

Permanent Crops in Iberia: PREMIUM TANGERINES

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, premium tangerines and berries.

WHY PREMIUM TANGERINES

INVESTMENT OPPORTUNITY

For investors seeking to diversify their agricultural portfolios, premium citrus like tangerines of royalty offer an attractive investment alternative.

The consistently high demand for premium fruit across Europe provides a steady revenue stream. This growing market demand, coupled with the higher and relatively low volatility of premium tangerine prices, makes the crop a solid hedge against market uncertainties, further enhancing portfolio stability and providing robust returns.

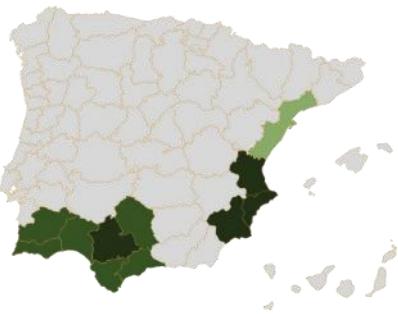
IBERIA, THE HOT SPOT

Originally from South East Asia, citric crops has been expanding across the Mediterranean area since the Roman civilization.

Citrus fruits are naturally grown in areas with warm and temperate climates, especially in the Mediterranean region, characterized by mild winters and hot summers. In fact, they need a considerable amount of sunlight to grow well and produce high-quality fruit, as they do not tolerate frost, to which they are sensitive. Regions with harsh winters are not suitable for their cultivation.

In Iberia, citrus are primarily grown in Valencia, South West of Andalusia and Portugal, where climatic conditions such as mild winters and sunny days support its growth.

Premium mandarins are highly productive trees, with late production compared to other citrus fruits, and excellent features, justifying its higher prices paid in European markets.



AGRONOMIC REQUIREMENTS

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

- **Soil:** premium citrics prefer sandy, well drained soils with a pH between 5.5 and 7.0 and low salinity.
- **Water:** Very demanding both in terms of quality (low salinity) and quantity, around 5,500 m³/ha.
- **Temperature:** optimum between 23°C and 35°C. Below 13°C, growth stops and above 39°C, vegetative activity stops. Damage begins when the temperature is below -2°C and above 50°C.

* Source Mesa Precios Lonja Citricos Valencia www.precioscitricos.com 2023

THE CROP

THE MARKET

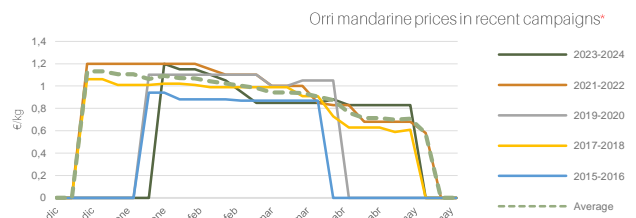
- Largest producers are China (80%), Spain (8%), Morocco, US, Japan, Italy, Israel and Egypt. In EU, Spain and Italy account for 80% of production while the remaining 20% is for Portugal, Greece and Cyprus.
- Spain exports 60% of production mainly to EU & UK, with Valencia and Andalusia being the main producing regions.

PREMIUM TANGERINE TOP VARIETIES

- Top three premium tangerines:
 - ✓ **Tango:** seedless and easy peel, orange dish and resistant to cold, with a medium size, it is mainly used for the fresh market. Harvest in January.
 - ✓ **Orri:** almost seedless, with a medium size and a particularly pleasant organoleptic sensation, high productivity and long-lasting on tree, harvesting from January to May.
 - ✓ **Rest of the varieties:** There are multitude of varieties with similar conditions but different market possibilities.

INVESTMENT KPIs

- **Trees:** average premium tangerine grove has 400 to 500 trees/ha, and enter into production on 3rd year, reaches full production on year 7th, and have an average productive lifespan of 40 years.
- **Production:** premium citric farms produce on average 45-70 tons/ha (80-100kg/tree), with years Off & On, depending on water availability and grove management.
- **Prices:** premium mandarin prices are fairly stable, Orri* averaging €1.1-€0.7/kg throughout the campaign



- **Costs:** manual harvesting and annual pruning, tangerine Capex 40,000€/Ha, including Royalty fees, and Opex around 7,800€/Ha, which means around 0,16€ per kg..
- Potential average EBITDA of €18,000 per hectare, with years On & Off.
- **Land prices** for an premium citric farm in full operation ranges between 100-140,000 €/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 avocado 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 avocado 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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