

ForestEffect II: Supply Chain Sustainable Fund (SSCF)

A true capital partner for sustainable agriculture

Investment Focus SSCF

Mission	Focus	
<ul style="list-style-type: none">SSCF will make equity investments in Dutch agri/food companies active in emerging marketsWe will target companies in food value chains such as coffee, cocoa, nuts and fruitsSSCF commits to rebuild value chains to create impact through increased efficiency, inclusiveness, transparency and traceabilityWe aim to return 2,5x capital invested	Equity investments in Dutch agri/food companies active in emerging markets	
	Geography	The Fund will deploy most of the investment funds in Africa (West, East and South), Central America and South East Asia
	Strategic Partners	Dutch government through Dutch Good Growth Fund (DGGF) and investors with relevant experience in the commodity space
	Investment Strategy	Invest in companies active in the agricultural value chain that are looking for strategic financing partner Average ticket size will be 10% of the funds under management (minority/majority positions with seats at board)
	Fund	We will start with € 45m under management and target € 100m
	Exit	Maximum of 10 years with a long term horizon in companies with a clear exit strategy

Investment Manager: ForestEffect Management



Paulo Bello

Paulo worked in the global commodity markets for 20 years before founding ForestEffect Fund in 2016. He worked for organisations such as Cargill, Intersnack, BHP Billiton and has deep knowledge of local conditions for the production of commodities in developing countries. During this time, his work brought him to most regions where commodities are produced. This includes West Africa, South and Central America and Asia. Since 2005, Paulo has invested in companies and projects in emerging markets and the Netherlands with sustainable business cases.

In 2016, his experiences and network led to the ForestEffect Fund where he acts as CEO and investment manager. In the new Fund, he will act as CEO of the Manager and his key role is deal development and deal negotiation.



Walle Oppedijk van Veen

Walle Oppedijk van Veen worked for Accenture, Shell and BHP Billiton where he developed the global carbon emissions business together with Paulo. His work led him to invest in sustainable projects in emerging markets and developed his knowledge and skills to create business cases around sustainability. In 2008, Walle co-founded starting an investment and trading firm with Paulo. Since that time, he developed and assessed many investments in emerging economies in sectors such as sugarcane, citrus, cocoa, agroforestry, palm oil, coffee and fruits (juices).

In 2016, he co-founded ForestEffect where he is responsible for deal origination, executing investments and assisting investee companies on the development of sustainable business cases. In the new Fund, he will continue to act as a partner and his key role is deal negotiation and deal execution.



Joost Van Meerbeeck

Joost started his career as a consultant at McKinsey before joining HAL Investments, one of the leading private equity firms in Europe. Joost joined HAL in 1992 as HAL's 3rd investment professional (after HAL's current Chairman and current CEO). Since then the investment group autonomously grew from 600 million USD to 13 billion Euro in 2016. In 2016, Joost evolved towards an advisory role at HAL and non-executive board member at a number of HAL subsidiaries. He also founded SUSTINVEST an international investment company.

With new steps the Manager is taking, Joost is joining the Manager as a partner with the aim to strengthen the investment team with the launch of the new Fund. His role will be focused on deal support and deal negotiation.

Core Investment Team

Guilherme Romano Teixeira

Guilherme spent 6 years as a Private Equity professional at the Icatu Group, a multi billion investment company in Brazil, being involved in a broad spectrum of investment opportunities including late-stage minority investments and buy-outs.

He participates in all phases of the investment process from performing valuations and DD to implementing investment proposals.

Guilherme is enrolled for the CFA level III and is finalizing his Finance Master at the University of Amsterdam. He will work as a full time investment associate for the Fund.

Joost de Vries

As a merger and acquisition advisor, Joost has been involved in more than thirty transactions during the past decade, including de-listings, management buy outs / buy ins and carve-outs from the first negotiations, valuation issues and financing up to and including the closing of a transaction.

Joost is associate at JBR Consultancy and founder of JBR Institute. Joost will assist the Manager in the investment process.

Willem Appel

Willem is part of the co-founders of the ForestEffect Fund and the Manager and currently serves as the Chairman of the ForestEffect Fund Investment Committee.

He is also partner of Roodhals Capital, a boutique corporate finance firm that advises and arranges financial solutions for investors and mid-sized companies in Europe. Willem was co-portfolio manager of the Branta Solutions Fund (2009-2013) that invested, among others, in trends in agriculture and natural resources. Before that he was a banker at ING Bank (1991 – 2007), where he lent to and invested in agrifirms, ranging from cocoa traders to chicken farms and fertilizer producers.

Coen Van Dedem

Coen assists the Manager as a general counsel on strategic and legal affairs.

He has extensive experience in issues around governance, DD processes, legal and deal documentation.

Coen has been assisting the Manager on these issues with the ForestEffect Fund and we see an extended role for him in the Fund on governance, legal and strategic support.

ForestEffect II: Supply Chain Sustainable Fund

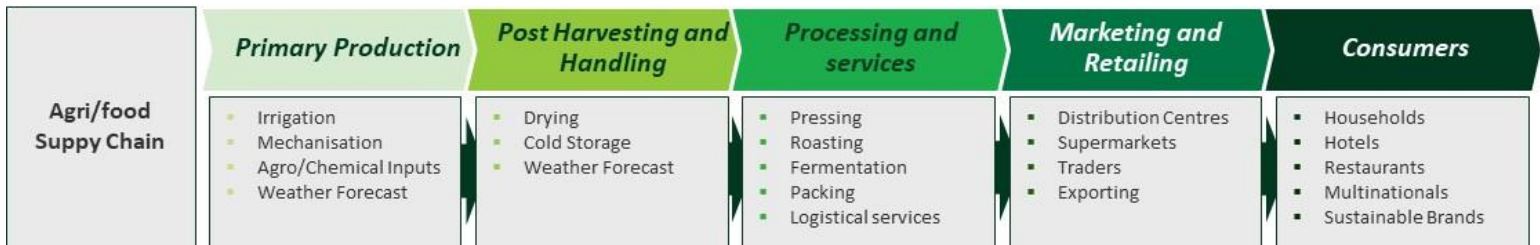
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Previous Fund and Track Record Case

- ForestEffect Fund is a partnership among three private investors and the Dutch government (DGGF)
- The Fund is operational since Jan 2017 and is expected to be fully committed by Q2, 2019.
- Based on the success of the first fund and on the advanced stage of pipeline transactions, the main investors together with DGGF are acting as cornerstones investors in the Sustainable Supply Chain Fund
- Welmac is building an integrated value chain in a high value commodity market
- The FEF investment was used to fund the expansion of the farm and upgrade the Welmac business to include processing, the implementation of high tech irrigation system, the expansion of macadamia orchards, nursery integration and marketing
- Currently, Welmac is expanding in different countries in southern Africa with the financial support of an institutional land investor. This brings Welmac closer to the goal of becoming the largest Macadamia company in the world
- Welmac provides a very transparent proposition to the local farmers in a traditionally very in-transparent market. Additionally, the company was able achieve a 40% water saving through new drip irrigation system



Value Chain and Pipeline



- The Fund is able to invest in companies in all stages of the value chain and is flexible regarding stage and size of the prospect companies
- Pipeline consists of 18 companies, adding to more than \$100 million transaction value. Seven deals are in development stage with three transactions ready for execution

Pipeline Transaction 1

- Tanzania is 3rd largest producer of cashews in the world and normally cashews are exported and processed in India and Vietnam
- The company is an independent processor of fully traceable cashew nuts. It facilitates semi processing at farmer level and does final processing at its own plant in Zanzibar
- Term sheet is signed with a Dutch BV established. Manager is already working closely with the entrepreneur

Participation in the value chain



Pipeline Transaction 2

- Investment round led by Rembrandt M&A (part of Rabobank Group) raising € 6-12m with expected closing on Q2/Q3 2019
- Use of proceeds will be for the expansion of hectares under management, nursery and processing capability and regional expansion into Zambia, Malawi, Swaziland and Portugal
- Manager invested in the company in 2018 and is not looking to exit this position in the upcoming round



Pipeline Transaction 3

- The company wishes to be the strongest connection between consumers globally and producers for sustainable and specialty cocoa, coffee and cashew
- Investment in experienced team to build a full focused sustainable trading and supply chain company. A significant part of the investment is required for credit facilities
- Advanced discussions with founder/CEO and expected to reach term sheet phase in April 2019

