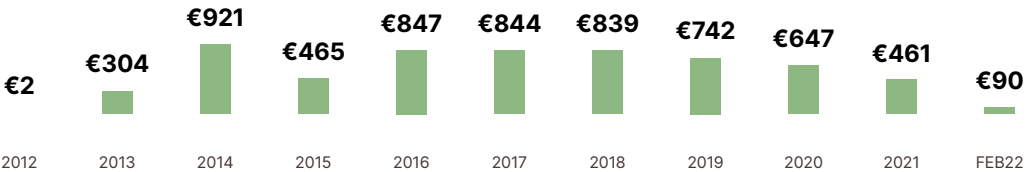
# All Time Statistics on Portugal Golden Visa

During the period 2012 - February 2022, the Portugal Golden Visa scheme has yielded ~€6.2b worth of investment from 10,442 main applicants and 17,426 family members. This scheme has proved to be an exceptionally popular and resilient route for foreign investors seeking access to Europe

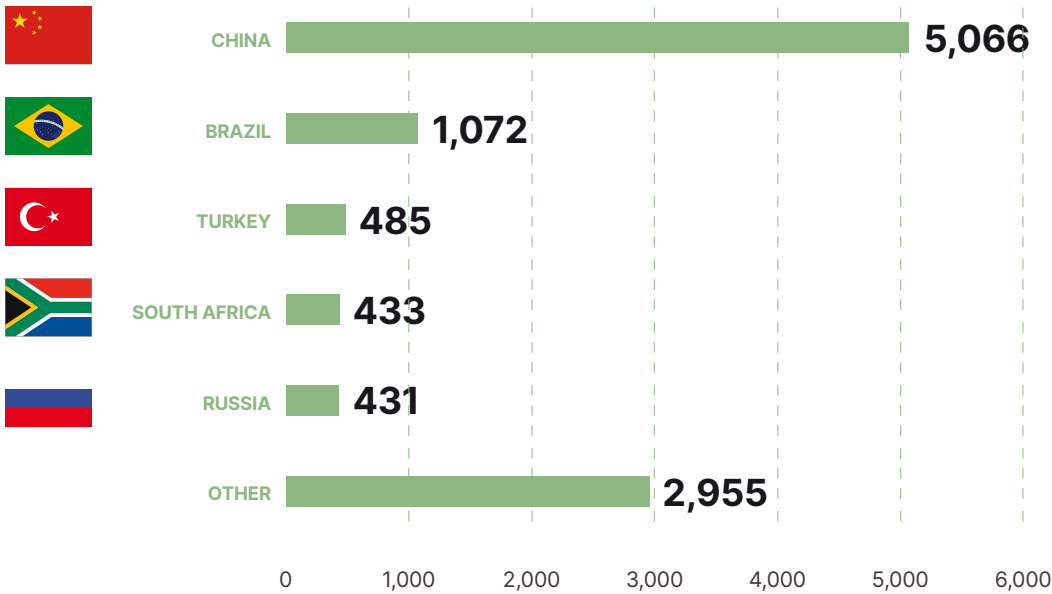
## RESIDENCE PERMITS GRANTED, 2012 → Feb 2022



## TOTAL INVESTMENT BY YEAR, million €, 2012 → Feb 2022



## TOP INVESTOR COUNTRIES, nationality of the applicant, 2012 → Feb 22



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# WHY AGRICULTURE



## WHY AGRICULTURAL LAND AS AN ASSET CLASS

# Benefits of Including It In A Portfolio (1/5)

The current financial environment presents now more than ever an attractive time for investors to diversify portfolios into safe haven assets that protect against uncertainty and inflation. Many factors make now a great time for investors to seek asset backed agricultural land investments:

## PERFORMANCE



Agricultural land has demonstrated strong absolute returns over the past several decades. It averaged ~11% total annual returns from 1992 to 2020, outperforming all other asset classes

## STABILITY



Agricultural land, as an asset backed investment, has proven to be a unique asset class that has delivered superior returns with relatively less risk or volatility than both traditional and alternative asset classes

## INFLATION



The high correlation of farmland returns with inflation sets the asset as an important store of value during inflation cycles, which in the current period of rising inflation presents a unique opportunity

## RESILIENCE



Agricultural land returns have been historically uncorrelated to other asset classes, performing consistently well amidst market volatility. Its' value is underpinned by agriculture's crucial role in the global economy

WHY AGRICULTURAL LAND AS AN ASSET CLASS

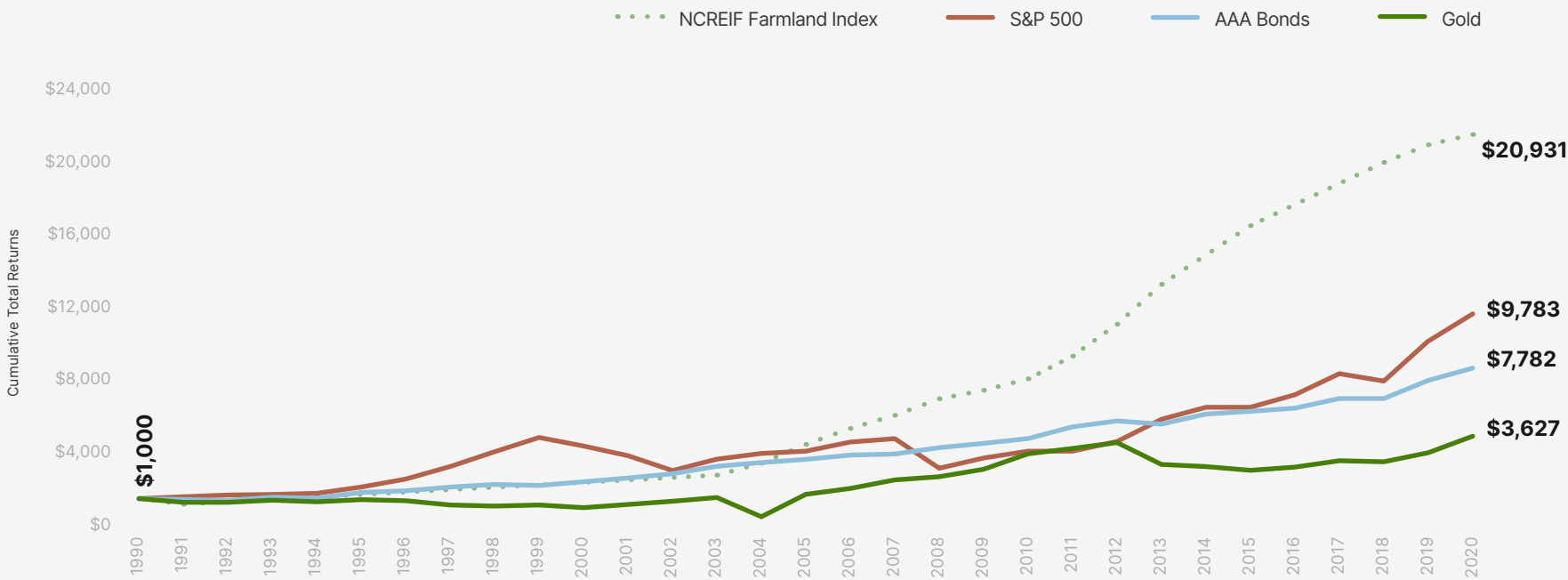
# Benefits of Including It In A Portfolio (2/5)



## PERFORMANCE

### Agricultural Land Total Returns vs Other Assets

Cumulative Total Returns for \$1,000 invested, USD, 1990→2020



### Historically Attractive Returns

Agricultural land has demonstrated positive and increasing returns every year for the last 30 years, at a CAGR of ~11%. Agricultural land's total returns (income + value appreciation) outperformed all other asset classes, increasing ~22x from 1990 to 2020 vs just ~11x for S&P 500, ~9x for AAA bonds, and ~5x for Gold

WHY AGRICULTURAL LAND AS AN ASSET CLASS

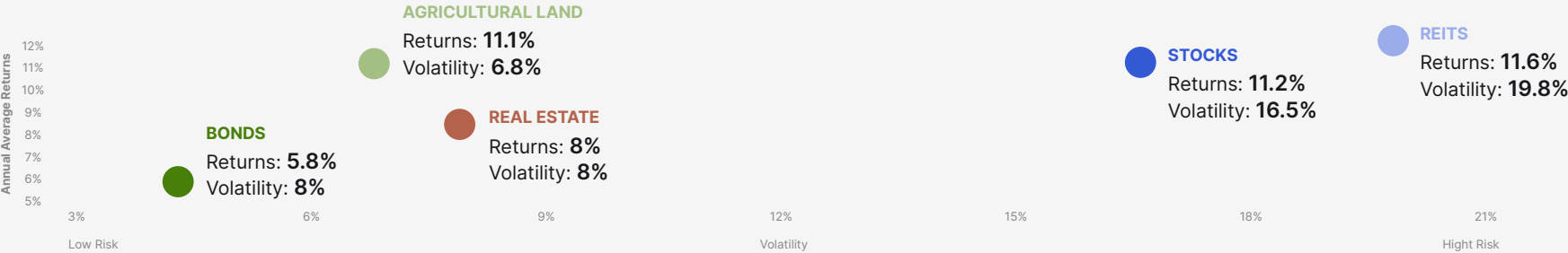
# Benefits of Including It In A Portfolio (3/5)



## STABILITY

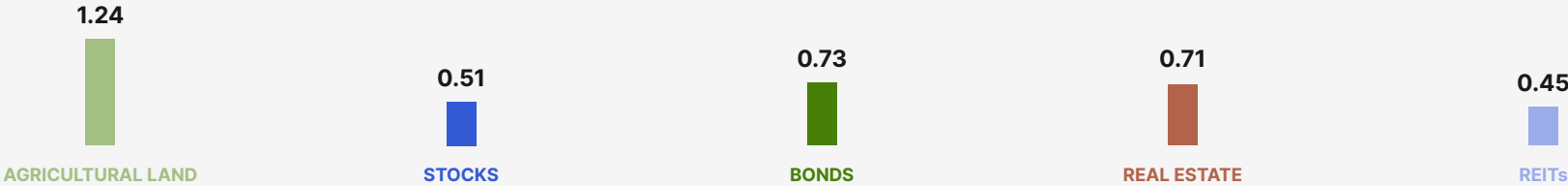
### Agricultural Land Volatility & Annual Average Returns vs Other Assets

Volatility & Annual Average Returns, %, 1992→2020



### Agricultural Land Increased Risk-Adjusted Returns vs Other Assets

Sharpe Ratios, 1992→2020



## Low Volatility

Agricultural land has not only provided higher returns than most asset classes over the past several decades, but also, from a portfolio perspective, has the added benefit of exhibiting less volatility in returns. This results in a higher Sharpe Ratio than other assets, which is indicative of higher excess return per unit of risk



WHY AGRICULTURAL LAND AS AN ASSET CLASS

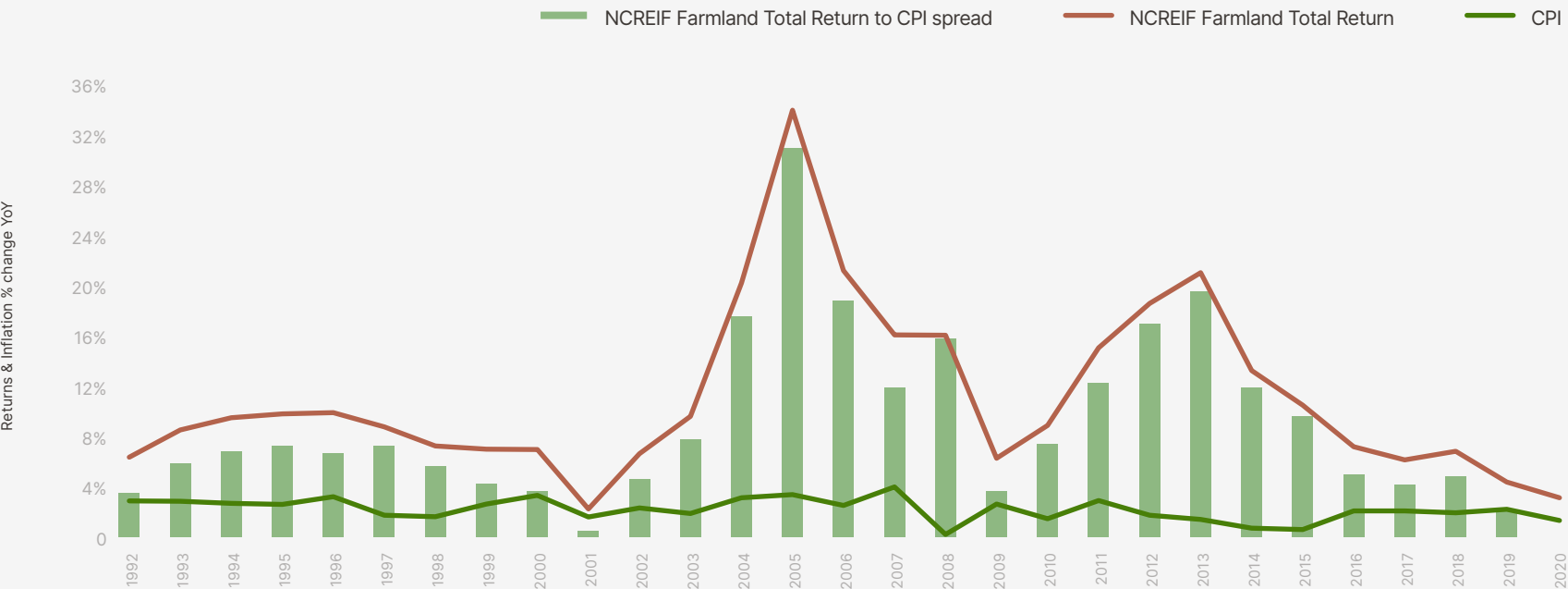
# Benefits of Including It In A Portfolio (4/5)



## INFLATION

### Agricultural Land Return and Spread Over Annual Inflation

Returns & Inflation, % change YoY, 1992→2020



## Exponential Valuation During Periods of Inflation

Over the past 30 years, agricultural land returns have delivered on average a spread over inflation of 8.8%. Both the cash yield and the land value are highly correlated to inflation measures, such as the Consumer Price Index (CPI). When inflation rises, commodity prices also tend to increase, leading to a higher cash yield from the land. Also, rising commodity prices increase the profitability of agricultural land, causing land values to appreciate and therefore making the asset a good store of value during inflation periods

WHY AGRICULTURAL LAND AS AN ASSET CLASS

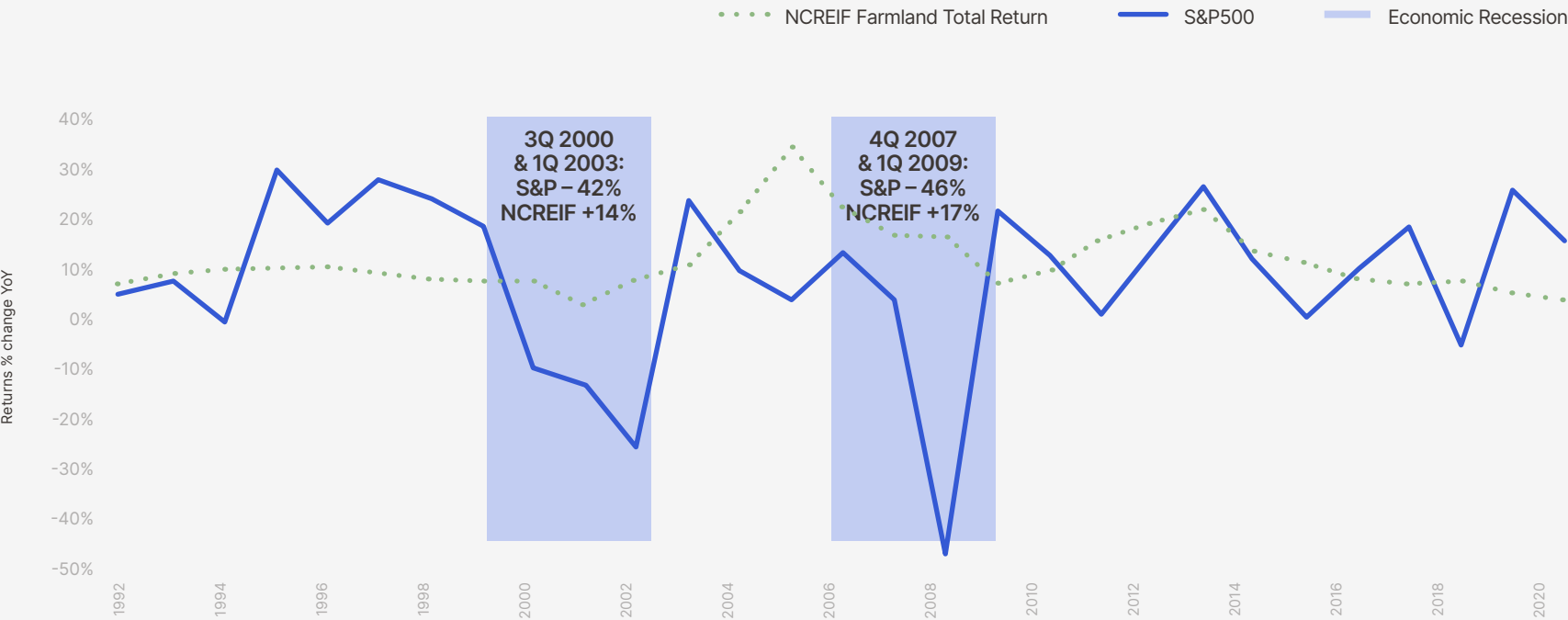
# Benefits of Including It In A Portfolio (5/5)



## RESILIENCE

### Agricultural Land Resilience to the Economic Cycle vs S&P 500

Returns, % change YoY, 1992→2020



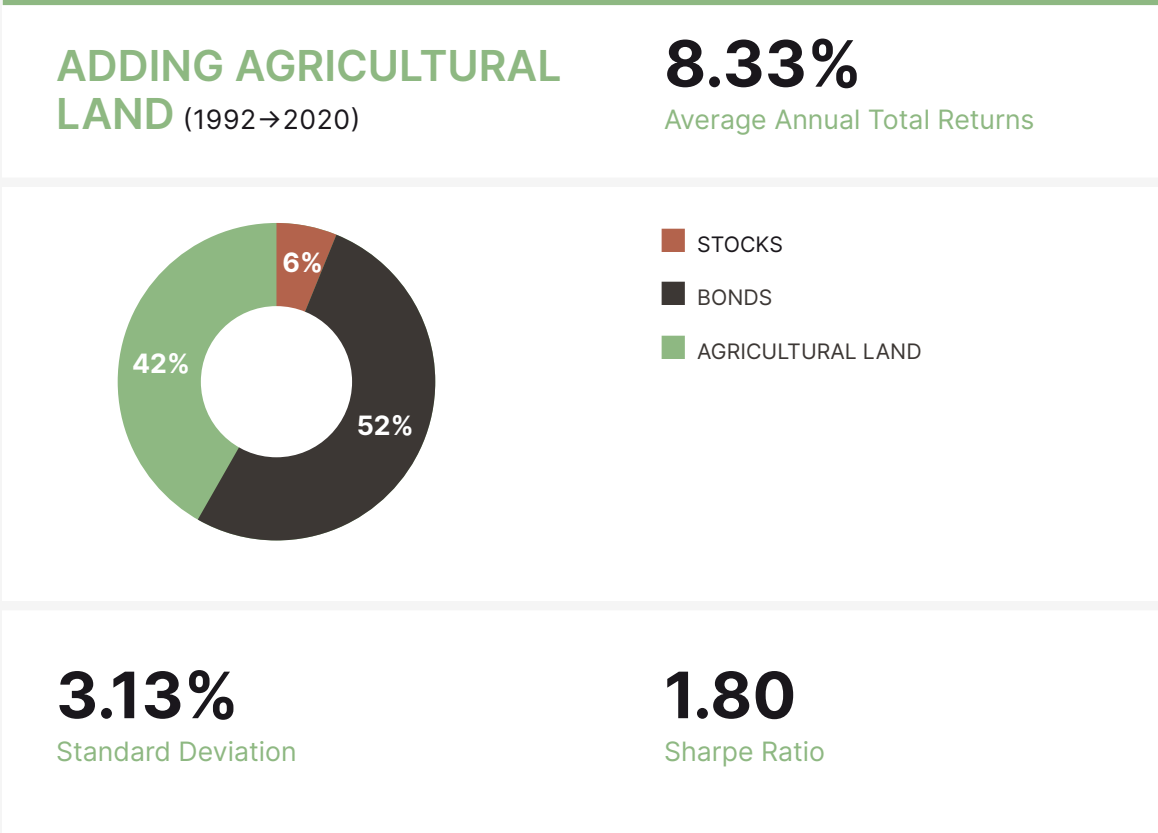
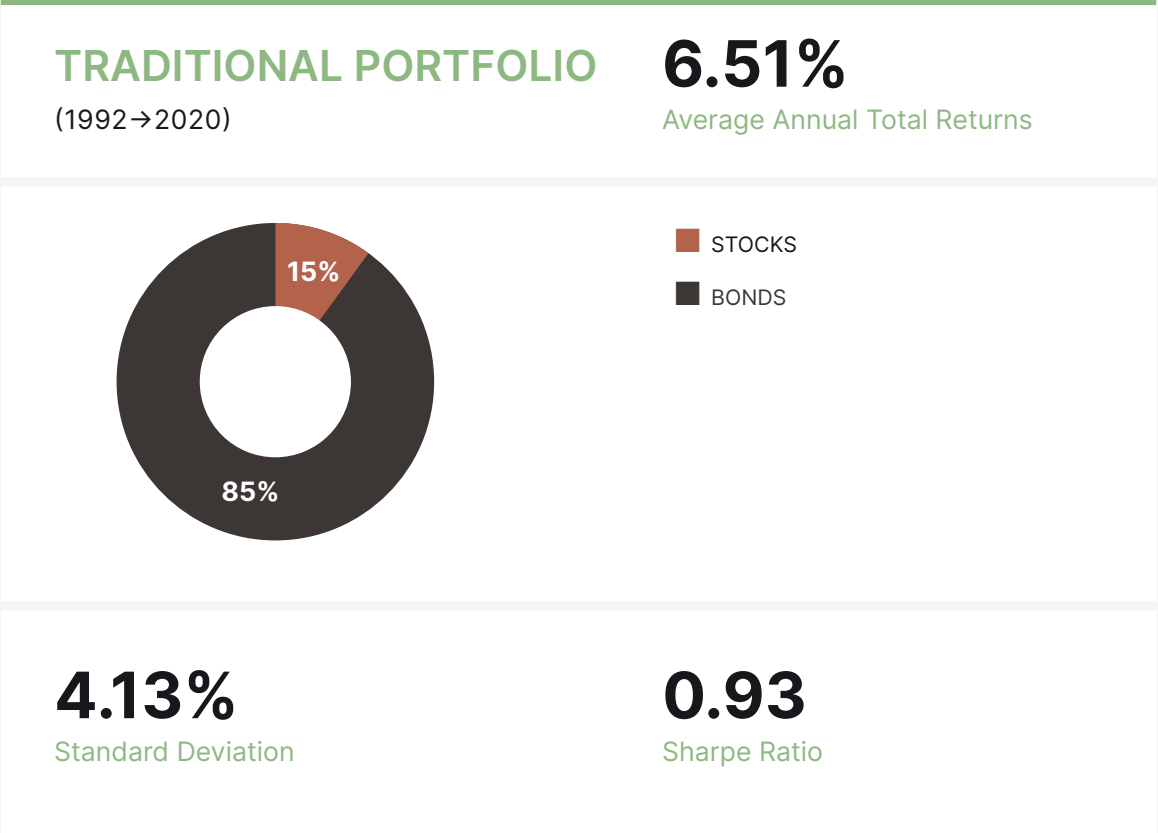
### A Safe Haven Asset

During periods of economic adjustment, the asset, unlike other financial products, has proven to be extremely resilient. Agricultural land returns have been historically uncorrelated to other asset classes and therefore performing consistently well in periods of financial uncertainty and market volatility, such as now

WHY AGRICULTURAL LAND AS AN ASSET CLASS

# A Superior Asset Class In Your Portfolio

Agricultural Land is an exceptionally strong diversification tool for virtually any portfolio, offering a compelling potential to enhance risk-adjusted returns





MAKING THE INVESTMENT CASE FOR AGRICULTURAL LAND

# Long Term Growth Drivers (1/3)

Expectations of agricultural land value appreciation and attractive supply/demand outlook for food can offer a combination of income stability and growth prospects to landowners globally. These significant long term growth drivers make investment in agricultural land a unique opportunity

## Long Term Growth Drivers...

### AGRICULTURAL LAND VALUE APPRECIATION



Agricultural Land Real Estate value has experienced nearly uninterrupted rise over the past ~25 years, at a CAGR of ~6%

### FAVORABLE SUPPLY DEMAND OUTLOOK



Demand for food will increase at a steady pace (+70% increase in crop production by 2050 to meet demand) while available agricultural land per capita is shrinking

## The Opportunity...

**INCOME  
STABILITY  
& GROWTH  
PROSPECTS**

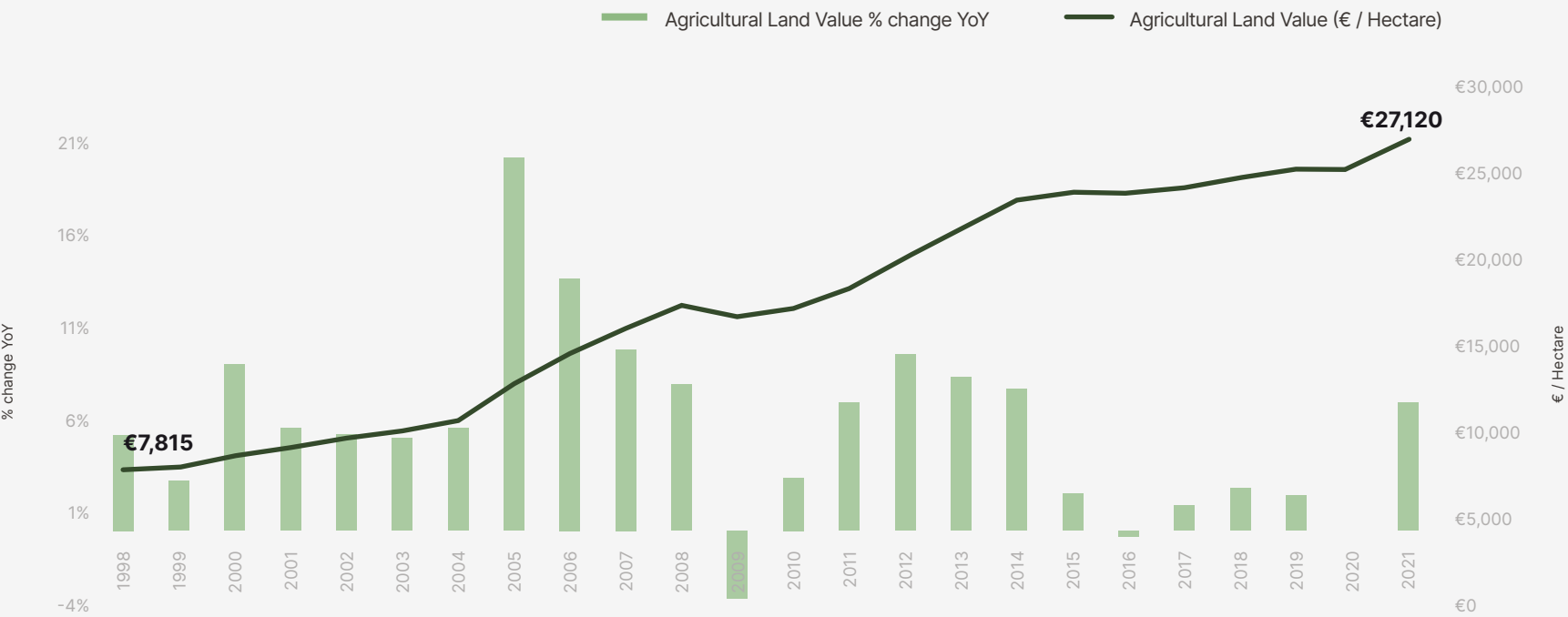
MAKING THE INVESTMENT CASE FOR AGRICULTURAL LAND

# Long Term Growth Drivers (2/3)



## AGRICULTURAL LAND VALUE APPRECIATION

Average Agricultural Land Real Estate Value & Annual Percentage Change  
€/hectare, % change YoY, 1998→2021



## Rising Agricultural Land Real Estate Values

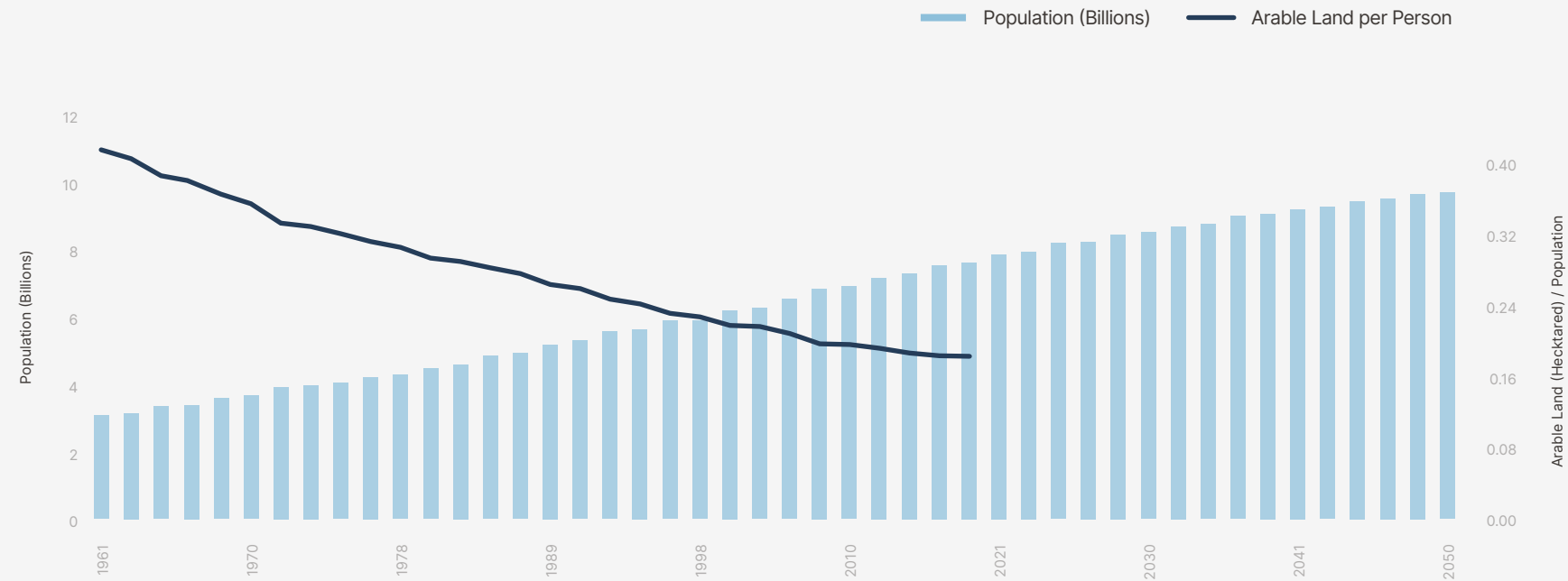
Since 1998, Agricultural Land real estate values have more than tripled from €7,815 per hectare in 1998 to €27,120 per hectare in 2021, at a CAGR of ~6%. The nearly uninterrupted rise has been supported by relatively strong farm income, low borrowing costs, and the entry of institutional investors. While variations may differ, the general trends are clear

MAKING THE INVESTMENT CASE FOR AGRICULTURAL LAND

# Long Term Growth Drivers (3/3)

## Population Growth & Declining Arable Land Per Person

Population in Billions, Arable Land (Hectare/Population), 1961→2050



## FAVORABLE SUPPLY DEMAND OUTLOOK

## Increasing Food Production Needs and Decreasing Land Available

According to FAOs’ projections, from 2009 until 2050:

- › World population is expected to grow 25%, reaching ~ 9.9 billion in 2050
- › Per capita income will increase on average 80%, driving higher caloric intake
- › Will take a 60-70% increase in crop production until 2050 to meet demand

Only 7% of the Earth’s land is suitable for cultivation with most of the world’s productive land already in crop production. The increasing food production needs and decreasing land will create a supply-demand imbalance

## MAKING THE INVESTMENT CASE FOR PORTUGUESE AGRICULTURAL LAND

# The Opportunity (1/5)

Many factors make Portugal the best to invest in asset backed agricultural land:

## 1 EXPANSIONARY PHASE OF THE AGRICULTURE SECTOR

- **Good performance of the Portuguese agriculture sector**, GVA of agriculture increased by ~37% from 2011-2020, (vs only 13% for the economy as a whole)
- **Increased export activities**, exports of agri products increased by ~67% from 2011-2019, (vs ~42% for total exports)
- **Positive attitude towards investments**, level of investment increased by ~30% from 2011-19 (vs only 4% in the EU-27)

## 2 UNPARALLEL CONDITIONS TO GROW CROPS

- **Perfect climate**, with moderate temperatures 7°C to 18°C, precipitation ~900mm and long insolation hours
- **Availability of water resources**, lying on the largest dam in Europe - the Alqueva
- **Good location** and excellent road network
- **Calendar**, due to the country's geography benefits, farmers have the capacity to produce earlier and get good prices during the pre-season

## 3 UNSOPHISTICATED AND FRAGMENTED SECTOR

- **Sector is heavily dominated by small-sized family farms**, with 70% of farms having less than 5 hectares
- **Farming population is ageing**, with 52% being +65 years old
- **Savvy investors will be well positioned to benefit from a fragmented market with little sophistication and extensive opportunities**, being the unmet financing demand from economically viable farms estimated to range €95m-€385m

## 4 UNDERPRICED MARKET BUT HIGHLY DESIRABLE

- **Portugal's land market remains significantly undervalued**, with extraordinary land prices not found in other European countries
- **Highly inefficient land resale market**: Direct connections to landowners open up access to private sales at very favorable entry prices-unavailable to outsiders
- **Investors will be well positioned to benefit from the ramp up of farmland prices**, as Portugal's recent efforts to modernize the sector accelerate the convergence to other EU countries

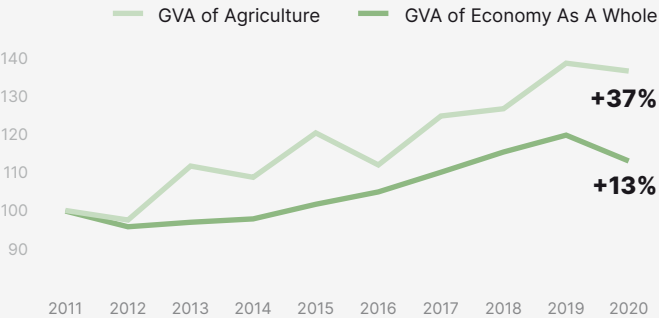


# MAKING THE INVESTMENT CASE FOR PORTUGUESE AGRICULTURAL LAND

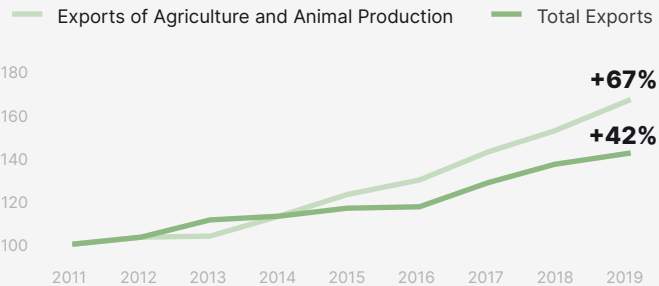
## The Opportunity (2/5)

# 1 EXPANSIONARY PHASE OF THE PORTUGUESE AGRICULTURE SECTOR

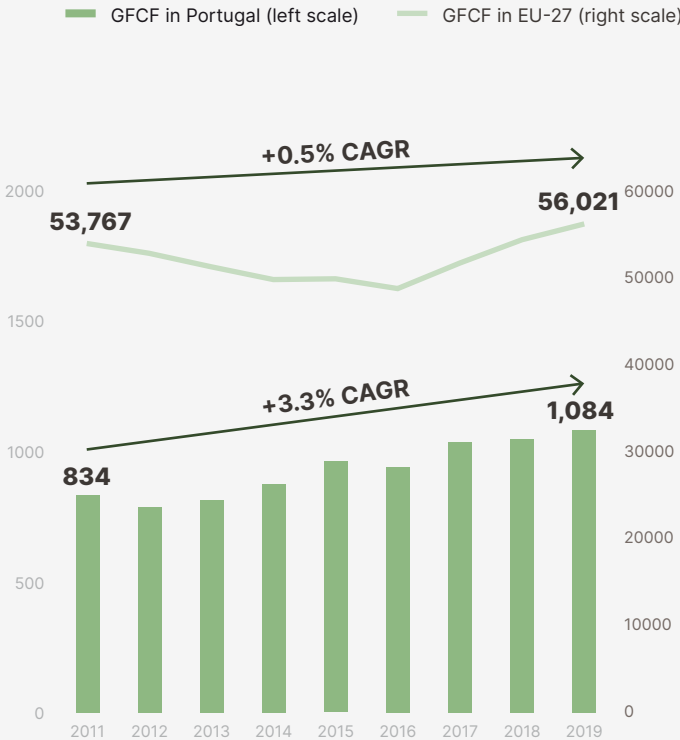
**Growth in GVA of Agriculture vs GVA of Economy, 2011→2020**



**Growth in Exports of Agricultural Products vs Total Exports of Economy, 2011→2020**



**Evolution of GFCG<sup>1</sup> in the Agriculture Sector in Portugal VS EU-27, Million €, 2011→2020**



### HIGHLIGHTS

**Good performance of the Portuguese agriculture sector & increased export activities, showing growth rates high above national economy**

- › From 2011-2020, **GVA of agriculture increased by ~37%** (at ~4%/ year), reaching in 2020 more than €3.2b, vs a growth of only 13% for the economy as a whole (~1%/year)
- › From 2011-2019, **exports of agricultural products increased by ~67%** (at ~7%/year), reaching in 2019 more than €1.7b, vs a growth of ~42% for total exports (~4%/ year)

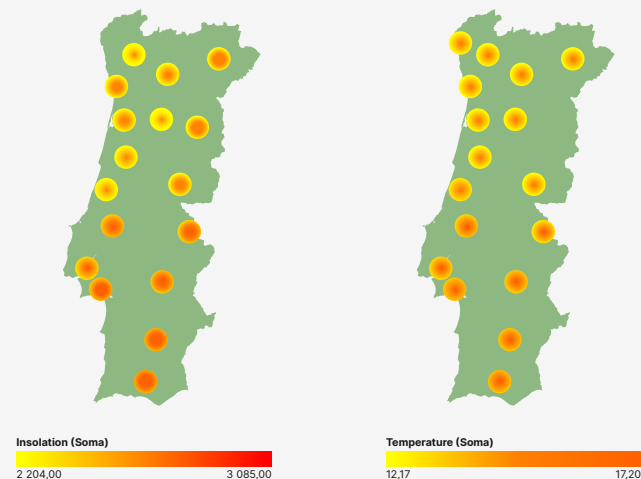
**Agriculture sector in Portugal materially outperformed UE-27**

- › Between 2011-2019, the **overall level of investment in the Portuguese agricultural sector** (GFCF in agriculture<sup>1</sup>) **increased by ~30%** (~3.3%/year) vs a growth of only 4% (~0.5%/year) in the EU-27

## MAKING THE INVESTMENT CASE FOR PORTUGUESE AGRICULTURAL LAND

# The Opportunity (3/5)

## Cumulative Insolation Hours and Temperature in the Different Portuguese Regions



**West Coast and South of Portugal:** long insolation hours (+3 085) and high temperatures (+17°C), increasing the potential to grow some crops, particularly (but not only) some horticultural crops and fruits than anywhere else in Europe

## Major Irrigation Areas in Portugal

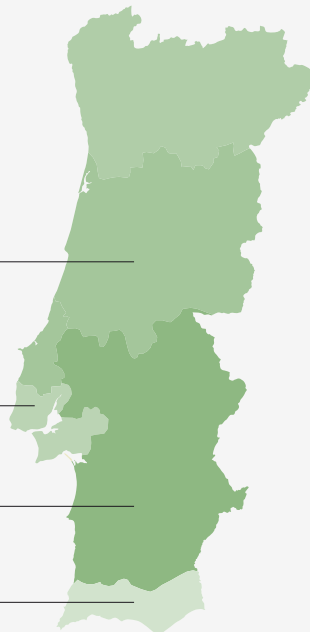
**265,700 HA**  
Total Irrigation Areas

**39,100 HA**  
CENTER

**31,700 HA**  
LISBON AND  
TAGUS VALLEY

**181,900 HA**  
ALENTEJO

**13,000 HA**  
ALGARVE



# 2 UNPARALLEL CONDITIONS TO GROW CROPS

## HIGHLIGHTS

Portugal is well-known for the quality of its agriculture products, that are highly valued in international markets. Part of the secret relates to the country's geographical attractive conditions:

- › **Mild Mediterranean climate**, with warm and sunny summers, moderate temperatures 7°C to 18°C and precipitation around 900mm, with more sun days than the EU average
- › **Availability of water resources**, Portugal comprises **over 265,700 ha of irrigated area**, lying on top of the largest dam in Europe - the Alqueva – which is currently being extended with additional 50,000 ha
- › **Good location**, ship access as well as road access to all of Europe
- › **Calendar**, due to the country's geography benefits, farmers have the capacity to produce earlier than in Northern and Central Europe, which allows them to get good prices during the pre-season

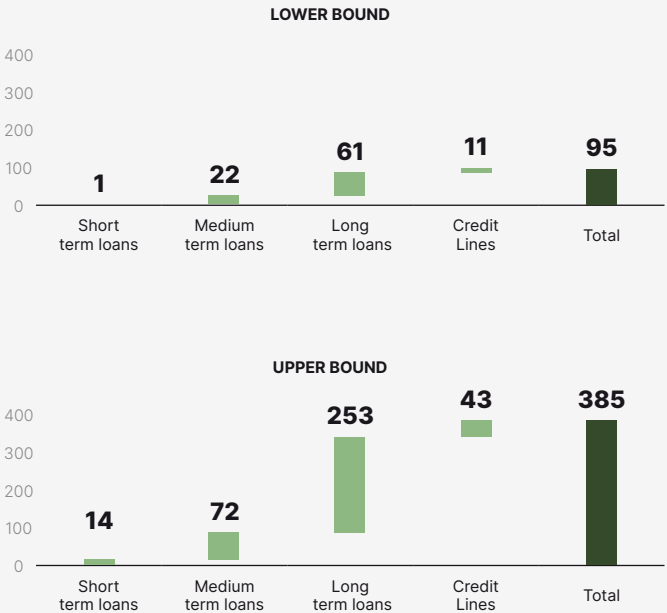
# MAKING THE INVESTMENT CASE FOR PORTUGUESE AGRICULTURAL LAND

## The Opportunity (4/5)

**Farm Structure in Portugal**, 2016  
(Information from the last Farm Structure Survey available)

Total N° of Holdings, of which:	258,980
UAA <sup>1</sup> < 5 ha (%)	71.5%
Economic Size <sup>2</sup> < 4 000 € (%)	61.6%
Holder > 64 years (%)	51.9%
Holder < 35 years (%)	1.9%
Average UAA per holding (ha)	14.1 ha

**Financing Gap by Product in the Portuguese Agricultural Sector**,  
Million €, 2017



# 3 UNSOPHISTICATED AND FRAGMENTED SECTOR

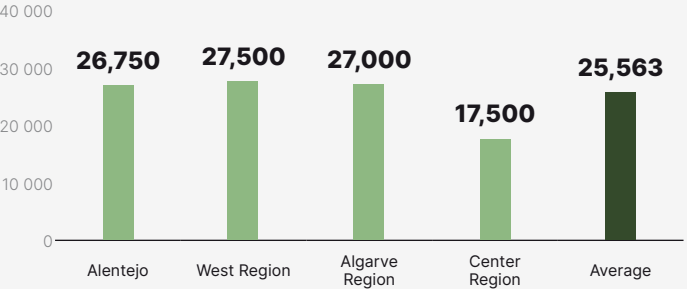
- HIGHLIGHTS
- The Portuguese agriculture sector is heavily dominated by small-sized family farms, and the farming population is ageing
    - ~70% of farms have less than 5 hectares
    - Generational renewal is a challenge for the agricultural sector, since 52% of the farming population is beyond retirement (+65 years old)
  - There is unmet financing demand from economically viable farms in the Portuguese agricultural sector
    - The financing gap from unmet financing demand from economically viable farms is estimated to range between €95m and €385m
    - The general drivers of the gap in the Portuguese agriculture sector include the lack of collateral, the lack of credit history, high risk perception by banks, and farmers' low financial literacy

MAKING THE INVESTMENT CASE FOR PORTUGUESE AGRICULTURAL LAND

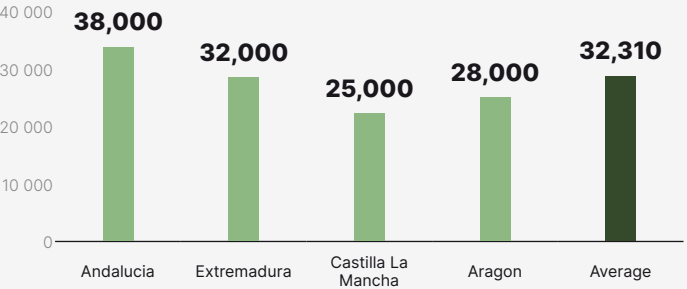
# The Opportunity (5/5)

## 4 UNDERPRICED MARKET BUT HIGHLY DESIRABLE

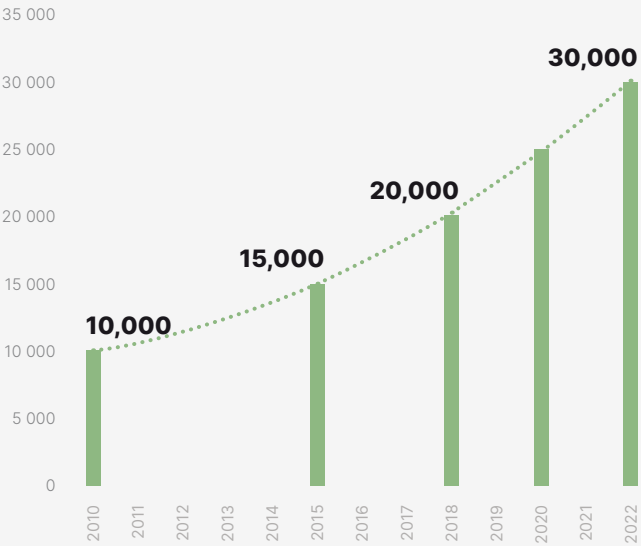
**Farmland Prices, Main Irrigated Regions in Portugal**  
€/ha, 2020



**Farmland Prices, Main Irrigated Regions in Spain**  
Million €, 2020



**Evolution of Irrigated Farmland Prices in Alqueva Region, Portugal**  
€/ha, 2010→2022



**Main Irrigated Areas of Portugal:** the high demand for productive farmland coupled with the low availability of water resources for irrigation has been putting a natural increased pressure on irrigated land prices

### HIGHLIGHTS

**Portugal's land market remains significantly undervalued relative to its EU counterparts**

- › Prices for water secured land remain on average **20% less expensive** when compared with its neighboring country **Spain**.
- › Key reasons for the existing gap in farmland prices include a combination of **low profitability** across traditional farms, **the muddy bureaucracy of the sector** and a **highly inefficient land resale market**.

**Investors will be well positioned to benefit from the ramp up of farmland prices**

- › Over the last 5 years there was a **significant increase in water-secured land prices** in the **main irrigated areas of the country** (farmland values **increased by ~50%**, at **~11%/year**).
- › The key drivers for the recent trend include: the **modernization of the sector with higher yielding crops**; the **limited water access** for irrigated land and; the increased **competition between agricultural groups** searching for irrigated land.



The background of the slide is a dark, muted landscape. It features rolling hills in the distance and a field of crops, possibly a vineyard, in the foreground. The colors are dark greens, browns, and greys. A large, semi-transparent, light green graphic element, resembling a stylized 'C' or a partial circle, is positioned on the right side of the slide, partially overlapping the hills and the field.

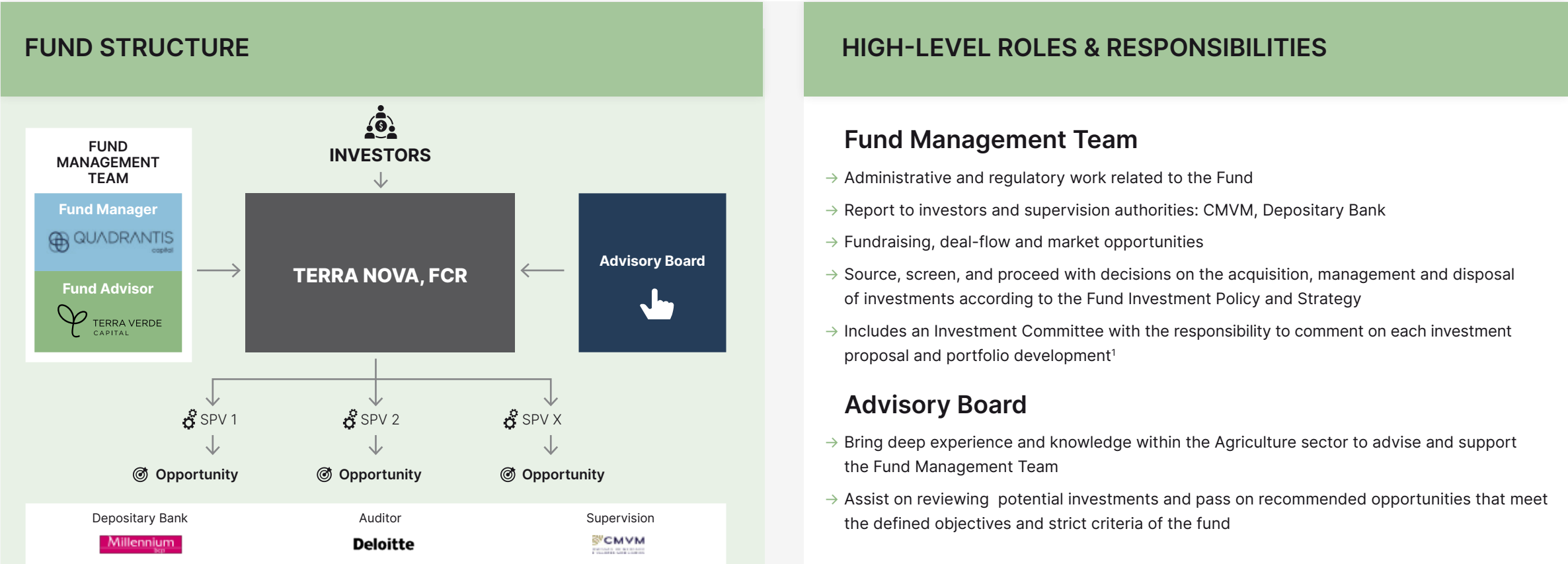
# 04

## WHO WE ARE

TERRA  NOVA

# Fund Structure, Roles & Responsibilities

Throughout all the different stages of the Terra Nova FCR, from raising of capital and identifying opportunities to monitoring of the subsidiaries, amongst others, the fund's core comprehends two key elements: the Fund Management Team and the Advisory Board



MEET THE TEAM

# Fund Manager Overview

Quadrantis Capital is a growing player in the Portuguese Venture Capital and private equity investment landscape. Its management team has a proven track-record of managing over €200m of AuM up to this date, with a deep market knowledge supported by multidisciplinary and complementary skills

**€200m**

AuM in previous  
Co's and Funds

**+30 Years**

Extensive experience  
within the VC market

**15%**

Average returns  
of previous Funds

**+10**

Seasoned  
Professionals

## → Leadership

Extensive executive management experience within tier-1 private and public companies in markets such as venture capital, energy, banking, telecom's, consulting

## → International

Quadrantis team has led projects within the EMEA region, Asia and South America, leading and managing international investments

## → Policy Makers

Active role within national and international associations such as APRCI and Invest Europe (Portuguese and European VC Association)

## MEET THE TEAM

# Fund Manager Team Profile

Quadrantis Capital core team combines extensive M&A and entrepreneurial experience across multiple industries, with deep sector knowledge and operational experience, which enables Quadrantis to address challenges with confidence and know-how

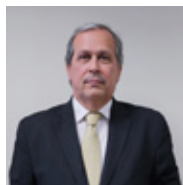


**PAULO  
CAETANO**

Managing  
Partner

**+30 years of experience  
in the Investment and VC area**

Strong investment track-record, having been in the Investment and VC area for 30 years. A wide national and international experience, combining VC, M&A and Infrastructures Funds, with a dive into the Business Angel role in the last 6/7 years and a very attractive role in the industry boards

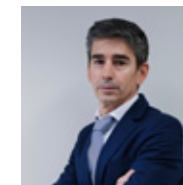


**PAULO  
MAGRO  
DA LUZ**

Partner

**+30 years of experience supporting  
Tier 1 clients in Consulting/ICT**

Leading expert in the ICT sector with 25+ years of experience supporting Tier 1 clients worldwide and developing innovative solutions & products. He has a deep knowledge, mainly, of the energy & utilities, financial and public sectors and inroads into general management and public service

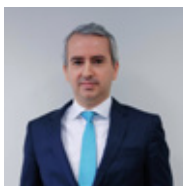


**JOÃO  
HENRIQUES**

Partner

**+25 years of investment experience  
as Entrepreneur Business Angel**

With over 25 years of investment experience as a BA, João adds value thorough knowledge and long experience in supporting the development of SME's to ensure growth and value to all stakeholders involved



**FERNANDO  
FAÍSCA**

CFO

**+20 years of experience in Private  
Equity and Financing**

International finance executive with a strong focus on Financial Management, Structured Finance, Corporate Finance and Private Equity. Structured transactions in +10 countries and closed more than €1.5b in financing

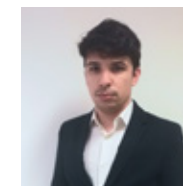


**CARLOS  
SIMÕES**

Investment  
Director

**+25 years of experience in Financial  
Services Consulting /Advisory**

With over 25 years of experience, Carlos has been a Director/Partner in several international consulting firms (Accenture, Ernst & Young, CGI) and has a strong track record in areas such as Financial Management, Treasury, Fund Administration, Compliance & Regulatory and Accountings



**BRUNO  
PEREIRA**

Senior Analyst

**+7 years of experience in  
Corporate Finance and M&A**

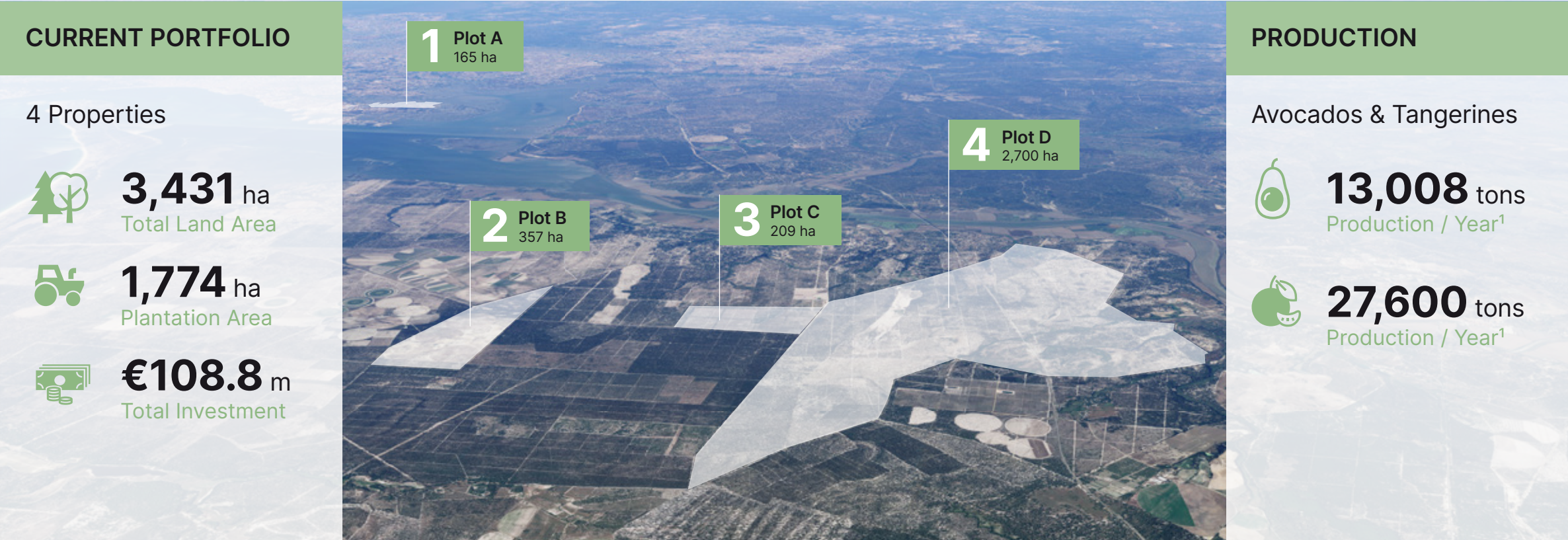
Considerable investment analysis experience, having worked in BDO Portugal and BNI Europe and leading analysis on potential acquisition targets and research on market opportunities, industry trends and potential strategies, developing valuation models of Co's and assets for M&A



MEET THE TEAM

# Fund Advisor Overview (1/2)

Terra Verde Capital team is overseeing agricultural water-rich plantations in Portugal to produce avocados and tangerines, representing 3,431 ha distributed across 4 properties with a total investment of €108.8m





## MEET THE TEAM

# Fund Advisor Overview (2/2)

Terra Verde Capital investments generate consistent returns with a high ESG awareness by employing modern farming practices and technologies to minimize footprint and maximize production, based on international policy standards and articulated with the Sustainable Development Goals

### 1 PLOT A



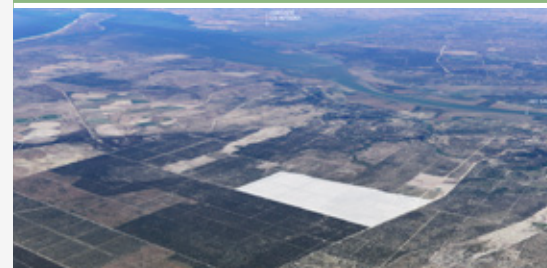
- Location: **Setubal**
- Gross Area: **165 ha**
- Crops: **100% avocados**
- Total Investment: **€8.9m**

### 2 PLOT B



- Location: **Alcácer do Sal**
- Gross Area: **357 ha**
- Crops: **100% avocados**
- Total Investment: **€15.4m**

### 3 PLOT C



- Location: **Alcácer do Sal**
- Gross Area: **209 ha**
- Crops: **100% avocados**
- Total Investment: **€5.8m**

### 4 PLOT D



- Location: **Alcácer do Sal**
- Gross Area: **2,700 ha**
- Crops: **46% avocados, 54% tangerines**
- Total Investment: **€65.2m**

**HIGH ESG AWARENESS:**



Farms running on clean solar driven energy



Locally produce and distribute



Most advanced irrigation system, saving more than 30% of water



Orchards renewing air supply and absorbing carbon dioxide

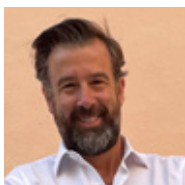


Create reliable jobs in rural communities

## MEET THE TEAM

# Fund Advisor Team Profile

Terra Verde Capital drives value creation in agricultural farmland through strategic investment and operational involvement. The team combines high experience in investment transactions with the operational expertise in the agri-business sector to maximize returns for its investors


**DAVID  
ALVES**

Managing Partner

**+20 years of experience in Private Equity and Financing**

Expertise in private equity, structured and real estate finance, M&A, restructuring and execution of strategic plans

- Former Head of Structured Finance at NOVO BANCO
- Former Executive Director at HAITONG


**TOMÁS  
RICCIARDI**

Head of Investment

**+7 years of experience in Private Equity and M&A deals**

Highly experienced in RE investment, restructuring, management and private equity

- Executed and managed +€400m of RE investments at Lace Investment Partners
- Former Corporate Finance Analyst at HAITONG


**PEDRO SÁ**

Head of Operations

**+25 years of experience in the agri-business sector**

Experience supervising and implementing sound agronomic programs

- Former Director of Production at Nutre Grupu
- Former Senior Advisor at Monsanto Company

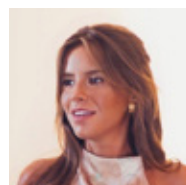

**JOÃO  
CRUZ**

Manager

**+7 years of experience in Corporate Finance and M&A**

Business planning and capital raising experience acquired in project finance deals for public-sector entities and real estate funds

- Former Turnaround and Restructuring Strategy Manager at EY
- Former Senior Associate at KPMG


**MAFALDA  
FERNANDES  
DA SILVA**

Associate

**+4 years of experience in Strategy and Corporate Finance**

Experience helping leading enterprises to develop, build, and operate businesses that deliver sustained value growth by looking at corporate strategy, portfolio optimization and M&A

- Former Strategy & Corporate Finance Associate at PwC


**PATRICIA  
GOMEZ**

Farm Manager

**+20 years of experience in the agri-business sector**

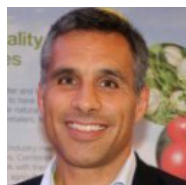
Experienced directing major agricultural operations

- Former head of Iberian farm operations at Bollo International Fruits, oversaw the operations of more than 2,000 ha

## MEET THE TEAM

# Advisory Board

The Fund's Management Team is strengthened by the Advisory Board knowledge, expertise and diversified sourcing network in the agribusiness sector



**TIAGO  
COSTA**

**+20 years of experience  
in in the agribusiness sector**

- CEO Agricultural Business & Board Member at Sugal Group, world leader in the processing tomato industry and also one of the largest producers of tree nuts in Europe;
- Former GM at Monsanto Company



**ASSUNÇÃO  
CRISTAS**

**+20 years of experience in the  
agriculture and maritime sectors**

- Former Minister of Agriculture, Sea, Environment and Territorial Planning
- Head of ESG, which encompasses maritime and agriculture related matters, at VDA, the leading law firm in Portugal
- Member of the World Economic Forum's Expert Network on sustainability



**MIGUEL  
FRASQUILHO**

**Served the Portuguese Government  
for more than 20 years**

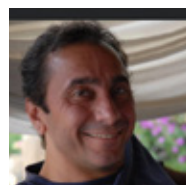
- Former Vice-President of the PSD Parliamentary Group;
- Former Secretary of State of the Treasury and Finances;
- Former President and CEO of AICEP, the Portuguese Government's Trade & Investment Agency



**PEDRO  
SERRANO**

**+20 years of experience  
in in the agribusiness sector**

- Managing Partner at AGROGES, Portugal's largest and most recognized consulting firm in the agribusiness, farming and forestry sectors;
- Former Deputy to the Secretary of State for Agriculture



**BARTOLOMEO  
ACQUAVIVA**

**+20 years of experience  
in the banking industry**

- Former CEO at Barclays Brazil;
- Former Head of Italy at Credit Suisse





# 05

## WHY US

HOW WE INVEST

# Investment Policy & Strategy

The Fund seeks risk adjusted investments in agricultural land opportunities lined with an asset allocation profile that aims for diversification and profitability through income and asset appreciation, while actively promoting a shift towards more sustainable food production



TERRA NOVA FUND




Notes: 1) The asset allocation relative weight may vary, if considered appropriate in terms of risk adjusted investment policy, being at least 60% allocated in Portugal; 2) If necessary, we will deploy CAPEX investment to prepare the land for leasing, including crop selection, soil regeneration for planting, infrastructure/water supply



## HOW WE INVEST

# Investment Strategy (1/2)

The Fund will execute its investment strategy based on three different types of opportunistic operations: development of greenfield projects, optimization of underperforming land assets and buy & leaseback of mature operations.






	 <b>Acquisition and development of greenfield investments</b>	 <b>Optimization of underperforming land assets</b>	 <b>Buy and leaseback of mature operations</b>
Rationale	<ul style="list-style-type: none"> <li>→ Improvement of land potential for leasing through investment in land infrastructure, crop selection and soils preparation upside</li> </ul>	<ul style="list-style-type: none"> <li>→ Optimization of land use potential and modernization of infrastructures</li> </ul>	<ul style="list-style-type: none"> <li>→ Buy and leaseback of existing brownfield projects or acquisition of an existing brownfield operation and subsequent lease to a new owner</li> </ul>
Targets	<ul style="list-style-type: none"> <li>→ Opportunistic entry conditions</li> <li>→ High ESG suitability score</li> <li>→ Attractive agricultural use characteristics</li> <li>→ With clear potential to be unleashed by new investments</li> </ul>	<ul style="list-style-type: none"> <li>→ Distressed assets with opportunistic entry conditions</li> <li>→ Potential repositioning with minimum CAPEX</li> <li>→ Attractive agricultural use characteristics</li> <li>→ High potential for ESG improvement</li> </ul>	<ul style="list-style-type: none"> <li>→ Established farmland operations with strong brand awareness and reputation</li> <li>→ Trustable production and sales historical data</li> <li>→ Steady and visible cash flow series to investors</li> <li>→ High ESG suitability score assets</li> </ul>
Investment Type	<ul style="list-style-type: none"> <li>→ Strategy focused on value creation and assets appreciation</li> <li>→ Greenfield projects for growth</li> <li>→ Co-investment possibility</li> </ul>	<ul style="list-style-type: none"> <li>→ Active Management Approach</li> <li>→ Value creation through repositioning</li> <li>→ Brownfield projects for growth</li> <li>→ Co-investment possibility</li> </ul>	<ul style="list-style-type: none"> <li>→ Strategy focused on stability and assets income generation</li> <li>→ Mature brownfield operations</li> </ul>

Investment in regions with favorable supply-demand dynamics

HOW WE INVEST

# Investment Strategy (2/2)

The Fund focuses on crops that have structural demand growth, high margins, high barriers to entry, and strong operators with resilient balance sheets. This generally means it will target dried fruits (almond, walnut), tropical fruits (avocado, tangerine) and olive grove


TARGET CROPS	RATIONAL		IMPACT ON THE FUND'S PROFILE
<div>  <div>Almond</div> </div>	1	<b>Permanent Crops</b> The long lifespan of permanent crops (typically 25 years or more) coupled with the lag between CAPEX investment and the ramp up of production (3 to 7 years) means that tenants will focus on long-term returns by celebrating 20+ lease agreements. Additionally, these crops have historically delivered higher average income returns than row crops but require a larger initial investment	→ <b>Stable and recurring cash flows</b> , as annual income is secured in long lease agreements → <b>High barriers to entry</b> , as permanent crop operations require a larger initial investment
<div>  <div>Walnut</div> </div>	2	<b>High Productivity and Margins for Operators</b> The more intensive use of robotic mechanized harvesters, drip irrigation and other technical innovations allows the operators of these crops to have low operational risk and high productivity and margins	→ <b>High rental market value</b> of the land → <b>Very low risk of tenant's default</b>
<div>  <div>Avocado</div> </div>	3	<b>Structural Demand Growth</b> Global production has been growing consistently over the past decade to try to keep up with the rapid growth in demand, albeit at a slower pace. The supply shortage creates an opportunity for producers to sell the crops at an attractive price	→ <b>High potential to increase rental income</b> during the lifespan of the fund, once the plants begin yielding larger harvests → <b>High potential of capital appreciation</b> at exit
<div>  <div>Tangerine</div> </div>	4	<b>Strong Operators With Resilient Balance Sheets</b> The need to offset a higher initial investment in the land often justifies making technological improvements that will impact the farm's bottom-line in the long run. This generally means these crops are explored by large scale operators with a strong track record of operating history	→ <b>Very low tenant credit risk</b>
<div>  <div>Olive Grove</div> </div>			

HOW WE INVEST

# ESG Strategy & Approach






The Fund’s Investment Policy & Strategy and financial goals are supported by our complementary mission of shaping a positive outcome for the future by managing and operating in a way that seamlessly balances the environmental, social, and economic imperatives of a sustainable agriculture system<sup>1</sup>

ESG STRATEGY




**Align financial goals with positive impact for the environment and communities**


→ Commitment and contribution to the key UN Sustainable Development Goals considered in the context of farmland and farmland management: (2) Food, (6) Water, (13) Climate, (12) Circular Economy, (15) Soil and Biodiversity


ESG APPROACH & INTEGRATION



**Pre- Investment: ESG integration in due-diligence asset review process**



**Investment: ESG integration in tenants / farmers screening and selection**



**Post-Investment: Measure and report the ESG performance of the Fund**

→ Analysis on sustainability and ESG related risks with the support of technical experts

→ Due diligence asset review from an ESG suitability point of-view based on 5 SDGs, each crop-type / region combination will be scored early in the acquisition process on a “Baseline ESG score” and on a “Potential for ESG improvement score” on the 5 SDGs, whereby an insufficient score will lead to discontinuation in the process

→ Select tenants/ farmers that can demonstrate a track record and certification towards progressive sustainable farming

→ Target organic, conservation and regenerative farming practices, which can contribute to: (i) sequestering carbon and mitigating climate impact; (ii) producing healthy soils and food; (iii) producing clean air using input from the farm; (iv) increasing the productivity and economic return

→ Implement concrete, measurable sustainability KPIs at property level, in line with the 5 SDGs<sup>2</sup>, which may call for involvement by several parties ranging from the farmers to ecological advisors, as setting KPIs depends on many local/technical factors

→ Create a sustainability plan at property level, incorporating the KPIs, independently verified by an independent, local ecological consultant and reviewed periodically, if needed

TERRA NOVA FUND

**Notes: 1)** Although we strive to implement a formal and structured approach to the disclosure of sustainability related information, the fund has not yet adhered to article 9 of the European Union's Sustainable Finance Disclosure Regulation (SFDR) and thus it is not officially classified as a sustainable investment product in accordance with these standards;

**2)** A number of indicative KPIs that can be included in the sustainability plan are (a) the percentage of land that is cultivated organically (according to prevailing local organic standards) or according to the latest regenerative or nature conservation standards; (b) the percentage of cover crops used between rows in permanent crops; (c) water efficiency (increased water percolation, water retention, and clean water runoff) and the percentage reduction in water use realized or the percentage of land using drip technology or precision technology;

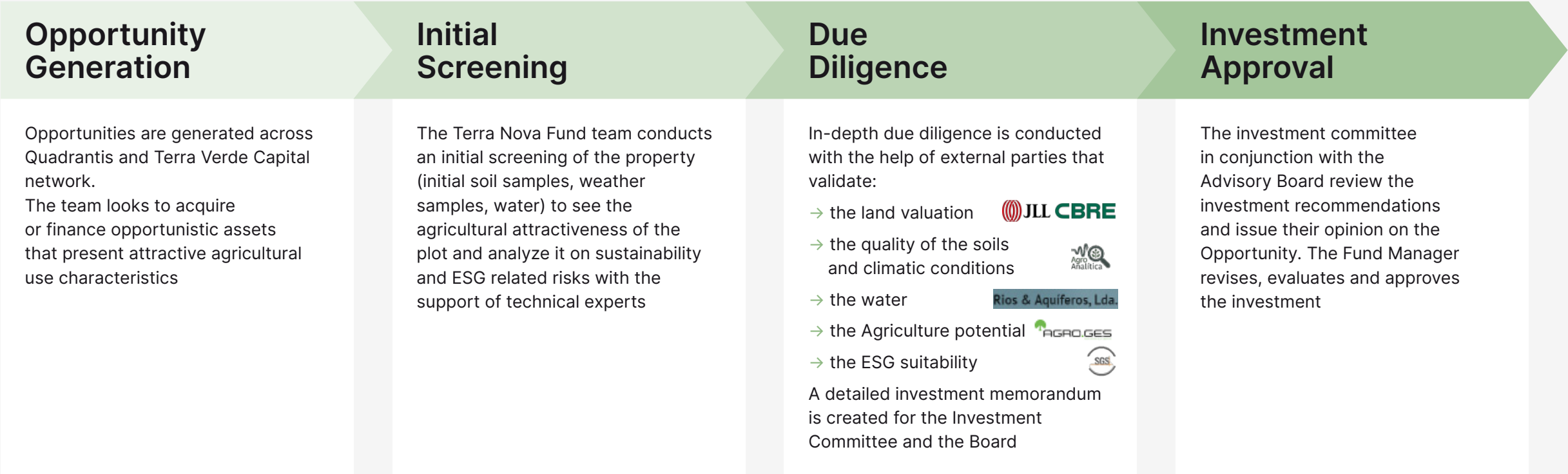
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HOW WE INVEST

# Investment Process

Terra Nova FCR follows an holistic methodology in its investment process from opportunity generation to investment approval, identifying and measuring direct and indirect impacts

## Key Steps in the Investment Process



## HOW WE INVEST

# Proprietary Sourcing Capabilities

Our extensive and diversified sourcing network comprised of agricultural companies, agricultural land holders as well as local advisors give us an extensive and unique sourcing edge when it comes to accurately analysing and opportunistically acquiring agricultural land

**Terra Verde Capital team has privileged network with different agribusiness stakeholders...**



## AGRIBUSINESS COMPANIES

- Direct access to a vast array of agribusiness in Iberia across a wide range of crops
- Through our network, we have a good understanding of the upcoming farming needs for some of these companies and we can act as a partner to acquire agricultural land opportunities and lease it out to them



## AGRICULTURAL LAND HOLDERS

- Asset managers that manages risk capital funds invested in industries such as agriculture and forestry
- Commercial banks with a real estate portfolio comprising agriculture land assets



## TOP TIER ADVISORS w/ LOCAL PRESENCE

- Portugal's largest and most reputable consultants in the agribusiness, farming and forestry sectors, specialized in assessing the quality of the soils and climate conditions, the water, the agriculture potential, the land valuation, among others



HOW WE INVEST

# Case Studies

Terra Verde Capital team has extensive experience in acquiring prime agricultural land assets at very attractive prices. The team has invested over €30M to acquire 3,431 ha distributed across 4 premium farms in the region of Alcácer do Sal (Portugal), with a significant discount of 48% on fair market value






	PLOT A	PLOT B	PLOT C	PLOT D	TOTAL
					
Location	Setubal	Alcácer do Sal	Alcácer do Sal	Alcácer do Sal	Setubal & Alcácer do Sal
Total Area (ha)	165	357	209	2,700	3,431
Plantation Area (ha)	133	214	98	1,329	1,774
Acquisition Price	€3,950,000	€7,500,000	€2,200,000	€17,500,000	€31,150,000
Market Value As is¹	€6,463,000	€10,108,000	€3,347,000	€40,330,000	€60,248,000
Discount on Market Value	39%	26%	34%	57%	48%



# HOW WE INVEST

## Ready To Go Pipeline

Our extensive market knowledge and insight provides a strong pipeline of €110-132m investment opportunities in agricultural land opportunities. This is a benchmark of quality pipeline we have access to and actual acquisitions may vary depending on market timing and other opportunities

ASSET PIPELINE				
Target 1	Target 2	Target 3	Target 4	Target 5
<ul style="list-style-type: none"> <li>→ Location: <b>Idanha-a-Nova</b></li> <li>→ Land Strategy: <b>Lease</b></li> <li>→ Gross Area: <b>310 ha</b></li> <li>→ Average Price/Ha: <b>15-20</b> ('000s)</li> <li>→ Crop: <b>Almonds</b></li> <li>→ Expected Rental Yield: <b>4-6%</b></li> <li>→ Expected Returns Over 5 Years (Capital + Income): <b>1.4-1.6x</b></li> </ul> <div> <div>↓</div> <div> <ul style="list-style-type: none"> <li>Detailed data room ✓</li> <li>Site Visit ✓</li> <li>Due Diligence</li> <li>Transaction Signed</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>→ Location: <b>Setúbal</b></li> <li>→ Land Strategy: <b>Lease</b></li> <li>→ Gross Area: <b>1,000 ha</b></li> <li>→ Average Price/Ha: <b>35-40</b> ('000s)</li> <li>→ Crop: <b>Avocado &amp; Tangerine</b></li> <li>→ Expected Rental Yield: <b>4-6%</b></li> <li>→ Expected Returns Over 5 Years (Capital + Income): <b>1.5-1.8x</b></li> </ul> <div> <div>↓</div> <div> <ul style="list-style-type: none"> <li>Detailed data room ✓</li> <li>Site Visit ✓</li> <li>Due Diligence ✓</li> <li>Transaction Signed</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>→ Location: <b>Viseu</b></li> <li>→ Land Strategy: <b>Lease</b></li> <li>→ Gross Area: <b>970 ha</b></li> <li>→ Average Price/Ha: <b>24-28</b> ('000s)</li> <li>→ Crop: <b>Walnuts</b></li> <li>→ Expected Rental Yield: <b>4-6%</b></li> <li>→ Expected Returns Over 5 Years (Capital + Income): <b>1.4-1.6x</b></li> </ul> <div> <div>↓</div> <div> <ul style="list-style-type: none"> <li>Detailed data room ✓</li> <li>Site Visit ✓</li> <li>Due Diligence ✓</li> <li>Transaction Signed</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>→ Location: <b>Alentejo</b></li> <li>→ Land Strategy: <b>Lease</b></li> <li>→ Gross Area: <b>1,020 ha</b></li> <li>→ Average Price/Ha: <b>20-25</b> ('000s)</li> <li>→ Crop: <b>Almonds</b></li> <li>→ Expected Rental Yield: <b>4-6%</b></li> <li>→ Expected Returns Over 5 Years (Capital + Income): <b>1.4-1.6x</b></li> </ul> <div> <div>↓</div> <div> <ul style="list-style-type: none"> <li>Detailed data room ✓</li> <li>Site Visit ✓</li> <li>Due Diligence ✓</li> <li>Transaction Signed</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>→ Location: <b>Alentejo</b></li> <li>→ Land Strategy: <b>Lease</b></li> <li>→ Gross Area: <b>940 ha</b></li> <li>→ Average Price/Ha: <b>20-25</b> ('000s)</li> <li>→ Crop: <b>Almonds</b></li> <li>→ Expected Rental Yield: <b>4-6%</b></li> <li>→ Expected Returns Over 5 Years (Capital + Income): <b>1.4-1.6x</b></li> </ul> <div> <div>↓</div> <div> <ul style="list-style-type: none"> <li>Detailed data room ✓</li> <li>Site Visit ✓</li> <li>Due Diligence</li> <li>Transaction Signed</li> </ul> </div> </div>
				

## SAFE INVESTING

# Income & Capital Appreciation Security and External Scrutiny

We know that investors need safe and risk-free mechanisms to receive the premium of an EU passport. To that end, investments in Terra Nova FCR are highly regulated and subject to distinct layers of income & capital appreciation security and external scrutiny, protecting the investor and its invested capital

## LAYERS OF INCOME & CAPITAL APPRECIATION SECURITY

- 1 Contractual Income**  
Properties leased secured with bank guarantees or future revenues
- 2 Long Lease Rental Agreements**  
Annual income comes from our tenant's annual rental payments.  
Payments are secured in long lease agreements
- 3 Insurance Against Crop-Related Losses**  
Lease agreements will be secured with high coverage insurance against crop related losses, protecting the fund from the downside revenue risk caused by adverse natural events
- 4 Agreed put/call option**  
Exit through asset buy back at maturity to pre-identified sponsors










## LAYERS OF EXTERNAL SCRUTINY

- 1 Securities Market Authority (CMVM)**  
The CMVM independently regulates and scrutinizes the fund management institution and the fund
- 2 Auditor**  
Deloitte independently audits Terra Nova, notably at the level of its accounts and investments made, and reports transparently every year
- 3 External Valuation of Investments**  
Quadrantis Capital exercises a policy of requiring external valuation and audit prior to any investment

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# FUND ECONOMICS

# Fund Technical Sheet

	<b>FUND NAME</b>	Terra Nova, FCR
	<b>LEGAL STRUCTURE</b>	Fundo de Capital de Risco   Closed-End Private Equity Fund Regulated by CMVM
	<b>FUND MANAGER</b>	Quadrantis Capital SCR   NIPC
	<b>FUND SIZE</b>	Maximum Size: €150,000,000 in a 2-year subscription period
	<b>UP's SUBSCRIPTION</b>	Minimum subscription of €100,000
	<b>MATURITY</b>	8 years + 2 years with investment period of 2.5 years
	<b>TARGET RETURNS</b>	8% target IRR, with 5% expected dividend yield after year 3
	<b>COMMISSIONS</b>	set up fee   1.5% on invested capital (one-off) management fee   1.5% per year on committed capital on performance   25% applied after return of invested capital and hurdle rate of 6%
	<b>TAX REGIME</b>	Capital gains generated by the Fund are taxed at: a) 10% for national tax residents; b) 0% for non-residents



Depository Bank



Auditor

**Deloitte**



Supervision





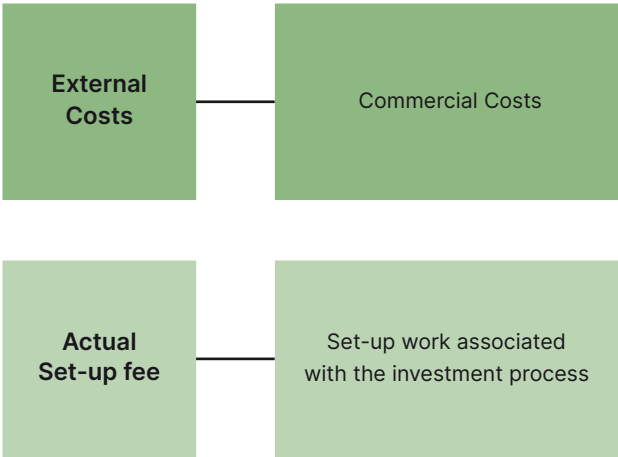
# Fund Fees and Expenses

Terra Nova FCR Fees are charged to the fund; thus fees are not incremental to the Golden Visa Investment of €500k. The Fund will pay a performance fee of 25% of the net profits generated by the fund after investors have secured at least a 6% preferred return on their investment



## SET-UP FEES

- **1.5% set-up fee charged one-off** at the time of the capital subscription



## MANAGEMENT FEE

- **1.5% annual management fee**, calculated over the fund's committed capital
- This fee will cover the **annual functioning costs of the fund** (auditing costs, administrative costs, investment consultancy services, etc)
- Lower than what is typically charged in Private Equity Funds

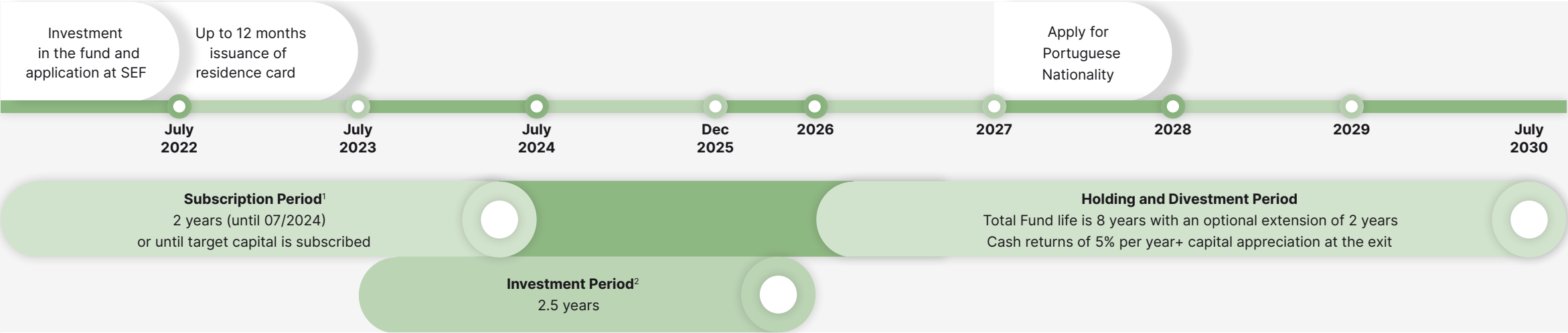


## PERFORMANCE FEE

- The fund will pay a **25% performance fee** of the **net profit generated** by the fund
- This fee is subject to investors having secured at least a **6% preferred return** on their investment.
- After full repayment of the invested capital and the hurdle rate, **75% of the remaining capital is distributed to investors** based on their contributed capital and 25% as carried interest

# Fund Timeline

Terra Nova FCR will have an estimated useful life of 8 years, which is aligned with the usual holding period for the Golden Visa application. The Fund aims to start divesting in 2026, enabling the investor to have a full capital reimbursement in 2030 (expected)



- Deals are sourced by researching the market and by the existent Terra Verde Capital and Quadrantis
- The fund conducts in-depth **due diligence on the land properties** to see the attractiveness of the investments
- The assets are leased to **tenants based on a thorough screening process that incorporates strict ESG criteria and high quality credit rating standards**
- The fund expects to deliver a steady income stream of 5% to investors after the end of the investment period, on top of the natural asset appreciation of the land properties.
- The fund is a **closed term fund**, hence by the end of its life, **it will have sold all its assets and returned the proceeds to the investors**, with an expected target IRR of 8%
- It is possible to exit earlier than the 8 years via secondary sale of the participation units (securities can be acquired and sold) at any time



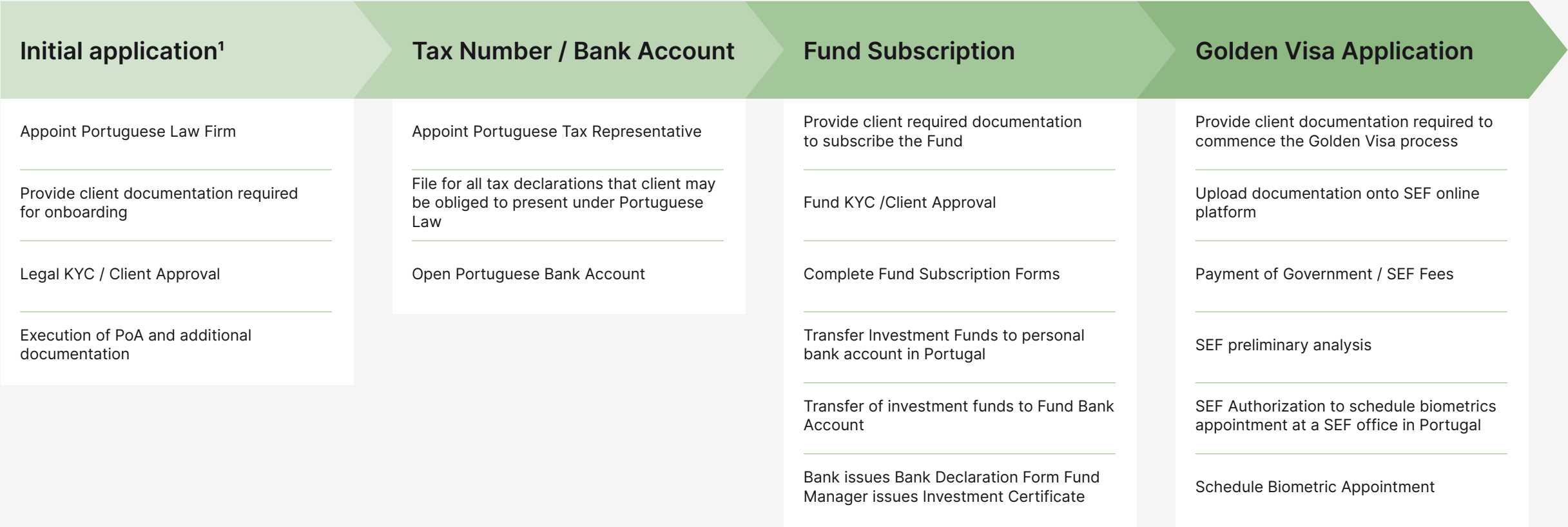
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## NEXT STEPS

GOLDEN VISA PROCESS

# Application

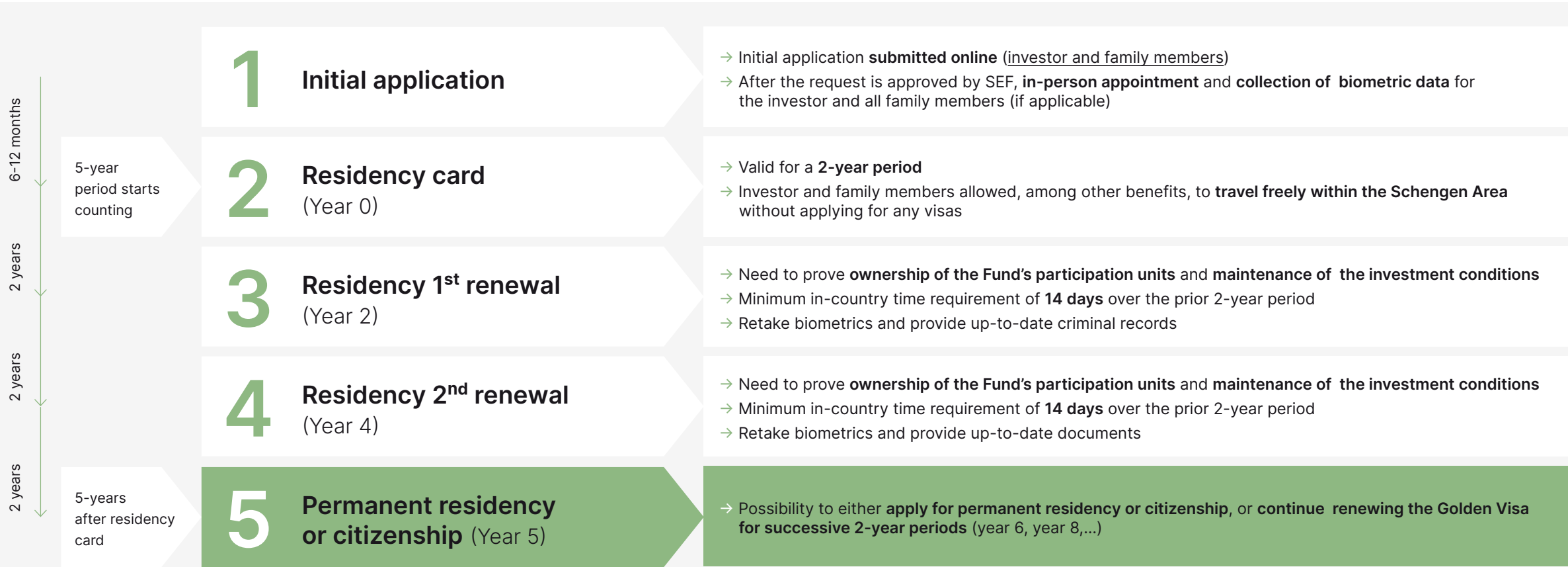
Investing in the Terra Nova FCR is simple. Whether your goal is pure investment or to ultimately obtain a Golden Visa we will guide and support you on every step of the way from on-boarding through to monitoring the ongoing performance of your investment.



GOLDEN VISA PROCESS

# Application and Renewal Timeline

The Golden Visa Investor will pass through a 5-year application program to become eligible for permanent residency or citizenship. During the application process, the investor needs to prove ownership of the fund’s subscription units to renew its residency permit in Portugal.



# Want to find out more?

We would love to hear from you!

**investors@terraverde.capital**

Fund approved by CMVM. All the content is merely informative  
for market discussions.

## FUND ADVISOR

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**[www.terraverde.capital](http://www.terraverde.capital)**

Address: Rua Castilho 213, 5<sup>th</sup> Floor  
Lisbon, 1250-068, Portugal

## FUND MANAGER

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**[www.quadrantiscapital.com](http://www.quadrantiscapital.com)**

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Lisbon, 1600-196, Portugal