



CROWN | AGRINET

Invirtiendo en tierras y operaciones agropecuarias en Uruguay

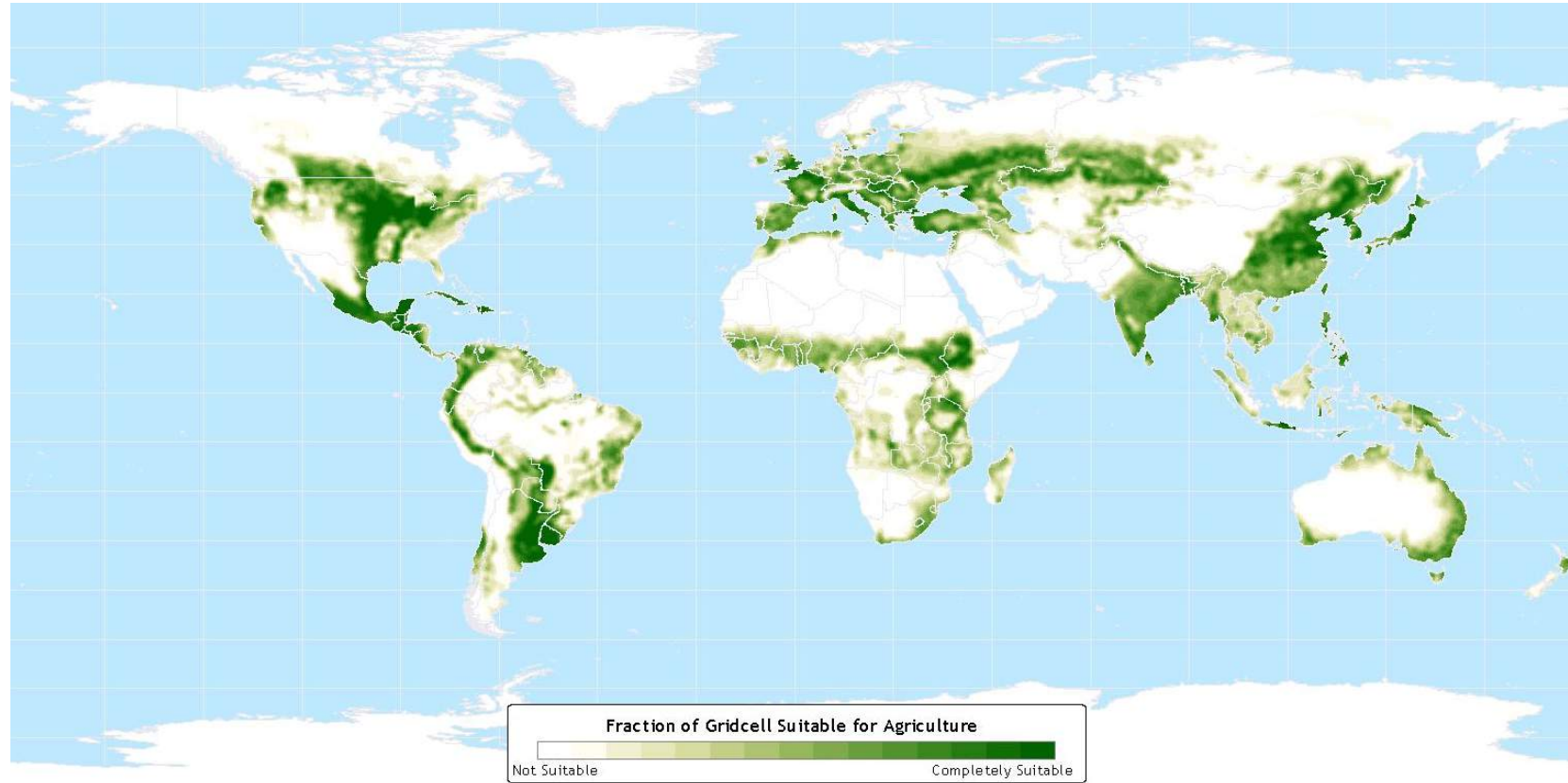
URUGUAY

THE SWITZERLAND OF SOUTH AMERICA

- Socio-political stability = low risk for business activities.
- Efficient legislative power, with no corruption and a solid governability history.
- Political certainty and economic freedom - placed on the same level as U.S. and Chile.
- 97% literacy - free education at every level.
- 90% of European descendants: Spain, Italy, Switzerland, Germany, Inglad, France.
- There are no limitations to foreign peoperty.

WHY INVESTING IN URUGUAY?

THE BEST PRODUCTIVE LANDS AND LOWEST SOCIAL, POLITICAL AND FINANCIAL RISK RESOURCES.



AGRICULTURAL SUSTAINABILITY

FUENTE: Atlas of the Biosphere
Center for Sustainability and the Global Environment.
University of Wisconsin-Madison

WHY INVESTING IN URUGUAY?

- Abundance of fertile soils, fresh water and correct climate.
- Advanced agricultural economy.
- Rural country: almost 4 heads of cattle per capita.
- Abundant rainfall with an average of 1200 mm per year and with no need for irrigation.
- Two crops per year.
- The cost of the agricultural land is 1/5 the cost of agricultural lands in Europe.
- Brazil, Argentina and United States of America have 40% higher taxes.
- Developed agricultural market and infrastructure.
- Strict environmental standards guaranteeing that agricultural operations are carried out in accordance with the highest sustainability standards.

WHY INVESTING IN URUGUAY?

- Agriculture receives a favorable fiscal treatment in Uruguay.
 - Income tax:
 - 25% flat tax on income (the effective rate may be 10-20% depending on deductions).
 - For smaller farmland, the rate is lower: farms receiving income lower than USD 205,000 yearly, pay the tax up to an amount of USD 5,125.
 - There are no taxes on assets, even if the asset is owned by a corporate vehicle.
 - Low property taxes averaging less than 0.2%.
 - No VAT is applied on sales in most supplies and machinery.
 - No VAT is applied on sales of agricultural products (except for 1% municipal tax on cattle sale).

MODULAR SCENE OF RETURN ON INVESTMENT CONSIDERING THE PURCHASE OF THE LAND ASSET

	SCENES:	PESSIMISTIC	MEDIUM	OPTIMISTIC
Return on gross income		27%	38%	45%
Return on costs		37%	60%	82%
Return on investment (land)		5%	9%	13%
Return on land cost + investment in plantation		5%	8%	11%
Estimated annual appreciation of land: 15%				

Assumption: This example shows the profitability of an investment in a 100 hectares farmland (247 acres) in Uruguay, with a high agricultural yield index (150), acquired for a price of USD 7,500 per hectare. The model is based on a typical scene of the agrarian sector where two crops are sown in a year, and it is assumed that 85% of the farmland is sown (the yield of the remaining 15% is not calculated; usually, it is used for breeding cattle and this would slightly increase the total profitability of the investment).

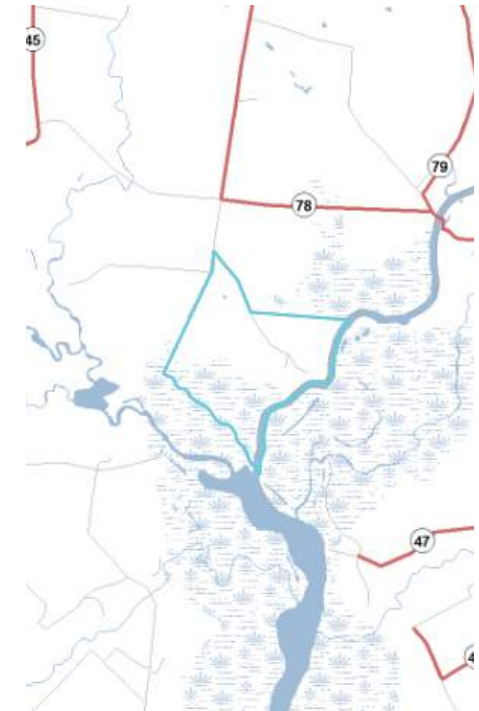
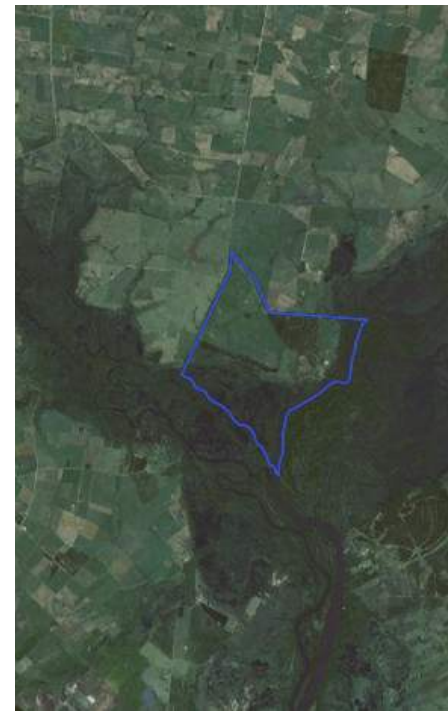
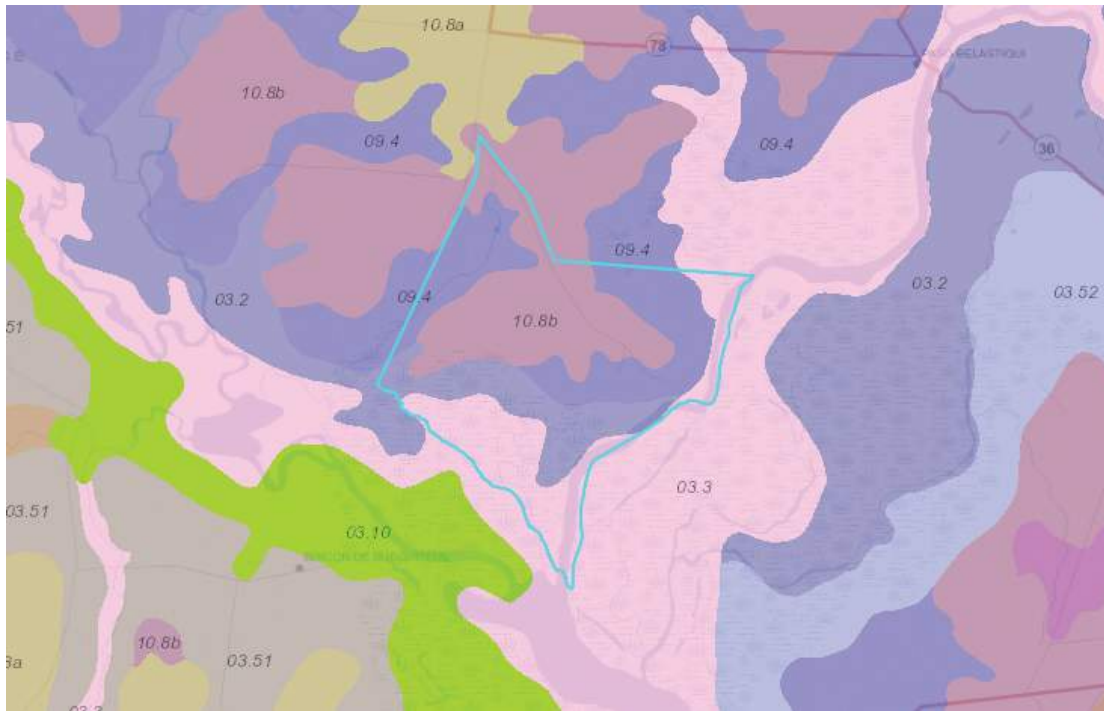
DISTINGUISHING CHARACTERISTICS

OF AGRICULTURE IN URUGUAY

- Uruguayan farmland is currently being expanded; nowadays, only 1mm of 3mm hectares in Uruguay are used for agriculture.
- UY uses the advanced agricultural technology called “No-till farming,” which ensures sustainability of the agricultural production in the long term and prevents the soil from physical/chemical damage. This is an accepted preservation practice, where farmers may sell carbon credits to power-generating companies.
- The use of agrochemicals is much lower than in other countries.
- Uruguay is located in the Guarani aquifer, largely untapped, the biggest aquifer of South America.
- In UY farmers do not receive subsidies.
- The price of the farmland is based on a scientific soil classification system and a productivity index (CONEAT).

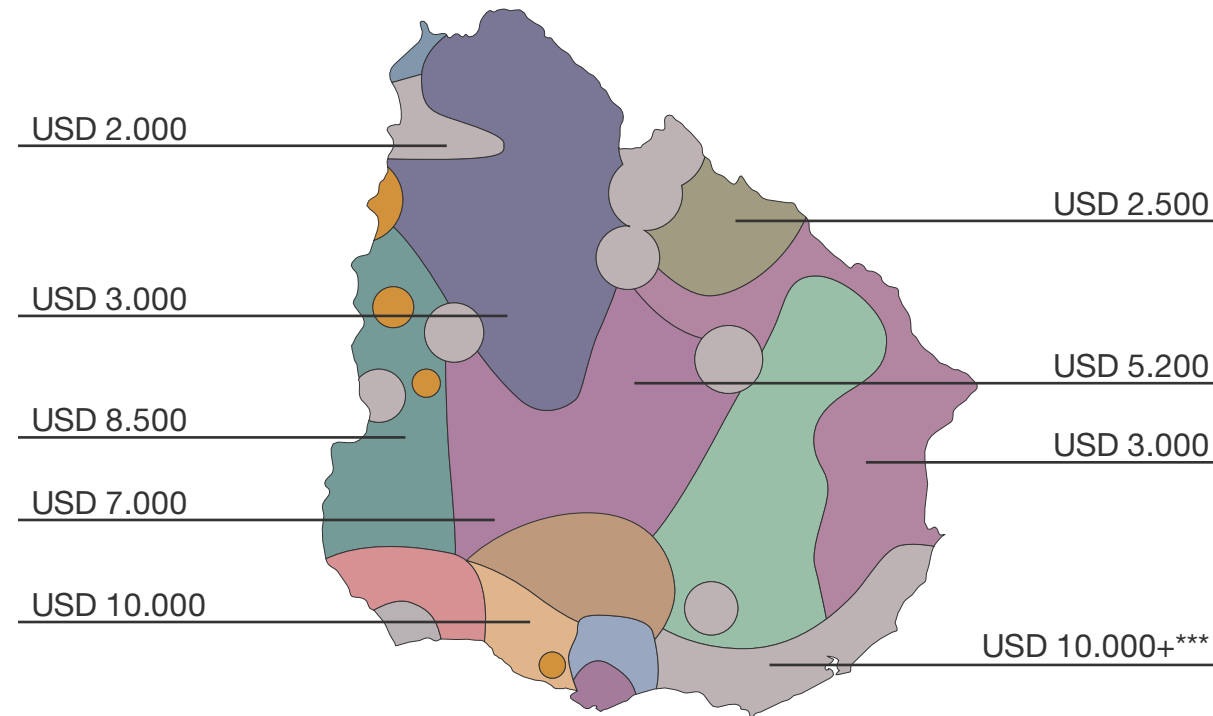
PRODUCTIVITY BY SOIL TYPE

The different types of soils comprising the Uruguayan territory are classified according to their productivity, in accordance with the CONEAT index: www.prenader.gub.uy/coneat
The system shows a detailed map of the property, types of soils in different colors, productivity index of each type of soil and average CONEAT index of the property.



ADVANTAGES OF THE CONEAT SYSTEM

It allows anyone to verify the productivity potential of a property in Uruguay. It provides a tool to determine uses for a specific farm. The CONEAT index of a property correlates with the price of the land, thus offering a transparent market.



CROWN AGRINET

YOUR TRUSTED PARTNER

Crown Agrinet is an organization based on a network of Associates which allows us to offer varied services in a comprehensive manner so as to benefit our clients. Among Crown Agrinet's allies Solution Alliance (<http://www.solution.com.uy/>) stands out with over 60 professionals in the areas of advice for foreign investors; tax advice; outsourcing and accounting, labor and administrative-accounting advice; audit; legal advice; trust business; real estate advice; notarial services; agronomic services; agricultural commercialization and consultancy.

PROFESSIONAL **MANAGEMENT**

Crown Agrinet's offer is based on products and services under an integrated management platform, characterized by:

FACILITATING ACCESS

to investors from the sector or outside it. Developing financial tools for clients who know little about farmland, but who are aware of the good return on investment of the sector.

REDUCING RISK

in the investment through a mechanism of localization pool and production types, insurance policies, pricing and fiscal advice customized for investors.

PROVIDING ACCESS TO INFORMATION

offering a transparent access, on the web, to the investment's development.

A close-up photograph of a tea plant branch with several green leaves. The leaves are covered in small, clear water droplets, suggesting a misty or rainy environment. The background is a soft, out-of-focus greyish-blue.

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CROWN AGRINET | GESTIÓN PROFESIONAL DE INVERSIONES EN AGRONEGOCIOS