

## Job creation through harvesting and processing organic coconut sap

### Anticipated transaction impact

Grow the present >1,000 local jobs in Palawan, Philippines whilst preserving the natural environment

<b>Impact score</b>	Pass (21/28)
<b>Credit score</b>	Pass (25/28)

### Loan Overview

Loan amount	USD 400,000
Tenor and structure	6 months grace period + 30 months fully amortizing
Interest rate	9% p.a.

### Financial Overview

2021 Revenue	USD 1,624k
2021 Net Assets	USD 46,663k
2021 Total External Debt	USD 6,183k

### Company Information

Legal name	Lionheart Agrotech Pty Ltd
Incorporation date	2015
Corporate address	Punta Baja, Rizal, Palawan
Nature of business	Manufacturer and exporter of coconut aminos
Website	<a href="https://lionheartfarms.com.ph/">https://lionheartfarms.com.ph/</a>

### Shareholders

Name	Share (%)
Anders Haagen	19%
Christian Moeller	15%
Henrik Haagen	11%
Swiss AgroVentures AG	22%
Swiss Property Ventures	14%

### Company management

Name	Nationality	Position
Christian Eyde Moeller	Danish	President
Cecilia Chang	Filipino	Comptroller
Atty. Liavel Badillo	Filipino	HR & Legal Director

### Recommendation

Approval of a \$400,000 loan based on Lionheart's strong impact and clear path to profitability contingent upon securing \$250k of commitments from participants. (\$150k net exposure for BR)

FX assumptions USD 1 : PHP 50



## Lionheart Farms

### Business overview

Lionheart operates the entire supply chain of coconut sap processing in Palawan, Philippines. Coconut sap is a naturally sweet substance that flows from the coconut flower when it is tapped. Lionheart began in 2015 by planting hybrid coconut seedlings using natural farming methods on an initial 5,000 ha of land leased on a 25-year term. Hybrid coconuts are a dwarf variety that results from crossing traditional varieties. They are known for their superior quality and quantity of sap and fruit. The initial batch of trees is just now starting to produce. Lionheart supplements its supply of coconut sap by renting farms from locals.

The harvested coconut sap is processed on-site mainly into coconut aminos, a direct soy sauce replacement, and bulk exported to the United States. The market for coconut aminos is expected to continue its accelerated growth mainly because the percentage of consumers allergic to soy has likewise grown.

Sales only started for the company in August 2021. Its primary customer, Nutiva, is a respected US brand which has recently acquired Coconut Secret, one of two main retailers of coconut aminos in North America.

The growth in the market for coconut aminos is evidenced in the company's sales. For example, Nutiva has increased its order from 5 to 8-10 containers per month in 2022, and plans to increase it further to 14 containers per month later this year. In the coming months, more trees are expected to be sap-producing. This leaves the limited production capacity as the new bottleneck to higher sales and impact. The current production capacity needs to be expanded if the company wishes to make the most of available raw material and customer demand.

### Impact background

Palawan has one of the highest incidences of poverty in the Philippines, estimated at 56% in the last profiling of its population in 2017. In Rizal, where Lionheart operates, this goes up to over 60%. 6 in 10 families live below the threshold of \$240 for a family of 5 per month. Approximately 30% of households still rely on unsafe drinking water, and 35% of households have no access to electricity, relying on gas and lamps.

Mount Mantalingahan, the highest peak on the island at 2,085m above sea level, forms the backdrop of the township of Rizal. It is one of the richest areas in terms of flora and fauna in the country and is home to a large population of indigenous people who have lived scattered in the mountain for over a thousand years. The rich biodiversity on the mountain and its surrounding national park is matched only by the depth of poverty experienced by its indigenous population, a large proportion of them illiterate.

To get by, some of them have resorted to illegal logging and wildlife poaching to earn an average of 500 pesos (\$10) a week. Some of the felled trees are converted into charcoal, a trade passed through the generations in Rizal, to be exported to the cities.

The greater island of Palawan has a young population, numbering around 950,000+ persons, with a median age of 20 and few viable employment options, paving the way for those of age to seek employment in the cities.

**Impact delivery**

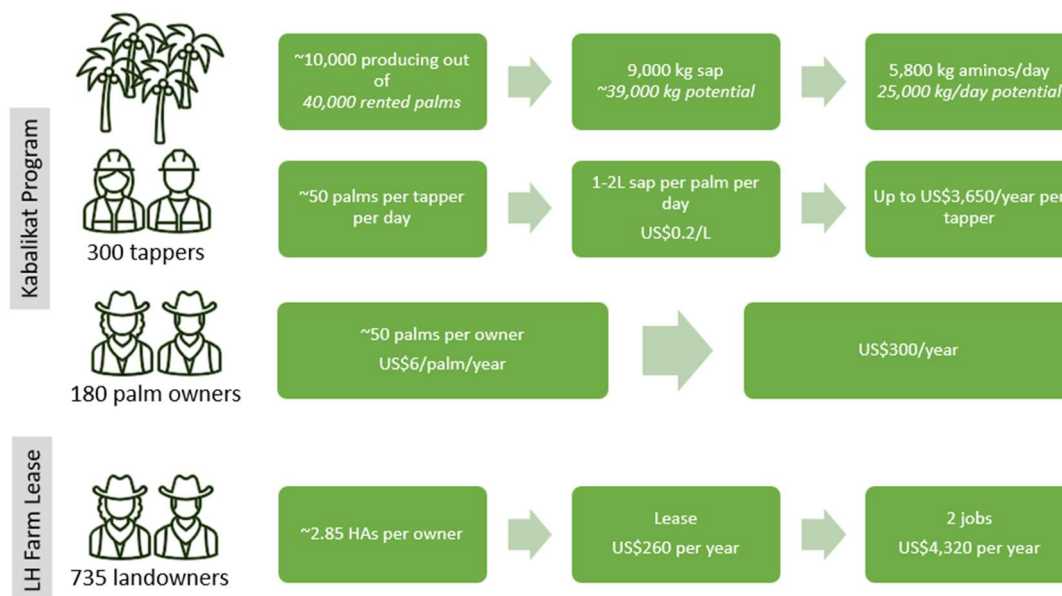
Lionheart creates impact in Rizal in one of three ways: 1) they provide direct employment, 2) they lease coconut palms or land from existing landowners under a rental program, and 3) they purchase large amounts of bio-organic inputs from the locals to fertilize the coconut palms.

Due to the breadth of Lionheart’s operations, there are job opportunities in different areas, from desk jobs to field jobs and those in between. Due to the low literacy rate among the indigenous people, employment opportunities are very limited. Many have had to rely on informal, illegal activities to earn a livelihood. At Lionheart, their skills will be matched to the job requirement - they can be hired as a tapper, for example. As a tapper, they earn a living wage above minimum rates, with employment benefits. The company has around 1,000 staff spanning administration and operations, comprising mainly locals, half of whom are indigenous.



**Figure 1 Tapper Kuya Jerry, who can collect up to 50L of coconut sap a day, earning \$10**

Another way Lionheart creates impact is through its palm and land rental program. Under the palm rental program, known in the local language as the Kabalikkat (meaning to share one’s load) program, Lionheart leases coconut palms and offers owners and their able family members the option of supplementing their income by working as tappers. The company now spends ~\$50K per month on this program, involving 180 palm owners and 300 tappers.



**Figure 2 Lionheart programs, based on BR interviews and site visit conducted last February 7 - 9, 2022**

Landowners who have no coconut palms can also lease their undeveloped land to the company. The lease comes with a full-time job opportunity to work at Lionheart. Lionheart will cultivate the land with saplings, and as the coconut palms mature, landowners will have the same chance of supplementing rental income with employment income as a tapper. There are ~735 landowners now under this land lease program.

Lastly, Lionheart's natural farming activities generate a sizeable demand for organic fertilizers, estimated at 600 tons a month and expected to grow further. It comprises natural inputs such as manure, cocopeat, banana shoots, seaweed, rotting fish, and so forth supplied by the communities. In the first 6 months of 2021, Lionheart spent over \$250K on bio-organic inputs. This has the dual effect of improving circularity as waste is turned into resource and profitability as locals now monetize the by-products of their economic activities.

### Environmental Impact

Apart from being a source of livelihood, the land dedicated to regenerative agriculture is also a deep carbon sink. At a time when we're busy playing defense against the effects of climate change, the naturally forested and cultivated areas preserve precious topsoil enriched by trees that put carbon in its proper place. In our battle against climate change, systems like this lead the charge.

Lionheart's programs recognize that environmental and social issues are intimately connected. Through its various economic programs, they provide viable, sustainable alternatives to the citizens of Rizal to stop illegal logging and other environmentally destructive activities. Furthermore, Lionheart commits to have a net positive contribution to biodiversity in the areas they farm on.

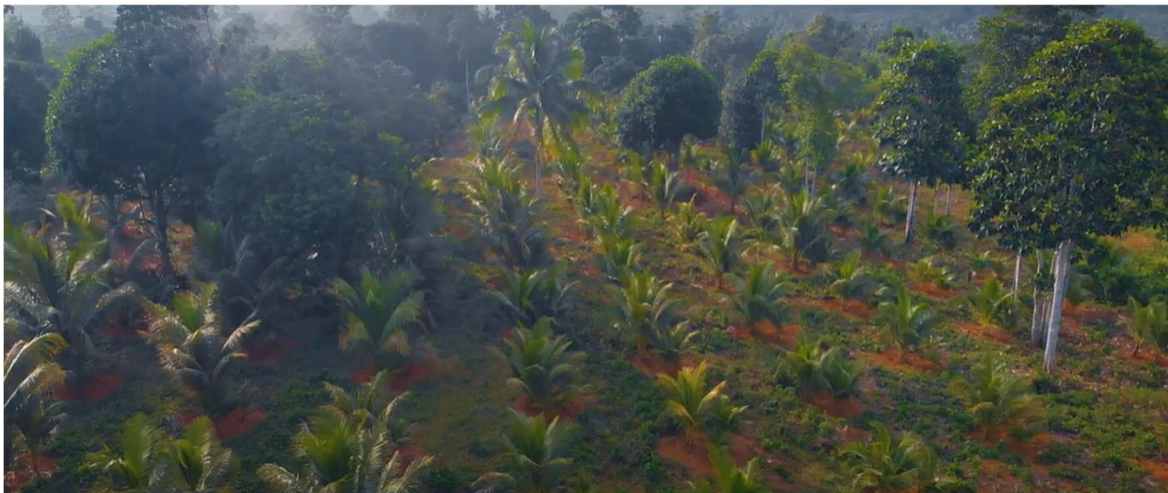


Figure 3 Biodiversity is encouraged to flourish at Lionheart's farms

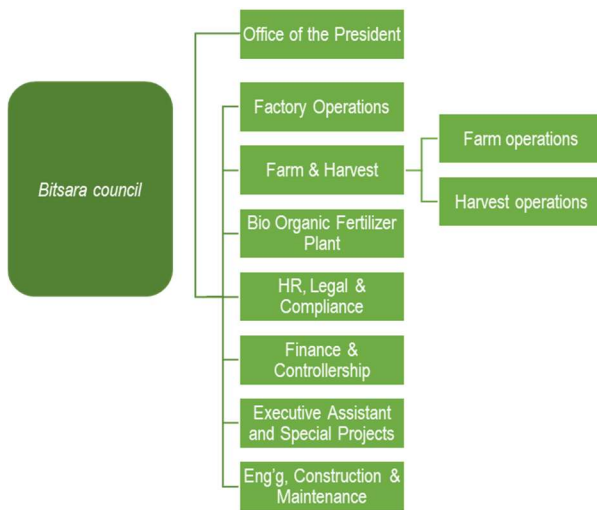
### Industry overview

Coconut aminos is a soy sauce substitute for the growing number of individuals allergic to soy. Some also purchase coconut aminos for its perceived health benefits, although the only proven benefit so far is the lower sodium content. Nevertheless, the allergen-free market continues to grow. FARE (Food Allergy Research & Education), the world's leading food allergy advocacy organization and the largest private funder of food allergy research, estimates that 85 million consumers in the United States require allergen-alternative products due to a personal allergic reaction or an allergy in their household<sup>1</sup>. The number of food-allergic children has grown 4% annually since 1997, adding to the affected group. Soy is one of the top 9 allergens that affect these individuals (milk, egg, wheat, fish, shellfish, peanut, tree nut, soy, and sesame).

<sup>1</sup> [Food Allergy Consumer Journey | Food Allergy Research & Education](#)

**Company overview**

**Management**



**Figure 4 LH Organizational chart, including its community council of indigenous elders**

Christian Moeller, President and co-founder, oversees the day-to-day operations of LH. Senior managers lead each of the three central business units: factory operations, farm and harvest, and fertilizer plant.

True to its commitment to continued partnership with the indigenous communities of Rizal, LH conducts monthly meetings with a council of elders called Bitsara council. All elders are welcome to join, even those whose tribes do not directly transact with LH.

In terms of corporate governance, Lionheart Agrotech Pty Ltd has a board of directors with three executive board members and three non-executive board members. Both strategy and short-term cash requirements (6-12 months) are decided in its monthly board meetings.

**Supply chain**



Men are in charge of tapping the sap of coconut blossoms. They usually begin at sunup, as early as 5.30 am local time. Coconut sap must be cooked within 5 hours of harvest to prevent fermentation. This is essential because the sugar content lends the caramel color of the coconut aminos. Cooking at collection sites is done by local women who also clean and maintain the tools of the tappers. LH’s quality control and assurance teams then collect and record the sap harvested. Rented palms produce, on average, 1 liter of sap per day, while the first batch of productive trees from LH farms produce 2 liters per day.

Once delivered to the factory, the coconut sap is pasteurized and boiled to develop that distinct soy caramel color. Salt and coconut virgin water is then added back to adjust taste and consistency. The factory runs for 24 hours in 2 productions shifts. A technical and maintenance team is always on-site to provide assistance if needed. LH also has its own testing and product development laboratories to cater to the customers’ particular needs.

After the final quality checks, the product is transferred to 1,000L intermediate bulk containers for loading into 20’ containers. LH ships out of two ports—Brooke’s Point which is a 1.5-hour drive from the factory, and Puerto Princesa which is a 5.5-hour drive. LH prioritizes the Puerto Princesa port due to its sailing reliability and frequency. There are 2-3 sailings per week to Manila, where LH rents a staging warehouse in preparation for shipment to the US. LH buys marine insurance for all containers shipped from Palawan to Manila to protect the goods in transit. Freight risk is then transferred to the buyer once LH presents the bill of lading and collects payment. This process typically takes 17 to 35 days from the moment of loading in the factory.

### Sales strategy

Lionheart's sales growth is currently anchored on the execution strategy of its primary customer Nutiva. In August 2021, Nutiva acquired Coconut Secret, one of the US's top brands selling coconut aminos. Nutiva plans to fold these into their line of other organic coconut products such as coconut oil and coconut flour, which are already available at retailers all over the United States. To help manage its production, Nutiva provides verbal order forecasts for the year, with at least 3 months' worth of confirmed purchase orders.

LH is a cut above Nutiva's other alternative suppliers since only LH successfully got the SMETA license, or SEDEX Members Ethical Trade Audit, which is one of the leading social audit firms, and BRC certification, a global certification entity for food safety and packaging. These two licenses are requirements of Nutiva's customers. Furthermore, LH's relationship with Nutiva resulted from almost 12 months of formulation development, ensuring the highest quality and consistency. LH believes its reliability on sodium levels and product quality is an entry barrier for competitors. Nutiva offered an exclusivity contract to LH, but LH declined to maintain flexibility. It also sells coconut aminos to several smaller brands in the US, such as Exclusive Foods, Ingredient Brothers, and Better Body Foods. The North American strategy is strictly bulk volumes for now.

While the US market is its primary focus, LH is pursuing markets in other developed countries such as Europe, Australia, and New Zealand. In December, they sent trial shipments of coconut aminos to New Zealand and have ongoing discussions with distributors for retail distribution all over Europe (through chains such as Rewe, Lidl, and Ocado<sup>2</sup>) and Scandinavia (through chains such as Reitan Gruppen, AxFood, and Kesko<sup>3</sup>). Beginning July 2022, LH is projecting 25% of its product revenues to go through the EMEA channels. These channels offer higher margins than the North American customers. All export consumers pay FOB Manila.

LH is also dabbling in the Philippine market to a limited extent, maintaining an online retail store and pursuing discussions with local grocery chains.



### Transaction Overview

Lionheart is seeking a USD 400,000, 3-year term loan to install two new amino boilers and all the auxiliary mechanical, electrical and plumbing requirements. This will add much-needed capacity, to 4x the current productivity of LH. The new boilers will also streamline two steps in the process (boiling and mixing), reducing the need for batch processing and strengthening quality assurance. The proposed pieces of equipment will be installed in LH's already existing facility. LH will manage the project in-house through its Engineering, Construction and Maintenance department. The estimated project timeline will take about 5 months from sourcing to project commissioning.

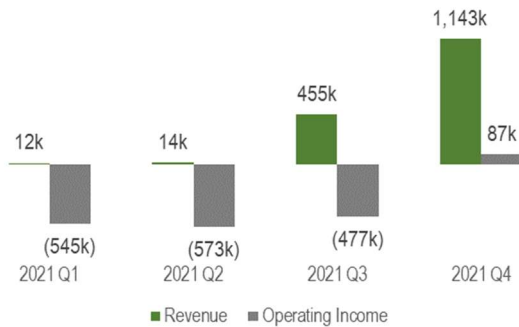
In the term sheet, Beneficial Returns requires at least USD 480,000 worth of assets for the security of the loan. About USD 435,000 will be coming from existing unencumbered assets such as electric generators, tractors, shredders, and skid loaders. It was verified during the site visit that these assets are present, functioning, and well-maintained. The balance required collateral are pieces of equipment part of the amino line expansion project. Furthermore, a personal guaranty of collection, where Beneficial Returns must exhaust all commercially reasonable efforts for repayment before calling upon this guaranty, has been offered by both Christian Moeller and Anders Haagen. The loan will be

<sup>2</sup> Distributed by [GEIA Foods](#)

<sup>3</sup> Distributed by [MDS Holding](#)

made to Agrotech Pty Ltd and documented in Hongkong at Lionheart’s cost. Securitization of the assets will be done by PJS Law on a pro-bono basis.

**Financial overview**



in USDk	2019	2020	2021	2022F	2023F
Revenue	35	-	1,624	13,084	69,852
Cost of Sales	-25	-	-987	-5,106	-30,985
Gross Profit	10	-	637	7,978	38,867
Overhead costs	-859	-1,240	-2,473	-4,514	-7,155
Net Profit	-849	-1,240	-1,837	3,464	31,712
Gross profit margin	29%		39%	61%	56%

**Figure 5 Lionheart Historical Performance and 2022-2023 Forecast, in USDk**

- Even though the company incurred a net loss of \$1.8m in 2021, the monthly trend from August when exports began in earnest is encouraging. In Q4 2021, the company sold \$1.143 million. This closely mirrors its cost of sales and overhead costs, resulting slightly above breakeven operating income, at \$87k.
- Two recent product certifications were vital to unlocking the sales delivered in the second half of 2021. In Q4 2020, Lionheart received the SMETA certification or the Sedex Members Ethical Trade Audit. SMETA is the world’s leading social audit, assessing an organization’s labor standards, health and safety, environment, and business ethics<sup>4</sup>. In Q1 2021, Lionheart was certified Grade AA by BRCGS, the global certification entity for food safety and packaging<sup>5</sup>.
- 2022 Forecast continues this topline growth, slowly ramping up from shipping 5 containers per month to shipping 26 containers per month. Actual containers shipped in January and February 2022 are on track vs budget.
- Demand from existing customers exceeds Lionheart’s ability to produce due to a processing bottleneck. More equipment will temporarily address this need and should generate cash to repay our loan. 68% of the costs of Lionheart are considered variable, and LH has a detailed understanding of how these expenses will scale up through its robust internal controls and monitoring.

<sup>4</sup> [SMETA Audit | Sedex](#)

<sup>5</sup> [Why BRCGS | BRCGS](#)

**Financial position**

- The company’s greatest asset by far is its stock of maturing coconut trees. In arriving at a value for its planted trees, the company engaged the Philippine Coconut Authority (PCA) to compute its biological assets, maturing over the following number of years. It assumes a productive life of 30 years, discounted at 15%, and calculates a different value based on nuts versus sap harvesting.
- This asset has a corresponding revaluation reserve of \$43m under Total Equity, calculated as the difference between the value of the biological assets and the related deferred tax liability. This tax liability will only be due as Lionheart harvests and realizes income from its coconut bearer plants. This results in the company having a significant net worth. We have sighted the valuation certificate issued by the PCA.
- Lionheart has a \$6.2m loan from the Development Bank of Philippines (DBP), collateralized by production equipment, repayable over the next four years. The current portion of that loan, including interest, is ~\$1.3m. 2022 Net Income is projected to be 2.65x the debt service payments for the DBP and the proposed BR loan.
- A significant portion of Lionheart’s liabilities are advances from its parent company to support its working capital requirements. These advances are non-interest bearing, unsecured, and with no definite repayment terms. The proposed BR loan will be senior to this obligation.

in USDk	2019	2020	2021
	<i>Audited</i>	<i>Audited</i>	<i>Interim</i>
Cash	1,698	1,352	591
Receivables	40	115	599
Other current assets	0	141	531
<b>Current assets</b>	<b>1,738</b>	<b>1,608</b>	<b>1,721</b>
<b>Current liabilities</b>	<b>108</b>	<b>556</b>	<b>340</b>
<b>Working Capital</b>	<b>1,630</b>	<b>1,051</b>	<b>1,381</b>
<b>Total assets</b>	<b>16,708</b>	<b>79,710</b>	<b>83,033</b>
Trade and other payables	2,177	2,440	2,329
Loans payable	3,648	6,313	6,183
Deferred tax liability	14,568	12,784	13,321
Advances from affiliates*	18,378	14,568	14,568
<b>Total liabilities</b>	<b>18,494</b>	<b>39,033</b>	<b>36,400</b>
<b>Total equity</b>	<b>(1,786)</b>	<b>40,677</b>	<b>46,633</b>

Figure 6 LH Balance Sheet

LFPC financials are audited by Diaz Murillo Dalupan and Company, a global affiliate of HLB international. DMD and Co. has branches in the key cities of Metro Manila, Cebu, Davao, and Puerto Princesa.

**Site visit**

Koko de Vera performed a two-day due diligence visit to Rizal, Palawan, last February 8-9, 2022. She visited Lionheart’s farm, rented palm lots, head office, and food and fertilizer production facilities during that time. Aside from Lionheart employees, she met three coconut tappers, two caretakers, and one palm owner. Some of the observations from the visit:

- The most valuable benefits reported by farmers were the regularity and stability of work that Lionheart provides, versus their prior alternatives of part-time work in rice paddies and copra trading.
- Beneficiaries and employees’ pride in working with Lionheart are very evident. They usually share that they can now invest in their children’s education, in motorcycles, or even in micro-businesses such as sari-sari stores.
- Members of the management team, particularly those for farm and harvest, production, and product development, are confident and knowledgeable about their department’s strategies and operations. It lends credibility to Christian’s claim that the organization can run even in his absence.
- Infrastructure development in Rizal and its neighboring municipalities is behind that of the overall development in Palawan. Only 46% of the population has access to electricity. While measly, this is already 4x the number of connections served vs. 2019. 5 of the 11 barangays in Rizal remain without electricity. Telecommunication coverage is still limited, but Lionheart is already in conversations with PLDT, a leading telco in the Philippines, to bring better data connectivity to Rizal.

Major risks and mitigating factors


Risk	Risk factor	Probability	Risk mitigating factor
Lionheart is unable to sustain its positive earnings trend	Reduction of revenues from its primary customer, Nutiva	Moderate	<ul style="list-style-type: none"> <li>LH’s continued development of other customers and regions reduces its dependence on Nutiva. In fact, Nutiva suggested an exclusive contract, but LH declined to maintain sales flexibility. In the second half of 2022, LH expects 25% of its coconut aminos revenues to come from European customers.</li> <li>The likelihood of Nutiva reducing coconut aminos line in its portfolio is low given their recent acquisition of Coconut Secret, as well as the substantial time invested in product development with LH.</li> </ul>
	Foreign exchange risk	Low	<ul style="list-style-type: none"> <li>The lowest exchange rate vs the dollar in the last five years (1 USD: 47.5 PHP) was 5% lower than the 2021 H2 average (1 USD: 50.2 PHP). However, the Philippine peso has been lagging the currencies of the two largest coconut producers, Indonesia, and India.</li> </ul>  <p style="text-align: center;"> <span style="color: green;">—</span> USD PHP    <span style="color: orange;">—</span> USD IDR    <span style="color: grey;">—</span> USD INR         </p>
Lionheart is unable to continue manufacturing operations	Keyman risk	Low	<ul style="list-style-type: none"> <li>In 2021, LH began a 5-year project strengthening its organization, documenting, and digitizing all processes, and building clear succession plans for its team.</li> </ul>
	Inability to procure sufficient raw materials	Low	<ul style="list-style-type: none"> <li>The Philippines, being a tropical country, experiences several tropical cyclones every year. Cyclones with wind speeds over 170 kph may cause extensive damage to coconut plantations.</li> </ul> <p>Over 2016-2020, Palawan was hit by less than one tropical cyclone per year of that classification. (0.4 vs national average of 10 per year, see <a href="#">Annex 1.</a>)</p>

Figure 7 Currencies against the USD, 2016-2020



			<ul style="list-style-type: none"> <li>LH has a registry of 40,000 rented palms ready to supply the required sap for the expanded capacity. Onboarding activities for other palm owners are continuous and ongoing.</li> <li>Palm productivity risk is mitigated by LH’s experience in growing its own seedlings at the farm nursery. Regular monitoring of both rented and own palms’ productivity ensures LH can course-correct early.</li> </ul> <p>The farm and harvest operations manager used to be a Research Assistant at the Philippine Coconut Authority. She brings with her a wealth of knowledge, particularly on crop protection.</p> <p>Finally, LH diversifies the species they plant. This reduces vulnerability to diseases, like what is happening now to banana crops.</p>
Lionheart is unable to meet its payment obligations to BR	Inability to generate cash from its operations	Moderate	<ul style="list-style-type: none"> <li>Because LH requires payment FOB Manila, the risk area would be the delay in shipping between Palawan and Manila. LH has 4 guaranteed slots from main shipping lines.</li> </ul>

**Conclusion**

It is hard to overstate the impact that a company like Lionheart can have and is having in a municipality like Rizal. Meaningful connections to value chains, done in a way that protects and regenerates the environment, is exactly what impoverished communities need to break the generational cycle of poverty. Whether it is through direct employment or land cultivation through the rental program, Lionheart is helping to catalyze ripples of economic activity and progress.

Much investment and time has gone into seeding the palms that are now maturing and entering their productive stage. The consistent and growing sales is evidence that the company is filling a gap in the market. The most recent quarter’s financial performance, where the company has posted a positive bottom line, suggests that the company is near an inflexion point. We believe the current trajectory and the deep asset revaluation reserve will compel equity shareholders to support the company until such time when it is firmly cash flow positive. The sales outlook, the readiness of shareholders to cover any shortfall and the equipment pledged as collateral give us the confidence to extend this loan.

Appendix 1: Lionheart Impact Assessment

Impact score: 25 out of 28

Prospective borrowers are rated with 1 point for Low, 2 points for Moderately Low, 3 points for Moderately, and 4 points for High. A minimum score of 20 for approval.

	Low	Moderately		High	Score
		Low	High		
<b>1 SCALE</b> Is the social enterprise addressing a major social or environmental problem and do they have the capacity to make a measurable, positive difference themselves or by influencing others?				✓	4
<b>2 SYSTEMIC CHANGE</b> Is the social enterprise focused on systemic change? In other words, would the impact continue even if the social enterprise went out of business?				✓	4
<b>3 SUSTAINABILITY</b> Does the social enterprise have a business model that is or has a strong likelihood of being sustainable? This may include a portion of philanthropic revenue provided that is sustainable.			✓		3
<b>4 STAKEHOLDER ENGAGEMENT</b> Does the social enterprise engage all stakeholders in their work? Is the social enterprise building local, human resources? Does it actively share its insights with others? Are indigenous communities involved?			✓		3
<b>5 RIGOR</b> How does the social enterprise measure its own impact and how well is it doing against these metrics?				✓	4
<b>6 EFFICIENCY</b> Are the social enterprise’s impact outcomes cost efficient vs. other interventions? If not, is it likely that they will become so as the social enterprise grows?			✓		3
<b>7 INTENTION</b> How committed to its social or environmental mission is the social enterprise?				✓	4
<b>TOTAL</b>					25

Appendix 2: Lionheart Credit Assessment

Credit score: 21 out of 28

Prospective borrowers are rated with 1 point for Low, 2 points for Moderately Low, 3 points for Moderately High, and 4 points for High. Minimum score of 20 for approval.

	Low	Moderately		High	Score
		Low	High		
<b>1 BELIEF IN MANAGEMENT</b> Does the social enterprise have a strong management team (extensive industry experience, strong leadership and entrepreneurial background)? Is the governance structure adequate?			✓		3
<b>2 ACCOMMODATIVE BUSINESS ENVIRONMENT</b> Is the social enterprise operating in an industry with low level of competition? Does the social enterprise provide products or services that have low threat of substitution?			✓		3
<b>3 QUALITY OF FINANCIAL INFORMATION</b> Can the financial information provided be depended on? Has its financial statements been audited?				✓	4
<b>4 ABILITY TO BE PROFITABLE</b> Does the social enterprise have a positive earnings trend? Are the earnings sustainable?			✓		3
<b>5 STRENGTH OF FINANCIAL POSITION</b> Does the social enterprise maintain adequate financial ratios (DSCR, Debt-to-equity, Current ratio) to support a debt obligation?		✓			2
<b>6 ABILITY TO SERVICE DEBT</b> Does the social enterprise have the ability to establish a strong cash position to meet its debt obligations on time?			✓		3
<b>7 COLLATERAL OR GUARANTEES</b> Is there collateral for the loan with an adequate loan-to-value amount? Is there a guarantor for the loan?			✓		3
<b>TOTAL</b>					21

Annex 1: Typhoon risk of Palawan

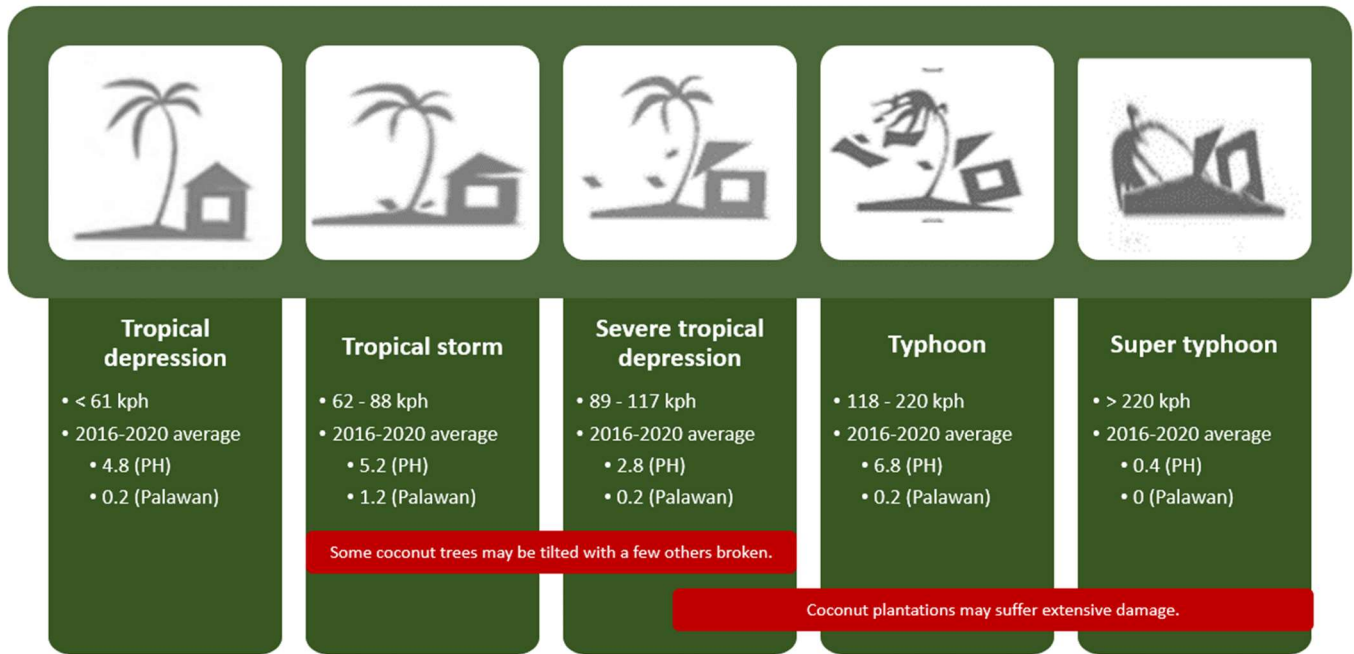


Figure 8 Tropical cyclone classification and annual track from [PAGASA \(dost.gov.ph\)](http://PAGASA.dost.gov.ph)