



# Proposta Técnica Comercial



**Tecnologia a  
favor do meio ambiente**

In the care of:  
To Fazenda Paraíso  
Mr Oliver

17 de mar. de 2023

## About Vert Ecotech

Vert Ecotech SA is a company that specializes in certifying areas for the generation and sale of carbon credits.

We work with disruptive technology to measure **CO<sub>2</sub>** sequestration through photosynthesis.

We are partners with internationally recognized certifiers, which speeds up the process of validating and certifying Carbon Credits.

This partnership made Vert Ecotech the fastest company in preparing and approving carbon credit projects in Brazil.

Each project for preparing and generating carbon credits takes around 12 months, against 24 to 36 months for our competitors.

This differential allows the cost benefit to become extremely high with payback of the entire operation in the first year.

The entire operation is securitized by two civil liability policies:

- **environmental civil liability** to cover environmental damage that may prevent the future viability of the carbon credit.
- **contractual civil liability** to assure the contracting party that what is proposed in the project will be delivered according to schedule, deadlines, methodology and feasibility study.

**Vert Trade** is a platform developed by Vert Ecotech that allows the contracting party to visualize the carbon credit generated, the prediction of future harvests, the online quotation on the main stock exchanges and even instant sales via the APP, generating high liquidity in the operation.

On this same platform, it is possible to sell directly to companies that need to buy carbon credits to offset their production, making the process more profitable.

All intermediation is carried out by Vert Ecotech and the amounts received are made available in the contracting party's checking account within 01 (one) business day.

## Scope of proposal

The proposal aims to internationally accredit the area of Fazenda Paraíso for the generation and sale of carbon credits in its legal reserve and/or in its sustainable production.

The service provided by Vert Ecotech S/A consists of preparing a project for submission to the certifying body, based on a methodology that has already been approved and that is suitable for the georeferencing of the Fazenda Paraíso area.

Our engineers and technicians will carry out a pre-study of technical and economic feasibility before starting activities.

If there is technical and economic viability, the proposed services will be contracted and the construction of the project will begin.

For the construction of the project, all necessary documentation is the responsibility of the contracting party, as well as fees from certifying and validating bodies.

Vert Ecotech will use the latest technology to:

- Measure biomass of local vegetation and accurately calculate **CO<sub>2</sub>** sequestration.
- Convert each credit generated into Blockchain for transparency, security, auditing and traceability of the process.
- It will provide access to the Vert Trade platform for secure trading of credits.
- Retirement of carbon credits when they were sold to a company that seeks compensation for its production.

We will promote social actions for the community around the generating area using 10% of the credits generated in favor of social actions that develop the community.

## Project for Generating Carbon Credits

In order to generate commercially available carbon credits, an international certification of the generating area is required, with a study of the sequestration capacity.

Our technicians will build a project based on:

- Type of vegetation for credit generation;
- Scientific methodology used;
- Accredited validator;

- UN accredited certifier.

In a pre-analysis, we identified great potential for Fazenda Paraíso in the following scenario:

- Total Area: 20,210 ha
- Legal Reserve: 6,164 ha
  - Primary Vegetation: 5,010 ha
  - Secondary Vegetation: 1,154 ha
- Potential for Generating Carbon Credits: **\$ 8,306,247**

All the potential highlighted above could still have an increase of **\$ 48,189,600**, totaling **\$ 56,495,847** in present market value when implanting in 1,000 ha a species of vegetation with extremely efficient **CO<sub>2</sub>** sequestration.

| Vegetation                 | CO <sub>2</sub> ee | Area | Credits generated during the project | Gross Value of Credits |
|----------------------------|--------------------|------|--------------------------------------|------------------------|
| Primary forest formation   | 0,73               | 5010 | 109.719                              | \$ 1.974.942           |
| Secondary forest formation | 10,16              | 1154 | 351.739                              | \$ 6.331.305           |
| Reforestation with Bamboo  | 89,24              | 1000 | 2.677.050                            | \$ 48.162.535,00       |

Such values disregard all the valuation of carbon credits that should increase exponentially in the coming years as ESG policies become a mandatory practice among countries, companies and their supply chains, as is already in force in the European Union. These measures are treated as a priority by countries as they seek to mitigate climate impacts, according to agreements, measures and sanctions defined in the “COPs” held annually by the UN.

Based on the information, we believe that the pre-analysis carried out allows for an extremely viable generating potential with a breakeven point of less than 12 months and with great profitability and profitability. This is due to the bonus of previous carbon credits from the last 03 years that are made available and that are not part of the numbers above.

The value of these previous carbon credits are measured at **\$ 830.624**, which makes it possible to pay several times the cost of the project.

| Vegetation                 | CO2ee | Area | Credits 03<br>Retroactive<br>Years<br>Generated | Gross Value of Credits |
|----------------------------|-------|------|---|------------------------|
| Primary forest formation   | 0,73  | 5010 | 10.972  | \$ 197.494             |
| Secondary forest formation | 10,16 | 1154 | 35.174  | \$ 633.130             |

## Proposal

For the services described above we propose the values described below

| Description   | Value        |
|---|--------------|
| Project for certification submission can be paid with 30% ATO and 12 equal installments of the remaining balance. | \$ 300.000   |
| Validator fees charged upon submission of the project for technical evaluation of the validator                   | \$ 50.000    |
| Certifier fee charged upon submission of the project for certification of the area and credits                    | \$ 35.000    |
| Monthly fee charged after generating the Vert Trade platform credit   | \$ 969,00    |
| Administrative fee for the generation, monitoring, commercialization and retirement of credit.                    | 30%          |
| Supply of seedlings for planting species with high performance in CO <sub>2</sub> sequestration                   | \$ 1.040.000 |

I make myself available to resolve any doubts.

**Bruno Bolzam**  
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