

Permanent Crops in Iberia: EXTRA VIRGIN OLIVE OIL - EVOO

ProAg Invest | Sustainable Agriculture

ProAg Invest is a farmland management firm specialized in high yielding permanent crops in Iberia & Latin America, built by a team of dedicated Agro professionals with more than 25 years of experience in farm management and high value-added crops like avocado & mango, pistachio, olive, citrics and berries.

WHY EVOO

INVESTMENT OPPORTUNITY

For investors seeking to diversify their agricultural portfolios, Olive Oil offer a unique opportunity. The high demand for the Olive Oil, both domestically and across Worldwide, provides a steady revenue stream.

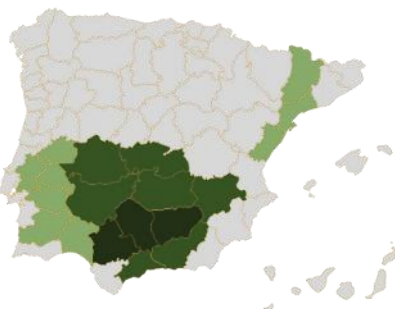
This consistent global market demand, coupled with the high cultivation technification, makes the crop a solid hedge against market uncertainties, further enhancing portfolio stability and providing robust returns.

IBERIA, THE HOT SPOT

Originally from Middle East, Olive crops has been expanding across the Mediterranean area since the Phoenician civilization. It is a typically Mediterranean species capable of withstanding annual periods of rain and cold, as well as long droughts and high temperatures.

There are many varieties of olive trees which adapt to the specific characteristics of the different farm (Arbequina, Arbosana, etc) and there are new varieties that promise very good results (Coriana, Lecciana), all of them prepared for SHD cultivation.

In Iberia, olive is primarily grown in Castilla La Mancha, Andalusia and the south of Portugal, where climatic conditions such as mild winters and sunny days support its growth.



High Density and Super High Density

Olive groves have experienced an unprecedented boom in recent years thanks to a reduction in harvesting costs, high degree of mechanization and its higher production.

TECHNICAL REQUIREMENTS

The olive tree needs temperate climates, hence its easy proliferation throughout the Mediterranean.

- **Soil:** not very demanding, prefers Ph 6-8,5 loose and sandy loam soils, permeable, calcareous, with good drainage and aeration.
- **Water:** well adapted to Mediterranean characteristics, SHD groves require between 2,000 to 2,500 m³/ha of water.
- **Temperature:** tolerate high temperatures well, although the ideal temperature for their growth is between 18 and 22 °C. It is sensitive to frost, although it can withstand temperatures of 8°C-10°C below zero.

THE CROP

THE MARKET

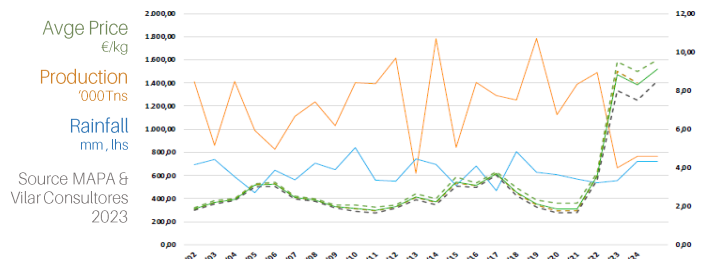
- Spain is ranked first in the world in terms of olive grove surface area and olive oil production. Spanish production represents approximately 60% of EU production and 45% worldwide, with 3,2 Mn Has and 1,5Mn Tons.
- Although global olive oil production is close to 3.2 million tons, it barely represents 3% of the total oil consumed worldwide. However, the strong demand in countries such as the USA and China, where it is considered a *delicatessen*, makes it a crop with enormous growth potential.

OLIVE VARIETIES

- Two main classes: table varieties and varieties for oil or for the olive mill.
- Main table varieties: Manzanilla Sevillana and Gordal Sevillana.
- For oil or for the olive mill are: Picual, the most well-known and common variety in Spain, characterized by its outstanding fat yield (22%), its rapid entry into production and its easy mechanization.
- The commercial and production varieties for the olive mill are known for their different characteristics, both in terms of production and the quality of the oil obtained. Among them, the most notable are Arbequina, Arbosana, Hojiblanca and Coriana.

INVESTMENT KPIs

- **Trees:** SHD Olive groves have circa 2,000 trees/ha (vs 286 traditional), and enter intro production on 3rd year, reaches full production on year 5th, and have an average productive lifespan of 20-25 years
- **Production:** SHD irrigated farms produce on average 12-14 tons/ha olives, or 2,100-2,500 kg/ha of olive oil (18%), with years Off & On, depending on water availability and grove management.
- **Prices:** currently in maximum, returning to historical average around 4,00€/Kg EVOO premium.



- **Costs:** SHD grove Capex 9,000€/Ha, and Opex around 2,500€/Ha, which means around 1,0€ per kg oil (vs 2,18€ of traditional groves).
- **Potential average revenues** of €7,900 per hectare, with average EBITDA around €5,420/Ha, year On&Off.
- **Land prices** for an EVOO farm in full operation ranges between 30 and 60,000 €/ha, depending on location and water availability.



REGENERATIVE AGRICULTURE

At ProAg Invest we believe that *RegenAg is a matter of common sense*, and we aim to manage our farms in that way, focusing on soil regeneration, water cycle restoration, carbon sequestration and biodiversity enhancement through:

1. Permanent, no-till crops and extensive use of selected cover crops to increase organic matter and support pollinators
2. Improving soil fertility through natural methods and biological pest (insects) control, leaving pruning remains and mulch between trees for compost
3. Water management optimization, with the adoption of precision agriculture and advanced irrigation techniques & technology (sensor, satellite mapping, etc), maximizing yields while reducing resource use.
4. Use of anti-weed mesh to avoid use of herbicides, retain soil moisture and save water
5. Integrating livestock for natural weed control and fertilization

ESG APPROACH

We are also aware of our investment capacity to transcend the financial objective and also achieve our **ESG objectives**:

Social SDG 8, contributing to job retention in rural areas by promoting rural economic development, & **Environmental SDG 12 & SDG 15**, implement the EU "Green Deal", "Biodiversity" and "From-Farm-to-Fork



Make sure Europeans get healthy, affordable and sustainable food



Tackle climate change



Protect the environment and preserve biodiversity



Fair economic return in the food chain



Increase organic farming

HOW

- ✓ A right selection of genetic material, combining high-potential varieties with rootstocks suited to each location, along with proven quality nurseries, ensures the establishment of a high-potential operation for the future.
- ✓ A network of prestigious external advisors specialists in irrigation and drainage, plant health, and Olive Oil marketing ensures a sustainable and profitable future for our projects.
- ✓ Investors can capitalize on these background to drive operational efficiency, optimizing inputs such as water, fertilizers and labour, which leads to higher returns per hectare.
- ✓ This combination of modern farming practices with a high-value crop like SHD Olive Oil creates an attractive, scalable investment opportunity.

EXPERIENCED TEAM WITH SOLID TRACK RECORD

FARM MANAGEMENT

A dedicated management team with a large track record in farm management and development of high yielding value-added crops such as pistachio, almond, avocado, citrics and berries. Professional farmers and Agro engineers with more than 20 years of experience in top Agro companies in Iberia and Latin America for top institutional investors.

More than 5,000Ha under management of different type of crops, from annual cereals to permanent crops, from rainfed to irrigated land.

PORTFOLIO MANAGEMENT

Extensive portfolio management experience on Real Assets for institutional investors and regulated vehicles. Transparent and on-time qualified reporting.

MANAGEMENT TEAM



Rafael Martínez-Cañavate
Technical Director & Investment Committee
 Agricultural Entrepreneur & Agro Lawyer
 +25 years relevant agro experience
 Board Mbr DCOOP & Pres. Temple Oliva SCoop



Ian Carlo Bottinelli
Subtropical Crops Investments Director
 Agricultural Engineer by Chile University
 20+ yrs mgmt experience in top Agro Mgmt Firms
 +3,200 Ha specialized on Subtropical crops



Javier E. Vivar
Pistachio Crops Advisor
 Agricultural Technical Engineer by UCLM
 5+ yrs mgmt experience in Pistachio Mgmt, Advisory & AgroTech implementation



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EXTERNAL ADVISORS



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