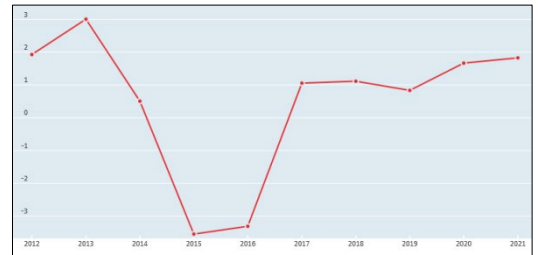
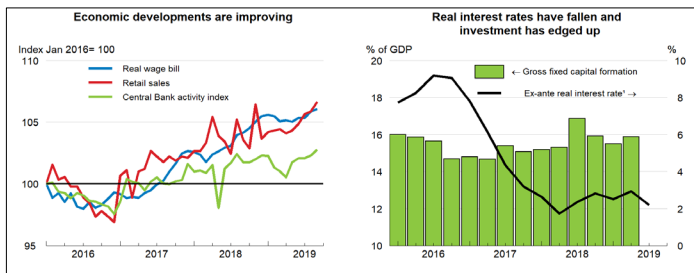


Investment Opportunities in the Brazil Agribusiness sector

2020 is the year to invest in Brazil

Brazil Economy and Agribusiness

- Brazil has come out of recession – the OECD economic forecast November 2019 (graphs below) demonstrate that after 12 months of President Bolsonaro’s government the Brazilian economy is continuing to recover.
- Brazil’s economy grew by 1.0 percent in 2018 and 2019 and GDP is projected to increase to around 2.0% in 2020-2021 with lower inflation and declining unemployment. The central bank annual interest rate (SALIC) has now been reduced to 4.5%.
- FX rates are projected to remain around R\$4.0/\$ until Q2 but as the economy further recovers rates are projected to strengthen to R\$3.7/\$ by Q4 2020



- Agriculture and food processing performed better than other sectors during the recession and with strong global export and an increasingly robust domestic market, this sector is in good shape to continue to grow quickly.
- The latest Institute of Geography and Statistics (IBGE) Agricultural Census report shows how technology and note that 77% of farming operations were classified as family farms. From 2006 to 2017 in almost all crops there was a substantial increase in productivity with corn rising 57%, rice 60%, beans 46%, soybeans 30% and irrigation expanded by 47.6%
- In selected regions of Brazil with favourable climate, productive soils and good logistics, large scale crop and livestock farming companies are improving performance and many are ready to expand. In contrast, many farming families and small to medium farming companies are still either under financial pressure or are unwilling to develop farmland and want to sell.
- Brazil's soya, corn and cotton exports to Asian markets were strong in 2019 thanks to the trade dispute between the US and China and the relatively weak Real. Brazil's cotton exports hit record levels during October and November and for soya, China has shifted to more supplies from Brazil.
- The Brazilian government is planning to obtain bids on 44 transport and infrastructure projects in 2020, which are expected to bring \$25bn investment for highways, railroads, airports and port facilities.

Farmland market

- During the last 5 years the farmland market was variable with some agribusinesses maintaining commercial value but many have been for sale at heavily discounted values.
- Since 2015 there has been a lack of liquidity and many banks and financial institutions with limited funds for farmland purchases or expansion. The farmland market was stagnant with few transactions and there is a huge backlog of farms for sale in an under value market.
- In Q3 and Q4/2019 there has been more activity with increased funds flowing through Brazilian based banks to support new farmland development or acquisitions.
- Since Q4 2019 there have been clear signs of recovery in regions where better than average producers have performed well and acquisitions of neighbouring farmland have increased with transactions at low values or payment in parcels over 3 to 5 years.
- Brazil Agri Invest considers the farmland market in the underdeveloped central west and north regions is under value (see map inside red area in regions of Mato Grosso, Para, Tocantins and Maranhao).
- Brazil Agri Invest foresees an opportunity to develop farms in the region of south Maranhao, north Tocantins and east Para. This is in a reliable rainfall region – more reliable than other crop regions further south, the soils are variable but there are regions where rich seams of highly fertile soils can be found, the infrastructure is developing quickly with efficient rail and road systems to Itaquí port for export products and the farmland is still considerably undervalued but is likely to increase quickly during the next two years.



Legal

- From 2000 to 2010 there was increasing investment by foreign investors into farmland in Brazil but the Foreign Investment AGU law was enforced by the Lula government, which restricted investment to 49% shares in farmland and limited investor control.
- Since, there have been a small number of foreign investors who have navigated around the AGU law with FIP (Foreign Investment Partnerships) arrangements.
- Leading lawyers who advise Brazilian government indicate the AGU regulation will be reviewed by the senate between Q2 and Q3 2020 allowing foreign investors to establish Brazilian companies and invest in farmland without restriction.

New crop and cattle farming system

- A new farming system developing in many regions with three crops being soya, followed by corn and cattle has improved the performance on many farms.
- In the last 10 years Brazilian producers have integrated crops and cattle and adapted to more extreme climates – many strategies designed to add value and save costs and protect against abnormal drier climate conditions.
- New technology in machinery, crops, cattle and infrastructure requires more investment and working capital.
- Technical knowledge and development strategies are supported by extensive research and Due Diligence into potential issues such as micro-climates, grain storage and the supply chain to the domestic and export market.

Investment Opportunities

The Brazil Agri Invest team recognises there are some 'first mover' opportunities for investors and have selected Brazilian Agribusiness partners with proven track records, local knowledge and experience of important criteria as the climate and farmland productivity potential. The investment proposals set out in this document have good scale and are located in selected regions with productive soils, reliable rainfall plus efficient infrastructure and relatively close to export ports. Proposals are carefully researched by the Brazil Agri Invest team who work closely with our Brazilian clients and prepare detailed financial projections and comprehensive Information Memorandums.

BAI has a financial modeller experienced in preparing projections for agribusinesses and developed a standard format including for equity investment - historic and projected numbers which show income, expenditure, gross and net profits, EBITDAs and return on investment and for loans the capacity to repay is shown with accumulated net profit numbers.

BRAZIL AGRICULTURE INVEST specialises in raising funds for Brazilian clients seeking to develop or expand Agribusinesses Investment Opportunities - \$20mn to \$200mn:

Development of modern grass fed beef unit Maranhao – JV investment \$40mn

- JV with existing Brazilian cattle operator with pilot 1,100ha intensive paddock system farm for beef production
- Requires \$40mn to acquire 10,000ha farmland plus 25,000 breeding herd and operate complete herd system with extensive cattle breeding unit with a second intensive grass finishing unit
- The combination of high tech top quality genetics and the new paddock pasture system with cattle rotated to produce younger cattle for slaughter with tasty and tender beef
- Low cost branded grass fed beef is starting to command premium prices in the domestic Brazilian market or has potential to be exported to global food retailers
- Returns over 12 years are projected in the mid teens



Crop and cattle farm with good track record Tocantins – JV to triple size \$50mn investment

- Established farming family owns a 2,800ha fully developed and the owners have developed a profitable agribusiness in 7 years including crops and cattle with a current value of \$30.0mn
- In 2020 the owners have an opportunity to acquire the adjoining 8,300ha cattle farm totaling 11,100ha and from 2020 through to 2025 will develop the farm land for both crop and cattle production
- Seeks 50% JV partner with \$50.0mn to acquire, transform and improve the performance of the new farmland plus operate the crop production and buy more cattle
- Projected asset value \$235mn with IRR 18.25% return in 10 years



Greenfield smart orchard model for precision, vertically integrated cacao production and agroforestry – options to fund 2,000ha plantations (\$40mn) or entire development (\$330mn)

- Opportunity to develop leading producer in Brazilian cacao sector to supply global chocolate makers large volumes of high quality processed beans and cacao sub products
- Specialist cacao team is ready to develop 15,000ha of high tech, medium density, irrigated plantations plus a central processing unit in the central west region of Bahia state
- Recent advances in production technology will ensure double average crop yields of high quality beans and post harvest processing will add over 50% value and maximise returns
- Other large scale greenfield plantations being developed in region are supported by international cacao processors
- Total \$330mn investment required with 2 years pre-planting, 3 years planting and 5 years to mature plantation and commence harvest with state of the art processing unit - asset value projected to appreciate x 5 in 12 years



Greenfield integrated livestock production - meat processing company for domestic market – JV investment \$40mn

- Enterprising family/group creating integrated farmland, animal production and meat processing and marketing company located near Colinas, Tocantins and market products in northern Brazil
- 9,000ha productive farmland producing grain and pastures for herds of beef cattle, sheep and pigs plus chicken and fish. High quality animals produced and processed into high quality meat with product distribution and marketing under a regional brand
- Advantageous location to supply the quickly growing large retail food sector in northern Brazil
- Central site for finishing with feed ration mill adjoining specifically designed slaughter and meat processing and distribution facility
- Seeking investment partner to provide funds to acquire and improve more farmland and build state of art feed ration mill and slaughter and processing facility. Investor to acquire 50% for \$41.3mn with returns projected 31.8% over 13 years



Acquisition of large scale agribusiness of crop farm cluster in top regions of Mato Grosso – Experienced regional operator seeks \$150mn investment

- Fully developed group with productive owned or leased farmland for sale at discounted value for quick sale
- Producing soya, corn, cotton and cattle with infrastructure, machinery and equipment
- Acquisition and investment partnership to be negotiated in Q1 2020
- Favourable tax position with high level of accumulated tax losses



Large scale crop farms seek loans for expansion of \$20mn to \$50mn

- Three separate Agribusiness groups require midterm 5 to 7 year loans to expand existing profitable operations
- All developing integrated system of soya, corn, cotton with grain storage and cotton processing plus cattle finishing on pastures
- Guarantees offered with farmland and crops

Sugar Mill and irrigated cane – Sao Francisco Valley, Bahia

Farmland owner and project leader seeks 2 stage development for \$100mn to \$200mn investment

- Road and rail infrastructure in the Sao Francisco valley region from Bom Jesus de Lapa to Barra is being developed with regional government support to develop grain, citrus and sugar production
- Investment partners sought for a new greenfield development to plant irrigated sugar cane next to the Sao Francisco and Rio Grande rivers and build a state of the art mill with stage one mill 2.0mt scaling up to 4.0mt. Farmland owner with 24,000ha with year round production minimizing costs and use of funds
- Partnerships formed with two of the most technically advanced sugar mill companies in Brazil with co-energy products of crystal sugar, ethanol and electricity



Cattle genetic group central Brazil – acquisition of certified AI programme and consultancy - \$20mn investment

- Nelore cattle genetic group created 25 years ago and one of the largest private cattle breeding programs in the world
- Increases profitability of beef through cutting-edge technology with associated ranchers based on DNA information.
- Genomic technology identifies superior animals before birth shortening the production cycle
- Database of 350,000 cattle with 78,000 cows located on 65 farms
- Acquiring an elite herd with 10,000 head is an additional option

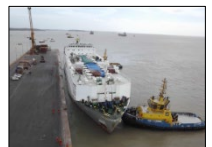


Farmland investment partnership – South Maranhao, north Tocantins and east Para

- A range of clients with fully developed farmland and management track record seek investment partners to acquire and develop new farms in this developing region
- Farms opened 20 to 40 years ago with extensive but low income cattle systems are suitable to be developed by reforming pastures for crops of soya, corn and cattle – micro climates are critical but our clients have local knowledge
- Previously considered as only suitable for cattle these farms have fertile soils and with improved road access and new crop systems this now increases value similar to other fully developed crops farms in the regions of central and north Brazil (eg: R\$25,000/ha)
- The farms can currently be acquired at a very low price of between R\$1,000/ha and R\$4,000/ha with development costs R\$7,000/ha
- Investor partnership terms range from 40% to 60% shares with exit options after 8 years with projected high teen returns

Export company for live cattle to Middle East – between \$5mn and \$20mn export and domestic trade credit loans

- New group to export live young and finished cattle from Brazil to Middle East countries
- Consignments of 5,000 to 15,000 head per cycle x 100 days
- Loan funding required for supply chain from production farms commencing at central collection feed-lots to Pre-Embarking Quarantine stations to ports and for vessel journeys to Middle East
- Loans secured with cattle plus guarantees and credit line payments with FOB and CIF models
- 7.0% to 9.0% returns



Sugar Trading Group - \$60mn trade credit facility

- Senior management team of global corporate which is exiting current portfolio of 20 sugar cane plantation companies seek trade funds to provide pre crop credit finance with 6 month production cycles
- Known track record of clients with no history of defaults
- Group sells some of clients sugar on market – established sales team
- High single digit returns – potential to expand portfolio in 2021



All enquiries related to these investments should be directed to the Investment Team:

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DISCLAIMER

The investment agent identifies opportunities for investment in agriculture and food processing. It then brings those opportunities to the attention of potential investors, by way of introductory documents and conversations (“Introductions”). These Introductions may include emails, summaries and presentations, both written and verbal. Introductions presented by the investment agency to potential investors are independent assessments of a business proposition. All such Introductions, unless explicitly labelled otherwise, will not be an official document or representation from the relevant business, farmer or founder, and investment decisions should not be based on any such Introductions. Before making investment decisions, investors should conduct their own due diligence and assessments of information provided directly by the relevant business, farmer or founder.

Introductions will not constitute an offer to sell securities, nor will they be an offer to invest funds in any venture or opportunity described, nor will they be any kind of financial or investment advice. The sole purpose of the Introductions will be to provide an introductory assessment for discussion purposes. By pursuing opportunities introduced by the investment agency, or requesting further information about such opportunities, potential investors acknowledge that they are not relying on the Introductions in any way, and absolve the investment agency from any responsibility or liability for their investment decisions, and that under no circumstances will the investment agency or associates be liable to the investor for any losses or damages.