



# **SOURCE AGRIVENTURES INC.**

We are an American Agriculture Land and Technology Investment Company

# Legal Disclaimer

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## FORWARD-LOOKING STATEMENTS

This presentation made by Source Agriventures Inc. (the "Company," "Source," "we," "us," or "our") contains "forward-looking statements" within the meaning of the federal securities laws.

Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" or similar expressions or their negatives, as well as statements in future tense. These statements include, among others, beliefs about the current condition of the market for agricultural real estate and our management's estimates with respect to net asset value per share. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and our actual results could differ materially from those set forth in the forward-looking statements.

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## USE OF MARKET DATA

We use market data throughout this presentation that has generally been obtained from publicly available information and industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on industry surveys and the preparers' experience in the industry, and there is no assurance that any of the projected amounts will be achieved. We have not independently verified this information.

## NON-GAAP FINANCIAL MEASURES

This presentation could include the use of certain non-GAAP financial measures, including Adjusted Funds from Operations ("AFFO") and earnings before interest, taxes, depreciation and amortization for real estate ("EBITDAre"). For the definitions of these measures and reconciliations of these measures to the most comparable GAAP measure.



# Areas of Farming

Primary Focus

→ Grains and Other Crops

Secondary Focus

Annual Fresh Produce  
Permanent Crops

Source will diversify its farmland investments through various crops. Our secondary focus is growing fresh produce (e.g., fruits and vegetables) permanent crops (e.g., blueberries and nuts) but our main focus is commodity crops (e.g., corn, wheat, and soy) in the midwest, We strive for:

- Higher profitability and rental income
- Low price volatility
- Low government dependency
- Low storage costs
- Locations that are typically closer to major urban populations.



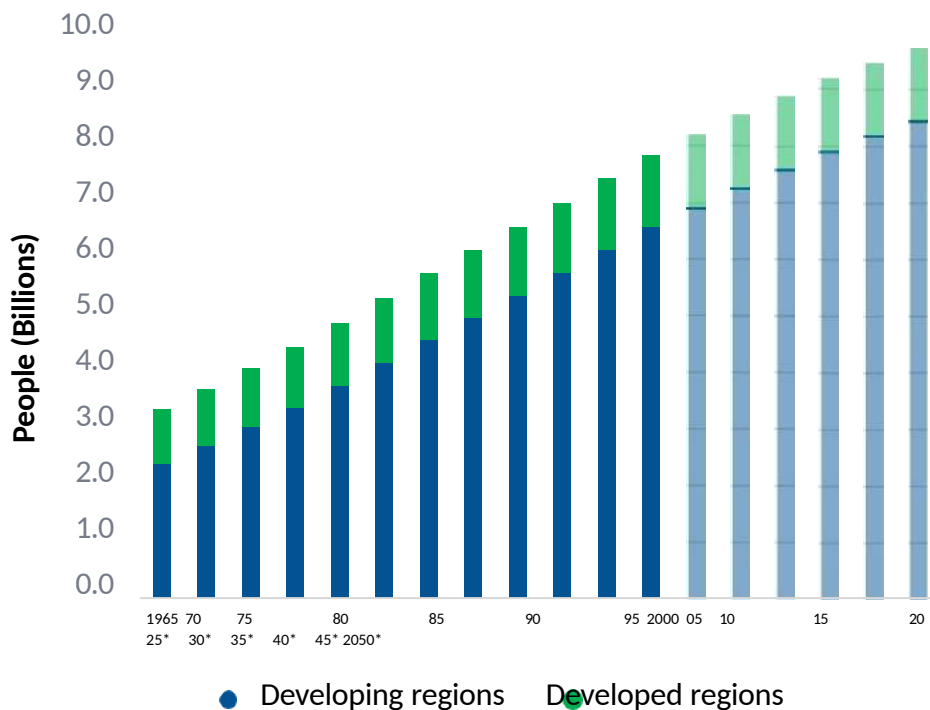
# U.S. Farmland: Decreasing Supply, Increasing Demand

As available farmland to feed the world's growing population continues to decline, U.S. cropland has steadily appreciated in value. Further, we believe the amount of available farmland in the U.S. will continue to decrease.

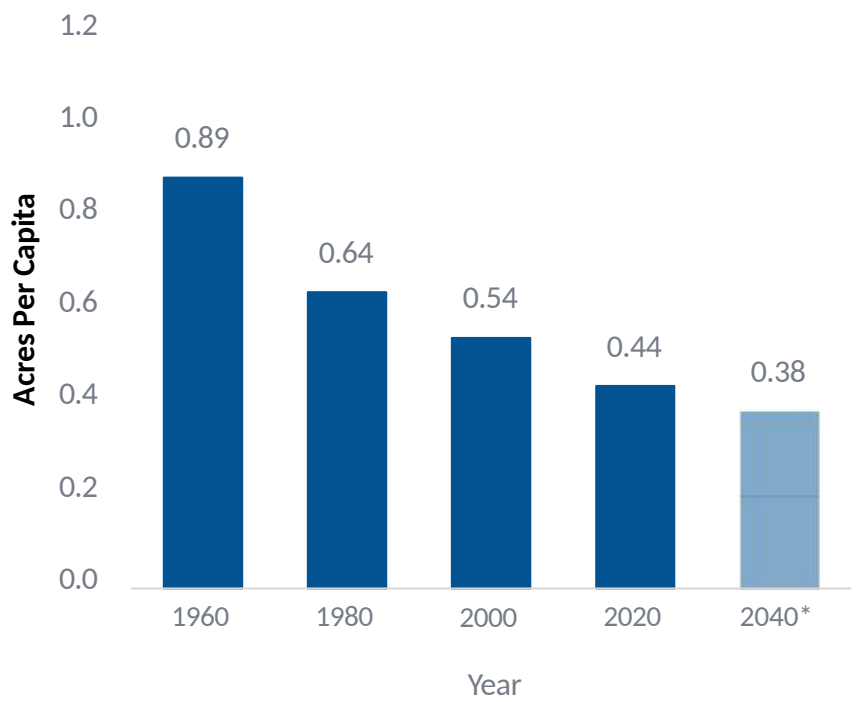
→ Every year, large amounts of farmland are converted to suburban uses, such as housing subdivisions, schools, parks, office buildings, government buildings, and industrial buildings.

We believe climate change has already negatively impacted many growing regions across the world, putting prime farmland in optimal climates in even higher demand.

WORLD POPULATION<sup>1</sup>



ARABLE LAND PER CAPITA WORLDWIDE<sup>2</sup>



We believe a lower supply of arable land will lead to higher profitability for the most fertile farms, and will lead to steady appreciation of value and rental growth

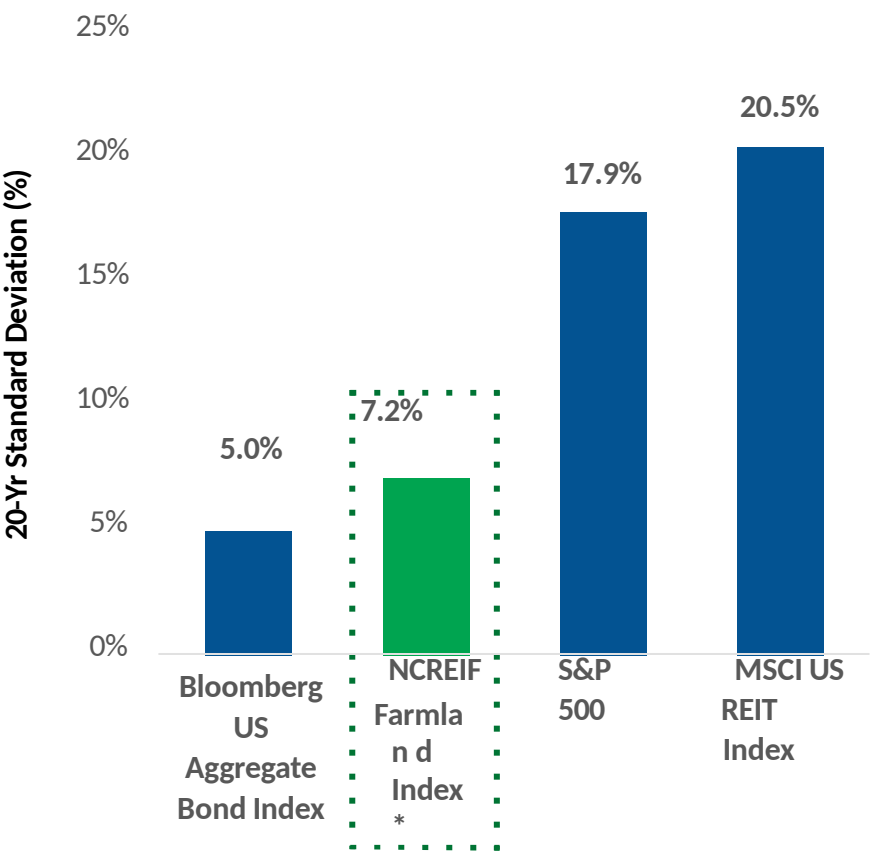
Note: \* Estimated  
Sources: 1. United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022, Online Edition.  
2. (i) The World Bank, Food and Agriculture Organization, World Development Indicators (updated March 2023), and (ii) Food and Agriculture Organization of the United Nations, Agricultural Development Economics Division, World Agriculture Towards 2040/2050, The 2012 Revision (latest version available).



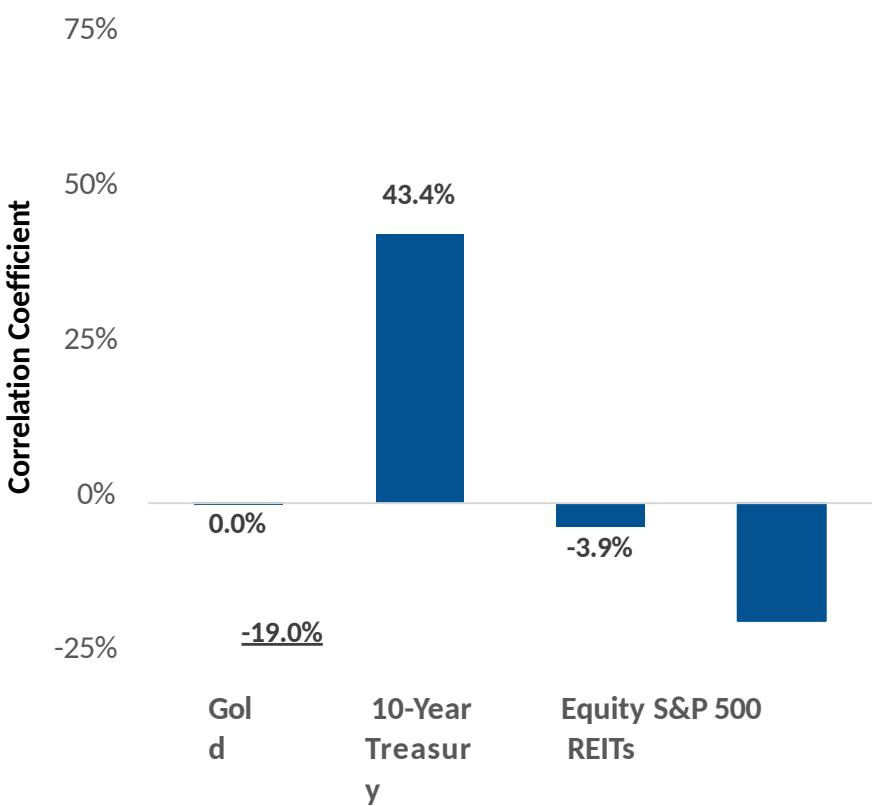
# U.S. Farmland: Low Volatility & Correlation and Strong Returns

U.S. Farmland has experienced lower volatility than both the s&p 500 and the msci us reit index, while also exhibiting low correlation to other major asset classes

STANDARD DEVIATION OF 25-YR RETURNS:  
1998-2022



25-YR CORRELATION OF FARMLAND TO  
OTHER ASSET CLASSES



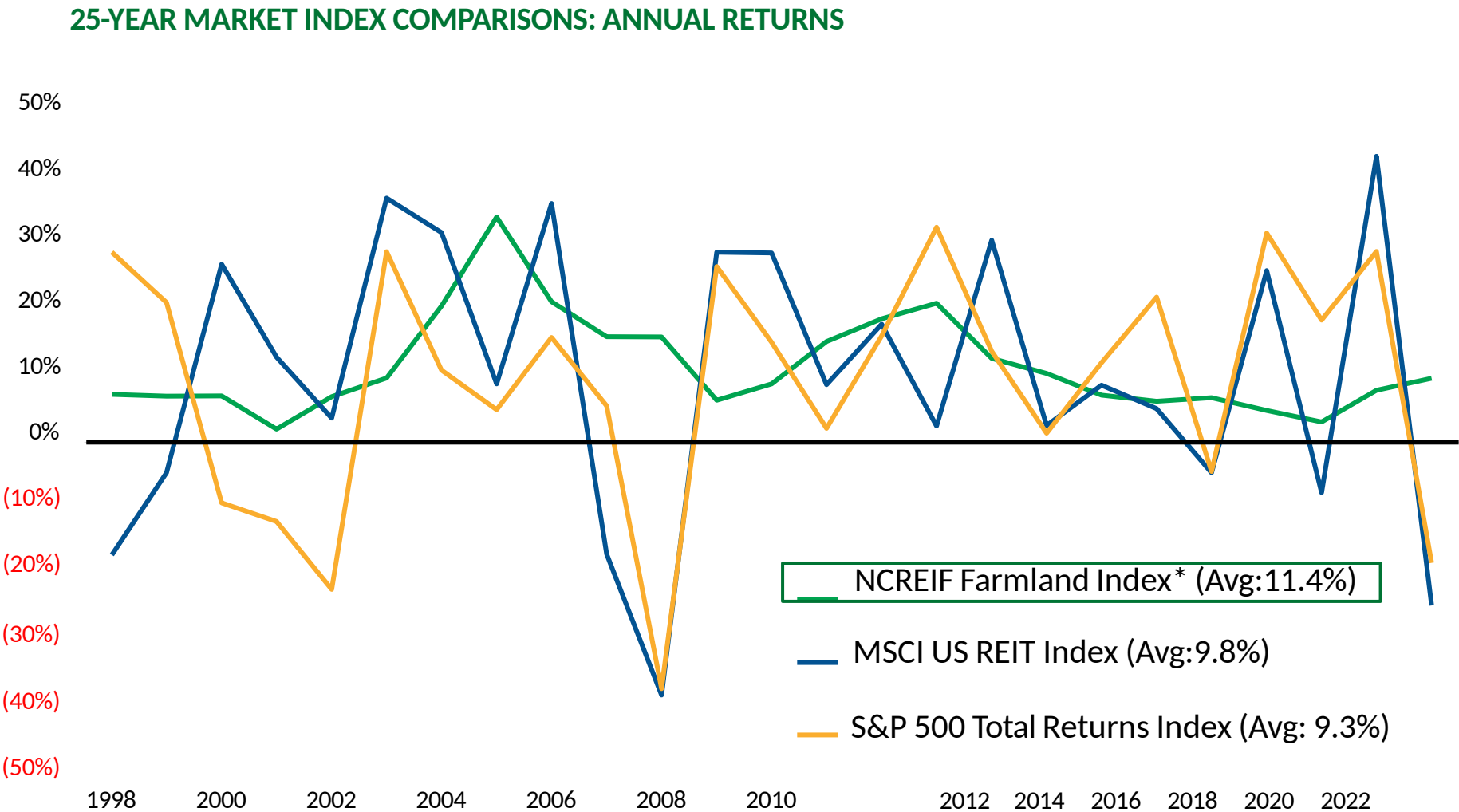
Note: \* Consists of 1,315 U.S. agricultural properties worth approximately \$15.3 billion as of 12/31/2022  
Sources: – National Council of Real Estate Investment Fiduciaries (NCREIF)  
– TIAA/University of Illinois – Center for Farmland Research (Correlation data from 1997-2021, latest data available)





# U.S. Farmland: Market Index Comparison

U.S. Farmland  
has experienced  
stronger returns  
and lower  
volatility than  
both the MSCI  
us REIT index  
and the S&P 500



Note: \* Consists of 1,315 U.S. agricultural properties worth approximately \$15.3 billion as of 12/31/2022 Source: National Council of Real Estate Investment Fiduciaries (NCREIF)





# Farmland Market Opportunity

## Annual Fresh Produce

### SHORT-LIVED ROW CROPS **GENERALLY PLANTED ANNUALLY**

(E.g., beans, blackberries, cabbage, cantaloupe, celery, lettuce, melons, peas, peppers, radicchio, raspberries, strawberries, sweet corn, tomatoes, and other leafy produce)

**3,000**

Top-Tier  
Farms\*

**\$15.0 Billion**  
Market  
Value\*

## PERMANENT CROPS

### LONG-LIVED BUSHES, ORCHARDS, TREES, & VINES **GENERALLY PLANTED EVERY 20+ YEARS**

(E.g., almonds, apples, avocados, blueberries, cherries, figs, grapes, lemons, oranges, peaches, pears, pecans, pistachios, plums, and walnuts)

**6,625**

Top-Tier  
Farms\*

**\$33.1 Billion**  
Market  
Value\*

## GRAINS & OTHER CROPS (Main Focus)

### SHORT-LIVED ROW CROPS **GENERALLY PLANTED ANNUALLY**

(E.g., barley, beets, corn, cotton, rice, soybeans, sugar cane, and wheat)

**22,580**

Top-Tier  
Farms\*

**\$112.9 Billion**  
Market  
Value\*

Note: \* Company estimates based on data compiled by the USDA, using assumptions to reflect the top 10%- 25% of farms in each category, which represents the types of high-valued farms that would fall into our investment focus  
Source: USDA, 2007, 2012, and 2017 Censuses (the 2017 census, released in 2019, is the latest available)





# Investment Focus

We focus on acquiring high-value farmland that we believe will generate above-average revenues and profits and generally has the following characteristics:



Adequate & clean water supply with fertile soil that is rich in nutrients



Excellent weather combined with long growing seasons that provide adequate sunshine and low wind conditions



Locations in established rental markets with a prominent farming presence and an abundance of strong operators

Note: \* Consists of 1,315 U.S. agricultural properties worth approximately \$15.3 billion as of 12/31/2022 Source: National Council of Real Estate Investment Fiduciaries (NCREIF)





# Investment Focus - Summary

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We seek to acquire high-value farmland and farm-related facilities that we lease to corporate and independent farmers, primarily on a triple-net lease basis

## Property Types

High-value cropland with on-site water sources and wind farms **when available.**

## Locations

Regions with established rental markets and an abundance of strong operators

## Transaction Sizes

\$2M to \$50M+

## Lease Terms

Generally, 3+ years, with annual escalations and upward market resets, or participation features

## Rental Payments

(i) Fixed cash rent, or (ii) fixed cash rent plus a percentage of the farm's gross revenues (participating leases)

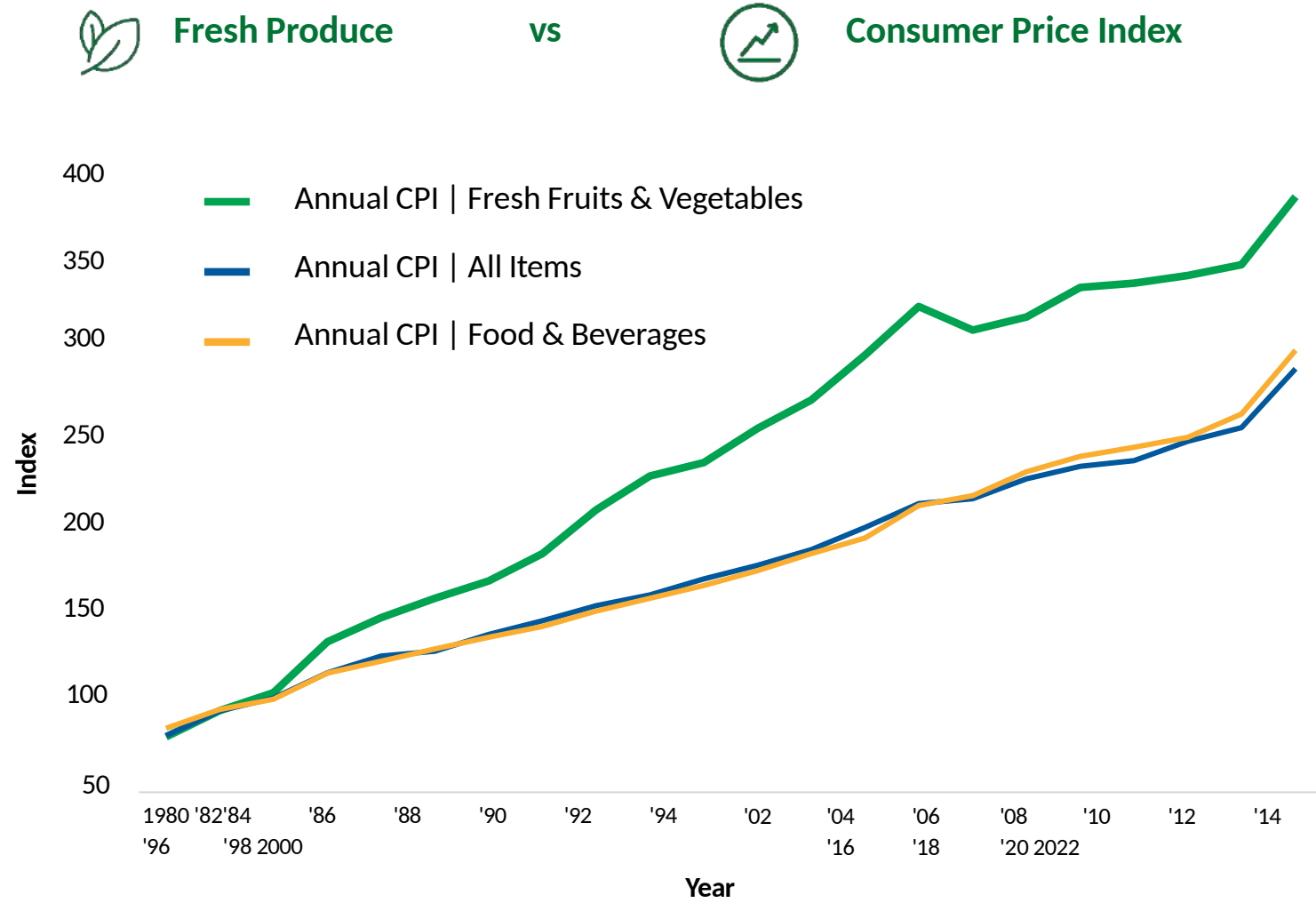
## Tenant-farmers

Tenants with strong operating histories and substantial farming resources



# Fresh Produce Continues to Outpace Inflation

From 1980 through 2022, the Fresh Fruits & Vegetables segment of the Food & Beverages category increased by 378%, from 81.8 to 391.3, which is 1.5x greater than the increase in the overall Annual Food & Beverages CPI over the same period.



# California Farmland Appreciation

From 2000 through 2021, California irrigated cropland and prime coastal cropland (which commands premium rents and is primarily used to grow the highest-valued row crops, such as fresh strawberries) have both been among the strongest performers of any real estate asset class.

**California Irrigated Cropland Has Appreciated In Value By 181%\***

**California Land Prices: All Irrigated Cropland**



**Prime Coastal California Cropland Has Appreciated In Value By 128%\***

**California Land Prices: Prime Coastal Cropland**



Note: \* Appreciation figures exclude annual rental income earned on the farms Source: USDA; California ASFMRA (2022)



# Underwriting Process

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Dual-focused underwriting process for each new investment, leveraging our management team's extensive experience in credit underwriting and knowledge of farmland

## Due Diligence On The Farm

- Appraisal on each property by an independent licensed expert in farmland appraising. Or auction based purchase valuations.
- Visit property to ensure that the farm is in an active rental market
- Water and well testing to determine availability of water
- Soil tests to determine quality (If PI Index not verified prior)
- Zoning and title report to assure there are no deed problems

## Due Diligence On The Tenant

- Detailed underwriting of the farming tenant's operations
- Investigate the management of the farming operations
- Determine the tenant's ability to sell their crops
- Evaluate the labor needs of the tenant
- Evaluate the probability of the tenant missing future rental payments (probability of default)

Leading to high quality farms with strong, established tenants





# Growth Opportunity

## U.S. Farm Ownership:

### A Fragmented Industry

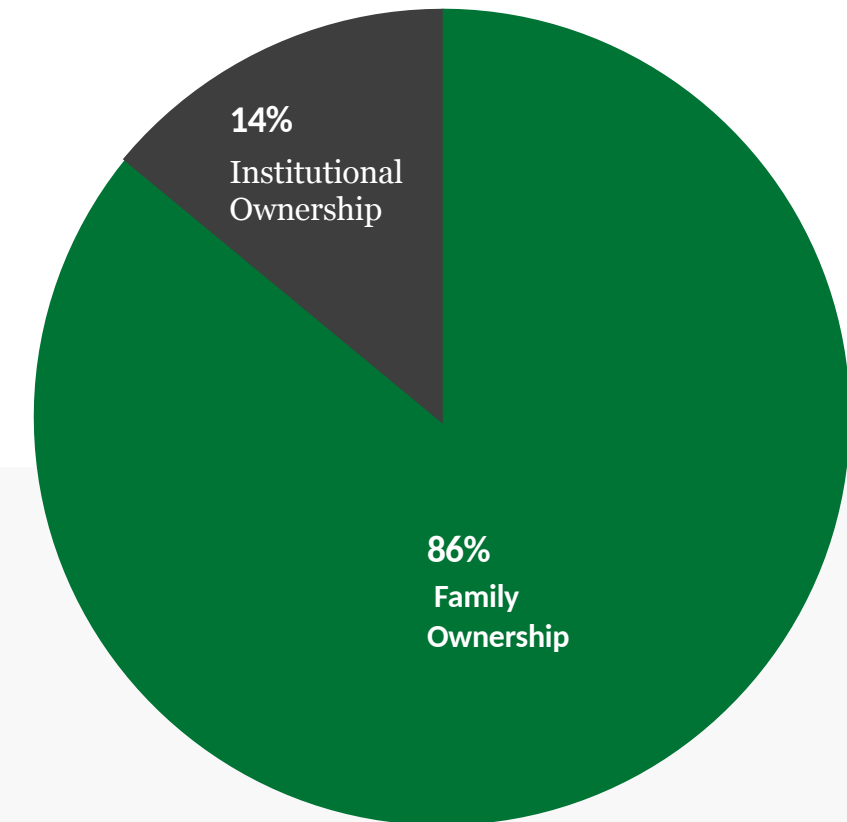
- Total U.S. farmland value is over \$2.9 trillion<sup>2</sup>
- Approximately 62% of U.S. farm operators are over 55 years of age, and the average age is 58 years old<sup>1</sup>
- 40% of all U.S. farm acreage is leased to and operated by non-owners<sup>1</sup>

### We target family-owned farms

Target Purchase Price: \$2 - \$50M+

Offer sale-leaseback opportunities to allow the seller to continue farming the land

Able to offer shares of our operating partnership to allow for a tax-free exchange



Note: \* Partially or wholly organic

Sources: 1. USDA National Agricultural Statistics Service, Census of Agriculture, 2017 (the 2017 census, released in 2019, is the latest available)

2. US Department of Agriculture; National Agricultural Statistics Services – Land Values, 2022 Summary (Aug 2022, latest published data)



# Outsized Returns —Higher and Better Use

Source Agriventures will underwrite and purchase farms based on agriculture uses and values alone. Certain farms are well suited for higher and better use (e.g., renewable energy, other real estate development). In such cases, Source may earn outsized returns on a given farm or sell to a developer at attractive prices.



## Solar

- Many solar farms utilize large amount of agriculture land—these properties no longer earn farm rent once construction commences. Farm owners receive better ROI by leasing farm to solar companies with zero labor.
- Source will support solar projects as opportunities arise. We will develop NNN leases with farmers to allow flexibility to move into renewable energy or urban development.
- Source will receive revenue based on every kilowatt produced from solar farm installations on its properties.
- Solar farms are beneficial to the communities they are built in, through direct employment, land lease payments and local tax revenue.



## Wind

- Wind turbines displace much smaller amount of agricultural land than solar farms—properties continue to earn farm rent while hosting wind turbines.
- Source intends to structure its wind turbine leases as a combination of fixed payments and revenue per kilowatt produced, NNN leases..
- Source has partnered with RWE Renewable Energy to install wind turbines and related infrastructure.







# Agriculture Technology Investments

SOURCE AGRIVENTURES INC.



# Shaping the Future of Farming: Innovation in Agriculture Technology

## Our Vision For The Future

- \* Source Agriventures is committed to shaping the future of farming through cutting-edge technology and sustainable practices.
- \* Our focus is on investing and advancing agriculture technology to meet global food needs while safeguarding the environment.
- \* Farming has seen limited technological advancement in recent decades.
- \* Reliance on outdated practices such as heavy pesticide use, toxic chemicals, and unsustainable farming methods.
- \* A need for modernization and adoption of more efficient, sustainable practices.





# Our Strategic Advantage

## Strong Connections in AgTech for Innovation

- \* Source Agriventures has access to some of the most advanced agricultural technologies in the U.S.
- \* Active involvement with pioneering agtech companies developing the next generation of agricultural solutions.
- \* Focus on precision farming, regenerative agriculture, soil health, and sustainable crop protection.
- \* **Our goal:** Create a resilient, efficient agricultural system.
- \* Innovations help improve yields, reduce environmental impact, and ensure the long-term health of our farmlands.



# The Challenges Facing America's Farmlands

## Urgent Challenges in Agriculture

- \* Soil degradation, water scarcity, biodiversity loss, and overuse of chemicals and fertilizers.
- \* These issues are putting immense pressure on our agricultural system and food security.
- \* Current trends suggest global food shortages within a few decades if action is not taken.
- \* With limited harvests left, adopting sustainable farming practices is critical.
- \* Technology-driven solutions will help us feed both the U.S. and the world in the coming decades.
- \* **Urgency:** Addressing these challenges now to secure a stable, sustainable food supply.



# Delivering Long-Term Returns

## Investing in Agriculture for Strong Financial Returns

- \* Agricultural tech and sustainable farming aren't just about food security—they also offer strong long-term returns.
- \* Efficient, environmentally-friendly farming models increase farmland value.
- \* Additional revenue from carbon credits and renewable energy projects boosts resilience and profitability.
- \* By investing in agtech, Source Agriventures is creating a win-win scenario.
- \* Strong financial returns through innovative solutions.
- \* Positive impact on farmers, land, and communities.
- \* Bluesky value potential when investing in agriculture technology

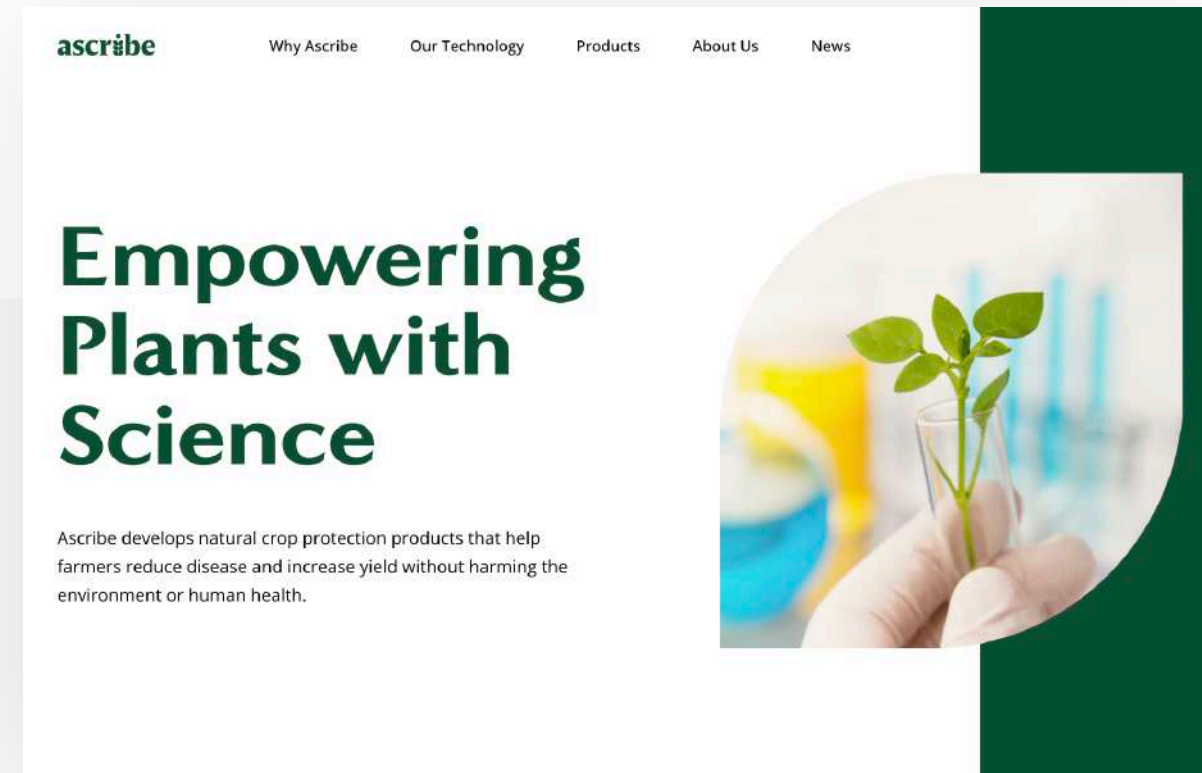


# 3 Examples of Source Ag's Investments into agtech

## Ascribe Biosciences.

[www.ascribio.com](http://www.ascribio.com)

- \* The core of Ascribe's technology is a proprietary discovery platform that applies tools of metabolomics to the soil microbiome to identify the small molecules that mediate beneficial interactions between soil microbes and crops.
- \* Ascribe's products are based on naturally-occurring small molecules from the soil microbiome. Their biobased products are shelf-stable, durable, and more reliable under diverse field conditions than live microbes or complex mixtures. The company offers farmers an alternative to toxic chemistry or expensive biologicals.
- \* **Ascribe's lead product, Phytalix<sup>®</sup>, acts like a vaccine for plants**  
Phytalix<sup>®</sup> is based on a naturally-occurring molecule produced by organisms in the soil. Plants react to Phytalix<sup>®</sup> by priming their defense pathways. Once primed, crops respond more quickly to pathogens and can ward off infection. Phytalix<sup>®</sup> has proven effective in controlling a broad spectrum of pathogens in lab and field trials across multiple crops like corn, wheat, soy, rice, potatoes, and tomatoes.

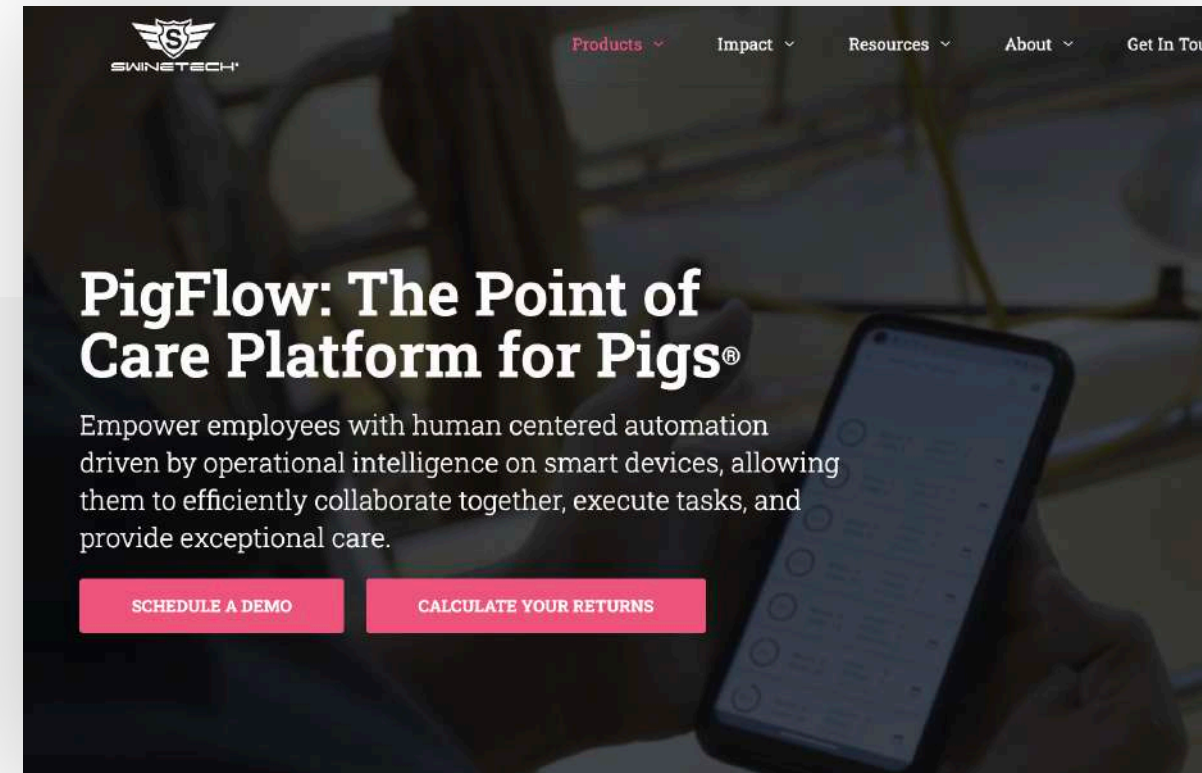




# Swinetech Inc.

www.swinetechnologies.com

- \* Swintech is a workforce and swine management platform simplified.
- \* \$2.5mm USD in annual revenue and expected to double year over year.
- \* PigFlow empowers organizations to define clear standard operating procedures. These expectations are immediately communicated to employees, providing a transparent roadmap towards desired production outcomes.
- \* PigFlow seamlessly merges live data with SOPs, guiding employees towards best practices. This not only promotes efficient workflows but also enhances the quality of care delivered.



# Hydrosat

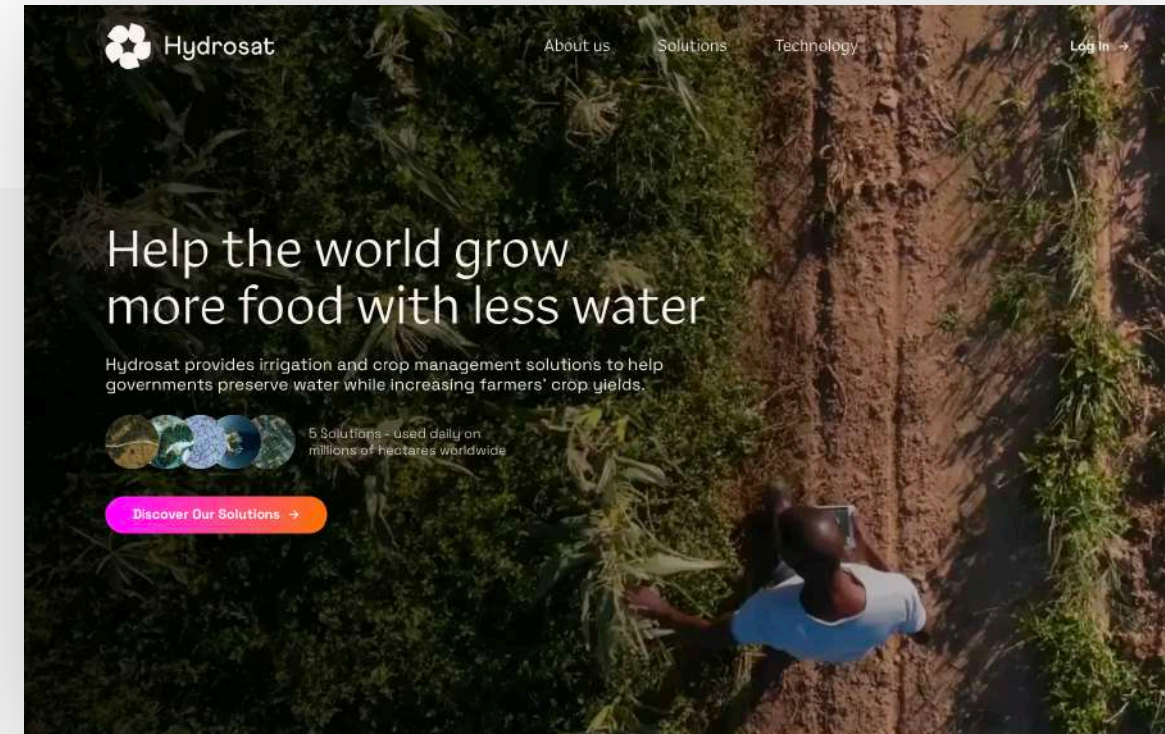
[www.hydrosat.com](http://www.hydrosat.com)

Hydrosat's vision is to increase food production while decreasing water use

- \* Have successfully launched 2 satellites into orbit through Space X
- \* Uniquely positioned to address Water Scarcity and Food Security challenges
- \* Already serving customers on 4 million acres in 43 countries worldwide
- \* Strong market traction and robust unit economics with 3x ARR growth YoY
- \* Partnership with European Space Agency and Americas Space Force.

## Hydrosat can deliver

- \* Up to 30% Water savings
- \* Up to 50% Crop yield increase
- \* Less CO2 & 30% less Electricity







# Investors

SOURCE AGRIVENTURES INC.



# Source Team

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## Roop Mundi

### President & CEO

Mr. Mundi brings over 20 years of corporate finance, real estate and legal experience.

Prior to joining Source Agriventures, Mr. Mundi served as Vice President, General Counsel of RCI Capital Group Inc., a private equity firm based in Vancouver.

In addition, Mr. Mundi was Vice President, General Counsel of Kingsdale Shareholder Services Inc., the largest proxy and corporate governance firm in Canada. Prior to Kingsdale, Mr. Mundi was an Associate at Cassels Brock & Blackwell LLP focusing on corporate finance and securities in the real estate, agriculture, technology and mining sectors. Mr. Mundi holds a bachelor's degree from North Carolina State University, a Master's degree from the University of Toronto and a law degree from the University of British Columbia.

Mr. Mundi was raised on a farm in eastern Ontario, Canada, which gives him a unique perspective and a deep understanding of Source's clients and business needs.

## Chris Mackay

### Vice President

Mr Mackay acts as Source Vice President. Mr. Mackay is President & CEO of Strand Financial. Strand is a Vancouver-based finance, development and investment company active across North America.

Strand has established a track record of success over its more than 40 years in markets across the continent.

To date, Strand has delivered a portfolio valued at more than \$10.2 billion, representing more than 23,000 homes of every type.





# Source Team

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## Larry Clarke

Larry Clarke is the CEO of NanoGuard Technologies, Inc., a company revolutionizing the post-harvest supply chain, reducing waste and losses, as well as improving food quality and safety with a proprietary, non-thermal pasteurization technology. Nanoguard is backed by multinational ag companies like Bunge and Bayer.

Larry is former CEO of EGT, LLC, a Bunge, PanOcean America and Itochu joint venture and former Executive Vice-President and Agricultural Director for Bunge, bringing more than 30 years of agribusiness experience including trading, new business development, international assignments, and multiple board positions providing a broad network.

Larry holds a BBA and BS in Business Statistics and Agricultural Economics from Mississippi State University, as well as an Advanced Management Program degree from Harvard Business School.

## Kyle Welborn

Kyle is a cofounder and General Partner at Cultivation Capital, specializing in AgriFood Tech investments. He also holds the role of general partner at Yield Lab North America..

He is a board observer representing the firm's interests in Hydrosat, a provider of geospatial intelligence for food security, and Eiwa Ag, a company driving plant breeding digitization. He has also worked with Label insight, croplife.com and co-founded St. Louis Finserve Tech Angels.

## Eric I. Hakmiller

Mr. Hakmilller has extensive domestic and international experience across corn processing, oilseed processing, and biofuels industries. He has a strong history in strategic development and a background in commodity and value-added markets.

Eric has numerous years of working with some of the worlds largest Ag companies such as Bunge North America, Bunge Deutschland GMBH and Bunge Austria GMBH. Eric brings invaluable experience to the Source Ag Team. In addition to working with Bunge, he has worked with Arch Grain Technologies, AgCertain, Green Plains, Lincolnway Energy LLC, Aventine Renewable, Cereol SA, Solae Company, Central Soya Company and American Maize/Cerestar USA. Additionally, Eric has experience in the carbon credit sector and will be instrumental in Source Ag. to meet its carbon sequestration goals.

## Accounting

Treewalk  
Corporate.

Larson Gross  
CPA/Consultants





# Sustainable Farming



Sustainable farming practices vary by field but may include reduced tillage or no till, adding cover crops, rotational grazing, diversifying crop rotations, and reduced fertilizer usage.



Popular cover crops include barley, oats, legume, radishes, and rye. A cover crop is a crop planted without harvesting.



The Build Back Better legislation put forth by the Biden Administration allocated \$28 billion for land conservation programs. \$5 billion is to pay farmers and landowners to plant cover crops.



# Carbon Credits from Sustainable Farming



Carbon credits trade for approx. \$16 per metric ton of carbon dioxide stored. Depending on your land's location, its soil type, and the tree canopy, it can absorb between 0.5 and >5 ton/ac/yr.



A carbon offset is a certificate that represents the reduction of one metric ton (or 2,204.6 lbs) of CO2 or its equivalent of other greenhouse gases.



The carbon price (carbon credit pricing) is predicted to increase tenfold by 2030 to \$1,000,000 per year one, one thousand acres of land.



Currently, at \$16 per metric ton. Carbon credits generate farmers additional between \$80,000-\$100,000 annually per 1000 acres. By 2030 this amount is predicted to increase 10x.



By 2030, Bill gates 269,000 acres of farmland could provide approx. \$269,000,0000 annually from carbon credits to his companies. This does not include farm income from leases, solar or wind farms, land appreciation or the potential for rezoning and development.



# Wind Turbine Revenue



On average, a smaller single wind turbine lease could be valued at around \$8,000/year with a larger turbine bringing between \$70,000 to \$80,000/year



Farm owners can receive \$3,000 to \$4,000 per megawatt of capacity, or 2-4% of gross revenues



Source will focus on large scale farms close to transmission lines and/or a substation where we can implement sustainable farming practices.



Compensation packages typically are offered as fixed yearly payments, as percentages of gross revenues, or some combination.



Source will focus on large scale farms located near roads constructed well enough to move large equipment like cranes and bulldozers.



# Solar Project Revenue



There are several factors to consider when determining the profit margin of an acre of a solar plant, but generally, farmers can earn anything between \$21,250-\$42,500 per acre each year.



Most solar farms can earn up to \$40,000 for every MW (Megawatt) installed; therefore, the profit margin lies between 10%-20%.



Usual lease terms for solar projects result in annual lease payments for between 15-30 years.



Income derived from solar leases is more lucrative than other typical agriculture or farm leasing options.



# Requirements for Solar Farms

## Size of Land

Solar farms are mega projects that need specific land sizes to be more profitable. Source will require 1 kW/min from the panels every one hundred square feet.

## Sunlight Intensity

One of the essential considerations when taking on the project is ensuring that your land receives sufficient and intense sunlight.

## Soil Quality

If the soil is unstable or tasking to develop (boggy or swampy area), it means additional costs to clear. Solid, clear ground is an important requirement for solar farms.

## Distance to the Grid

Availability of the necessary infrastructure is another critical concern for farmers opting for solar. Easy access to the grid will bring down the cost of the solar project attracting more lucrative leases by solar farm developers.

To minimize the capital costs, Source aims to purchase farms less than 2 miles from a substation and at least 1000 ft near a phase three power.



# 10 Inflection Points Where Farmland Values Will Skyrocket

We believe there will be an inflection point in the next decade that will make the value of farmland skyrocket.

1. The war in Ukraine has eliminated a significant amount of wheat, barley and many other crops from the global food supply chain.
2. Potential for war with China over Taiwan will lead to a protectionist stance in America. BRICS nations will unify, and the world will be divided. This will also lead to food insecurity globally, making farmland more valuable.
3. A potential for a world war if the USD does lose its reserve currency status globally.
4. The realization of how valuable farmland is when carbon credits go mainstream.
5. Farmland is essential for the renewable energy sector. Investors will be rushing into the sector when they realize the ROI that can be achieved, intern pushing farm prices much higher.





# 10 Inflection Points Where Farmland Values Will Skyrocket

(Cont.)

We believe there will be an inflection point in the next decade that will make the value of farmland skyrocket.

6. Water is an essential resource that is running out quickly. The best way to invest in water is via food. Desalination is an option as a water resource for city usage but it is impossible to ship large amounts of water to farmland in an economical way.
7. Climate change will wipe out many farms in certain regions that have low groundwater reserves or rain. This will wipe out mass amounts of farmland.
8. People will rush to hard assets that are safe and stable if the USD goes digital and the government has the option to delete your money or have it expire.
9. Places like Saudi Arabia and India have had historically high temps with Saudi facing the worst drought in 100 years. This will lead to rich producing farmland US crop values increase significantly. As climate change and more droughts occur worldwide. Areas like the midwest of the US where it is rich in rain will increase significantly.
10. California has already lost mass amounts of rich farmland from forest fires, drought and floods. America currently loses 2000 acres of productive farmland daily.





# Contact Us Page



3064 Silver Sage Dr. STE 150  
Carson City, Nevada. 89701  
United States



[www.sourceagriventures.co](http://www.sourceagriventures.com)  
[m](http://www.sourceagriventures.com)



[info@sourceagriventures.co](mailto:info@sourceagriventures.com)  
[m](mailto:info@sourceagriventures.com)