

Permanent Crops in Iberia: PISTACHIO

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 PISTACHIO

INVESTMENT OPPORTUNITY

For investors seeking to diversify their agricultural portfolios, pistachio offer a unique high yielding opportunity. The consistently high demand from Europe and China, provides a steady revenue stream.

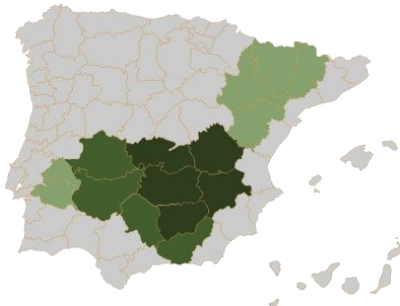
This growing market demand, coupled with the relatively low volatility of prices, makes pistachio crop a solid hedge against market uncertainties, further enhancing portfolio stability and providing robust returns.

IBERIA, THE ALTERNATIVE TO THE US & ASIA

Originally from Asia, pistachio crops has been expanding across the world and is now well-adapted in other climate-like regions like the West of US and the Mediterranean area.

Iberia is currently the preferred location for many international Agro investors, with a privileged climate that allows the development of high-yield permanent crops like pistachio, leaders in agricultural production with a strong agri-food value chain and proven experience.

In Iberia, pistachio is primarily grown in the center of the peninsula, in **Castilla la Mancha**, where climatic conditions such as cold winters and warm summers support its growth.



TECHNICAL REQUIREMENTS

Pistachios are medium-sized trees, strong, resistant to water stress, with alternate production (depending on the variety) and deciduous leaves.

- **Flowering** in April, **harvest** in September - October.
- **Wind pollination:** male individuals produce pollen and females bear fruit, so it is necessary to design the plantation by strategically placing males.
- **Temperature:** requires cold winters (600-1,000 cold hours) and long summers (3,100-3,500 hours), areas with great temperature contrast between winter and summer.
- **Soil:** It requires well-drained, alkaline (high pH) and deep soils
- In modern plantations, harvesting is mechanized. Peeling and drying is required in a maximum of 24 hours. Therefore, the capacity and proximity of the industry to the farm must be taken into account for the treatment of the product.

THE CROP

THE MARKET

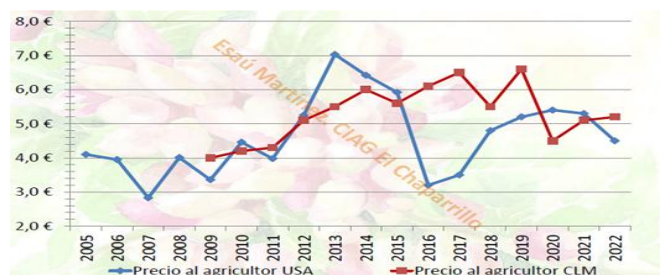
- US, Turkey and Iran are the largest producers with 980k Tons and 1,1M Has, followed by Syria (30K Tn) and the EU (18k Tn)
- China and the EU are net importers, 60% of the global demand with 300k Tons, while Turkey's production is mostly dedicated to satisfy their own demand, and the US and Iran net exporters.

PISTACHIO VARIETIES

- Kerman is the most widely grown pistachio variety worldwide and represents the majority of avocado production in Spain, around 80%.
- However, new varieties like Golden or Lost Hills are gaining share due to their competitive advantages such as larger calibre, percentage of open fruit, lower alternate bearing ($\pm 20\%$), greater precocity and planting frame, with the consequent increase in productivity

INVESTMENT KPIs

- **Trees:** enter into production on 4-5th year, reaches full production on year 9th, and have a very long productive lifespan of 80-100 years
- **Production:** average 1,500-2,500 kgs/ha, with years On & Off with $\pm 20\%$, depending on water availability and grove management.
- **Prices:** stable around 4-8€/Kg, depending on calibre, openness, etc.



- **Costs:** Capex around 12-15,000€/Ha, Royalties & Opex around 7,000€/Ha, depending on the land, quality of plants and management expertise.
- **Potential gross revenues** of 15-18,000€/Ha, with EBITDA margins of 10-12k €/Ha in productive years.
- **Land prices** for an pistachio farm in full operation ranges between 70 and 85k €/ha, depending on location and water availability.

*Data source Observatorio de Precios. OCDE, FAO and MAPA, 2022



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

Jaime Rodríguez Pato

Product Manager & Investment Committee
 30+ yrs experience in Financial Markets & Asset Management

+34 6709 147 736 jaime.rp@proaginvest.com



EXTERNAL ADVISORS



David Trujillo
Portfolio & Fin Mgmt Advisory

Juan Vilar - Vilcon
EVOO Crops Advisor



REGENERATIVE AGRICULTURE

At ProAg Invest we believe that **RegenAg is a matter of commonsense**, 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 pistachio 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 pistachio creates an attractive, scalable investment opportunity.