Terra Nova Fund

Investment Opportunity In The Portuguese Agricultural Land
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01

TERRA NOVA FUND

OVERVIEW
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.
TERRA NOVA FUND OVERVIEW

1. TARGET FUND SIZE
   €150m
   €100,000 MINIMUM LP INVESTMENT

2. GEOGRAPHY FOCUS
   Portugal
   15-20 in Agricultural opportunities with rental income

3. FUND LIFECYCLE
   8 Years
   Yes GOLDEN VISA ELIGIBLE

4. ANNUAL TARGET CASH YIELD
   5.0%

5. TARGET NO. INVESTMENTS
   €100,000
   8% IRR
   1.85x Money Multiple

6. TOTAL TARGET RETURN
   8% IRR
   - & -
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.

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.
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)

**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)

**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

**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.

### TAX BENEFITS FOR FOREIGN INVESTORS

- **FUND PROFITS**: Investment in private equity funds are fully exempt from Corporate or Capital Gains Tax.
- **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%.
- **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.
- **PENSION TAX**: Pensions ported can be drawn down with 10% income tax.
- **INHERITANCE TAX**: Spouse and children are exempt from Inheritance tax.
**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
- Descendants, 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)

<table>
<thead>
<tr>
<th></th>
<th>Portugal</th>
<th>Ireland</th>
<th>Greece</th>
<th>Malta</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INVESTMENT CRITERIA</strong></td>
<td>€500,000 in Approved Funds</td>
<td>€1,000,000 In Government Sanctioned Projects</td>
<td>€300,000 Real Estate</td>
<td>€350,000 (incl €360,000) in Bonds &amp; Real Estate</td>
<td>€500,000 Real Estate</td>
</tr>
<tr>
<td><strong>ADDITIONAL BENEFITS</strong></td>
<td>Work and Study Schengen Travel</td>
<td>Work and Study Schengen Travel</td>
<td>Work and Study Schengen Travel</td>
<td>Work and Study Schengen Travel</td>
<td>Work and Study Schengen Travel</td>
</tr>
<tr>
<td><strong>STAY REQUIREMENT TO RETAIN RESIDENCE</strong></td>
<td>7 Days a year</td>
<td>1 Day a Year</td>
<td>No Minimum Requirement</td>
<td>No Minimum Requirement</td>
<td>No Minimum Requirement</td>
</tr>
<tr>
<td><strong>ROUTE TO CITIZENSHIP</strong></td>
<td>5 years of residency 7 Days a Year A2 level (Basic) Portuguese Test</td>
<td>5 years of residency 183 Days a Year No Test</td>
<td>7 years of residency 183 Days a Year Language and Citizenship Test</td>
<td>5 years of residency 183 Days a Year No Test</td>
<td>10 years of residency 183 Days a Year Language and Citizenship Test</td>
</tr>
<tr>
<td><strong>TAX INCENTIVE PROGRAM</strong></td>
<td>NHR Tax Regime 0% on international income 20% on local income</td>
<td>Irish Resident non-Domiciled Regime</td>
<td>Under review</td>
<td>Malta remittance base taxation</td>
<td>No Programme</td>
</tr>
<tr>
<td><strong>INHERITANCE AND GIFT TAX</strong></td>
<td>No tax for direct descendants and ascendants</td>
<td>33% above €355,000 depending on relation</td>
<td>From 10% (immediate family) up to 40%</td>
<td>No tax for direct descendants and ascendants</td>
<td>Between 1-7% depending on region</td>
</tr>
</tbody>
</table>
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 foreigner investors seeking access to Europe.
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.
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.
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.

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

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

**Volatility & Annual Average Returns, %, 1992→2020**

- **Agricultural Land**
  - Returns: 11.1%
  - Volatility: 6.8%

- **Bonds**
  - Returns: 5.8%
  - Volatility: 8%

- **Real Estate**
  - Returns: 8%
  - Volatility: 8%

- **Stocks**
  - Returns: 11.2%
  - Volatility: 16.5%

- **REITs**
  - Returns: 11.6%
  - Volatility: 19.8%

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

**Sharpe Ratios, 1992→2020**

- **Agricultural Land**
  - Sharpe Ratio: 1.24

- **Bonds**
  - Sharpe Ratio: 0.51

- **Stocks**
  - Sharpe Ratio: 0.73

- **REITs**
  - Sharpe Ratio: 0.45

**Notes:**
- NCREIF Farmland Index is a quarterly measure of investment performance of agricultural land properties acquired in the private market for investment purposes. All properties in the Farmland Index are held in a fiduciary environment, being the Index the most recognized measure of agricultural land return performance.

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TERRA NOVA FUND

Data: Based on rolling one-year total returns, calculated on a quarterly basis for periods ended 31 Mar 1992 through 31 Dec 2020. Asset classes represent the following indexes: Stocks - Russell 3000 index; Bonds - Bloomberg Barclays U.S. Aggregate Index; Real Estate - NCREIF Real Estate Index; Agricultural Land - NCREIF Farmland Index; Publicly traded U.S. real estate investment trusts and Forestry Index. Sources: NCREIF, FactSet, Nuveen, LLC, NAREIT. NCREIF Fairland Index is a quarterly measure of investment performance of agricultural land properties acquired in the private market for investment purposes. All properties in the Farmland Index are held in a fiduciary environment, being the Index the most recognized measure of agricultural land return performance.
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)

Agricultural Land Resilience to the Economic Cycle vs S&P 500
Returns, % change YoY, 1992→2020

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.

<table>
<thead>
<tr>
<th>TRADITIONAL PORTFOLIO (1992→2020)</th>
<th>6.51%</th>
<th>AVERAGE ANNUAL TOTAL RETURNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>STOCKS</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>BONDS</td>
<td>85%</td>
<td></td>
</tr>
</tbody>
</table>

| STANDARD DEVIATION | 4.13% |
| SHARPE RATIO       | 0.93  |

<table>
<thead>
<tr>
<th>ADDING AGRICULTURAL LAND (1992→2020)</th>
<th>8.33%</th>
<th>AVERAGE ANNUAL TOTAL RETURNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>STOCKS</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>BONDS</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>AGRICULTURAL LAND</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

| STANDARD DEVIATION | 3.13% |
| SHARPE RATIO       | 1.80  |

Source: USDA, NCREIF, TIAA Center for Farmland Research, Haver Analytics; Notes: Allocation representing highest risk-adjusted return, based on Sharpe Ratio;
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
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.
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.

**FAVORABLE SUPPLY DEMAND OUTLOOK**

**Population Growth & Declining Arable Land Per Person**

Population in Billions, Arable Land (Hectare/Population), 1961→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. **UN SOPHISTICATED 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. 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)

2. Agriculture sector in Portugal materially outperformed UE-27
   - Between 2011-2019, the overall level of investment in the Portuguese agricultural sector (GFCF in agriculture) increased by ~30% (~3.3%/year) vs a growth of only 4% (~0.5%/year) in the EU-27
UNPARALLEL CONDITIONS TO GROW CROPS

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)

3. WHY AGRICULTURE

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

**HIGHLIGHTS**

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Nº of Holdings</td>
<td>258,980</td>
</tr>
<tr>
<td>UAA &lt; 5 ha (%)</td>
<td>71.5%</td>
</tr>
<tr>
<td>Economic Size &lt; 4 000 € (%)</td>
<td>61.6%</td>
</tr>
<tr>
<td>Holder &gt; 64 years (%)</td>
<td>51.9%</td>
</tr>
<tr>
<td>Holder &lt; 35 years (%)</td>
<td>1.9%</td>
</tr>
<tr>
<td>Average UAA per holding (ha)</td>
<td>14.1 ha</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term loans</td>
<td>1 22 61 11 95</td>
<td>14 72 253 43 385</td>
</tr>
<tr>
<td>Medium term loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Lines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
MAKING THE INVESTMENT CASE FOR PORTUGUESE AGRICULTURAL LAND

The Opportunity (5/5)

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.
WHO WE ARE
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.

**FUND STRUCTURE**

- **Fund Management Team**
  - Administrative and regulatory work related to the Fund
  - Report to investors and supervision authorities: CMVM, Depositary Bank
  - Fundraising, deal-flow and market opportunities
  - Source, screen, and proceed with decisions on the acquisition, management and disposal of investments according to the Fund Investment Policy and Strategy
  - Includes an Investment Committee with the responsibility to comment on each investment proposal and portfolio development

- **Advisory Board**
  - Bring deep experience and knowledge within the Agriculture sector to advise and support the Fund Management Team
  - Assist on reviewing potential investments and pass on recommended opportunities that meet the defined objectives and strict criteria of the fund

**HIGH-LEVEL ROLES & RESPONSIBILITIES**

- **Fund Management Team**
  - Administrative and regulatory work related to the Fund
  - Report to investors and supervision authorities: CMVM, Depositary Bank
  - Fundraising, deal-flow and market opportunities
  - Source, screen, and proceed with decisions on the acquisition, management and disposal of investments according to the Fund Investment Policy and Strategy
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- **Advisory Board**
  - Bring deep experience and knowledge within the Agriculture sector to advise and support the Fund Management Team
  - Assist on reviewing potential investments and pass on recommended opportunities that meet the defined objectives and strict criteria of the fund
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.

- **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 SMEs to ensure growth and value to all stakeholders involved.

FERNANDO FÂISCA
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 public 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.
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.

**Current Portfolio**

- **4 Properties**
- **3,431 ha** Total Land Area
- **1,774 ha** Plantation Area
- **€108.8 m** Total Investment

**Production**

- **Avocados & Tangerines**
  - **13,008 tons** Production / Year¹
  - **27,600 tons** Production / Year¹

Notes: ¹ The production values refer to the stabilized avocado and tangerine production on the 5th year onwards.
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

Notes:
1) The EBITDA values refer to the stabilized production on the 5th year onwards.

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 Group
→ 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

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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 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 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
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.

### Investment Policy

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>INVESTMENT PROFILE</th>
<th>GEOGRAPHY</th>
<th>ASSET ALLOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural and Agro-industrial sector</td>
<td>Acquire or finance Agricultural land opportunities</td>
<td>Portugal</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>Open funds / listed products</td>
<td>Europe, USA</td>
<td>40%</td>
</tr>
</tbody>
</table>

### GEOGRAPHY

- **Portugal**: 60%
- **Europe, USA**: 40%

### INVESTMENT PROFILE

- **Acquire or finance Agricultural land opportunities**
- **Open funds / listed products**

### ASSET ALLOCATION

1. 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.

### EXIT / DIVESTMENT

- We aim for capital appreciation at the end of the investment throughout different possible exit strategies: a) agreed put/call option; b) agricultural land buy back at maturity to pre-identified sponsors (strategic/financial investors or local operators).

### ACQUIRE AGRICULTURAL LAND OPPORTUNITIES

- Agricultural land in Europe continues to be a fragmented and imperfect market, opening the door to opportunistic acquisitions.
- We seek to acquire or finance prime agricultural land opportunities at a significant discount to fair value, providing downside protection and greater upside.

### LONG LEASE CONTRACTS TO SUSTAINABLE GROWERS

- We look to celebrate long lease agreements at a triple-net basis with tenants with a strong operating history and sustainable and regenerative agriculture practices, contractually guaranteeing rental income through the entire life span of the fund.
- Quality credit rating tenants.

### TARGET RETURN RATE

- **8%**
- **IRR**
- **1.85 MoM**
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.

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Acquisition and development of greenfield investments</th>
<th>Optimization of underperforming land assets</th>
<th>Buy and leaseback of mature operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of land potential for leasing through investment in land infrastructure, crop selection and soils preparation upside</td>
<td>Optimization of land use potential and modernization of infrastructures</td>
<td>Buy and leaseback of existing brownfield projects or acquisition of an existing brownfield operation and subsequent lease to a new owner</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Targets</th>
<th>Acquisition and development of greenfield investments</th>
<th>Optimization of underperforming land assets</th>
<th>Buy and leaseback of mature operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunistic entry conditions</td>
<td>Distressed assets with opportunistic entry conditions</td>
<td>Established farmland operations with strong brand awareness and reputation</td>
<td></td>
</tr>
<tr>
<td>High ESG suitability score</td>
<td>Potential repositioning with minimum CAPEX</td>
<td>Trustable production and sales historical data</td>
<td></td>
</tr>
<tr>
<td>Attractive agricultural use characteristics</td>
<td>Attractive agricultural use characteristics</td>
<td>Steady and visible cash flow series to investors</td>
<td></td>
</tr>
<tr>
<td>With clear potential to be unleashed by new investments</td>
<td>High potential for ESG improvement</td>
<td>High ESG suitability score assets</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Acquisition and development of greenfield investments</th>
<th>Optimization of underperforming land assets</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Strategy focused on value creation and assets appreciation</td>
<td>Active Management Approach</td>
<td>Strategy focused on stability and assets income generation</td>
<td></td>
</tr>
<tr>
<td>Greenfield projects for growth</td>
<td>Value creation through repositioning</td>
<td>Mature brownfield operations</td>
<td></td>
</tr>
<tr>
<td>Co-investment possibility</td>
<td>Brownfield projects for growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investment in regions with favorable supply-demand dynamics
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.

### HOW WE INVEST

#### Investment Strategy (2/2)

<table>
<thead>
<tr>
<th>TARGET CROPS</th>
<th>RATIONAL</th>
<th>IMPACT ON THE FUND’S PROFILE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almond</td>
<td>Permanent Crops</td>
<td>→ Stable and recurring cash flows, as annual income is secured in long lease agreements</td>
</tr>
<tr>
<td>Walnut</td>
<td>High Productivity and Margins for Operators</td>
<td>→ High barriers to entry, as permanent crop operations require a larger initial investment</td>
</tr>
<tr>
<td>Avocado</td>
<td>Structural Demand Growth</td>
<td>→ High rental market value of the land</td>
</tr>
<tr>
<td>Tangerine</td>
<td></td>
<td>→ Very low risk of tenant's default</td>
</tr>
<tr>
<td>Olive Grove</td>
<td>Strong Operators With Resilient Balance Sheets</td>
<td>→ High potential to increase rental income during the lifespan of the fund, once the plants begin yielding larger harvests</td>
</tr>
</tbody>
</table>
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.

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

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

- 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

Investment: ESG integration in tenants / farmers screening and selection

- 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

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

- Implement concrete, measurable sustainability KPIs at property level, in line with the 5 SDGs, 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

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;
**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**

<table>
<thead>
<tr>
<th>Opportunity Generation</th>
<th>Initial Screening</th>
<th>Due Diligence</th>
<th>Investment Approval</th>
</tr>
</thead>
</table>
| Opportunities are generated across Quadrantis and Terra Verde Capital network. The team looks to acquire or finance opportunistic assets that present attractive agricultural use characteristics. | The Terra Nova Fund team conducts an initial screening of the property (initial soil samples, weather samples, water) to see the agricultural attractiveness of the plot and analyze it on sustainability and ESG related risks with the support of technical experts. | In-depth due diligence is conducted with the help of external parties that validate:  
  → the land valuation  
  → the quality of the soils and climatic conditions  
  → the water  
  → the Agriculture potential  
  → the ESG suitability  
  A detailed investment memorandum is created for the Investment Committee and the Board. | The investment committee in conjunction with the Advisory Board review the investment recommendations and issue their opinion on the Opportunity. The Fund Manager revises, evaluates and approves the investment. |
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...

<table>
<thead>
<tr>
<th>AGRIBUSINESS COMPANIES</th>
<th>AGRICULTURAL LAND HOLDERS</th>
<th>TOP TIER ADVISORS w/ LOCAL PRESENCE</th>
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<tr>
<td>→ Direct access to a vast array of agribusiness in Iberia across a wide range of crops</td>
<td></td>
<td></td>
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<td>→ 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</td>
<td></td>
<td></td>
</tr>
<tr>
<td>→ Asset managers that manages risk capital funds invested in industries such as agriculture and forestry</td>
<td></td>
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</tr>
<tr>
<td>→ Commercial banks with a real estate portfolio comprising agriculture land assets</td>
<td></td>
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<td>→ 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</td>
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<td></td>
</tr>
</tbody>
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TERRA NOVA FUND
## 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
- **Location**: Setubal
- **Total Area (ha)**: 165
- **Plantation Area (ha)**: 133
- **Acquisition Price**: €3,950,000
- **Market Value As is¹**: €6,463,000
- **Discount on Market Value**: 39%

### PLOT B
- **Location**: Alcácer do Sal
- **Total Area (ha)**: 357
- **Plantation Area (ha)**: 214
- **Acquisition Price**: €7,500,000
- **Market Value As is¹**: €10,108,000
- **Discount on Market Value**: 26%

### PLOT C
- **Location**: Alcácer do Sal
- **Total Area (ha)**: 209
- **Plantation Area (ha)**: 98
- **Acquisition Price**: €2,200,000
- **Market Value As is¹**: €3,347,000
- **Discount on Market Value**: 34%

### PLOT D
- **Location**: Alcácer do Sal
- **Total Area (ha)**: 2,700
- **Plantation Area (ha)**: 1,329
- **Acquisition Price**: €17,500,000
- **Market Value As is¹**: €40,330,000
- **Discount on Market Value**: 57%

### TOTAL
- **Location**: Setubal & Alcácer do Sal
- **Total Area (ha)**: 3,431
- **Plantation Area (ha)**: 1,774
- **Acquisition Price**: €31,150,000
- **Market Value As is¹**: €60,248,000
- **Discount on Market Value**: 48%

---

¹ The market value of each property as of the valuation date performed independently by JLL.
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
- Location: Idanha-a-Nova
- Land Strategy: Lease
- Gross Area: 310 ha
- Average Price/Ha: 15-20 ('000s)
- Crop: Almonds
- Expected Rental Yield: 4-6%
- Expected Returns Over 5 Years (Capital + Income): 1.4-1.6x

Target 2
- Location: Setúbal
- Land Strategy: Lease
- Gross Area: 1,000 ha
- Average Price/Ha: 35-40 ('000s)
- Crop: Avocado & Tangerine
- Expected Rental Yield: 4-6%
- Expected Returns Over 5 Years (Capital + Income): 1.5-1.8x

Target 3
- Location: Viseu
- Land Strategy: Lease
- Gross Area: 970 ha
- Average Price/Ha: 24-28 ('000s)
- Crop: Walnuts
- Expected Rental Yield: 4-6%
- Expected Returns Over 5 Years (Capital + Income): 1.4-1.6x

Target 4
- Location: Alentejo
- Land Strategy: Lease
- Gross Area: 1,020 ha
- Average Price/Ha: 20-25 ('000s)
- Crop: Almonds
- Expected Rental Yield: 4-6%
- Expected Returns Over 5 Years (Capital + Income): 1.4-1.6x

Target 5
- Location: Alentejo
- Land Strategy: Lease
- Gross Area: 940 ha
- Average Price/Ha: 20-25 ('000s)
- Crop: Almonds
- Expected Rental Yield: 4-6%
- Expected Returns Over 5 Years (Capital + Income): 1.4-1.6x
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
FUND ECONOMICS
## Fund Technical Sheet

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

<table>
<thead>
<tr>
<th>Initial application¹</th>
<th>Tax Number / Bank Account</th>
<th>Fund Subscription</th>
<th>Golden Visa Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appoint Portuguese Law Firm</td>
<td>Appoint Portuguese Tax Representative</td>
<td>Provide client required documentation to subscribe the Fund</td>
<td>Provide client documentation required to commence the Golden Visa process</td>
</tr>
<tr>
<td>Provide client documentation required for onboarding</td>
<td>File for all tax declarations that client may be obliged to present under Portuguese Law</td>
<td>Fund KYC /Client Approval</td>
<td>Upload documentation onto SEF online platform</td>
</tr>
<tr>
<td>Legal KYC / Client Approval</td>
<td>Open Portuguese Bank Account</td>
<td>Complete Fund Subscription Forms</td>
<td>Payment of Government / SEF Fees</td>
</tr>
<tr>
<td>Execution of PoA and additional documentation</td>
<td></td>
<td>Transfer Investment Funds to personal bank account in Portugal</td>
<td>SEF preliminary analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transfer of investment funds to Fund Bank Account</td>
<td>SEF Authorization to schedule biometrics appointment at a SEF office in Portugal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank issues Bank Declaration Form Fund Manager issues Investment Certificate</td>
<td>Schedule Biometric Appointment</td>
</tr>
</tbody>
</table>
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.

1. **Initial application**
   - Initial application submitted online (investor and family members)
   - After the request is approved by SEF, in-person appointment and collection of biometric data for the investor and all family members (if applicable)

2. **Residency card** (Year 0)
   - Valid for a 2-year period
   - Investor and family members allowed, among other benefits, to travel freely within the Schengen Area without applying for any visas

3. **Residency 1st renewal** (Year 2)
   - Need to prove ownership of the Fund’s participation units and maintenance of the investment conditions
   - Minimum in-country time requirement of 14 days over the prior 2-year period
   - Retake biometrics and provide up-to-date criminal records

4. **Residency 2nd renewal** (Year 4)
   - Need to prove ownership of the Fund’s participation units and maintenance of the investment conditions
   - Minimum in-country time requirement of 14 days over the prior 2-year period
   - Retake biometrics and provide up-to-date documents

5. **Permanent residency or citizenship** (Year 5)
   - Possibility to either apply for permanent residency or citizenship, or continue renewing the Golden Visa for successive 2-year periods (year 6, year 8, ...)

6-12 months, 2 years, 5 years after residency card
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.

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