

Truffle Farms_{Europe Ltd}

Ethical – Ecological – Environmental – Sustainable



Graeme Henderson

Director and shareholder





FRESH BLACK WINTER TRUFFLES
1OZ (TUBER MELANOSPORUM
VITT)
★★★★★ (12)
\$89.99



FRESH BLACK WINTER TRUFFLES
2OZ (TUBER MELANOSPORUM
VITT)
★★★★★ (12)
\$174.99



FRESH BLACK WINTER TRUFFLES
4OZ (TUBER MELANOSPORUM
VITT)
★★★★★ (12)
\$319.99



FRESH BLACK WINTER TRUFFLES
6OZ (TUBER MELANOSPORUM
VITT)
★★★★★ (12)
\$449.99

Sold Out



FRESH BLACK WINTER TRUFFLES
8OZ (TUBER MELANOSPORUM
VITT)
★★★★★ (12)
\$599.99

Sold Out



FRESH BLACK WINTER TRUFFLES
16OZ (TUBER MELANOSPORUM
VITT)
★★★★★ (12)
\$999.99

Retail price for the past 4 yrs

€1800 per Kg



Agenda

1. The history and background of Truffle Farms Europe Ltd
2. What is a truffle?
3. The market for truffles
4. El Pozuelo and Developments
5. Our Investment Proposition
6. Any Questions?



The history and background of Truffle Farms Europe

Martin Waddell
Founder and CEO



What is a Truffle?

- Underground mushroom
- Grow on the roots of certain trees
- Will only grow in certain conditions
- Fertilisers or chemicals cannot be used

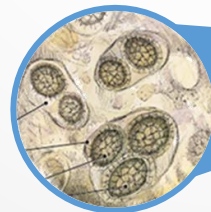
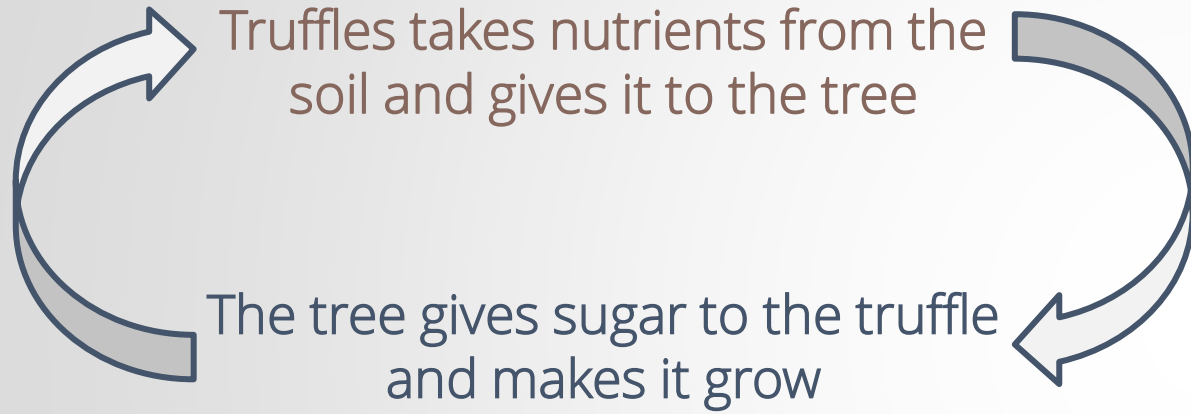


What do we grow?

- The tree we use is the Mediterranean Oak
- Black Perigord Truffle (Tuber Melanosporum)
- Why? - High Value!
- Expertise in Cultivation



WHAT IS A TRUFFLE?



Truffle spore



Precision & Continuous Improvement

What Makes TFE Different

- Understanding the natural process of truffle growth
- In 2009 first yield was 9 years...by 2015 it was down to 5 years and NOW It's 3 years or even less
- Gains in yields are up over 180% since 2009 and continuing to improve
- Planting densities have increased with better placement
- Size and shape of truffles have improved



What Makes TFE Different

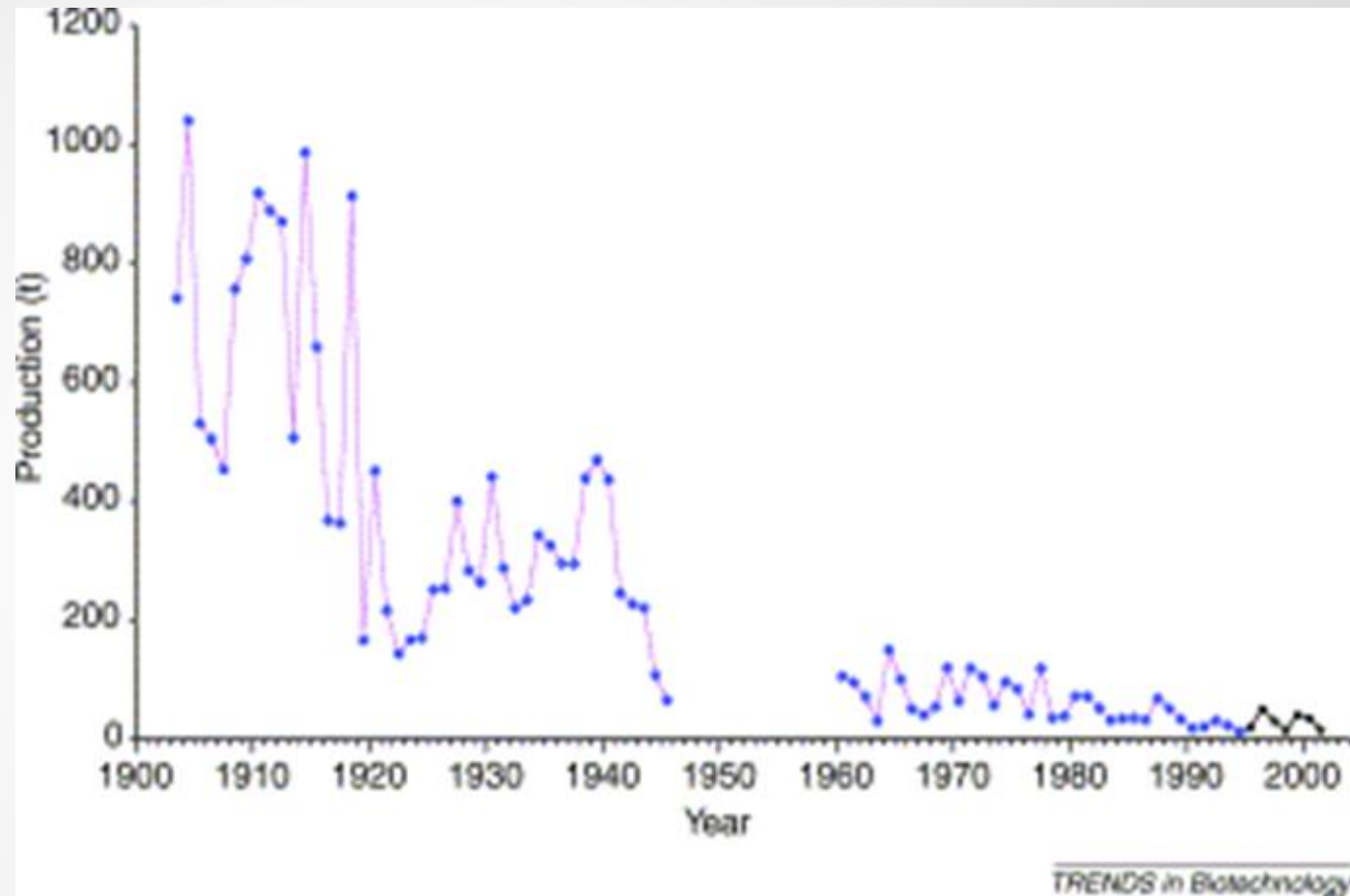
- Improved Inoculum manufacture
- Understanding the sex of truffle
 - Like spiders – the girls eat the boys...
 - PUTTING THE BOYS BACK IN!
- Never, Ever had Truffle Spore Contamination

In the Lab
and field



Long Term Harvest Decline since 1903

- Industrialisation
- Huge loss of life and truffle knowledge due to wars
- Loss of productive truffle fields planted 1870 – 1890
- Climate change = dry summers in recent times.



French production of "Perigord" Black – 1903 – 2002
Tuber Melanosporum (TM)



Demand & Prices

1,000 to 5,000 tonnes

National Geographic – Market will grow to over \$6Billion within 10 years

- Wholesale Prices – variable in season \$550 - \$1200 per kg
- Retail in foreign Markets \$2,200 per kg
- Sustainable supply = market command



Production & Supply

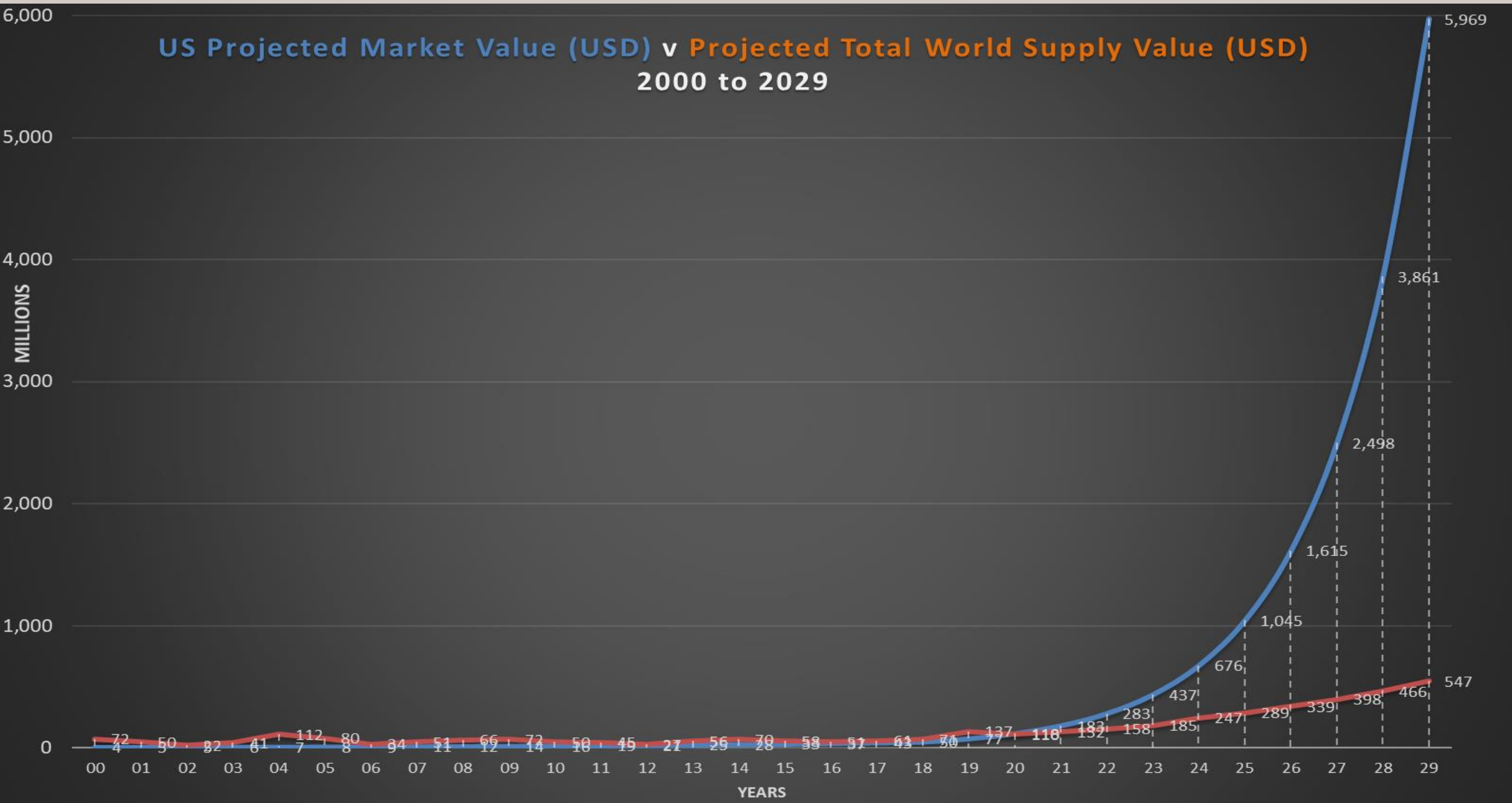
Recent Supply is between 6 and 60 tonnes

– Currently 40 Tonnes

- Presently 80% of world's truffle supply is from the wild, the remaining 20% is from truffle farms like ours.
- Spain now provides 43% of the World's Black Perigord Truffles
- Spain had no wild truffles winter season 2012/13!

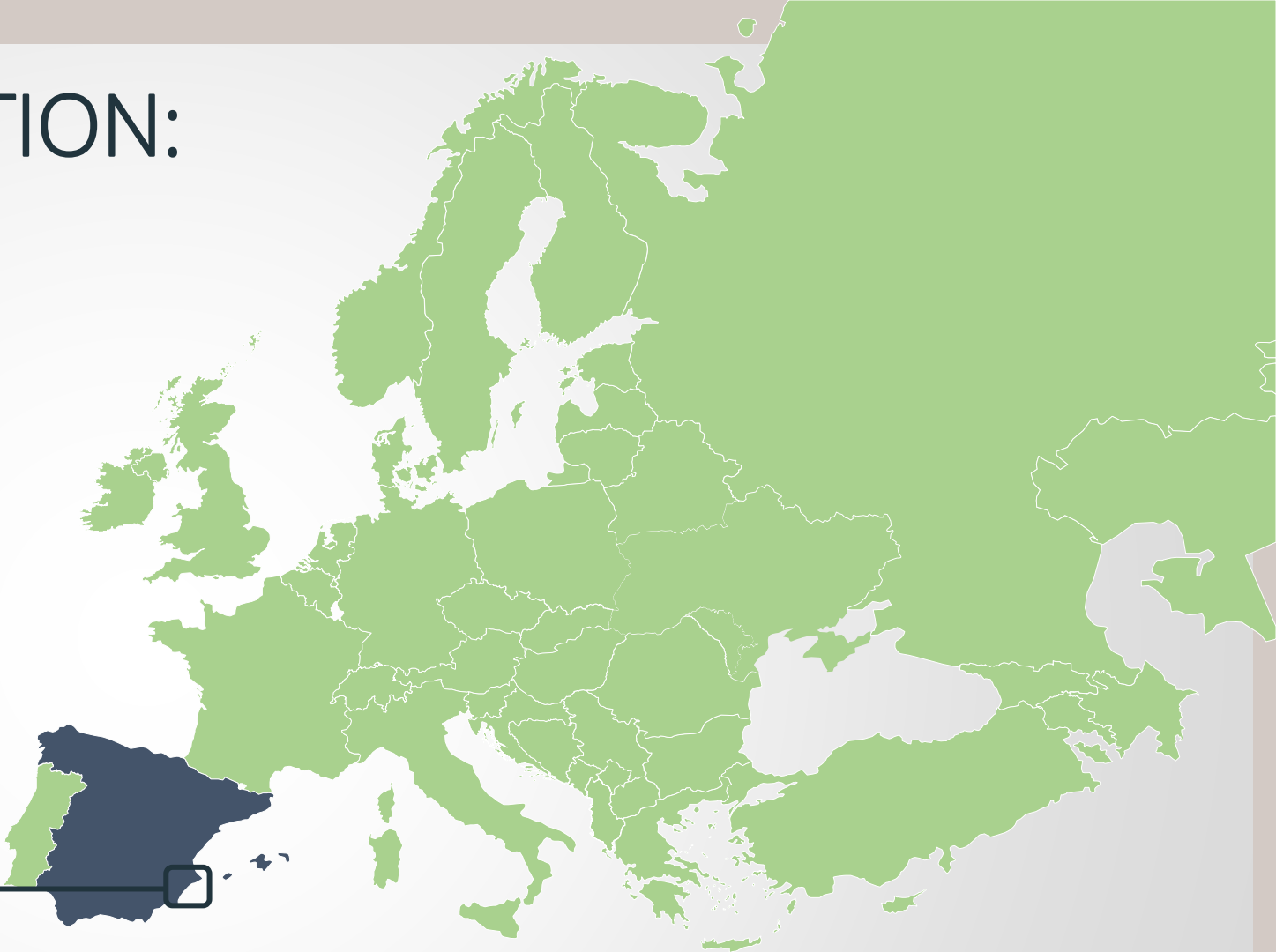


US Projected Market Value (USD) v Projected Total World Supply Value (USD) 2000 to 2029



OUR CURRENT PLANTATION: El Pozuelo, Yecla, Spain

Close to Alicante Airport.



OUR PROPOSITION

1. Turnkey Agricultural Investment
2. Ethical and Environmentally conscious Investment
3. Each year up to 10% of trees sold
4. Right to the crop for 30 yrs
5. 80% of the value of the crop returned to investor

There are certain assumptions made. All these assumptions are exactly the same as the assumptions made in my own business plan.

Investment Basics

- Minimum Investment \$39,301 for 50 Trees
- Investment Term 30 Years
- Internal Rate of Return range:
15% for 50 Truffle Trees
to
19% for 500 Truffle Tree





Land Area - One Acre		In Hand Returns	
Number of Trees - 200		PURCHASE PRICE - \$119,475	
End of Yr1	Kg's/H		
Yr2	0		0
Yr3	3		\$ 552
Yr4	8		1,471
Yr5	19		3,494
Yr6	37		6,805
Yr7	78		14,345
Yr8	94		15,213
Yr9	178		28,807
Yr10	288		46,610
Yr11	335		49,146
Yr12	393		58,533
Yr13	417		62,417
Yr14	436		65,492
Yr15	453		68,243
Yr16	453		68,243
Yr17	453		68,243
Yr18	453		68,243
Yr19	453		68,243
Yr20	453		68,243
Yr21	453		68,243
Yr22	453		68,243
Yr23	453		68,243
Yr24	453		68,243
Yr25	453		68,243
Yr26	453		68,243
Yr27	453		68,243
Yr28	453		68,243
Yr29	453		68,243
Yr30	453		68,243
Total Harvest			\$1,444,774
Tree Sale at end			\$68,243
Total Return			\$1,513,017
IRR			17%
ROI			1166%



CONFERENCE DISCOUNT – COMPLETE BY 15th December

LAND SIZE	TREES	TOTAL COST	DISCOUNT	CONFERENCE PRICE
HECTARE	500	\$250,000	\$10,000	\$240,000
2/3 HECTARE	335	\$173,141	\$8,000	\$165,141
ACRE	200	\$119,475	\$6,000	\$113,475
1/3 HECTARE	165	\$99,954	\$5,000	\$94,954
1/2 ACRE	100	\$66,106	\$4,000	\$62,106
1/4 ACRE	50	\$39,301	\$2,000	\$37,301