



 FLORESTA
THE SMART REFORESTATION INITIATIVE

A NOTE FROM THE FOUNDER

Ir. Moran HADAD

Human society is currently facing critical global challenges pertaining to our unsustainable habits, actions, and our individualistic culture. Global warming, growing pollution, poverty, and a general lack of access to basic supplies and opportunities are jeopardizing the foundations of our current social and financial structures. It is our responsibility to face these challenges and develop concrete, appropriate, and applicable models that will promote the perpetuity of our society in a healthy and peaceful manner.

Deeply believing the price of our well-being needs no longer cost us the destruction and the pollution of our ecosystems nor the depletion of our natural resources, understanding the complexity of the challenges ahead, and being sensitive to the implications of the implementation of their solutions, I began searching for a common ground that will allow us to make sustainable impact everyone's concern by balancing the gives and the takes of this fundamental equation.

The rise of new technologies, along with the emergence of global consciousness regarding the fragility of our surroundings, resulted in our capacity to build sustainable economic models, allowing us to move forward in a responsible and respectful manner, considering both human populations and the natural habitat of the living. A growing understanding of these core values has slowly become the scale by which I judge my ideas and choose my actions. This ethos is the birthplace of the Floresta Project.

Floresta is my answer to the evolution I see in the world today. This model offers a path towards the restoration of the harmonious balance we slowly lost along the way while frantically searching for further achievements. This vision was created with the purpose of serving as a replicable model. It will contribute to the creation of the sought-after balance between our societal needs and the respect of our ecosystems.





EXECUTIVE SUMMARY

A tangible solution for Global warming

A unique responsible forestry project based on a growth acceleration in agri-tech

Existing ongoing project of 300 Ha in Cambodia

High expected return with controlled risk
IRR > 20%

An experienced management team with qualified staff on-site

A project backed by a fast-growing forestry market 15% - 20% annually



What is Floresta?

A NEW FINANCIAL MODEL

Resolving global warming through an innovative and unique concept

It is not a secret we are witnessing the unprecedented global warming of our planet. Though the reasons are multiple, every expert concurs to agree that the reforestation and conservation of our forests are its simplest and most immediate solution. Floresta finds its backbone in the understanding that negating global warming is rather a function of financial availability than a function of knowledge and capacity.

And what if financial efficiency could be combined with high social and environmental impact, giving birth to a new breed of sustainable financial models?

FLORESTA is a groundbreaking concept, transcending reforestation and conservation, through the creation of a viable and profitable business model:

THE INITIAL INTERROGATION: Can reforestation be profitable?

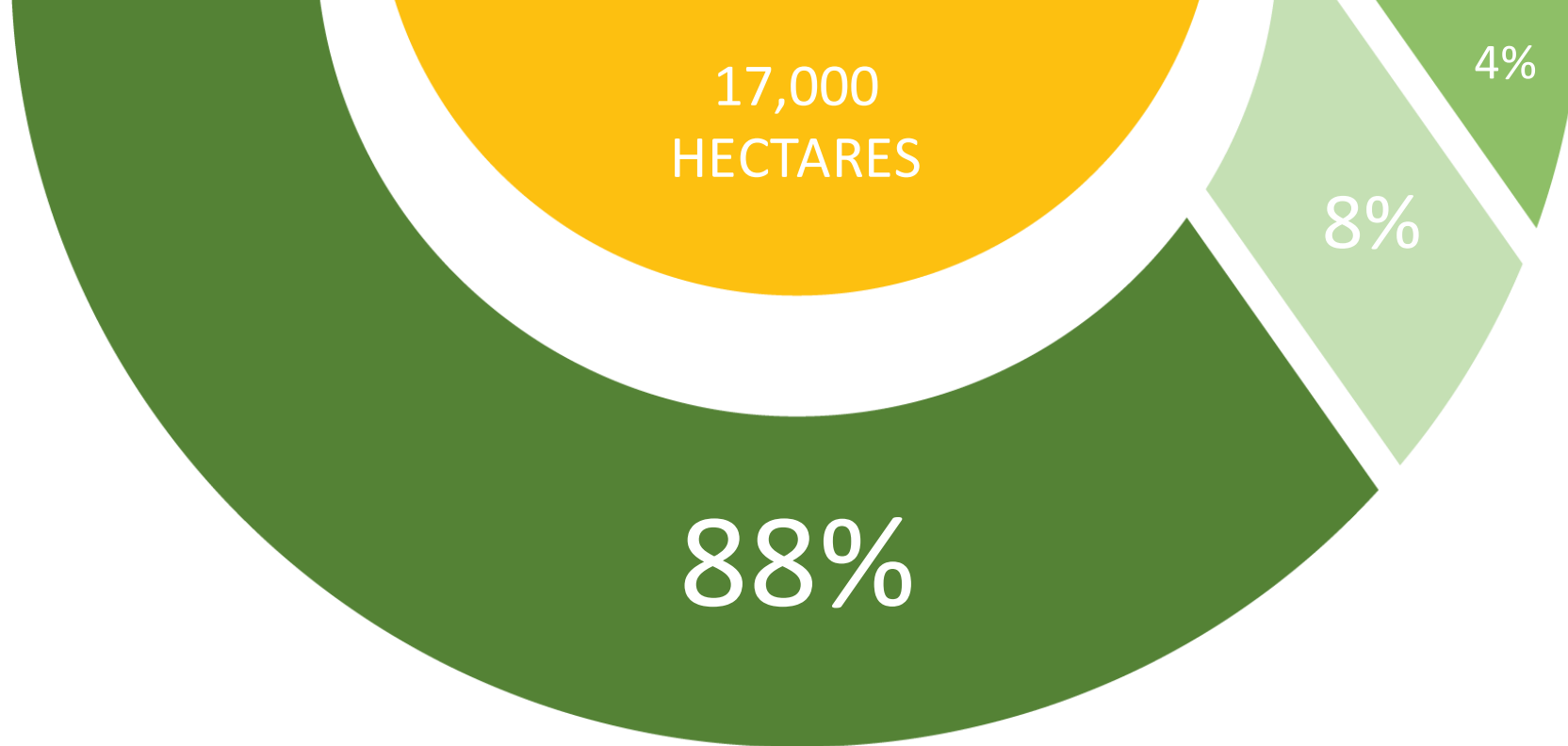
THE AMBITION: Proposing a profitable business model for reforestation

THE INNOVATION TASK: creating a new sustainable concept of viable financial projects with high social and environmental impact.

A SIMPLE IDEA: Fund large impact (96%) through a well-planned financial engine (4%).

FINANCIAL INNOVATION: Creation of a new financial tool, incentivizing the private sector to join the global reforestation efforts – The Floresta Tree Note (FTN).





A transposable
modelized operation concept

TOTAL AREA OF 17,000 HECTARES

The first leg of the Floresta project, supported by the
Cambodian government, through its ministry of
Environment, and validated by KPMG



88% REFORESTATION AND CONSERVATION

15,000 Hectares
of damaged natural forest that will be
reforested and preserved, respecting
the original ecosystem.



8% COMMUNITY FOREST AND AGRICULTURE FIELDS

1,300 Hectares
of community forest serving as an
alternative to illegal logging activities
while providing a source of economic
development and modern agriculture
training to the local community.



4% COMMERCIAL TEAK TREES PLANTATIONS

700 Hectares
of a commercial teak plantation
serving as the financial engine of the
project and ensuring its viability and
profitability.

Environmental impact

REFORESTATION AND CONSERVATION

Floresta as a tool for large-scale natural ecosystems restoration

In 2021, the UN officially launched its Decade of Ecosystems Restoration Program¹, with forest ecosystems occupying a major role, as they are the largest terrestrial carbon sinks, they filter 75% of our drinking water, are the principal home for land-based biodiversity, play an important role in the prevention of land erosion, are a barrier for pandemic spread, and are globally providing energy and livelihood to over 2 billion people.

Respectful reforestation, considering the ecosystem's natural biodiversity, plays a much greater role than merely carbon sequestration as it is an important protection and conservation tool for most fauna and flora species. Deforestation is the main cause for species endangerment, and reforestation helps recreate their natural habitat, thus allows their survival.

As trees sequester the largest amount of CO₂ as they grow, massively restoring our forests is definitely one of the best and most simple ways at our disposal to reach large scale carbon sequestration and rebalance our atmosphere.

¹ <https://www.decadeonrestoration.org/>



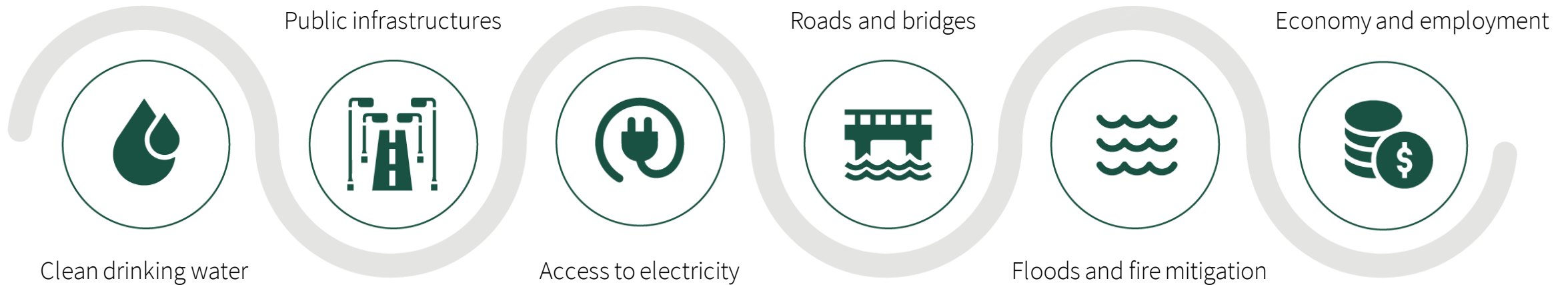
At the service of local communities

SOCIAL AND TERRITORIAL DEVELOPMENT

Forests restoration offers multiple social, economic and environmental benefits significantly improving the livelihood of local communities, mitigating the negative effects of climate change, increasing food security, and protecting soil and water resources.

Nonetheless, one of the major challenges of any reforestation project is its perennity and sustainability. Indeed, most of the territories suffering from deforestation are home to very active illegal logging activities, as these activities provide an answer to a short-term need to improve the living conditions of their perpetrators.

The development of the community forest, benefitting of all the services and infrastructure provided by the commercial teak farm, is a strategic element providing a viable alternative for local communities to pursue their economic development, improve their living condition, learn about the importance of their forests and subsequently participate in the preservation efforts. Furthermore, the provision of basic infrastructure and supply in the region opens the door to a plethora of new social impact initiatives, provided by local NGO's and sustainable development missions.



An agro-tech backed teak wood farm

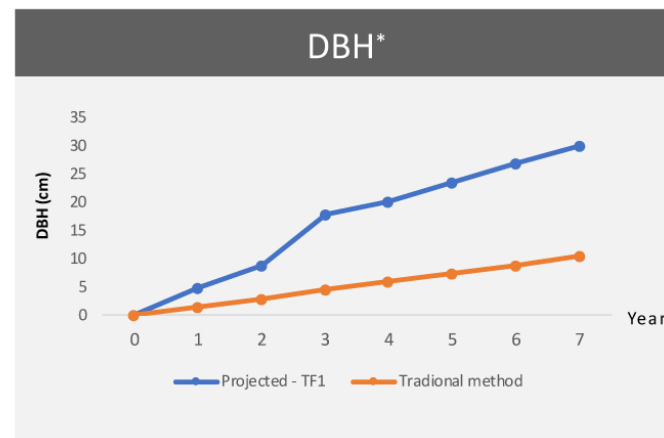
THE FINANCIAL ENGINE

Sustainability through revolving 7 years cycles

Building on over 2 decades of R&D and experimentation, the Floresta project develops fast growing teak farms as its financial engine, making use of a new agro-tech process, accelerating the growth of teak wood by a factor of nearly 300%, reaching maturity within 7 years instead of 18 to 20 years traditionally necessary, without altering the quality of the final product.

These capabilities were validated in the independent analysis that was published in the Case Research Journal, Volume 34, Issue 1, Winter 2014 - by Lisa Majure, Kathryn Savage, Matthew Haertzen, CFA - all from Northern Arizona University and Alex Finkral, Ph. D from the Forestland Group (Harvard Business Review)

The innovated process was developed in Israel and implemented initially in Central America (Honduras) in 2008, where an initial study project was implemented with local communities. The extraordinary result of the initial attempt led to the establishment of a commercial plantation phase, currently on display in the Aoral district of Kampong Speu in Cambodia (<https://goo.gl/maps/q7i69Jhj67EyHyCo6>), with an expected harvest in 2025, showing excellent results and proving the viability of the agriculture concept.



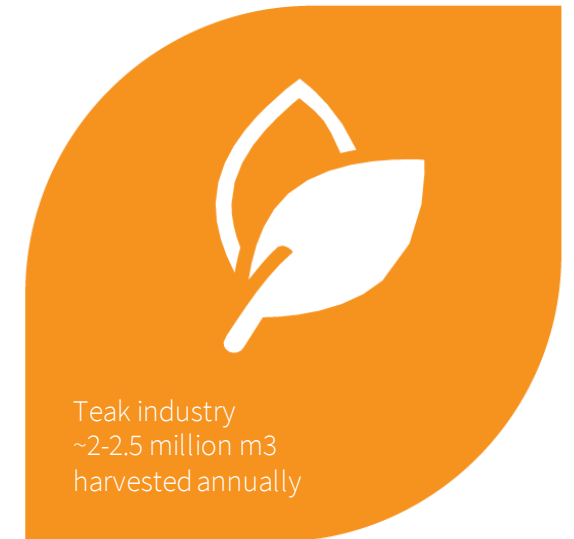
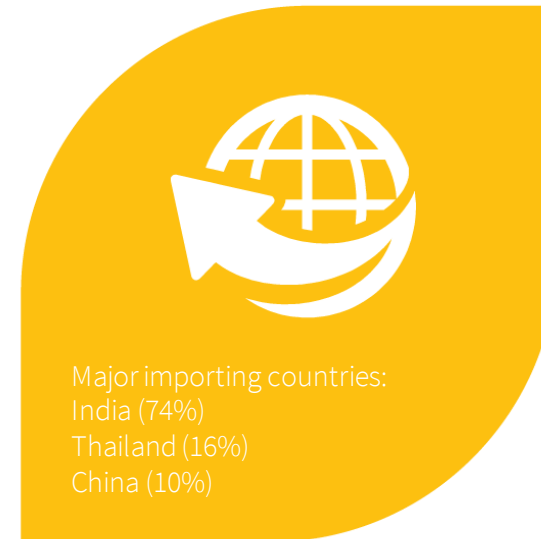
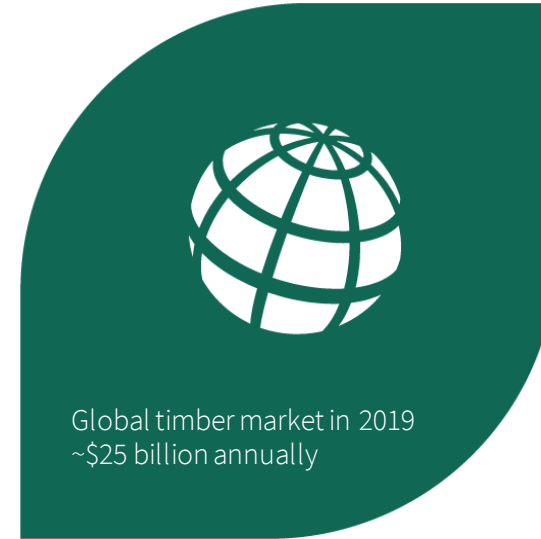
Timber and Teak Markets

A CONSTANTLY GROWING DEMAND

Teak is a tropical tree producing wood with exceptional qualities of solidity and aesthetic making it one of the most sought-after variety. Furthermore, teak wood is long-lasting, as it is dense and solid, resistant to rot, water, humidity, making it highly valued for constructions in contact with water, such as bridges, boat bridges and windows, but also as a construction material for parquet flooring, doors and windows;

The general availability of teak wood, originating from natural forests, is constantly declining for the past decades, leading to a constant price increase, and a strong interest for teak farming. The teak tree, *Tectona grandis* in Latin, originated from the great forests of Asia and has been exported to many other tropical countries in Africa and Central America during the first part of the 20th century.

Sources: The global teak study 2017, ITTO, Planted teak: global production and markets 2015
*Assumptions: Global timber market annual growth rate: 10%. Teak market annual growth rate: 15%





Floresta

FROM CONCEPT TO PROJECT

A first Leg of the Floresta project Cambodia in 2022

The first leg of the Floresta project will be implemented in 2022 in the proximity of the successful commercial plantation executed by our team, thus proving the agri-tech concept behind the Floresta project. The land extension is leased under a long-term agreement with the Cambodian government through its ministry of environment, which has in the process adopted the Floresta project as part of its activities for the UNDP environmental program for Cambodia

Modelization:

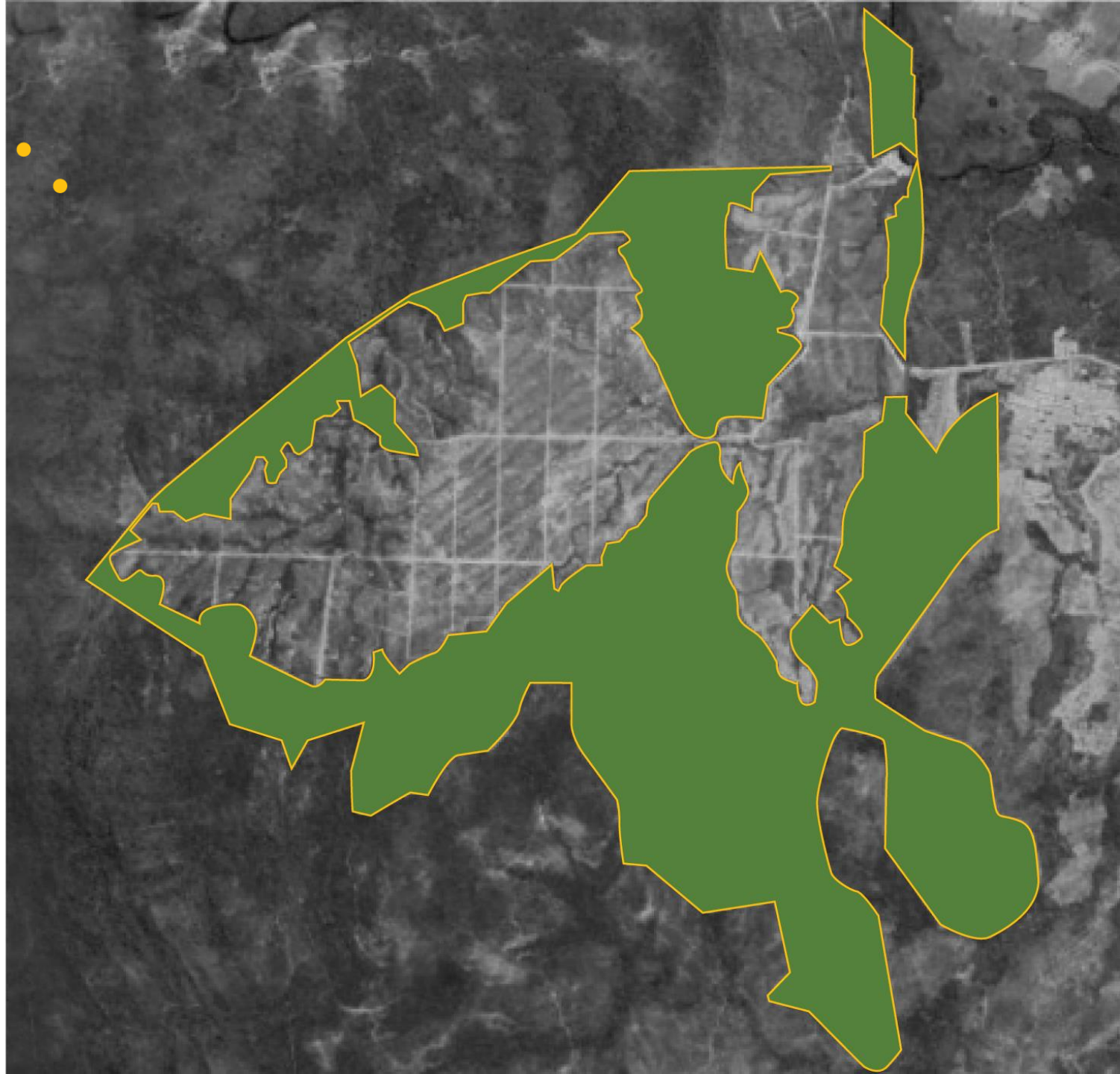
SIZE OF THE PROJECT: 700 hectares;

AGRI-TECH: Use of an exclusive agriculture process and technology achieving growth acceleration

EXPECTED PRODUCTION: ~ 175,000 m³;

FSC CERTIFIED PRODUCTION: guarantees responsible and legal origin of the teak wood.

It is worth noticing that Cambodia is in the geographic vicinity of all major teak tree markets: China, India and Thailand.



A financial innovation

THE FLORESTA TREE NOTE (FTN)

Making money for doing good!

In addition to its technical innovation, Floresta offers a financial innovation by proposing a new and unique financing tool specially designed for the purpose of the project: the Floresta Tree Note (FTN). *The FTN is in reality a financial note which grants its owner the benefit of the 4 types of return of the Floresta project:* Environmental impact, social impact, carbon compensation, and financial return.

As a point of reference, the average annual CO2 emission per Capita in 2019



UAE
19.7T



USA
16.2T



EUROPE
8.9T



ISRAEL
7.6T



CHINA
6.9T



SWITZERLAND 4.5T



ASIA 4.3T



CAMBODIA 0.7T



FINANCIAL

1
Teak Tree

One teak tree will be planted on your behalf and will entitle you to all proceedings from that tree. Our projections indicate an annual return of 11% over the 7 years project cycle



SOCIAL

2
Trees

Two trees will be offered to the community and added to the community forest. Through this action, you will help significantly increase their livelihood, and help mitigate illegal logging.



ENVIRONMENTAL

300
m2
Reforested area

300m² of natural forest, including all fauna and flora will be cared for. This is your contribution to nature, the environment, and global reforestation efforts.



YOUR CO2 OFFSET

3.6
T/Y

You will be responsible for an offset of 3.6T of CO2 per years, for a period of 7 years. Allowing you to offset a part of your negative impact on the environment during that period of time.

Our offer

BUSINESS MODEL OVERVIEW

Project duration
11 years

**Project legs
implemented in**
6 countries

**Total
plantation size**
4,500 Ha

**Teak trees
Planted**
3.36 million

Reforested area
90,000 Ha

Trees cared for
≈180 million

**Total Tons of
CO2 offset**
56.7 million

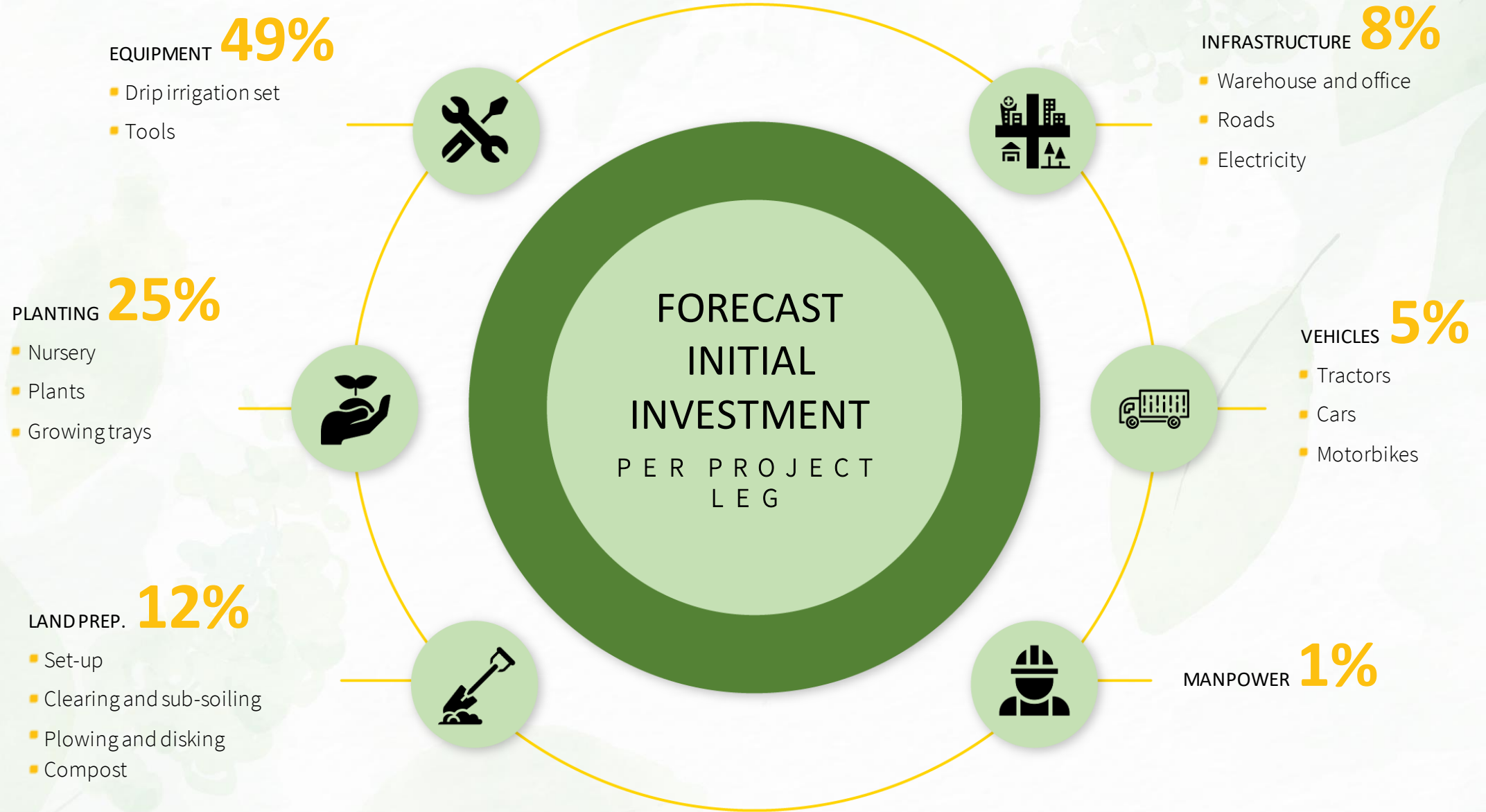
**Reforestation
& Conservation**
\$54.9 million

**Forecast wood
output per leg (7y cycles)**
≈175,000 m3

Total funds raised
\$214.9 million

Total Distributed funds
\$530.2 million

Projected IRR
22 %



EQUIPMENT 49%

- Drip irrigation set
- Tools

INFRASTRUCTURE 8%

- Warehouse and office
- Roads
- Electricity

PLANTING 25%

- Nursery
- Plants
- Growing trays

VEHICLES 5%

- Tractors
- Cars
- Motorbikes

LAND PREP. 12%

- Set-up
- Clearing and sub-soiling
- Plowing and disking
- Compost

MANPOWER 1%

Maintenance **22%**

- Equipment maintenance
- Vehicles
- Water and energy
- Fertilizers and fungicides



Insurances **5%**

- Professional liability
- Political
- Natural disasters



On-site manpower **19%**

- Farm/plant/tech managers
- Agriculture consultant



Services **9%**

- Legal and accounting
- Management fee
- Forest stewardship council
- Land rent



**FORECAST
ANNUAL
OPERATING
EXPENSES**

Administration **19%**

- Global administration
- International Management



Reforestation **26%**

- Reforestation
- Conservation



The Floresta concept

A MODEL WITH A SOLID PROPOSITION

ROBUST CONCEPT

- Flexible entry mechanism, through Equity or FTN purchase
- Multiple stakeholders: Private sector, governments and the general public.
- Institutional guarantee by the adoption of the project by the governments of the countries of implementation
- Low financial risk as the product is unaltered by crisis, and the political and natural disaster risks are covered by insurance
- The creation of the Floresta responsible wood production label, will allow to greatly extend the reach of the project
- The Floresta project is adaptable and can be adjusted to any hosting country

STRONG ECONOMIC MODEL

- Global and constant rise in demand for wood, and particularly teak wood leading to financial sustainability
- Constant production of wood, opening a door for long term provision contracts with key players, thus increasing profitability and financial security
- Multiple income sources: FTN ownership, service provision through labelization, 30% retribution for results exceeding the projected 11% annual result – highly likely as our projections are based on very conservative hypotheses
- Floresta is filling a gap in the investment market, offering a highly sought-after financially viable, efficient green project

TIMELY GLOBAL ACTIONS

- As per the COP26 outcomes, natural ecosystem restoration is a major international concern
- CO2 emissions reduction is a key focus both of the public and the private sectors. Carbon neutrality is to be the business standard of tomorrow
- Floresta is at the heart of a future UN resolution presenting the concept as a solution for global warming
- Since its official announcement, the Floresta project has drawn extensive demand from governments around the world – 9 countries from 4 continents have shown initial interest to take part in the initiative.

A MODEL WITH A SOLID PROPOSITION

1ST CLOSING	T2 - 2022 (objective)
TERM	7 year + 2 + 2 – in accordance with the project steps (7 years cycle per step)
MINIMUM COMMITMENT	2 millions DOLLARS
TARGET FUND/INVESTOR RETURN	15 to 30%
COMMITMENT PERIOD	A negotiable exit as of year 4, 11 years exit term otherwise
OPTIMIZATION STRATEGY	Floresta purchases up to 50% of issued FTNs, increasing overall profit
PROFESSIONNEL SERVICE PROVIDERS	KPMG – Fast growing teak model and business plan validation Rhadames Killy – Legal advisor



THE TEAM BEHIND THE PROJECT



Moran Hadad

President & Founder

A polytechnic civil engineer by trade, and a social entrepreneur by heart, Moran has over 20 years of experience leading innovative technology projects in emerging markets.



Guy Yogev

Field Operations Director

A dedicated environmentalist, Guy is a field operation specialist with a life-long experience in planning, building, and managing complex agricultural projects in developing countries.



Annie Gouba-Guibal

Executive Director

A well-versed strategic development expert with extensive experience in national institutions, Annie is a management specialist driven by the paradigm shifting organizational models.



Prof. Oded Shoseyov

Lead Scientific Advisor

Faculty member of the Hebrew University of Jerusalem & a world-class researcher in plant molecular biology protein engineering and nano-biotechnology. Oded is at the base of the Floresta agri-tech process.



Rhadames Killy

Lead Legal Advisor

A member of the bar both in Paris and California, Rhadames is a specialized legal expert in intellectual property, new technologies, and commercial law.



Christian Balende

Strategic Advisor

A media impact and influence strategy specialist, Christian has dedicated his career to building bridges between Africa and the world, working towards increased impact efficiency.



Uria Casuto

On-site Agronomist

A certified agronomist with 3 years of experience in the establishment of small to large scale agricultural projects.



Yotam Gross

Field Manager Cambodia

A certified agronomist with 3 years of experience in the establishment of small to large scale agricultural projects.

THE TEAM BEHIND THE PROJECT

Floresta's General Partners



Gad Betito

General Partner

A financial services specialist, Gad prides in his ability to successfully implement financial strategies in respect with international standards.



Eyal Attia

General Partner

Founder of Tene Investment Funds, an Israeli private equity fund managing a ~\$1 billion dollars portfolio.



DORON TAMIR

General Partner

Founder of Solex Group with which he developed a 160MW solar plant jointly with EDF. A very enthusiastic entrepreneur with strong passion to the alternative energy world.



RAN BEN-OZER

General Partner

25 years of experience in the financial markets, global real-estate investments, and in the development and financing of projects internationally.

Floresta representation in the world



Kheng Cheng

Executive Director Cambodia



Dikla Harel

Executive Director Israel



Vladimir Scala

Executive Director Monaco



Catarina Chaves

Executive Director Portugal



Angie Zhou Yi

Executive Director China



Yaman Yikan

Executive Director UK

If you wish to take part in the Floresta adventure, invest in the project, or simply purchase your FTN, please do not hesitate to get in touch



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THANK YOU

Let's Make a difference together

