

TERM SHEET



EXCLUSIVE
CLUB DEAL

JIC SANDALWOOD INVEST^{PRO}

SUSTAINABLE MEDICINAL FORESTRY



„Best Impact
Investment“

deutscher

beteiligungs|preis 2019



JIC IMPACT
INVESTING



SANDALWOOD. UNIQUENESS TO SHARE.

A warm welcome

As the lead investor, we invite you to co-invest in our unique JC Sandalwood forests in the tropical north of Australia.

This is not a typical timber investment - at all.
But an impact investment in medicinal forestry.
Extraordinary financial KPIs, abundantly sustainable, and exclusive access.

On the following pages, you are welcome to acquaint yourself with many aspects of the vast **sandalwood universe**.
Followed by some information on **Forestry Management** and the **Lead Investor**.

We also like to highlight this project's remarkable **Sustainability**.
Last but not least, you will find the classical **Term Sheet** of this privileged **Club Deal**.

Too good to be true?

When we first encountered the multi-unique constellation of the sandalwood investment in 2009, we were highly skeptical.
Admittedly, we turned down the opportunity. Twice.

But the deeper we dug and the more we researched, the more coherent and comprehensive the total picture and the many intricate details became. The crucial, final convincement followed on site in Australia, meeting the experts working with the trees; in the nursery, in the fields where the saplings grow and become beautiful sandalwood forests, in the harvest processing facility, in the distillery and the people working from their desks. They were – and still are – inspiringly passionate, dedicated, committed, and competent.

Consequently, in 2010, we became the first international grower and institutional sandalwood investor. And everyone working with our team has become as inspired as our Australian colleagues.

So, if the sandalwood proposition is valid, why did the Australian founder share this with others in 2010-2012?
And if they allocated the available acreage to the sovereign fund of Abu Dhabi (ADIC), to the endowment fund of Harvard, and to the Church of England, how come a small Hamburg family investor was invited to this exclusive club?
And why do we want to pass on parts of our forests to co-investors?
All those questions are legitimate, and we are happy to answer them. Feel free to ask.

Are there any challenges to this project? Of course.
It is definitely not a walk in the park. Rather a marathon in the forest.
You need to know your way, remain persistent, and maintain stamina.
Comfortingly, our Australian forestry manager excels in sandalwood cultivation exclusively for over 20 years.
A long journey of trial and error emerging from a governmental research program which started in the 1980s.

Obviously, this is not a startup.
However, there is enormous untapped potential in products, value chain, and markets.
Correlating financial upside and sustainability impact.

And an opportunity for you to join us, expanding our value chain and acreage.



MEDICINAL, SACRED & SCARCE.

Natural Asset

EXTREMELY VALUABLE

- Sandalwood (*Santalum album*) is one of the world's most expensive hardwoods.
- The fully grown tree contains the essential sandalwood oil which is known for its unique medicinal and olfactory properties.
- For a kilogram of oil, wholesale pays up to USD 5,000, retail prices of MLM tops USD 25,000; the heartwood is equally demanded and can even achieve higher margins, at prices of USD 150+ per kilogram.



LONG HISTORY...

- Already in early Vedic documents (around 2.000 BC) sandalwood's special properties were recognized, making it the holy tree of Ayurvedic medicine and Hindu tradition.
- Later establishing its uniqueness within other cultures (foremost Buddhism), religions and natural medicines all over Asia. Specifically, TCM (Traditional Chinese Medicine) listed sandalwood for various healing implications over 1,500 years ago, and is today's biggest buyer in Australia.
- Consequently, sandalwood has been a traded commodity since over 2,000 years. Known as the „Wooden Gold“, and its essential oil as the „Liquide Gold“. A currency of its own.
- In 1792, the legendary Mysore *Tipu Sultan* declared sandalwood a Royal Tree. Meaning, the tree was nationalized, all income directly financing the war against the British.
- Since, sandalwood has remained under governmental „protection“, thus de-incentivizing farmers and private entrepreneurs in India to take on the long-term challenge of growing sandalwood.

...SHORT SUPPLY

- Due to overexploitation of wild stocks, sandalwood has become a rare species, a tree threatened by extinction. Since over twenty years, sandalwood is on the Red List of endangered species and under protection of the IUCN (International Union for Conservation of Nature).
- Consequently, there is a long-term global shortage of supply.
- IUCN has explicitly praised the successful cultivation and reforestation of sandalwood in critical commercial size in northern Australia as saving this species.
- Due to this situation, JC Sandalwood investors become part of a „quasi monopoly“ of this treasured commodity.

DIVERSIFIED SALES MARKETS

- Sandalwood essential oil is highly in demand by the pharma and medical industry (Ayurveda, TCM & Western medicine) as well as the beauty (perfumes, lotions), wellness (aromatherapy) and food industry (flavoring).
- Sandalwood is also in demand by over 1 billion people worldwide using it as part of their culture for traditional rituals: the Tilak/Bindi forehead-dot, incense, daily pujas, handicrafted wooden figures (Ganesha, Buddha), funeral piles, etc..



THE NATURAL SUPER-INGREDIENT.

Multi-faceted ingredient

GROWTH MARKET: MEDICINAL FORESTRY

- The medicinal effects of sandalwood oil are scientifically proven: anti-inflammatory, antibacterial, anti-fungal and anti-proliferative properties.
- Clinical trials (FDA-Phase II) for sandalwood-based drugs were started in the USA. Mostly related to skin diseases.
- Recent German academic studies prove that the sandalwood oil contributes to heal bladder cancer, to accelerate skin damage healing, and improves hair growth.
- A 2021 cellular research confirms sandalwood oil to be a more potent antioxidant than the known lipophilic antioxidant vitamin E (alpha tocopherol).
- Quintis, our partner on-site, produces pharmaceutical grade sandalwood oil.



POPULAR FRAGRANCE

- About 47% of all perfumes created since 1790 contain sandalwood notes, according to the global perfume industry standard.
- There are two main reasons for this unique popularity of sandalwood oil in fragrances. One is the distinguished warm woody scent. Far more, it belongs to the strongest natural fixatives, enabling a perfume to last longer on the skin (due to its unusually high boiling point at 276°C).
- Because of sandalwood's dramatic implosion of supply and explosion of its price, real sandalwood (*Santalum album*) has also become scarce in perfumes, mostly limited to luxury brands (such as Chanel No 5).
- With the new availability of sustainable, traceable, and legal supply - and due to Quintis' marketing activities, this market segment has also started to surge again.

SPIRITUAL CONNECTOR (WORLDS & MARKETS)

- Spiritually, sandalwood has been revered since thousands of years.
- Ganesha, the elephant-resembling Hindu god, son of Shiva and Parvati, was created of sandalwood. From cradle to grave, sandalwood is the finest ingredient in Hindu rituals.
- Ganesha and sandalwood are both key for basic chakras, relevant for Yoga and Tantra.
- Buddhist monks are said to inhale sandalwood smoke when meditating, to better connect to the spiritual world.
- While this may seem alien to conservative Western cultures, academic medicinal studies confirm the effect of aromatherapy on brain areas, but also significantly on human cells.
- With Eastern practices being more understood, accepted and practised in Western cultures, huge markets for sandalwood in aromatherapy, as woodsticks/incense, and in jewelry (e.g. spiritual Mala-bracelets) are spreading from Asia globally.





NOT A TIMBER INVESTMENT.

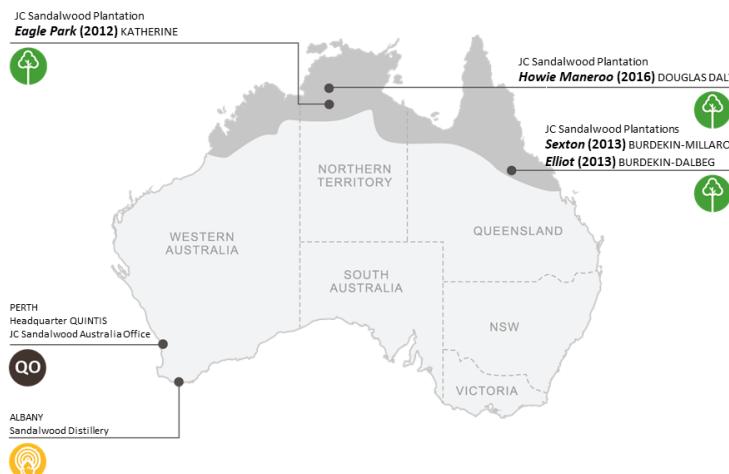
Independent commodity



SAFE LOCATION

- Australia is a politically stable and legally reliable investment location.
- The forest sites have been chosen after qualifying a number of aspects (climate suitability, soil quality, water licenses, legal, indigenous rights, logistics, natural risks – and price).
- The mitigation of natural risks starts with the site location (read more under: Forestry Management – Exemplary Risk Management),
- The risks of poaching and theft are minimal (never happened) due to extreme remoteness and high-tech protection.

Location of JC Sandalwood Plantations:



HIGH BARRIERS TO MARKET ENTRY

- Our partner Quintis has more than two decades of expertise and experience in sandalwood cultivation. As a hemi-parasite, Sandalwood is a highly demanding species; hence successfully cultivating it is an art that Quintis has mastered through hands-on trial and error and scientific precision over the last 20 years.
- This gives them a tremendous head-start compared to any potential new competitor trying to enter the market, as they have
 - the most comprehensive scientific sandalwood database in the world,
 - a large team of specifically trained and experienced sandalwood experts,
 - refined know-how to develop and cultivate high-quality seeds and seedlings which leads to a current survival rate of sandalwood trees on our plantations of over 90%, which is significantly above target.



LOW CORRELATION - HIGH PORTFOLIO ENHANCEMENT

- Sandalwood is a USP-product in geographically and thematically widely diversified markets.
- Sandalwood is not traded on any commodity exchange.
- This tangible asset is unusually independent of currency fluctuations.
- Even in comparison with typical timber investments, JC Sandalwood shows little correlation – due to the totally different and more diversified product markets, and its independence from commodity exchanges.
- Thus, we value this investment to be an outstanding portfolio balancer and enhancer by virtue of diversifying portfolio risks (low correlations) and above-average financial returns.
- As a vanguard of the „new“ investment portfolio theory, the unique and massive sustainability impact of JC Sandalwood constitutes an extra layer of portfolio enhancement.



FROM SOIL TO OIL TO SHELF.

Forestry Management

CULTIVATION BY THE WORLD MARKET LEADER

- Quintis is responsible for the sustainable cultivation of our JC Sandalwood forests. The Australian company was founded in 1997 and has since developed into the world's absolute market leader for sandalwood. From the nursery, reforestation, tree management, and harvesting, to processing, product development, and marketing.
- In 1999 the company started with the first commercial sandalwood plantation. Quintis now manages sandalwood sites totaling over 12,000 hectares with 5.5 million sandalwood trees, making it the only company in the world that cultivates sandalwood on a commercially significant scale in a sustainable manner.
- The Quintis Group also owns the world's largest sandalwood distillery and is the only producer of pharmaceutical-grade sandalwood oil.
- The product end of the value chain is also being further developed: The production of sandalwood, the processing and refining of sandalwood oil and wood products, and the development of end products (cosmetics, medicines, etc.).
- Due to a required restructuring, the business of Quintis was taken private at the end of October 2018.



EXEMPLARY RISK MANAGEMENT

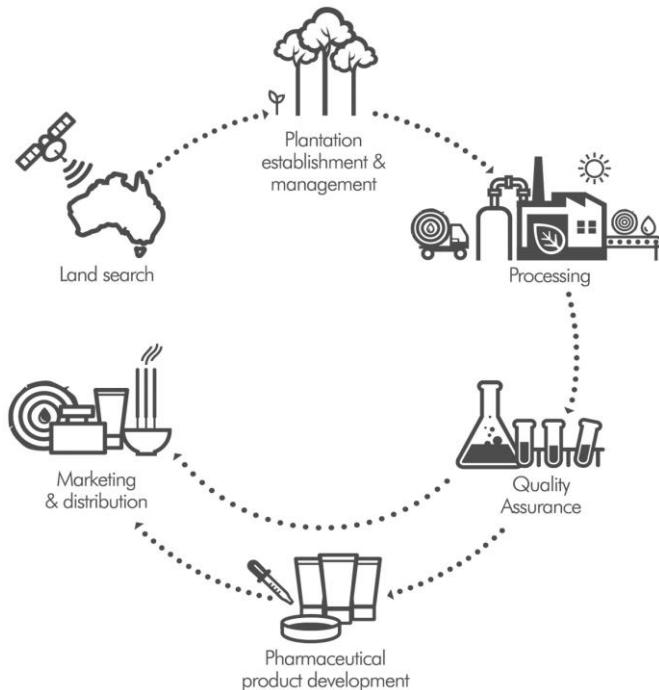
- The pro-active risk management starts with the appropriate choice of location: far away from potential cyclone or flooding areas.
- To mitigate fire-risk, the tropical climate-zone requirement for sandalwood is very advantageous compared to, f.ex., the southwest of this continent, where the disastrous and out-of-control fires in recent years took place. In the aboriginal tradition, controlled burning of potential fire catchers right after the wet season, is an agri-forestry routine which Quintis adopted early on, with the result of losing not even a handful of sandalwood trees to fire in their 20 years+ of operations.
- An essential factor for the successful risk mitigation is the exceptional quality and quantity of specialized staff active in the sandalwood forests. All forestry staff are trained to recognize changes and risks (insects, diseases), reporting the suspected incident to the forestry management. A responsible manager lives continuously right next to each site, some with their families.
- State-of-the-art technology is used to manage and monitor the plantations, from drip irrigation and the use of drones as well as satellite monitoring.
- As a passive protection, there is an (internationally tendered) insurance risk coverage for all Quintis sandalwood forests.





FROM TREE TO TREATMENT.

Lots of values



VERTICALLY INTEGRATED VALUE CHAIN

- Unlike most agriculture and forestry projects, Quintis aims to cover the entire value-chain: „From Soil to Oil to Shelf“ and „From Tree to Treatment“.
 - The land search is extensive and scrupulous, resulting in high quality cost/performance ratio.
 - Quintis operates their own seed orchards and nurseries; keeping IP protection high and costs low.
 - From the planting until harvest, all activities are controlled by the Quintis forestry management.
 - Quintis research department continuously monitors and scientifically analyzes available data to optimize the growth.
 - The harvest processing facility utilizes AI machinery to get most out of the trees: pre-selecting tree logs for wood or oil; cutting the heartwood precisely; not wasting a gram of dust.
 - In the own distillery, the sandalwood heartwood and the root trunks are chopped and then distilled to sandalwood oil (pharmaceutical grade or according to customer specification), or processed to powder.
 - Quintis even produces their own line of cosmetics and other products for sale in their Australian shops, and as prototypes for the industry.
 - Medicinal studies have been commissioned for the use in human (and pet) medicine. Six clinical trials were started with the FDA in the US.
 - McKinsey was retained to produce a comprehensive study to assess global sales opportunities for sandalwood products,
- Quintis markets and sells all sandalwood products on behalf of all growers, globally and centralized. Proceeds are pooled and then distributed according to each growers contributed biomass (after a deduction of a small marketing and sales fee, and an IRR-based carry).
- Notwithstanding, JC has the right to market and sell their own trees.





A UNIQUE ABUNDANCE OF SUSTAINABILITY.

Sustainability

JC Sandalwood is a fascinating example for our impact investing approach (www.jcii.earth). Together with our co-investors, our investment capital (and entrepreneurial resources) enables JC Sandalwood to massively contribute uniquely to many SDGs.

SAVING AN ENDANGERED SPECIES

- Sandalwood has been on the Red List of the International Union for Conservation of Nature (IUCN) as an endangered species for years.
- Our project contributes to preventing the extinction of this, in many aspects, valuable tree species. In a letter to Quintis, IUCN praised this active approach.

REFORESTATION & CLIMATE ACTION

- No forests were cleared for our sandalwood trees. Only areas that were previously used for monoculture or pasture (e.g., grazing land, cattle ranching, cultivating peanut or sugar cane) were selected. These were then carefully reforested into mixed forests with the hemi-parasite sandalwood and suitable host trees.
- The JC Sandalwood mixed forests include about 1.5 million trees in total. Of these, more than 270,000 are sandalwood trees, the rest are host plants.
- Sustainable cultivation practices (GMO free, drip irrigation etc.) promote the mixed forests' ability to sequester above-average amounts of CO₂. A mature sandalwood tree absorbs approximately 21kg of CO₂, according to one study made.

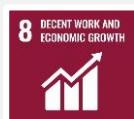
BIODIVERSITY

- Mixed forest cultivation supports the development of soil quality, as it reduces soil salinity and counteracts soil erosion.
- The variety of trees have a positive effect on the groundwater table thanks to their different root systems.
- The sandalwood mixed forests provide a new home for many animals. More than 100 different species of animals and birds have been counted in the sandalwood mixed forests.
- The soil quality and the underground organic life becomes extraordinary rich. Although obvious on sight, this remains to be further scientifically researched.



UN SUSTAINABLE DEVELOPMENT GOALS

We have been invested in this sustainable project since 2010. The United Nations launched the SDGs in 2016, so we do not claim any original intent in this specific regard. Nonetheless, JC Sandalwood contributes significantly to 7 of the 17 SDGs.





„BEST IMPACT INVESTMENT 2019“

„Best Impact
Investment“



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Impact

“Impact investing means considering people, planet, and profits equally. It focuses your view on the holistic contribution your investment can make. You earn entrepreneurial returns by creating sustainable good.”



HEALTH

- Sandalwood has been used in traditional alternative medicine (Ayurveda, TCM) and aroma therapy since thousands of years. Through scientific studies, various healing effects of sandalwood have been verified and proven. Confirming anti-inflammatory, anti-bacterial, anti-mycotic and anti-proliferative properties.
- JC Sandalwood's partner Quintis produces a sandalwood oil in pharmaceutically pure quality. Only oil of this quality can be used for the production of medicines.
- Over the past years, Quintis has started several clinical trials (mostly dermatological diseases) and commissioned further studies.
- A prescriptive sandalwood-based drug may be some years away from FDA approval, but the academic evidence is long proven.
- Especially the blasting effect against MRSA (multi-resistant pathogenes/germs) offers a unique healing opportunity.
- Natural sandalwood oil of the Santalum Album species with its highest quality α - and β -santalol is bound to enable unique medicinal products.

SUSTAINABLE CULTIVATION & PROCESSING

- By integrating the entire sandalwood production process, our partner Quintis has control, from seedling to the end product, and can thus implement and maintain high standards of quality and sustainability. Three examples:
 - Sandalwood seedlings are raised GMO free in the own nursery and have an above average survival rate
 - Drip irrigation is used to save precious water
 - Up to 97% of the water used in the sandalwood oil distillery is recycled and re-used.

PEOPLE

- Quintis has ISO-certified processes for health management, safety management, gender equality and the promotion of the indigenous population.



ABOUT US.

Lead Investor



OUR HISTORY

The Jäderberg & Cie.-Group was founded in 2010 to specifically manage the JC Sandalwood project. Meanwhile, we have become an entrepreneurial, catalytic impact investor with a growing portfolio. Our HQ is based in the harbor of beautiful Hamburg, Germany. To read more about our history, track-record, and background, see our websites.

OUR INVESTMENT STRATEGY

Our investment portfolio consists purely of **unique projects with disruptive or transformative impact, massive sustainability, and extraordinary long-term profitability.**

We only engage with projects to which we can add substantial value, be it in an operationally responsible role, or simply as an active lead investor. As **Impact Guardian**, we support the project to identify, communicate, and measure the sustainability impact. We ensure value and mission alignment both with the project staff and the shareholders. Furthermore, we attract like-minded co-investors, structuring and hosting the co-investment vehicles.

OUR INVESTMENT PORTFOLIO

Areas of investment - besides our flagship project „JC Sandalwood“ – are Regenerative Agriculture/Forestry (with a focus on medicinal plants), Food Distribution, Ocean Health and Circular Economy.

OUR IMPACT NETWORK & TOPICS

We are an **engaged member of international impact organizations and networks** like Toniic, Bundesinitiative Impact Investing, TTI, Global Impact Alliance and active in several working groups.

One overlapping topic we are pursuing is to create and integrate Carbon, Biodiversity, and Social credits in f Haone single token.

Not least, we are proud to be a sponsor Hamburg's iconic Elbphilharmonie – and happy to host our partners at a concert.

JC SANDALWOOD

In 2009, Quintis opened up their monopolistic project to a handful of international institutions, such as the Abu Dhabi sovereign wealth fund, the Harvard University endowment fund, and the Church of England. We were the first to sign an investment agreement, and **the only one among this exclusive circle of investors offering the opportunity of co-investment** to other interested parties.

Currently, we own a total of 575 hectares with more than 270.000 sandalwood trees, spread over 4 sites in the north of Australia. Today, 37% of these sandalwood forests belong to Jäderberg & Cie., 63% to our 1,500 co-investors - both individual as well as institutional investors. Thus, we ensure an alignment of interest between us and our co-investors in the success of this venture.

The ownership of the forests is with unitized tree trusts, making an illiquid asset fully tradeable in small quantities (single-digit dollars per unit). The JC Sandalwood structure also allows avoidance of double-taxation.

OUR APPROACH FOR THIS PRIVILEGED CLUB DEAL

There is no management fee, nor initial costs such as structuring costs or commission. Ongoing management and investment services will be provided by JC as contributions into the SPV during its term. General running expenses until harvest are financed out of the liquidity reserve or the unit holdings.

OUR MANAGEMENT PARTNER IN AUSTRALIA

The experienced managers and staff of DFK Gooding Partners are entrusted with the accounting and administrative matters of the Australian JC Sandalwood companies, as well as the management of the unit tree trust registry. In the past and hopefully soon again, we hosted **guided tours with our investors** to meet Quintis and Gooding Partners, and, of course, to visit our forest sites, the nursery, the distillery and much more.

Term Sheet

JC Sandalwood Invest 20

Special Purpose Vehicle

CLUB DEAL



INVESTMENT TERM SHEET

JC Sandalwood Invest 20 (SPV)

26 August 2021

TOTAL INVESTMENT	EUR 10,000,000 (expandable up to EUR 20,000,000)			
MINIMUM INVESTMENT PER INVESTOR	EUR 1,000,000 (max. 20 Investors)			
INVESTMENT DATE	<p>30 November 2021</p> <p>Earlier or later investment and/or multiple (additional) investment dates are possible and will result in an agio (later investment) or disagio (earlier investment) of 14% p.a. to compensate natural growth of the trees and increasing entry prices.</p>			
INVESTMENT VEHICLE	<p>JC Sandalwood Invest 20 (SPV)</p> <p>The investment vehicle is individually structured as a German limited liability partnership for this investment opportunity. The investors acquire limited partners' interests in the SPV.</p>			
SANDALWOOD PLANTATION	<p>The SPV invests in the JC Sandalwood forest Howie-Maneroo, which is located in Douglas Daly, Northern Territory, Australia. It comprises 287.6 hectares and was established in 2016 (i.e., no planting risks). The harvesting is projected for 2032 and 2033 (half of the plantation in each year).</p>			
PLANTATION STRUCTURE	<p>The Sandalwood plantation Howie-Maneroo is held in a trust and operated by the NT2016 Tree Trust (Trust), an Australian unit trust which is managed by Tree Roots Ltd Pty (a JC company) as trustee (Trustee). The Trust holds the agreements for the lease of the plantation land and for the ongoing plantation management and other services rendered by Quintis as plantation manager.</p> <p>The Trust assets (in particular the rights to the sandalwood trees) are held by the Trustee for the benefit of the unitholders: the Trust is divided into Trust units (Units), which are held by the unitholders (i.e., the JC Group companies and JC investment vehicles) and which grant a corresponding interest in the Trust assets.</p>			
PLANTATION INVESTMENT	<p>The SPV uses the funds provided by the Investors to acquire Units in the Trust for a price of AUD 2.86 per Unit (price base: 30/11/2021, in case of a later/earlier acquisition +/- 14% p.a.). Based on an investment of EUR 10,000,000 on 30/11/2021, a liquidity reserve of EUR 200,000 (2%) and an AUD/EUR exchange rate of 1.55, the SPV will acquire an interest in the Howie-Maneroo plantation of approx. 25%.</p>			
	Investors' Investment: SPV Liquidity reserve: SPV Plantation Investment: SPV Plantation Investment: Number of Trust- Units acquired:	EUR 10,000,000 EUR 200,000 EUR 9,800,000 AUD 15,190,000 5,311,189 Units		(AUD/EUR: 1,55) (AUD 2.86 per Unit)
INVESTMENT MANAGER	<p>Jäderberg & Cie. will act as general partner of the SPV and be responsible for monitoring and managing the investment during its term.</p>			
PLANTATION MANAGER	<p>Fieldpark Pty Ltd (a Quintis company) is mandated by the Trust with the ongoing plantation management and related services until harvest as well as with the sale and marketing of the sandalwood products after the harvest.</p>			

Please note that other Investment Structures can be designed suiting the individual needs of each investor.
 Other legal forms and/or domiciles are possible, but extra initial or ongoing costs could arise.

INVESTMENT TERM SHEET

JC Sandalwood Invest 20 (SPV)

26 August 2021

PLANTATION PROCEEDS AND UNIT IRR	<p>After the harvest of the plantation Howie-Maneroo and the processing and sale of the sandalwood products, the net sales proceeds sales, i.e., the sales proceeds minus harvesting, processing and sales costs as well as related fees (Quintis success fee) will be distributed to the unitholders of the Trust pro rata their respective unit holdings.</p> <p>The projected net sales proceeds strongly depend on two factors:</p> <ul style="list-style-type: none"> (a) the biological yield of the plantation; and (b) the future sales prices of the various sandalwood products <p>Please see below the projected net sales proceeds per Unit in various scenarios:</p> <table border="1"> <thead> <tr> <th colspan="5">Projected Net Sales Proceeds per Trust Unit (based on an average duration until payout until 30-06-2033)</th> </tr> <tr> <th></th><th>Pessimistic Scenario</th><th>Lower Base Scenario</th><th>Upper Base Scenario</th><th>Optimistic Scenario</th></tr> </thead> <tbody> <tr> <td>Unit Purchase Price</td><td>2,86 AUD</td><td>2,86 AUD</td><td>2,86 AUD</td><td>2,86 AUD</td></tr> <tr> <td>Average projected Net Sales Proceeds/Unit</td><td>10,4 AUD</td><td>15,4 AUD</td><td>20,3 AUD</td><td>25,2 AUD</td></tr> <tr> <td>Unit ROI Factor before Australian tax</td><td>364,0%</td><td>538,0%</td><td>710,0%</td><td>881,0%</td></tr> <tr> <td>Unit IRR before Australian tax</td><td>11,8% p.a.</td><td>15,6% p.a.</td><td>18,4% p.a.</td><td>20,7% p.a.</td></tr> </tbody> </table>	Projected Net Sales Proceeds per Trust Unit (based on an average duration until payout until 30-06-2033)						Pessimistic Scenario	Lower Base Scenario	Upper Base Scenario	Optimistic Scenario	Unit Purchase Price	2,86 AUD	2,86 AUD	2,86 AUD	2,86 AUD	Average projected Net Sales Proceeds/Unit	10,4 AUD	15,4 AUD	20,3 AUD	25,2 AUD	Unit ROI Factor before Australian tax	364,0%	538,0%	710,0%	881,0%	Unit IRR before Australian tax	11,8% p.a.	15,6% p.a.	18,4% p.a.	20,7% p.a.
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SPV COSTS	<p>On the SPV-level, the cost structure is very lean:</p> <ul style="list-style-type: none"> (a) No initial costs such as structuring costs or commissions. (b) Ongoing management and investment services will be provided by JC as ongoing contributions into the SPV during its term, i.e., no additional liquidity is required for this purpose. Instead, JC will participate in the profits and pay-outs of the SPV (please see below). (c) General running expenses until harvest (e.g., accounting) are financed out of the liquidity reserve. 																														
PLANTATION/TRUST LEVEL COSTS	<p>All plantation related costs such as ongoing plantation management, insurances, harvesting and processing costs, marketing costs etc. are incurred not on the SPV level but on the level of the Trust. This applies equally to trust related costs (accounting etc.).</p> <ul style="list-style-type: none"> (a) Pursuant to the Lease and Management Agreements entered into with Quintis as Plantation Manager, harvesting, processing and marketing costs will be borne out of the plantation proceeds. (b) The ongoing plantation management and insurance costs are to be borne by the Trust. In order to finance these ongoing costs, the Trustee will issue new Units in the Trust. The issuance of new Units for the financing of plantation and trust related costs until harvest will lead to an increase of the total number of Units issued and thus to a dilution of the unitholding (percentage) of the existing unitholders. Please note that the projected dilution has been taken into account in the prognosis calculations below. 																														
JC PARTICIPATION	<p>Jäderberg & Cie., as initiator and investment manager of this investment opportunity, participates in the profits and payouts of the SPV: JC is entitled to 30% of all SPV profits/pay-outs, once the investors have achieved an internal rate of return on their investment of 8% IRR p.a. (after Australian tax).</p>																														

Please note that other Investment Structures can be designed suiting the individual needs of each investor.
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INVESTMENT TERM SHEET

JC Sandalwood Invest 20 (SPV)

26 August 2021

PROJECTED INVESTMENT RETURN AND IRR	The Return on Investment and IRR projections from an Investor's perspective are indicated in the table below.				
Projected Investor ROI and IRR (based on an average duration until payout until 30-06-2033)					
	Pessimistic Scenario	Lower Base Scenario	Upper Base Scenario	Optimistic Scenario	
SPV-share of Net Sales Proceeds (AUD)	55,236,364	81,792,308	107,817,133	133,841,958	
Australian Taxes (30%) (AUD)	-12,013,909	-19,980,692	-27,788,140	-35,595,587	
SPV-share of Net Sales Proceeds post Australian tax (AUD)	43,222,455	61,811,615	80,028,993	98,246,371	
SPV-share of Net Sales Proceeds post Australian tax (EUR) [1: 1,55]	27,885,455	39,878,462	51,631,608	63,384,755	
JC Participation (EUR) (30% after Investor IRR of 8% p.a.)	1,049,534	4,647,436	8,173,380	11,699,325	
Investors' Share (EUR)	26,835,920	35,231,025	43,458,228	51,685,431	
Investors' ROI Factor (post Australian taxes)	268%	352%	435%	517%	
Investors' IRR (post Australian taxes)	8,9% p.a.	11,5% p.a.	13,5% p.a.	15,2% p.a.	
TAXATION	<p>The income derived from the sales of sandalwood products is taxable in Australia (current income tax rate: 30%). The Australian income tax has been taken into account in the above projections.</p> <p>On the level of the German SPV, the plantation income is tax exempt under the applicable double taxation treaty (subject to progression).</p>				
NOTES	<p>This Investment Term Sheet is non-binding. It's merely illustrating an exemplary forecast of investment cash flows based on a variety of assumptions. However, assumptions may change. The actual investment to be agreed will be based on finalized assumptions and investment conditions.</p> <p>Investment outcomes may differ in different investment structures and depending on where the Investor is domiciled.</p> <p>An investment in Indian Sandalwood plantations is a long-term and entrepreneurial investment with corresponding opportunities but also with corresponding risks, which, in the worst case, can result in a total loss of the investment.</p>				

Please note that other Investment Structures can be designed suiting the individual needs of each investor.
Other legal forms and/or domiciles are possible, but extra initial or ongoing costs could arise.



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