

A sustainable investment

Timber, like most commodities, is a resource in diminishing supply, and yet demand continues to rise due to global population and economic growth. This in no small part explains why it is exceedingly seen as an interesting, highly stable and profitable investment opportunity. One of the leading specialists in this area, ShareWood is a Swiss-based pioneer in the sustainable cultivation of forests and plantations in Brazil. Peter Möckli, the CEO and founder of ShareWood Group, explains why investing in timber is a good idea, and how he plans to realise their ambitious growth targets. "Every individual on the planet should be able to own their own stock of trees."

A business economist, Mr. Möckli founded ShareWood in 2007 with the ambition of it becoming the world's largest woodworking, processing and reforestation company. Ten years later, the company boasts an impressive track record: they have successfully

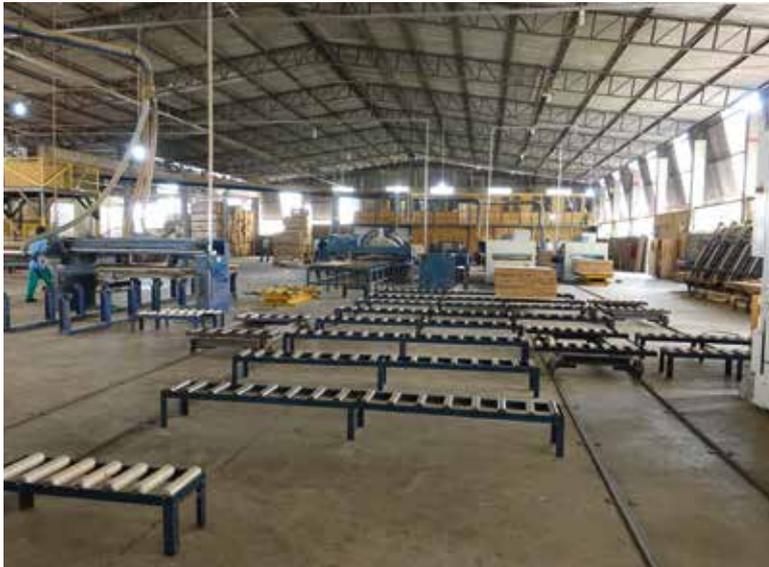
sold investments in 21 plantations, and have paid wood proceeds to tree owners 17 times over the past ten years. Headquartered in Switzerland, the company now operates four subsidiaries in Brazil which together cover the full scope of timber and

plantation management, as well as wood processing. These Brazilian subsidiaries are led by Christian Marzari, who has dual Swiss and Brazilian citizenship, and a background in agricultural engineering.

Trees are a sound investment, in Mr. Möckli's view. "Forest and wood plantations have been considered a stable, tangible asset for centuries. They are not dependent on the stock exchange and financial market, while tree ownership is little affected by currency risks and inflation. Tree owners profit from the growing demand from timber, and equally, from increasing prices. Trees grow daily in size and value; this is known as the biological compound interest effect."

In short, timber investment represents one of the few investment assets that predictably grows over time, making it safe, secure and ultimately extremely profitable. Mr. Möckli points out that the average price of teak, for example, between 1998 and 2015 grew annually by about 4.8%, as reported by the International Tropical Timber Organization (ITT)). According to studies, the global need for this fine wood will increase by 40% by 2050.

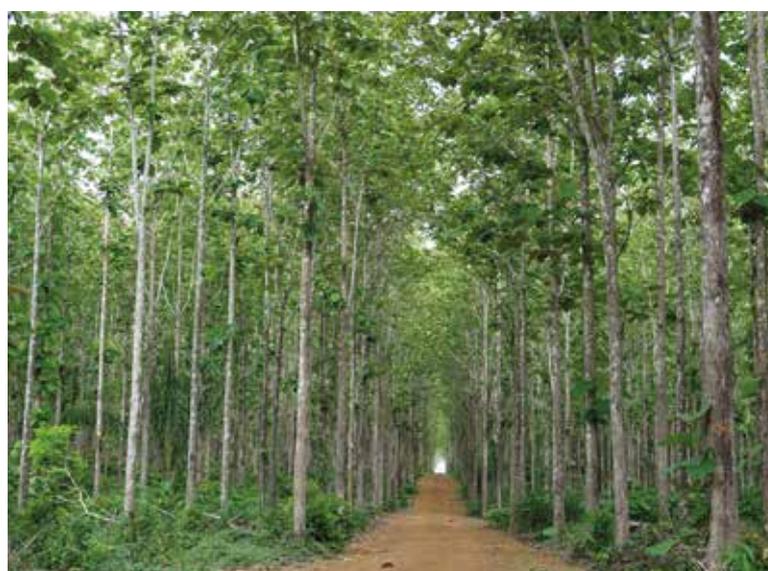
Not all types of wood are good investment candidates, for obvious reasons. In addition to teak, ShareWood has chosen to focus on the versatile and fast-growing eucalyptus tree, and on balsa wood, which is described as a heavy weight in the timber industry. The timber these trees produce has high quality thanks to a unique plantation concept, targeted at growing straight, tall trees with thick trunks. This is helped along by the



outstanding climate and soil conditions in the Mato Grosso area in Brazil, where ShareWood's plantations are based. The plantations are not threatened by extreme weather events such as tsunamis and hurricanes.

To cover the entire value chain, ShareWood not only produces wood as a raw material, for example, but also for innovative, ShareWood-branded products such as furniture, accessories and industrial products. To further ensure return on investment, the company has built up a network in both Brazil and in the international timber trade over the years. This guarantees that the quality timber harvested from its plantations can be sold for the best possible prices, and within reasonable time limits. Soaring sales were achieved in India with square timber, notably, cementing ShareWood's reputation in the industry.

Over the next ten years, Mr. Möckli wants to cultivate at least 30,000 hectares of teak and other tree species, which would make ShareWood one of the world's largest producers of high-grade wood. To achieve this, the company enters into strategically important partnerships in various sectors. This also explains the joint venture with Atlantic IMPEX. "They are one of the biggest players in Brazil, in the export market for teak logs and squares," Mr. Möckli explains. "They supply India and Asia, the world's largest markets for teak, and they are known for their excellence in logistics. They embraced our project ideas with enthusiasm; with ShareWood as a partner, they have much higher supply capacity." In the joint venture, ShareWood is responsible for growing



the raw material, extraction and processing of the timber into sawn products, while Atlantic IMPEX will export the products and position them on the market.

Mr. Möckli emphasises that in a world where quality wood is rapidly disappearing due to climate change, insect infestations and unsustainable logging practices, ShareWood is poised to effect a positive change by protecting nature and rain forests against excessive deforestation and clearing, and it does so in a responsible and sustainable manner. "Sustainable planting and resource-friendly cultivation are prerequisites for our production. We turn people into tree owners and we see them as our ambassadors. We aim to inspire them

with our core values of quality, sustainability, integrity and respect."



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