

Colombian Timber IX

Forestry Project in Vichada, Colombia

Projected Cashflow Schedule

Project Colombian Timber IX
 Farmland Las Brisas
 Total Plantable Area (Ha) 334.00
 Density (trees/Ha) 1,333

Exchange Rate \$ 1
 Projected Inflation 7.0%
 Forestry Management Fee 30%

Cash-flow Schedule - Colombian Timber IX - Years 0 to 7

Year	Period	Forestry Operation	Others	Forestry Mgt Fee	Total Cost		CO2 Bonds	Gross Sales	Cashflow
2020	0	\$ (1,617,012,782)	\$ (77,629,300)	\$ (485,103,835)	\$ (2,179,745,916)	57%	\$ -	\$ -	\$ (2,179,745,916)
2021	1	\$ (646,762,137)	\$ (75,855,830)	\$ (194,028,641)	\$ (916,646,607)	24%	\$ -	\$ -	\$ (916,646,607)
2022	2	\$ (193,044,558)	\$ (75,288,875)	\$ (57,913,368)	\$ (326,246,801)	8%	\$ -	\$ -	\$ (326,246,801)
2023	3	\$ -	\$ (75,562,297)	\$ -	\$ (75,562,297)	2%	\$ -	\$ -	\$ (75,562,297)
2024	4	\$ -	\$ (79,282,491)	\$ -	\$ (79,282,491)	2%	\$ -	\$ -	\$ (79,282,491)
2025	5	\$ -	\$ (83,231,715)	\$ -	\$ (83,231,715)	2%	\$ -	\$ -	\$ (83,231,715)
2026	6	\$ -	\$ (87,425,374)	\$ -	\$ (87,425,374)	2%	\$ -	\$ -	\$ (87,425,374)
2027	7	\$ -	\$ (91,879,937)	\$ -	\$ (91,879,937)	2%	\$ 613,725,000	\$ 9,205,875,000	\$ 9,727,720,063
		\$ (2,456,819,477)	\$ (646,155,818)	\$ (737,045,843)	\$ (3,840,021,138)	100%	\$ 613,725,000	\$ 9,205,875,000	\$ 16.33%
		63.98%	16.83%	19.19%	100%		6.25%	93.75%	IRR

Observations and Considerations

Sales: Projected timber sales assuming 2020's prices, this is, U\$180 per 1 ton of wooden chips.

Projected cost of extraction, conversion to chips, and transportation included in the sales figures.

CIF income not included: Economic incentive granted by the government to which we may apply after planting the tree-farm. The reception of this income is not guaranteed.

Important: These figures correspond to projections that may differ from the final figures depending on external factors such as inflation, exchange rate valuation, and general conditions of the market.

Colombian Timber IX
Forestry Project in Vichada, Colombia
Establishment Cost Breakdown (Year 0)

Project Colombian Timber IX

Land Las Brisas

Planted Area in Hectares 334.00

Year 2020

ESTABLISHMENT COST BREAKDOWN				
LABOR COSTS	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Skilled Labor				
Engineers, coordinators, assistants	ha	334	\$ 425,332	\$ 142,060,823
Operative Workforce				
Subsoiling + Raking (Polishing)	ha	334	\$ 508,800	\$ 169,939,200
Chemical preparation	ha	334	\$ 113,950	\$ 38,059,300
Internal transportation of seedlings	ha	334	\$ 116,325	\$ 38,852,562
Seedlings distribution	ha	334	\$ 47,914	\$ 16,003,280
Planting	ha	334	\$ 200,340	\$ 66,913,560
Internal transportation of base fertilizers	ha	334	\$ 32,860	\$ 10,975,240
Fertilization Phosphorus 314 kilograms	ha	334	\$ 220,767	\$ 73,736,283
Replant	ha	334	\$ 54,058	\$ 18,055,332
Chemical cleaning	ha	334	\$ 81,214	\$ 27,125,483
Internal transportation of coverage fertilizers	ha	334	\$ 25,758	\$ 8,603,172
Fertilization Potassium 150 kilograms	ha	334	\$ 147,178	\$ 49,157,522
Total Labor		334	\$ 1,974,496	\$ 659,481,755

DIRECT COSTS	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Vegetal material - Seedlings	ha	334	\$ 932,433	\$ 311,432,745
Phytosanitary control	ha	334	\$ 53,000	\$ 17,702,000
Chemical preparation supplies	ha	334	\$ 81,620	\$ 27,261,080
First chemical cleaning supplies	ha	334	\$ 43,248	\$ 14,444,832
Phosphorus fertilization supplies (Includes transportation to Pto Carreño)	ha	334	\$ 785,000	\$ 262,190,000
Other supplies	ha	334	\$ 117,000	\$ 39,078,000
Potassium fertilization supplies - 90 days	ha	334	\$ 331,000	\$ 110,554,000
Operational Logistics	ha	334	\$ 331,698	\$ 110,787,130
Soil study (x 50 ha)	ha	334	\$ 7,420	\$ 2,478,280
Infrastructure design for drainage	ha	334	\$ 106,000	\$ 35,404,000
Transportation of personnel to Vichada, Pto Carreño	ha	334	\$ 78,440	\$ 26,198,960
Total Direct Costs		334	\$ 2,866,859	\$ 957,531,027

Total Costs: Labor + Direct Costs	ha	334	\$ 4,841,356	\$ 1,617,012,782
--	-----------	------------	---------------------	-------------------------

Forestry Project Management	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Logistic, Financial, Technical and Administrative Management (AIU 30%)	ha	334	\$ 1,452,407	\$ 485,103,835

Total Cost of Establishment of the Treefarm	ha	334	\$ 6,293,762	\$ 2,102,116,617
--	-----------	------------	---------------------	-------------------------

Colombian Timber IX
Forestry Project in Vichada, Colombia
First Maintenance Cost Breakdown (Year 1)

Project Colombian Timber IX

Land Las Brisas

Planted Area in Hectares 334.00

Year 2021

MAINTENANCE COST BREAKDOWN				
LABOR COSTS	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Skilled Labor				
Engineers, coordinators, assistants	ha	334	\$ 132,000	\$ 44,088,000
Operative Workforce				
Second chemical cleaning	ha	334	\$ 90,517	\$ 30,232,538
Internal transportation of potassium fertilizers (2)	ha	334	\$ 24,218	\$ 8,088,752
Second Potassium fertilization	ha	334	\$ 89,272	\$ 29,816,895
Third chemical cleaning	ha	334	\$ 90,517	\$ 30,232,538
Internal transportation of potassium fertilizers (3)	ha	334	\$ 24,218	\$ 8,088,752
Third Potassium fertilization	ha	334	\$ 108,912	\$ 36,376,548
Total Labor		334	\$ 559,653	\$ 186,924,022
DIRECT COSTS				
DIRECT COSTS	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Operational Logistics	ha	334	\$ 107,749	\$ 35,988,166
Phytosanitary control	ha	334	\$ 53,000	\$ 17,702,000
Second chemical cleaning supplies	ha	334	\$ 54,895	\$ 18,335,024
Third chemical cleaning supplies	ha	334	\$ 54,895	\$ 18,335,024
Second Phosphorus fertilization supplies (Includes transportation to Pto Carreño)	ha	334	\$ 485,000	\$ 161,990,000
Third Phosphorus fertilization supplies (Includes transportation to Pto Carreño)	ha	334	\$ 485,000	\$ 161,990,000
Foliar study (x 50 ha)	ha	334	\$ 9,540	\$ 3,186,360
Total Direct Costs		334	\$ 1,250,080	\$ 417,526,573
Total Costs: Labor + Direct Costs	ha	334	\$ 1,809,732	\$ 604,450,595
Forestry Project Management				
Forestry Project Management	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Logistic, Financial, Technical and Administrative Management (AIU 30%)	ha	334	\$ 542,920	\$ 181,335,178
Total Cost of First Year of Maintenance of the Treefarm	ha	334	\$ 2,352,652	\$ 785,785,773

Colombian Timber IX
Forestry Project in Vichada, Colombia
Second Maintenance Cost Breakdown (Year 2)

Project Colombian Timber IX

Land Las Brisas

Planted Area in Hectares 334.00

Year 2022

MAINTENANCE COST BREAKDOWN				
LABOR COSTS	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Skilled Labor				
Engineers, coordinators, assistants	ha	334	\$ 165,678	\$ 55,336,452
Mano de Obra operativa				
Fourth chemical cleaning	ha	334	\$ 95,400	\$ 31,863,600
Total Labor		334	\$ 261,078	\$ 87,200,052
DIRECT COSTS				
	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Operational Logistics	ha	334	\$ 106,000	\$ 35,404,000
Fourth chemical cleaning supplies	ha	334	\$ 56,180	\$ 18,764,120
Foliar study (x 50 ha)	ha	334	\$ 9,540	\$ 3,186,360
Transportation of personnel to Vichada, Pto Carreño	ha	334	\$ 74,200	\$ 24,782,800
Total Direct Costs		334	\$ 245,920	\$ 82,137,280
Total Costs: Labor + Direct Costs	ha	334	\$ 506,998	\$ 169,337,332
Forestry Project Management				
	Unit	Area (Ha)	Unit Price (\$/Ha)	Total Cost
Logistic, Financial, Technical and Administrative Management (AIU 30%)	ha	334	\$ 152,099	\$ 50,801,200
Total Cost of Second Year of Maintenance of the Treefarm	ha	334	\$ 659,097	\$ 220,138,532

Colombian Timber IX

Forestry Project in Vichada, Colombia Other Expenses Breakdown (Years 0 to 7)

Project Colombian Timber IX
Land Las Brisas
Planted Area in Hectares 334.00

Exchange Rate \$ 1.00
Inflation 7.00%

Other Expenses	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total	Periodicity
Establishment and Forest Management Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Once
Environmental Management Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Once
FSC Certification Visit	\$ 1,870,400	\$ 2,001,328	\$ 2,141,421	\$ 2,291,320	\$ 2,451,713	\$ 2,623,333	\$ 2,806,966	\$ 3,003,454	\$ 19,189,935	Annual
Forest Insurance Policy (Allianz)	\$ 18,409,691	\$ 25,773,077	\$ 27,970,890	\$ 28,530,308	\$ 29,100,914	\$ 29,682,932	\$ 30,276,591	\$ 30,882,122	\$ 220,626,524	Annual
Forest Ranger	\$ 11,160,000	\$ 11,941,200	\$ 12,777,084	\$ 13,671,480	\$ 14,628,483	\$ 15,652,477	\$ 16,748,151	\$ 17,920,521	\$ 114,499,397	Monthly
Corporation fees	\$ 23,100,000	\$ 12,090,000	\$ 7,200,000	\$ 4,560,000	\$ 4,879,200	\$ 5,220,744	\$ 5,586,196	\$ 5,977,230	\$ 68,613,370	Annual
Land Lease	\$ 16,032,000	\$ 17,154,240	\$ 18,355,037	\$ 19,639,889	\$ 21,014,682	\$ 22,485,709	\$ 24,059,709	\$ 25,743,889	\$ 164,485,155	Annual
Incidentals	\$ 7,057,209	\$ 6,895,985	\$ 6,844,443	\$ 6,869,300	\$ 7,207,499	\$ 7,566,520	\$ 7,947,761	\$ 8,352,722	\$ 58,741,438	Annual
Total	\$ 77,629,300	\$ 75,855,830	\$ 75,288,875	\$ 75,562,297	\$ 79,282,491	\$ 83,231,715	\$ 87,425,374	\$ 91,879,937	\$ 646,155,818	

Colombian Timber IX

Forestry Project in Vichada, Colombia

Calculation of Income

Exchange Rate Calculation	USD	COP
Exchange Rate	\$ 1.00	\$ 3,000

Sales of Biomass per Ha	USD	COP
Sale Price per Ton of Biomass Chips	\$ 180.00	\$ 540,000

Harvest and Transportation Costs	USD	COP
Harvest	\$ 15.00	\$ 45,000
Conversion to Chips	\$ 12.00	\$ 36,000
Ground Transportation	\$ 0.50	\$ 1,500
Maintenance of Roads	\$ 0.30	\$ 900
Local Port Operation	\$ 7.00	\$ 21,000
Port Administration	\$ 3.00	\$ 9,000
Customs - exit from Colombia	\$ 0.40	\$ 1,200
River freight to Trinidad & Tobago	\$ 15.00	\$ 45,000
Port Operation in T&T	\$ 23.00	\$ 69,000
Customs - entry and exit T&T	\$ 0.80	\$ 2,400
Insurance	\$ 0.40	\$ 1,200
Maritime freight - T&T to Liverpool (UK)	\$ 27.60	\$ 82,800
Subtotal Cost	\$ 105.00	\$ 315,000

Calculation of Profit - Sales of Biomass	USD	COP
Gross Profit per Ha or Ton of Biomass	\$ 75.00	\$ 225,000
Turn (number of years)		7
Estimated Growth Rate (m3/ha/year)		35
Factor (Harvested Ha / Ton of Chips Biomass)		2
Estimated Harvest Volume (m3/ha)		122.50
Estimated income per Ha or Ton of Biomass	\$ 9,187.50	\$ 27,562,500

Calculation of Profit - Sales of CO2 Bonds	USD	COP
Capture Factor		2
Capture Volume per Ha		122.50
Price of Bond	\$ 5.00	\$ 15,000
Estimated Income per Ha	\$ 612.50	\$ 1,837,500