

TABLE GRAPE FARM FOR SALE

250 has of land - 350k+ cases
Traditional, Organic & Licensed cv

THE FARM

The farm for sale is a flat irrigated 250+ hectares plot of agricultural prime land in the south of Peru, with 130+ planted hectares of certified table grape, fully implemented and with infrastructure to pack, cool and export directly all its fruit within 48 hours to the most demanding markets worldwide. The land is in a region with well proven and mild climate to produce high quality table grapes. Registered water rights are secured and in excess for existing planted area. With more than 6 deep well, irrigation is enough to grow and support more than 200 hectares. Infrastructure (7.000 m2) includes offices, packing house (110 ton/day), cool stores, drip irrigation systems, amongst others. Access to a paved road connects with the regional main city to the east and two ports to the west.

The farm for sale is with another plot of 300 hectares, the agricultural unit of a larger local group. The unit has local bank debt which a collateral trust agreement. This guarantee structure, common in Peru, secures a clean sale and asset exit from the group, despite the owner-company potential additional debt or other payments potentially due.

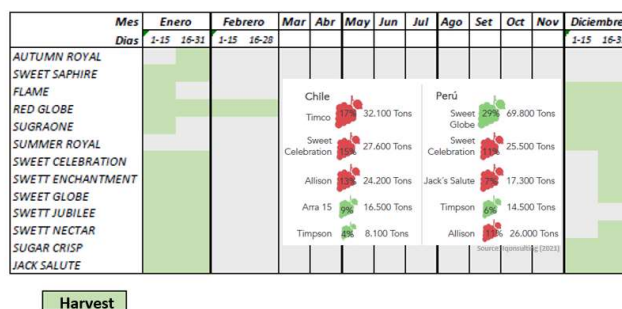
THE MARKET

Peru was in 2021 the first table grape exporter in the southern hemisphere, with more than 500th+ MT (65mln cases - 8.2kg), slightly ahead of Chile table grape industry, with a diminished production during 2021 due to heavy summer rains. Other southern hemisphere countries like South Africa (300.000 MT) or Australia (150.000 MT) are well behind in volume and far away from the prime US market. Peru has more than 50% of Licensed ('new') table grapes varieties, grown mainly in two regions (87%): Piura in the north and Ica in the south. Peru

increasing market position is strengthening as the warm dry desertic climate in the western coastal plains provide a more stable and faster growing environment to this highly demanding crop (both in capex and working capital). As central Chile table grape region continues to decrease acreage due to growing population, drought and climate change, Peru keeps growing, with further new varieties, high-tech farms in fully irrigated land coming from large governmental and private irrigations projects.



As the US table grape harvest keeps extending towards Peru opening season (Oct), Peru will also continue to extend its season more into Chile's early (Nov) and midseason (Dec-Jan). This places The Farm with harvest in Dec-Jan, with the right licensed varieties in Peru (see graph below), well in the southern hemisphere market for USA and other markets.



BUSINESS OPPORTUNITY

- 1) Asset acquisition: 250+ hectares of prime irrigated land, with 130+ has of table grapes, fully implemented for direct exports.
- 2) Make an additional offer for a neighboring 300 has farm, to build up a 550 hectares larger unit.
- 3) Negotiate with local bank existing debt collateralized with the 250 has farm at existing convenient conditions.

COMPETITIVE ADVANTAGES

- ✓ Fully implemented farm for direct production and direct export. Foreign fruit buyers are well respected US and EU companies.
- ✓ Desirable mix of traditional conventional and organic varieties, as well as Licensed fruit of the Sweet IFG line. As of March 2022, AM FRESH announced to Acquire IFG and Merge it with SNFL. The farm has both IFG (Sweet Globe) and SNFL (A. Royal) cvs.
- ✓ Supply of fruit between December and February is complementary to Peru early season (North – Piura) and coincident with Chile's mid-season, being a good complement and geographic portfolio diversification for larger table grape groups.
- ✓ Farm has also 15 hectares of high productive Pomegranates, plus a 300 has neighboring farm with 70 hectares with Table Grapes and Pomegranate, totaling eventually a larger 550 hectares unit.

STRATEGIC ADVANTAGES

- ✓ IFG and SNFL varieties; Traditional and Organic production.
- ✓ Own packing and coolstore capacity for higher quality results.
- ✓ Organics and Rainforest certification, not common in the local industry.
- ✓ Mild weather and low climatic risk (no events in 2016 Niño) .
- ✓ Large scalability potential, both in exports and new plantings.
- ✓ Clean acquisition guaranteed from a well respect Trust.
- ✓ Potential USD ±8mln available debt from existing bank.



PERU MACROECONOMIC OUTLOOK

Peru has been one of the most prominent performers in Latin America in the last 25 years.

Following a robust expansion during the previous decade, the Peruvian economy grew at a slower pace between 2014 and 2019, in a less favorable external context. In 2020, the COVID-19 crisis had significant economic impact although a strong recovery and rebound is expected for 2021 and on. Peru is characterized by a complex and diverse geography that holds wealth in natural resources. Peru has also a remarkable cultural heritage, rich ethnic diversity and diverse population which have shaped growth but also some unbalanced economic development and spatial concentration. This condition has led in 2021 to a change in the political balance in with the election of a new leftwing government for 5 years. Nonetheless, and despite past political instability, the government has no majority in congress, balancing power and providing reasonably economic stability. Besides some increase in populism in the region, from a socio-political point of view, the election of leftist candidate secures to some degree higher social stability and lower levels of post-covid unrest events, particularly needed in the agribusiness sector and rural areas. Overall, Peru's strong macro institutions and external finances continue to support a BBB investment grade rating.

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