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## Investment Prospectus

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GUTIERREZ GROUP

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## Table of Contents

1. Executive Summary .....	3
2. Investing in Farmland .....	4
3. Farmland and Forestry Investing in Colombia.....	5
4. The Opportunity - Eastern Plains of Colombia.....	6
5. The Land & The Project.....	7
6. The Species.....	23
7. The Product.....	26
8. Management and Operation .....	28
9. Corporate Structure.....	30
10. 7-Year Economic Projection.....	31
11. Sustainability .....	35
12. Getting Involved.....	36
13. Frequently Asked Questions .....	37

## 1. Executive Summary

Colombian Timber is a unique agro-industrial investment opportunity offered by Gutierrez Group to investors willing to diversify into an industry that per its nature and high volume of cash requirements is usually only available to big private and institutional investors.

By using a crowdfunding methodology, this completely turnkey investment allows particular investors from all over the world to profit from the rising forestry industry in Colombia, buying farmland for as low as U\$ 200 per hectare, with the intention of planting *Acacia Mangium* and *Eucalyptus Pellita* trees, harvesting them in just 7 years and converting them into wooden biomass chips or pellets for local and/or international energy generation use.

Investors become shareholders of the developing corporation of a given project. Share packages are offered starting at 150 million pesos (U\$ 50,000) and investors are welcome to buy as many shares as they wish.

In the following sections of this document we will review the different aspects that we consider important and by which we believe there is an important amount of profit to be made from this business opportunity. We'll start by taking a look at the project's fundamentals: the industry and the location of the project. We'll pass on to review the lands that have been purchased, the species to be planted and our commercialization strategy. Then, we'll define the parties involved both in the operation of the project and its management. We'll conclude the document by presenting the project's structure, its projected figures and a review of its social and environmental sustainability component.

Before engaging the lecture of this investment prospectus we strongly suggest the reader to take a look at the following video that very briefly explains our whole endeavor in the region: watch video [here](#).

For further info about the project, graphic material and geographic location of the different lands, please visit [www.colombiantimber.com](http://www.colombiantimber.com)

## 2. Investing in Farmland

The way we understand it, investment in farmland consists in purchasing land and developing it by cultivating a specific type of crop, depending on available weather and soil conditions.

Unlike any traditional financial investment, farmland offers investors the unique opportunity to own a productive, tangible, safe, low volatility, longer-term and very often times higher yielding asset. Furthermore, given its normal long-term projection, the land itself is expected to gain great value throughout the development of the farming venture. However, successful agricultural investments require agronomic expertise, keen real estate instincts, intensive care, and economies of scale.

Despite how convenient farmland is as part of any well-structured investment portfolio, for most investors willing to engage in this kind of investment, the lack of knowledge, time, experience and/or budget restrictions towards generating scale economies, makes the opportunity unfeasible. The answer for such a situation is to invest through an expert and hopefully exclusively devoted organization that has the track record, the experts, the on-ground resources and the reputation to properly manage a farmland operation.

This is exactly what Gutierrez Group, in association with InverBosques, the forestry operator, is here to offer.

### 3. Farmland and Forestry Investing in Colombia

Several factors are currently driving certain economies to widely develop their agro-industries, Colombia being one of them. According to the Food and Agriculture Organization (FAO) of the United Nations, global population will reach 10 billion in year 2050, with which demand for food and fuel will double. Without needing to jump ahead in time, current statistics indicate that demand for renewable resources such as wood and biofuels is dramatically increasing. Furthermore, pursuant to the Kyoto Protocol's endorsement in 2009 by almost every country in the world (excepting the US), interest in projects that offset environmental damage has become a top priority for many countries and as such, they are being heavily and publicly encouraged. Colombia is no stranger to such dynamic and is currently sponsoring forestry through financial incentives and tax exemptions.

Colombia holds a tremendously interesting potential for agricultural production as only 2% of the country's available suitable farmland is currently being used. The country's unbeatable geostrategic location, with direct access to both the Atlantic and Pacific oceans, benefits transportation costs; and its equatorial tropical environment perfectly suits forestry activities allowing species to have higher production yields, resulting in much shorter rotation cycles. Several high added value tree species are currently being planted in the country, such as *Pinus Patula* and *Eucalyptus Pellita*, widely used in the production of pulp; Teak, Oak and *Acacia Mangium*, for sawn timber production; and Melina, for the production of plywood.

Additionally, and to make things even better, due to the enormous availability of land, the lack of a large forestry industry, and Colombia's unique circumstances, there are vast regions of farmland available for forestry projects at extremely low prices.

Not necessarily from an agricultural standpoint, but as an overall investment destination, Colombia stands as one of the most business-friendly environments in the world according to World Bank's Doing Business Index. The country ranks 6° in the world and 1° in Latin America in foreign investment protection. A strong and sustained growth; economic, legal and political stability; dramatically improved security conditions; fiscal prudence and incentives to foreign investment have driven the country to becoming one of the most attractive markets in the region today. Proof of that is the country's achievement of Investment Grade rating from the top three rating agencies (S&P, Moody's and Fitch).

Furthermore, Colombia has a strong international integration with more than 50 free trade agreements with other countries in the world as well as several international treaties to prevent double taxation.

#### 4. The Opportunity - Eastern Plains of Colombia

Colombia has over 17 million hectares considered suitable for Agroindustry developments of which only 2% is currently being used. The Eastern Plains of Colombia comprehend over 6.3 million hectares of flat, virgin savannas perfectly adequate for forestry. Approximately 25% of this area is located in the province of Vichada, considered the region with the most suitable farmlands for forestry in Colombia given its vast extensions of flat land and excellent weather conditions.

Vichada is located east of the country, bordering the Meta River on the west and the Orinoco River on the east, the latter being the natural frontier that separates Colombia from Venezuela. In fact, the abundant, perfectly navigable Orinoco River serves as the strategic and most cost efficient route towards exporting wood, as it crosses all the way through Venezuela and thereafter directly to Port of Spain (Trinidad and Tobago) in the Atlantic Ocean, where it can continue its route to the different international markets.

Farmland in this region of the country is known for its excellent weather conditions, abundance of water, as well as other natural resources. The climate is tropical with temperatures ranging between 25 and 35°C and a relative humidity of 84%. Altitude fluctuates between 70 and 120 meters above sea level, luminosity is of 2,938 hours per year and precipitations between 1,800 and 2,900 millimeters of water per year. Each of these ideal conditions benefit the rapid development of the tree species as wood production reaches an average of 22 m<sup>3</sup>/ha/ year.

In addition, as Vichada remains a predominantly underdeveloped region, farmland can be purchased at very favorable prices, which allows a very promising land valuation potential in long-term. Furthermore, forestry plantations in this region of the country are being heavily promoted by means of economic incentives granted by the Government such as the Forestry Incentive Certificate (Certificado de Incentivo Forestal – CIF) as well as by longstanding income tax exemptions. The CIF is granted to plantations that comply with requirements set forth by the Ministry of Agriculture and it implies the recognition and economic compensation of a portion of the establishment and maintenance costs of the forest plantation for several years.

## 5. The Land & The Project

The different farmlands where the forestry project is being developed were not randomly chosen but rather carefully selected, taking into consideration the fulfillment of certain mandatory criteria, such as:

- Proximity to the plantations' main nursery and to other plantations managed by the same group and operated by the same forestry operator, so as to be able to obtain cost efficiencies.
- Proximity to where the main road is projected to be paved and to local rivers, both of which allow for most efficient transportation costs.
- Ideal soil conditions that benefit the rapid growth of the tree species. This criteria was validated with comprehensive soil feasibility studies before the negotiation of the property.

Since December 2015, nine different lands have been secured by Gutierrez Group where independent projects have been developed. Projects planted in 2016 (Colombian Timber I), 2017 (Colombian Timber II) and 2020 (Colombian Timber IX) are offered to investors through a crowdfunding structure, while the rest of the projects (Colombian timber III to VIII) are funded by individual investors.

In total, 9,602 hectares (23,727 acres) have been purchased over the last 5 years, adding up to the existing portfolio of 65,000+ hectares (160,000+ acres) under management by the forestry operator. Securing and developing at least 1,000 hectares of land each year is indispensable to assure continuity of wood production in the long term.

Here's a general view of the main features of the existing projects/lands:

### 1. Colombian Timber I

- Name of Land: Paraíso
- Total Area: 1,198 hectares (2,960 acres)
- Planted Area: 855 hectares (2,113 acres)
- Status: Fully planted in 2016
- Estimated number of trees planted: 950,000



***Colombian Timber I Satellite Image***



***Colombian Timber I tree-farm***

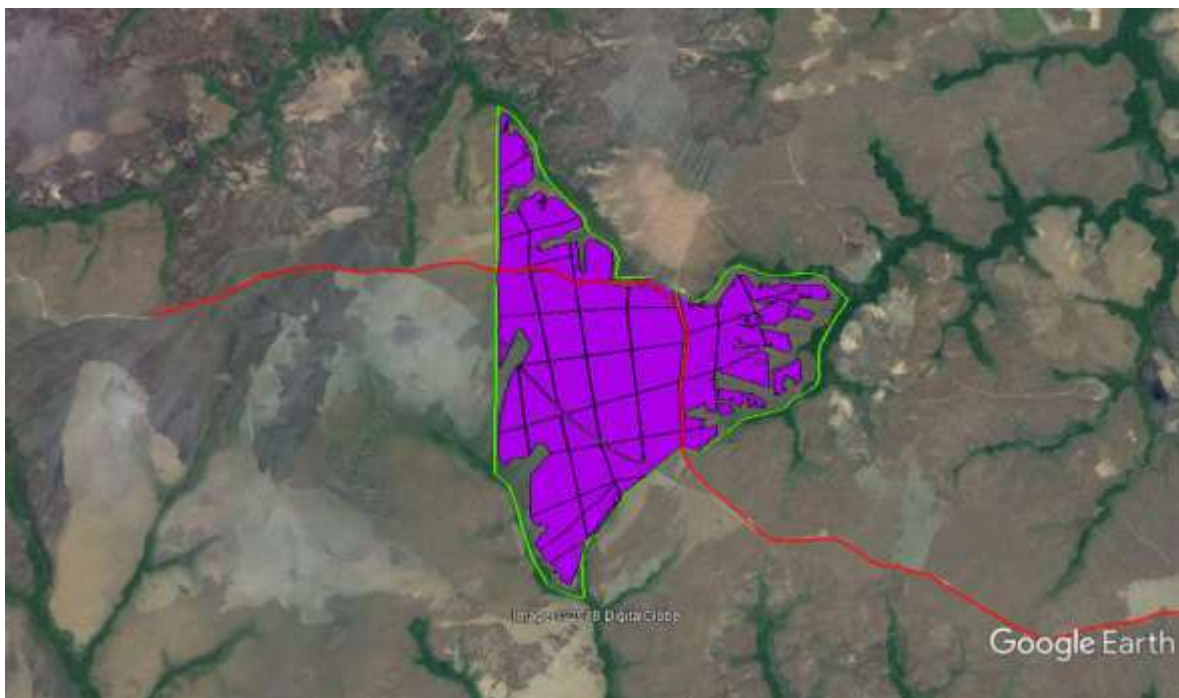




## 2. Colombian Timber II

- Name of Land: Las Palmitas
- Total Area: 1,076 hectares (2,659 acres)
- Planted Area: 795 hectares (1,964 acres)
- Status: Fully planted in 2017
- Estimated number of trees planted: 883,000

*Colombian Timber II Satellite Image*



***Colombian Timber II tree-farm***

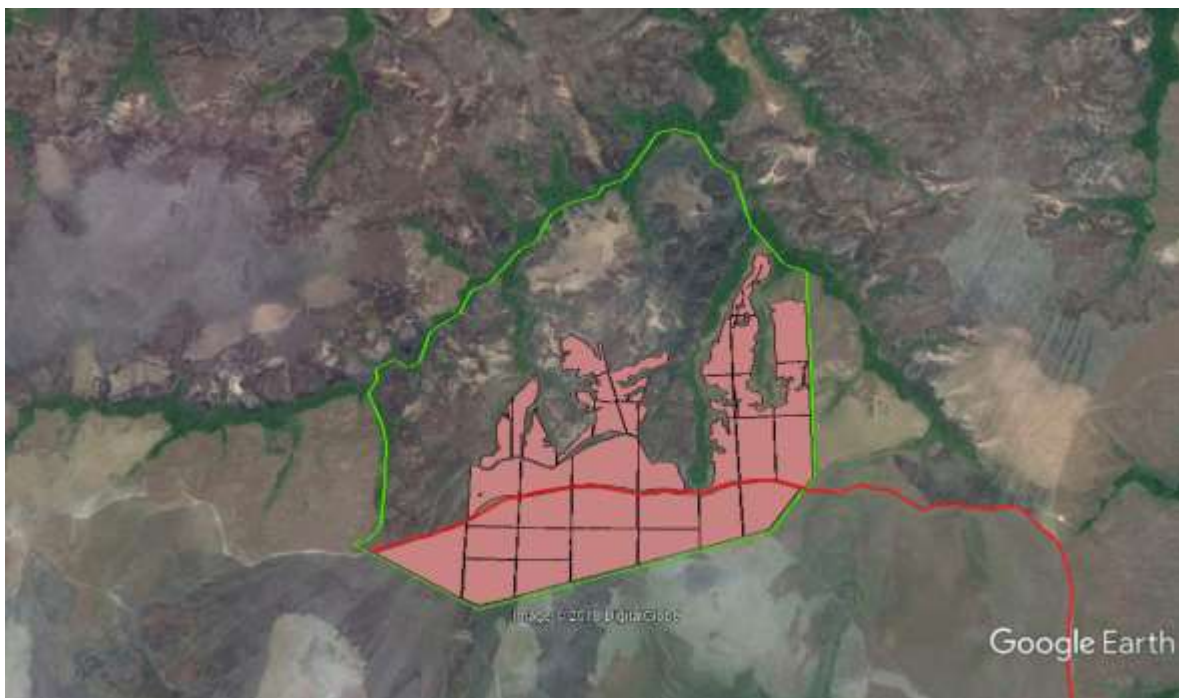




### 3. Colombian Timber III

- Name of Land: Los Azules
- Total Area: 1,238 hectares (3,059 acres)
- Plantable Area: 934 hectares (2,308 acres)
- Status: Fully planted in 2018 and 2019
- Estimated number of trees planted: 934,000

*Colombian Timber III Satellite Image*



***Colombian Timber III tree-farm***



#### 4. Colombian Timber IV

- Name of Land: Llano Lindo
- Total Area: 940 hectares (2,323 acres)
- Plantable Area: 765 hectares (1,890 acres)
- Status: Partially planted in 2018 and 2019
- Estimated number of trees planted: 374,000

*Colombian Timber IV Satellite Image*





***Colombian Timber IV tree-farm***



## 5. Colombian Timber V

- Name of Land: La Esmeralda
- Total Area: 1,292 hectares (3,193 acres)
- Plantable Area: 500 hectares (1,236 acres)
- Status: Partially planted in 2019
- Estimated number of trees planted: 133,000

*Colombian Timber V Satellite Image*





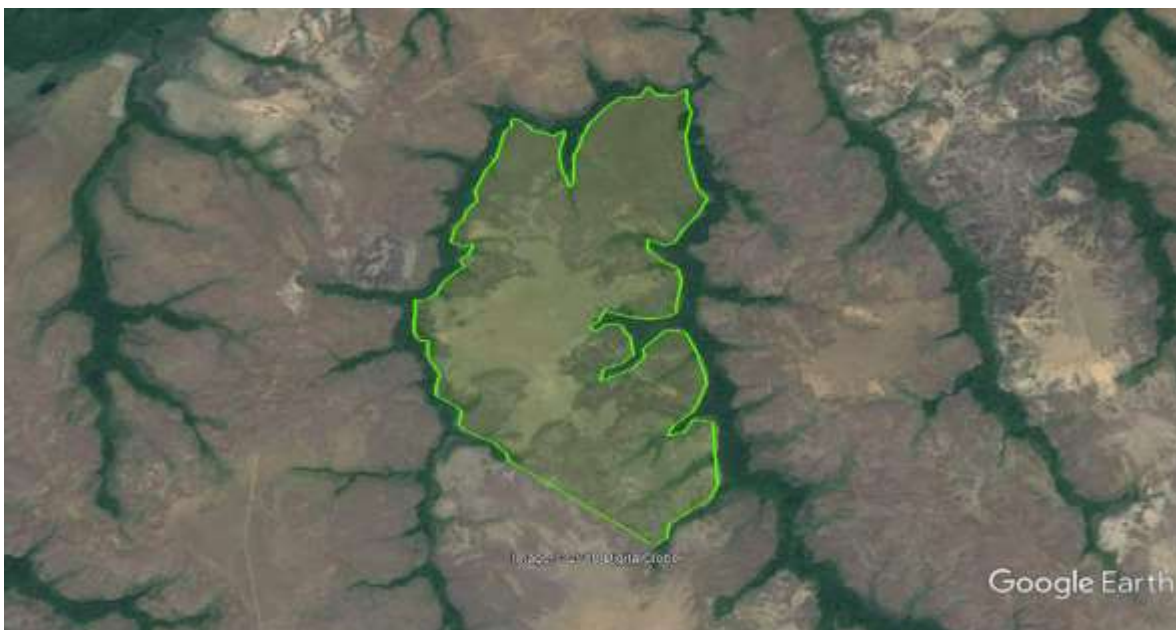
***Colombian Timber V tree-farm***



**6. Colombian Timber VI**

- Name of Land: La Luna
- Total Area: 851 hectares (2,103 acres)
- Plantable Area: 596 hectares (1,473 acres)
- Status: To be planted

***Colombian Timber VI Satellite Image***



## 7. Colombian Timber VII

- Name of Land: El Porvenir
- Total Area: 1,284 hectares (3,173 acres)
- Plantable Area: 886 hectares (2,189 acres)
- Status: To be planted

*Colombian Timber VII Satellite Image*



## 8. Colombian Timber VIII

- Name of Land: El Morichal
- Total Area: 903 hectares (2,230 acres)
- Plantable Area: 611 hectares (1,511 acres)
- Status: Partially planted in 2019
- Estimated number of trees planted: 37,500



***Colombian Timber VIII Satellite Image***



***Colombian Timber VIII tree-farm***



## 9. Colombian Timber IX

- Name of Land: Las Brisas
- Total Area: 400 hectares (988 acres)
- Plantable Area: 400 hectares (988 acres)
- Status: To be planted in 2020
- Estimated number of trees to be planted: 533,000

*Colombian Timber IX Satellite Image*



*Colombian Timber IX Land*





## 10. Colombian Timber Port

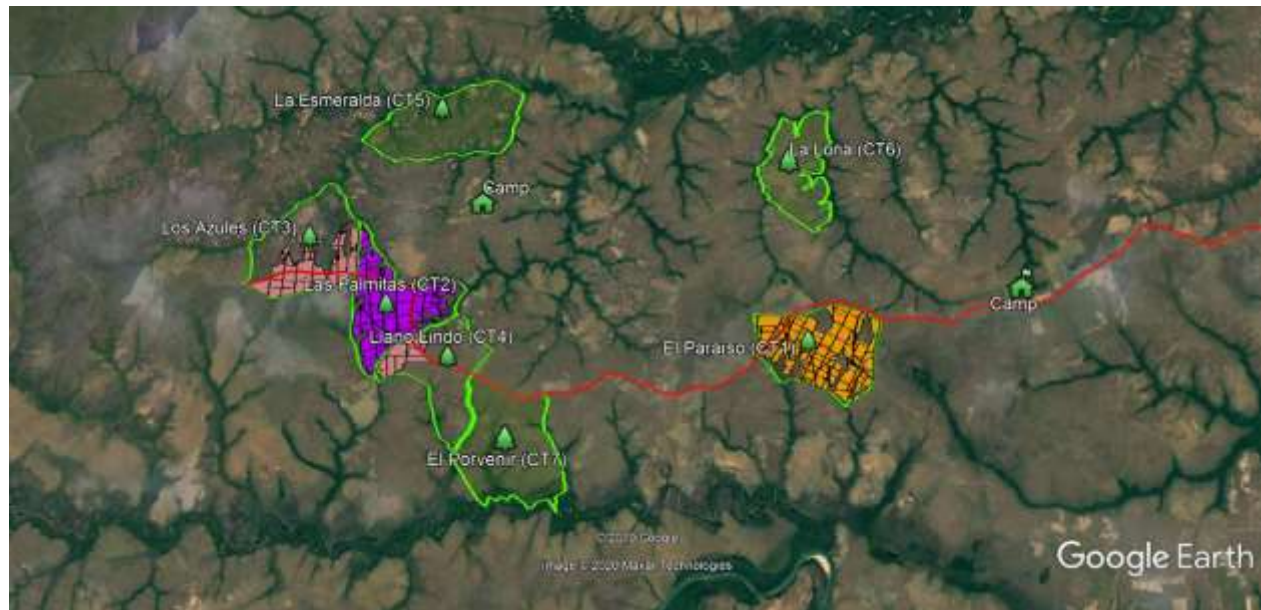
- Name of Land: Las Brisas
- Total Area: 818 hectares (2,021 acres)
- State: To be developed in 2020. In this land, besides a tree-farm of 400 hectares, we plan to develop our own storage, distribution center and port, for the entire forestry project.

*Aerial Image of Colombian Timber Port*



All of these lands, with the exception of Las Brisas (Colombian Timber Port), are conveniently located within the same forestry core, close to our main nursery (Las Bonitas) and to three of our most important camps.

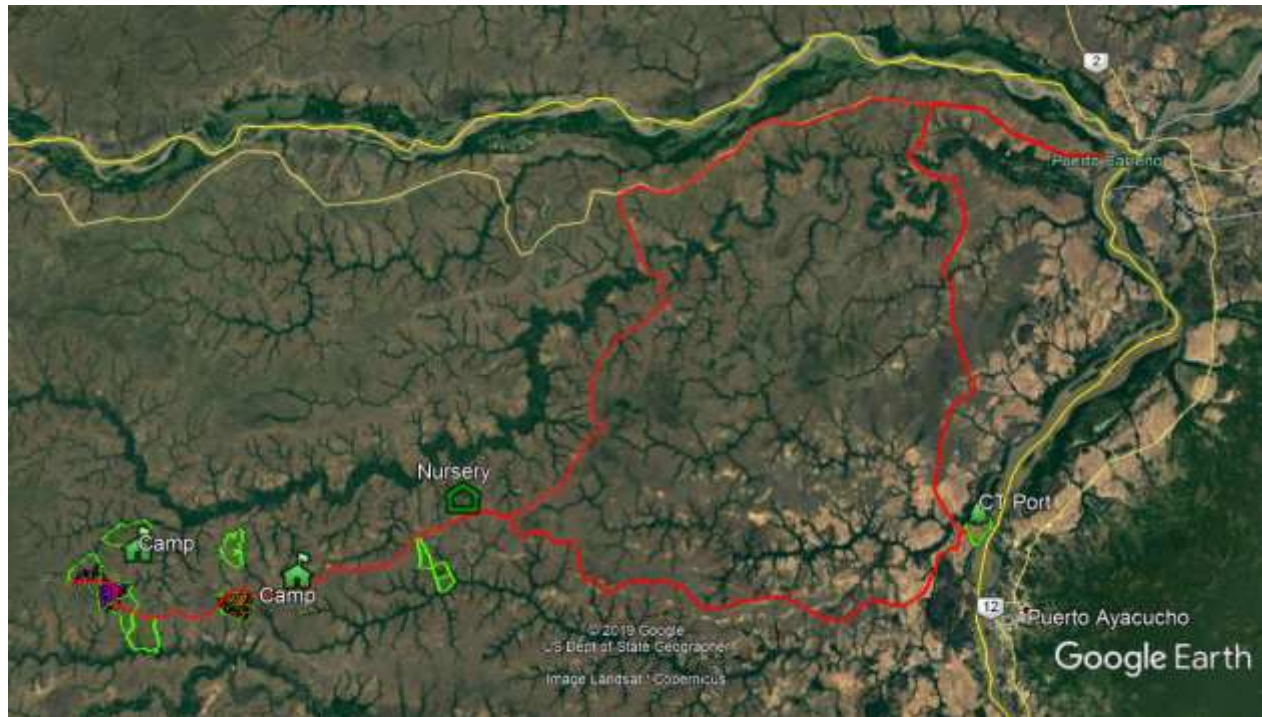
***Colombian Timber Forestry Core Satellite Image***



***Satellite Image of Colombian Timber Forestry Core, Las Bonitas Nursery and Camps***



***Satellite Image of Colombian Timber Forestry Core, Port, and local municipality (Puerto Carreño)***



To review the complete satellite location of the lands click [here](#).



## 6. The Species

The two most adequate species for forestry in this region are: *Acacia Mangium* and *Eucalyptus Pellita SP*, both of them vastly used in the paper, pulp, fuel (charcoal), boards, posts, furniture and construction industries, among many other uses, but also highly attractive for the wooden biomass industry, in form of chips or pellets, internationally used for energy production.

Due to the weather and soil conditions of the region, these species also feature the highest growing rates, making them ideal for our project and for the final destination that we have for our wood.

As per the *Acacia Mangium*, it has the additional component of being particularly attractive to bees, a very relevant issue given that we have contemplated the possibility of doing intercropping through apiculture, just as we've done with other plantations in the region, and through which an additional source of income, non-dependent to the sales of wood, may be derived. Such a project may be established after the third year of the tree-farm.

These are the main characteristics of the two species to be planted:

### ➤ **Acacia Mangium**

Its wood is hard, elastic and tough. Very durable and resistant on changes in moisture and rottenness. Its density ranges from 0.66 to 0.77 gr/cm<sup>3</sup>. Since the tree develops easily in arid lands, it is used to consolidate dams, sands, dunes and fences, and to manufacture piles, gears, pegs and cabinetry. Its most common uses are:

- To recover eroded lands since it allows nitrogen fixation.
- Construction, thanks to properties such as the static flexion (715 kg/cm<sup>2</sup>), perpendicular and parallel compression (100 kg/cm<sup>2</sup>) to the fibers (350 kg/cm<sup>2</sup>), and hardness (572 kg).
- Fuel.
- Agroforestry Systems.
- Furniture Industry.
- Decoration.
- Carpentry.
- Biomass: chips and/or pellets.

Production rate in Colombia Vs. other countries			
Common Name	Colombia (m <sup>3</sup> /ha/year)	Other Countries (m <sup>3</sup> /ha/year)	Countries
Acacia Tree	26 to 30	8 to 19	The Philippines, Malaysia, Haiti, Thailand, Indonesia, Panama

*Acacia tree plantation established in 2015*



#### ➤ **Eucalyptus Pellita SP**

Its wood is composed of twisted, spiral fibers which prevent it from saw or brush processing. It is used as round wood in posts, stowage, railway sleepers and beams. Its density ranges from 0.76 to 1.0 gr/cm<sup>3</sup>. Submersible, it does not rot due to its naturally contained essential oils, and it is unassailable by insects. These are its most common uses:

- Raw material for paper pulp.
- Short fiber pulp.



- Biomass: chips and/or pellets.
- Excellent fuel wood and charcoal quality.
- Heavy construction, structural wood, underground construction.
- Veneer, plywood boards, particle boards.
- Boards, fence posts, transmission posts, construction posts, lighting posts.
- Wood for mines.
- Board manufacturing.
- Turnery, tool handles, handles for appliances.

Production rates in Colombia Vs. other countries			
Common Name	Colombia (m <sup>3</sup> /ha/año)	Other Countries (m <sup>3</sup> /ha/año)	Countries
Eucalyptus	15 to 40	16 to 30	Argentina, Chile, Uruguay

*Eucalyptus tree plantation established in 2015*



## 7. The Product

There are several different ways to commercialize the final product at the end of the cycle. For instance, a simple alternative consists in selling the trees onsite (forest flight) to a timber company who can then harvest the plantation at its own expense. We can also sell the wood to local buyers who will use it for the thriving construction, sawmill or paper industries; or naturally, we may export the product, either with or without added value, to satisfy the endless foreign appetite for sustainable wooden products.

Despite all these perfectly feasible options, we have detected a truly unique opportunity in industry of energy generation through biomass, particularly with the use of wood chips and/or pellets, primarily in the international arena but also in the nascent local industry. This is the strategic sales route defined for the project and on which we will be concentrating all our efforts.

On a local level, negotiations are currently taking place between the Colombian government and private entities towards the development of a biomass power plant right in middle of the region where our plantations are located. This is due to the fact that this region is not interconnected to the national power grid and is forced to import power from Venezuela at a cost three times greater than what would be produced locally through said plant. The construction of this plant would provide much needed energy to the region and boost its development, and such has already been acknowledge by the government.

Now, committing to such an endeavor requires reassurance of a non-stop supply of fuel (in this case wood) for the power plant, and at its own time, the guarantee of permanent supply implies the involvement of not just our group, but that of all the other major forestry players of the region. Needless to say, all wood producing companies would be thrilled with the idea of being able to sell their product to a fair buyer that is located right in their backyard.

On the other hand, internationally speaking, our group has partnered with *Lignum Partners* (<http://www.lignumresources.com/>), a Spanish firm devoted to the promotion of power generation projects around the world and the commercialization of their products. Through this important ally we expect to sign long-term wood supply mandates with biomass-powered energy plants all over the world. To ensure that our wood meets the strict requirements of both the intermediary and the final buyer, we have had to certify, through studies of characterization of our wood, that our product is perfectly suitable for the generation of biomass, and that it meets the three following important criteria: humidity, granulometry and calorific value.

In addition to the foregoing and as means to further elevate the project's returns, we are currently innovating by implementing apiculture within the same plantations. The result of apiculture is perfectly organic honey, increasingly scarce in the world. This is called "intercropping". Apiculture projects can be triggered after the third year of our tree plantation as bees requires trees to have certain maturity in order to thrive. Apiculture doesn't represent a significant extra cost, and yet it allows for greater and earlier profits for the overall project.

Lastly, since 2015 all of our tree-farms have been certified by *The Gold Standard – Premium Quality Carbon Credits*, receiving CO<sub>2</sub> Bonds according to the amount of carbon dioxide captured by our trees, which we are able to sell in the local or international voluntary markets, obtaining another source of additional income.

## 8. Management and Operation

Gutierrez Group has partnered with InverBosques, a world class, high standards forestry operator, to ensure forestry investments being managed and operated with the highest degree of professionalism, which enables us to deliver to our investors the high degree of security and reliability they demand.

### ➤ **Gutierrez Group, the Investment Manager**

Gutierrez Group is a Colombian Multi-Family Office specialized in both managing and promoting unique alternative turnkey investment opportunities in Colombia, as well as in providing professional legal advisory to international clients living and/or doing business in Colombia. We go beyond what a typical investment firm offers by providing our investors with a broad variety of exclusive and safe wealth diversification and maximization strategies in different sectors of our local economy such as Agroindustry, Financial Sector, Real Estate, amongst others.

At Gutierrez Group we have always had the humble goal of becoming our clients' one-stop shop in Colombia, that's why we've integrated our legal, tax and accounting services with our wealth management and investment division.

We currently serve 1,800+ foreign clients in connection with all their business ventures in Colombia and it is our pride to know ourselves as their strategic allies in our country.

Gutierrez Group is in charge of the project's capital raising, supervision and control upon the forestry operator.

### ➤ **InverBosques, the Forestry Operator**

InverBosques is one of the top players in Colombia's rising forestry industry and the leading operator in the most promising region for forestry in the country: the eastern plains of Colombia.

The company was formed in 2007 and with more than 65,000 hectares under management, of which 12,000+ are currently planted, InverBosques has specialized in managing and operating integrated agro-industrial type of forestry projects.

Their broad experience in this region adds substantial value to the partnership as they are recognized as a key and "go-to" player in connection with anything that concerns the region's further development.

***Land purchased and planted, and trees planted by InverBosques (2008-2018)***

<i>Year</i>	<i>Farms (Ha)</i>	<i>Planted (Ha)</i>	<i>Trees</i>
2008	8,135		
2009	17,679	850	944,350
2010	22,710	2,700	2,999,700
2011	27,482	3,498	3,886,278
2012	40,000	4,530	5,032,830
2013	43,000	5,652	6,279,372
2014	52,000	6,960	7,732,560
2015	53,413	7,941	8,822,451
2016	55,787	9,378	10,419,078
2017	58,800	10,372	11,523,292
2018	63,000	11,097	12,328,767

InverBosques is also the leader of Vichada's GEO (Generadora Eléctrica de la Orinoquía), an association of forestry developers in the region which groups 90+ big-size investors and other companies and relevant participants of the industry, who jointly work to seek the development of the region but also towards the search of local and international alternatives for the commercialization of our wood, and other public and private issues relevant to the industry and the forestry project.

InverBosques also works with different non-profit organizations, in charge of ensuring that every single plantation is socially inclusive and environmentally responsible.



## 9. Corporate Structure

The projects developed in 2016, 2017 and 2020 are owned by different Colombian limited liability corporations: Colombian Timber S.A.S., Colombian Timber II S.A.S. and Colombain Timber IX S.A.S., respectively, where investors are invited to buy shares from, thus becoming co-owners of the tree-farm according to the capital injected into the company.

A *Sociedad Anónima Simplificada*, or *S.A.S.*, is the most efficient, flexible and secure type of corporation to develop and operate this project. This structure offers the following advantages:

- Limited Liability: It ensures limitation of liability for shareholders up to the amount of their contributions into the corporation.
- Anonymity: There is no public record to consult so as to find out who the shareholders of the corporation are.
- Continuity: It can accommodate to shareholders' estate planning so as to help avoid probate.
- Tax Incentivized: Per the economic activity that the corporation shall execute it is entitle to file for income tax exemptions and other economic benefits.

Each shareholder shall participate in the corporation's profits in proportion to the number of shares owned. The shares will give its owners the right to participate in the discussions and a vote in the shareholders' assembly, to receive a share of profits, to inspect corporate books and bookkeeping records, among others.

The corporations shall not have a Board of Directors and their Legal Representative shall be Felipe Gutierrez Arbelaez, as stipulated in the company bylaws along with the rest of the internal rules of the company.

Accounting statements will be sent to shareholders in an annual basis. Dividends will be distributed after the harvest, when the product is commercialized and paid for.

Right of first refusal shall be agreed upon within the corporate bylaws, so that current shareholders have the right to acquire the participation that another owner might be interesting in selling.

## 10. 7-Year Economic Projection

Due to the fact that the wood is projected to be used for biomass production instead of different uses of traditional timber, the tree species to be planted are expected to have a much shorter life cycle: only 7 years. This cycle is achieved by concentrating the resources in the first three years of the plantation, and due to the fact that for the production of biomass trees can be harvested with lesser wood volume.

The tables in this section show an example of cash-flow schedule and projection of figures assuming a project where 400 hectares are planted, and examples of projected individual cash-flows of investors participating in the project with minimum investment packages in years 0, 1 and 2. More detailed information and complete breakdown of the projected figures of Colombian Timber IX are available upon request.

The project's cost structure is composed as follows:

- Forest Operation: These are the direct costs of the plantation, such as the seedlings and seeds, fertilizers and supplies, logistics, and so on.
- Others: These are indirect costs of the project, represented primarily by the forest insurance policy and the forest ranger, but also by less significant items such as legal expenses, accounting, and other expenses related to the maintenance of the corporation.
- Forestry Management Fee: These are the fees charged by both the forestry operator and the investment manager.

On the other hand, the income structure is composed as follows:

- CO2 Bonds: This corresponds to the sales of carbon credits or CO2 bonds issued in our behalf by The Gold Standard.
- Sales of Timber: This is the most important item of the project, since the most significant portion of the income will be derived from the sale of the biomass after harvesting the plantation.

Although it is both the manager and the operator's obligation to seek the best possible local or global selling strategy so as to maximize the project's return, the income figures are calculated according to the current global prices of biomass, minus the corresponding extraction and transportation costs.

The project chart does not display additional data regarding a possible parallel apiculture project to be implemented in the plantations, given that this is a possibility and not an obligation.

Around 65% of the total cost of the project is represented by the forestry operation, this is, the establishment and maintenance of the tree-farm, while indirect costs represent around 16%. Forestry management fees, also considered an indirect cost, correspond to 19% of the total cost of the project.

On the income side, 94%+ of the project's income is represented by the gross sales of the wood after its harvest and the rest by the income derived from the sales of CO2 Bonds.

Overall, regardless of the particular project or farmland, we expect to achieve an annual Internal Rate of Return as from 16%. The return may be higher depending on achieving additional milestones, such as establishing a parallel apiculture plantation, or selling the biomass at a higher price than initially projected.

**Figures Breakdown example assuming 400 hectares planted (Colombian Timber IX)**

Period	Forestry Operation	Others	Forestry Mgt Fee	Total Cost	CO2 Bonds	Gross Sales	Cashflow
0	\$ (1.936.542.254)	\$ (85.522.287)	\$ (580.962.676)	\$ (2.603.027.217)	\$ -	\$ -	\$ (2.603.027.217)
1	\$ (774.565.433)	\$ (85.621.757)	\$ (232.369.630)	\$ (1.092.556.820)	\$ -	\$ -	\$ (1.092.556.820)
2	\$ (231.191.088)	\$ (85.823.993)	\$ (69.357.326)	\$ (386.372.407)	\$ -	\$ -	\$ (386.372.407)
3	\$ -	\$ (86.530.878)	\$ -	\$ (86.530.878)	\$ -	\$ -	\$ (86.530.878)
4	\$ -	\$ (90.708.798)	\$ -	\$ (90.708.798)	\$ -	\$ -	\$ (90.708.798)
5	\$ -	\$ (95.141.587)	\$ -	\$ (95.141.587)	\$ -	\$ -	\$ (95.141.587)
6	\$ -	\$ (99.846.335)	\$ -	\$ (99.846.335)	\$ -	\$ -	\$ (99.846.335)
7	\$ -	\$ (104.841.312)	\$ -	\$ (104.841.312)	\$ 735.000.000	\$ 11.025.000.000	\$ 11.655.158.688
	<b>\$ (2.942.298.775)</b>	<b>\$ (734.036.947)</b>	<b>\$ (882.689.632)</b>	<b>\$ (4.559.025.355)</b>	<b>\$ 735.000.000</b>	<b>\$ 11.025.000.000</b>	<b>16,45%</b>
	<b>64,54%</b>	<b>16,10%</b>	<b>19,36%</b>	<b>100%</b>	<b>6,25%</b>	<b>93,75%</b>	<b>IRR</b>

To receive the complete figures of a particular project please contact management at [felipegutierrez@gutierrezgroup.com.co](mailto:felipegutierrez@gutierrezgroup.com.co).

Now, for a better understanding, the following tables describe what the cash-flow projection would look like, not from the project's perspective but from the investor's perspective, participating since years 0, 1 or 2 of the project.

**Individual Projected Cash-flow Schedule since Year 0**

Year	Invested	Income	Cashflow
0	\$ (50.000)	\$ -	\$ (50.000)
1	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -
7	\$ -	\$ 141.311	\$ 141.311
<b>Total</b>	<b>\$ (50.000)</b>	<b>\$ 141.311</b>	<b>16,00%</b>
<b>IRR</b>			

**Individual Projected Cash-flow Schedule since Year 1**

Year	Invested	Dividends	Cashflow
0	\$ -	\$ -	\$ -
1	\$ (50.000)	\$ -	\$ (50.000)
2	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -
7	\$ -	\$ 121.820	\$ 121.820
<b>Total</b>	<b>\$ (50.000)</b>	<b>\$ 121.820</b>	<b>16,00%</b>
<b>IRR</b>			

**Individual Projected Cash-flow Schedule since Year 2**

Year	Invested	Dividends	Cashflow
0	\$ -	\$ -	\$ -
1	\$ -	\$ -	\$ -
2	\$ (50.000)	\$ -	\$ (50.000)
3	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -
7	\$ -	\$ 105.017	\$ 105.017
<b>Total</b>	<b>\$ (50.000)</b>	<b>\$ 105.017</b>	<b>16,00%</b>
<b>IRR</b>			

As can be noted in the tables, regardless of the year from which the investors decides to invest in the project, their expected rate of return shall be of around 16% per year. However, this figure is merely informative, since the final income, and therefore the final profitability of each investor and the project, will depend on the price at which the wood is sold.

## 11. Sustainability

InverBosques and Gutierrez Group are committed to provide not only a strong and secure economic benefit to their investors but also to promote and develop an agriculturally sustainable and environmentally responsible project. This is why every single plantation counts with a strict environmental management plan containing critical measurements, restrictions and actions that promote the conservation and sustainability of the forests and the biodiversity of the region.

For instance, all fertilization processes of the plantations are conducted manually on-site and on a tree-by-tree basis, no foliar-sprinkling fertilizer or chemical that might generate contamination to the native flora is ever applied. Furthermore, our plantations are developed in areas free of native forests such as savannas and plains, where our trees generate new CO<sub>2</sub> captures for the whole region.

Besides The Gold Standard certification already obtained for all of the tree-farms, and which will allow us to sell carbon credits, we have also obtained the Forest Stewardship Council certification, considered the highest possible accreditation for timber plantations and which will allow us to sell our product in the best global markets. This certification guarantees that our product is obtained through completely sustainable processes, generating environmental, social, and economic benefits for the region.

Furthermore, we are also seeking the Rainforest Alliance certification for organic cropping for our apiculture plantations, which will allow us to sell our honey to more attractive markets and at a premium price.

For all of these different certifications we have engaged the renowned consulting firm Forest Finest (<http://www.forestfinestconsulting.com/>), who at the same time will be one of our commission agents in the sale of the assigned carbon credits.

## 12. Getting Involved

Although there are several thousand hectares under operation by the forestry operator and a unified marketing strategy for the product, each land is an independent forestry project, whose total cost depends on the size of the land and the area planted, but as a point of reference and as explained above, developing a thousand-hectare project may cost 3+ million dollars.

Although almost all projects already developed using both a crowdfunding structure and an individually funded one are sold out, our latest project, Colombian Timber IX, is available for funding as from January 2020. In this project, which will feature a 400-Hectares (or 988+ acres) tree plantation, investors are invited to become shareholders based on an investment that starts at a minimum of COP \$ 150,000,000, equivalent to less than U\$ 50,000, and which provides 300 company shares.

The project will be available for funding during most of 2020 and also, although less intensively, during the following two years, given that the capital required to cover the costs of the project needs to be raised during the first three years of the project in a gradually decreasing fashion.

The current and future capital requirement of the project Colombian Timber IX is detailed below:

- Year 0 (2020): Around 2,600 million pesos required, which accounts for 17+ share packages of \$150,000,000 each.
- Year 1 (2021): Around 1,100 million pesos required, which accounts for 7+ share packages of \$150,000,000 each.
- Year 2 (2022): Around 400 million pesos required, which accounts for up to 3 share packages of \$150,000,000 each.
- Years 3 to 7 (2023 to 2027): Around 500 million pesos, which accounts for the remaining share packages.

Investors participating in the project after its first year acquire the shares at the same nominal value for which the shares were issued, plus a premium in placement of shares for engaging as from its second or third year. This premium is calculated based on the same expected internal rate of return of the project, that is, 16% per year, which implies that regardless of when the investor decides to participate in the project, their expected annual return will be of around 16% on the amount invested.

Share are sold in a first-come, first-served basis, so to secure your share in either project simply contact management at [felipegutierrez@gutierrezgroup.com.co](mailto:felipegutierrez@gutierrezgroup.com.co).



## 13. Frequently Asked Questions

### ➤ How is the investment secured?

The investment is asset-backed through partial ownership by each investor of the corresponding developing corporation. The corporation owns the trees and the agricultural technology deployed on the farmland.

### ➤ How many shares do an investor get?

The minimum investment package in Colombian Timber IX is comprised by 300 company shares and it has a cost of \$ 150,000,000 (less than U\$50K at today's exchange rate). Investors are welcome to buy as many shares as they want.

### ➤ Does this investment qualify investors for migratory benefits?

This investment does enable investors to apply to migratory benefits such as a visa. The higher the investment, the better the type of visa. Visa costs are separate but not substantial.

### ➤ How accurate is the projected IRR?

The IRR was very cautiously and conservatively calculated. Several yield-increasing factors were not factored into the figures, such as the establishment of the apiculture intercropping project, the potential reception of CIF subsidies from the government, or the possibility to sell the biomass at a higher price, all of which may increase the final IRR.

### ➤ How can the exchange rate affect the return?

As in any other international investment, there is a currency risk, given that all operations shall be conducted in Colombian Pesos (COP) and, in addition, the sale of the wood is done in US dollars (USD). However, at today's historic values of the COP/USD exchange rate, this seems more as an opportunity rather than a risk.

➤ Can the investment be liquidated before its term?

Yes, the participation is fully transferrable and Gutierrez Group may act as the intermediary between the seller and the buyer pursuing fair conditions for both parties. Gutierrez Group shall charge a 5% early exit fee to transfer the participation to the new buyer, and legal costs pertaining to the agreement shall be borne by negotiating parties as they find most fit.

➤ What is the most appropriate legal vehicle to invest?

Investors have the opportunity to hold their participation and obtain their profits in several ways: on a personal level; through a Colombian corporation, which Gutierrez Group can assist to incorporate; or through an international corporation or entity, as long as it meets the local legal requirements. Tax treatment will depend on the chosen vehicle and/or legal structure.

➤ What is the management fee? Are there any hidden costs?

There is a management fee already included in the projection of the figures and that is equivalent to a cost overrun of 30% of the direct costs of the project, or a 19.36% of the total cost of the project. This fee is shared between InverBosques and Gutierrez Group. Additionally, there is a back-end success fee of 30% on the surplus if the final performance of the project exceeds a minimum of 16% per year, same figure used in the projections. There is no other cost or fee associated with the project.