greenchild

Out of love for nature.

A sustainable and stable investment.

Make a profit and contribute towards environment protection: grow Paulownia trees.

green-child.com

Content

Our history

It was 2009 when we first learned about the potential of the Paulownia tree. Its unique traits and efficiency intrigued us.

Paulownia is the fastest growing hardwood tree in the world, not only producing high quality timber but also known for its extraordinary contribution to the environment. Native to Southeast Asia, the Paulownia tree produces high-value wood and has several features beneficial for the environment and local development.

Driven by curiosity and enthusiasm, we chose a team of experts and planted our first trees. Shortly thereafter it became clear that our experiment would find its way to South Europe. With its warm and temperate climate, this part of Europe has the ideal conditions for the growth of the Paulownia tree.

Only half a year later, we planted our first Paulownia trees on four hectares of land.

Although our expectations were high, the outcome surprised us – after two years the trees had already grown sufficiently, allowing us to diversify the products and harvest part of the parcel for biomass. The rest of the trees were kept to grow to mature trees. By the third year when the trees had reached about 9 meters in height we began to extract the first honey.

Our success attracted growing interest in the region and beyond – we received increasing enquiries about the possibilities and options to participate in the investment.

After months of research and careful planning, we ultimately came to the conclusion to buy another area of 35 hectares to plant more Paulownia trees. The purpose of this plantation is now to offer everyone the possibility to take part in in our project and become a tree owner. This is how we want to empower everyone to invest in a transparent, safe and profitable manner and at the same time, make a significant contribution to the environment. –

1,100,000 KG CO_2

are absorbed each year by our trees.
300,000 Kilograms of oxygen are released.

Timber market

Trees guarantee our existence.

About one third of the surface area of our world is covered with trees, without them we would not be able to survive.

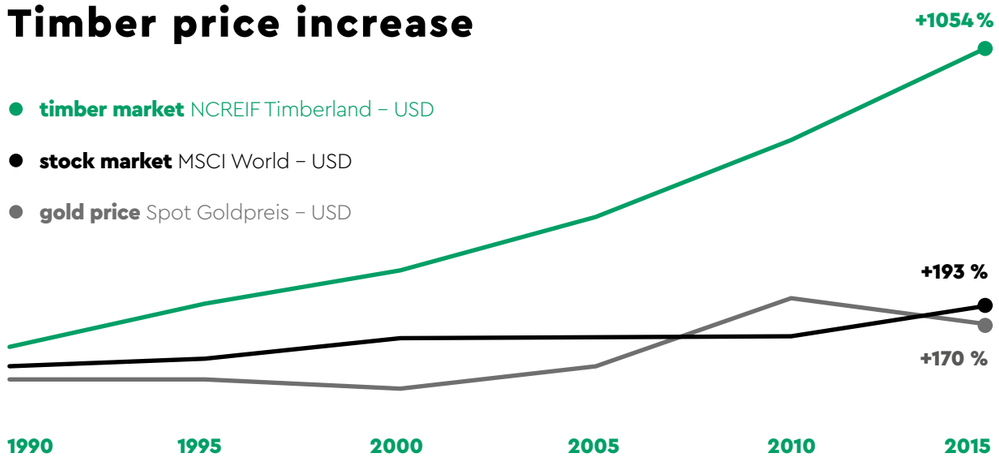
Taking a closer look at the life-cycle of trees, one obvious fact becomes clear: using the energy from the sun, water and minerals, trees convert carbon dioxide into oxygen, in this way renewing our air supply. Around 130,000 leaves from a 100 year old oak tree supply 17 people sustainably with oxygen and support survival. In a large scale, it is estimated that forests absorb between 10 and 20 tons of carbon dioxide per hectare each year, mitigating the impact of climate change.

Timber market boom

For decades the demand for wood has been increasing along with the growing world population. The average person uses up to 1,3 kilogram wood products daily – whether at home, at work or out, wood is universal. Although wood is a commodity that regrows, the demand for it is far from being met through the traditional forestry.

Therefore, finding alternative opportunities to established forests for wood production is becoming imperative. As of 2009 cultivation of wood on agricultural land, known as agroforestry, is permitted in the EU, a long overdue step. Although trees are a renewable natural

Timber price increase



resource, short-term adjustments to meet the increasing demand do not provide a long term solution because it takes years to grow trees to timber harvest size.

For decades forests around the world are decreasing. Every year about 130,000 km2, the size of Greece, are cut down. The Food and Agriculture Organization (FAO) projections estimate an increase of approximately 50% within the Chinese timber demand by 2050. According to the Hamburg Chamber of Commerce (Hamburgischen Weltwirtschafts-institutes , or HWWI) the demand for timber is about to double by 2030.

Large institutional investors, including large amounts of endowment funds from the prestigious universities such as Harvard and Yale are being invested in the timber industry for

generations. With regard to private investors, Germany lags behind compared to other European countries. While 40% of private customers in the Netherlands invest their money sustainably, Germany is at 1 percent.

Taking into consideration the above and the growing wealth of the Asian economy, especially China, a truly positive outlook of the global future timber market can be e expected.

The tree species determines the profit

Native timber such as fir and pine only partly qualify as a commercially justified investment since they are slow growing. Most are not willing to wait 50–80 years for the harvest (and therefore income return). Tropical timber like bamboo, eucalyptus and acacia indeed grow fast, however, these species are traded at very low prices on the global market, rendering them unprofitable.

Really attractive profits can only be achieved with high-value woods such as Paulownia. As a fast-growing hardwood species, the Paulownia tree is ready for harvest as soon as 12 years after planting and can generate attractive profits.

There is a strong growth in demand for Paulownia timber, partly in light of the increasing wealth in Asian countries, where the tree is native and is very important in local traditional cultures.

Five good reasons

Nature generates revenues

With the historical low interest on bankbooks, funds and comparable assets, management becomes invariably more difficult. Timber market is continually evolving and creating new, increased, wealth-building opportunities for investors. Timber returns are not dependent on stocks, bonds or real estates, offering an excellent option of portfolio diversification to the investors. However, should the wood prices decrease temporarily, any risks can be mitigated by postponing the harvest, The trees will simply continue to grow and therefore increase in their value.

Contributing towards the environment

Upon the purchase of trees, the value increases with time. As the trees grow, they absorb the more CO_2. Paulownia trees can absorb a remarkable quantity of CO2 through their fast-growing large leaves, helping combat climate change, and provide clean air and a fertile soil.

Trees as a present

Cash as a present is often impersonal and spent quickly. Paulownia trees makes for an exceptional gift. Through the individual tree-certificate they are an extraordinary, but above all, a personal present. The receiver can see the tree growing, its value continuously increasing and enjoy the process.

A transparent investment

Conventional savings and investment opportunities provide a few options to creatively invest the money and reap the returns. With the purchase of trees, you invest sustainably, at the same time making a positive contribution toward the environment and society as a whole.

Tangible value

Paulownia trees not only provide honey and biomass. Once trees are cut down, they represent a highly valuable commodity that can be used for furniture manufacturing or in the ship construction industry.

Paulownia tree

The history of the Paulownia tree

The Paulownia tree comes from Southeast Asia, where historical records describe its medicinal, ornamental and timber uses as early as year 300 B.C. It belongs to the family of Paulowniaceae, characterised by large, showy, fragrant flowers. Paulownia reached Europe in the 19th century through the Bavarian physician and botanist Philipp Franz von Siebold.

The name 'Princess Tree' was given in honour of Anna Pavlovna, queen consort of The Netherlands and the daughter of Tsar Paul I of Russia, who was born in 1795 and died in 1865. The genus of trees Paulownia was coined by the German botanist Philipp Franz von Siebold, advisor to Tzar Paul I, to honour Anna Pavlovna.

Furthermore, the Paulownia tree was the favourite tree of the Austrian-Hungarian emperor Franz Joseph I. Even today numerous Paulownia trees can be found in Vienna and within the surroundings of Vienna.

Symbolic meaning in China and Japan

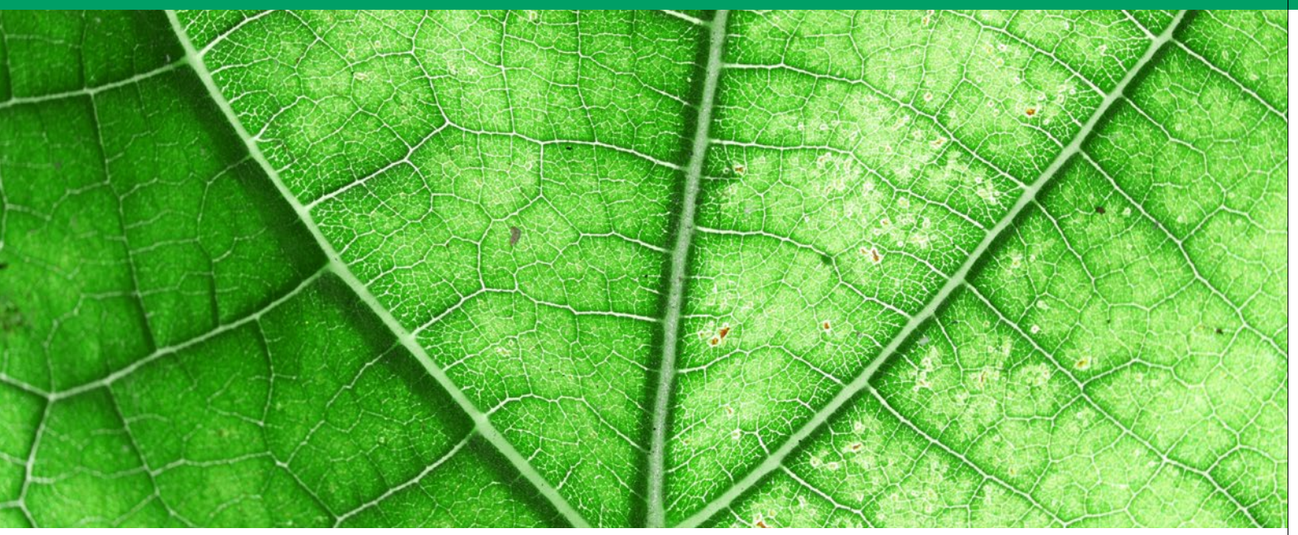
The Paulownia tree, with its huge leaves and graceful, fragrant flowers, has a traditional significance in Japan and China, where it is most often planted. In Japan, where it is known as the "Emperor Tree", it was chosen as an emblem of the cabinet of the minister.

The Japanese Imperial Crest, or Paulownia Imperialis (kiris) is the private symbol of the Japanese Imperial family from as early as the XII century because it symbolizes good fortune.

The Government Seal of Japan, known as the Paulownia Flower Seals, resembling a stylized paulownia with 5–7–5 flowers (go-shichi-no-kiri), is the official symbol of the Office of the Prime Minister of Japan.

In Japan and China, where it is most often planted, it was customary to plant Paulownia when a baby girl was born. The fast-growing tree matures when the girl does, reaching a hight of 15–20 meters. When the girl is eligible for marriage the tree is cut down and carved into wooden articles as a wedding present.

Paulownia has always been considered a sacred tree and a symbol of good luck and fertility in China, Japan and Korea due to its exceed-



ingly high growth rate. There was also a belief that if you plant Paulownia near your home, the phoenix bird will fly and bring happiness.

In Asia, there was such a belief that if you plant Paulownia near your home, the legendary "phoenix that rose from the ashes" will use the empress tree as a resting place and bring happiness. Likewise, the term Phoenix-tree even is used due to its potential to regenerate from its existing root system once it is cut down, just like Phoenix in mythology, a long-lived bird that cyclically regenerates – a phoenix obtains new life by arising from the ashes of its predecessor.

What makes the Paulownia-tree so unique?

The Paulownia tree is one of the fastest growing trees. In the right environment, the tree can grow above 5 meters in one year and generate just as much wood volume as an oak tree in only one-tenth of the time.

Furthermore, the Paulownia tree is of tremendous significance for the climate and environment, reducing the impact of greenhouse gases, deforestation, and pollution. Through its large leaves Paulownia captures 10 times more CO2 than any other tree and produces more oxygen than other plants, thus earning the name "the lungs of the city". Thanks to their rapidly regenerating and deep root system, Paulownia trees are highly convenient for the reforestation of areas endangered by erosion or burned forests. It also purifies the ground thanks to its large leaves rich in nitrogen, brining nutrients when they fall and decompose in the soil.

Paulownia is resistant to damage by insects because of the high tannin content of tannin in it. It is also very light, fine-grained and warp-resistant making it easy to plane, saw and carve without splitting or warping.

It is very easy to grow on plantations and has the ability to provide high-value timber within a relatively short time frame while providing a positive contribution to the climate and to the air- and soil quality.

In comparison

The following information will provide an insight into the growth performance of a 10 year old Paulownia tree.

Paulownia tree: 600 kg Teak: 50 kg Oak: 50 kg

CO_2 absorption of a tree per year

Paulownia tree: 40 cm Teak: 20 cm Eiche: 10 cm

Trunk diameter at 10 years

Paulownia tree: 20m Teak: 10m Oak: 2 m

Mean height at 10 years

Special qualities of the Paulownia wood

- flame-resistant (ignition temperature at 420°C)
- easily processed
- minor thermic conductivity (good insulator)
- low weight but high stability
- good acoustic properties
- rapid growth
- dries fast
- odourless and resin free
- unpretentious and adaptable

Usage of the Paulownia wood

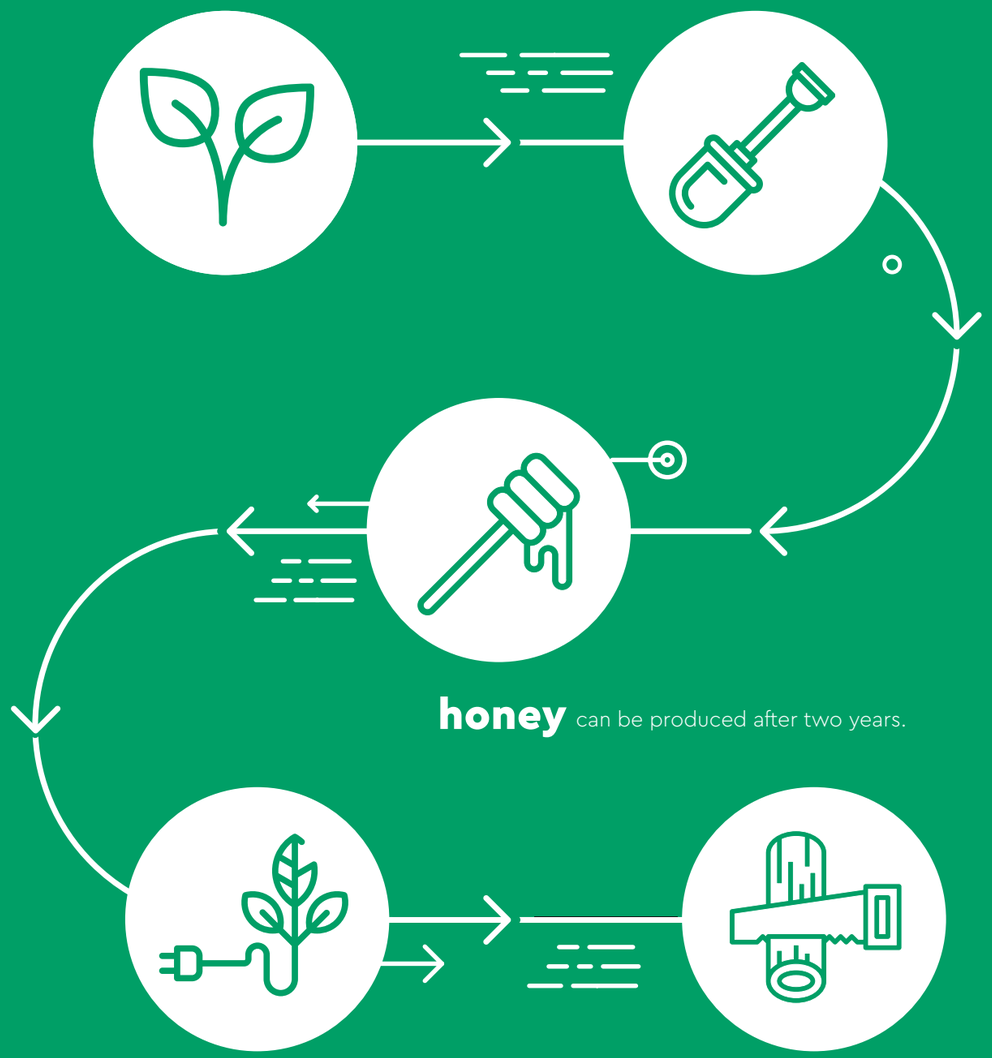
- furniture industry
- musical instruments
- ship building
- aircraft construction
- sports equipment (ski, snow- & surfboards)
- wooden facade
- plywood, veneers
- energy resource

saplings

Saplings are bred in greenhouses until they are big enough to be planted.

planting

Initially, planting holes are opened, fertilizer as well as compost are used, then saplings are planted and watered abundantly.



honey can be produced after two years.

biomass

After approximately three years the first trees can be harvested and processed for biomass.

High-value timber

After 4–8 and 8–12 years the trees are ready to be processed for high-value timber, depending on the product.

The plantation

Our Phoenix One Paulownia plantation, destined for high-value timber, has 50.000 trees on 35 hectares. With the increase in demand, in 2020 we purchased additional 50 hectares.

For the optimal development , the trees require regular watering for a few weeks immediately after planting, after that they don't require much care, except during droughts. Saplings are grown in a greenhouse until they are strong enough to be transferred to the parcel.

With the sufficient sunshine and the moderate climate in South Europe it only takes about two years for the Paulownia trees to start blooming. The fragrant, purplish white flowers, have a large crown from 4–5 cm and are attractive to bees when flowering. Each year about 30,000 kg of honey can be extracted.

After 1 to 2 years the first harvest of trees, designated for the production of biomass, takes place. In this way the portfolio of products is differentiated, generating income, but also providing sufficient space for the remaining trees to be harvested later for high-value timber. The harvested trees are easily processed into pellets.

Paulownia trees reach hardwood maturity in 8 to 12 years and produce strong, lightweight timber with a high strength to weight ratio. At this age, they reach a height of about 20 meters and a trunk diameter of approximately 40–50 cm. The trunks are dried, processed and sold as high quality timber.

We cultivate high quality Paulownia sapling species in our own greenhouses, to be used for planting or for sale. We have also invested in all necessary storage space and equipment for pellet production and wood processing in this way guaranteeing a high quality end product with a minimal impact on the environment. –

Our plantations

Optimal location

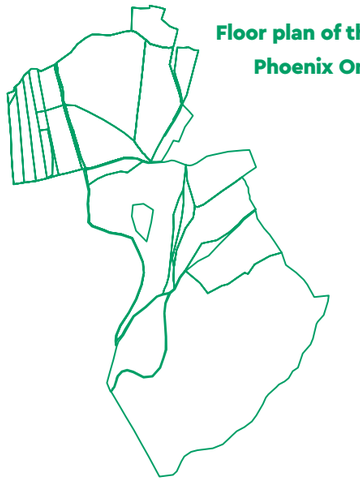
South Europe offers the ideal climate conditions for the optimal and fast growth of our trees. Abundant sunshine throughout the year, mild climate without extremes and the suitable, nutrient rich, soil quality support fast growth, generating high quality and dense timber compared to northern regions of Europe.

- Optimal climate conditions
- Long growing season
- Nutrient rich soil
- Solid infrastructure
- Low labor costs
- Low price range

Phoenix One (Kosovo)

The Phoenix One characterised by its attractive location in the South European region – close to the most important and largest wood and furniture manufacturing industry.

Floor plan of the Phoenix One



Phoenix One
N 42.397552°, E 21.106022°

Ferizaj (Kosovo)
Location

121.000 trees
Paulownia-trees

85 hectare
2018: 35 hectare
2020: 85 hectare

5 bee colonies
Bees

573 m
Altitude

6,5
Soil pH-value

Honey

our plantations produce about 30,000 kilograms of the finest honey each year

Biomass

biomass is processed in the pellet mills and sold.

Timber

timber will be harvested, processed and sold

If the bee disappeared off the face of the Earth, man would only have four years left to live.

Albert Einstein

Honey

The beautiful purple blossoms provide the main ingredient for unique honey.

Paulownia is an outstanding nectar producing and bee attracting bee. In cooperation with a team of experienced beekeepers one beehive produces about 15 kilogram of the finest bio honey, or up to 1,000 kg with each hectare.

Considering the population of honey bees is declining due to the loss of biodiversity, destruction of habitat and use of pesticides, as particular threats for honeybees, apiculture and honey extraction is important for us.

The majority of our honey is sold locally; the remaining stock is sold on the international market and a small amount is kept to be given as a gift. –

Biomass

Besides solar-, water-, and wind- as energy sources, biomass is another important and environmentally sustainable source.

Pellets and biogas can primarily be produced from the wood and leaves of young trees, finding a use for heating or electric power generation.

Despite the potential of biomass in revenue generation, Paulownia cultivation in Europe is not yet widespread. However, in their native habitat, Eastern Asia, the trees have already been used as an energy supplier for centuries. The interest in Paulownia for biomass production is slowly growing, especially in Germany, where pellet-fuelled radiators enjoy constantly increasing popularity.

As a result of its rapid growth, the Paulownia tree is suitable as an energy supplier.

Part of our 3-year old trees has already been used for pellet production. Using our pellet mills, the dried and processed biomass is processed into pellets and packaged for sale.

About 8,500 m^3 biomass is processed into pellets, allowing revenue generation effortlessly. Also known as the Phoenix-tree, Paulownia can quickly regenerate from the roots after being cut down – a requirement in sustainable forestry. Achieve remarkable income results through biomass is effortless. Once planted, one Paulownia tree has the ability to regenerate several times. –

High-value timber

Fast growing high quality wood – it sounds almost too good to be true. The Paulownia tree is one of the few trees to produce high-value wood in a short amount of time. Compared to other species, the wood shows a variety of special traits which makes it unique.

Even though it grows very fast, Paulownia hardwood has a lot of character with its silky light golden – blonde coloured wood. With a high ignition value of approximately 420° the timber is water-resistant and known for its excellent insulation properties. Given its straight grain and light weight, Paulownia is extremely easy to work with, it does not warp, crack or deform during drying and is exceptionally stable, withstanding warping, breakages and deformations when exposed outdoors.

Paulownia's main characteristic lies in its low density, with an average weight of only 300 kg per cubic meter it is one of the lightest hardwoods in the world, yet in spite of this low density, Paulownia offers a high stability and strength.

Lightweight

Paulownia wood is the lightest known timber, in the timber world, it is considered "aluminium wood" due to its light weight and exceptional strength. It is a third of the weight of Oak and half the weight of Pine and even lighter than Balsa. Due to its high strength to weight ratio Paulownia finds many applications where this ratio plays an important role, becoming irreplaceable in shipbuilding, aircraft construction, production of boards for surfboarding, skiing, snowboarding, production of auto campers and other products.

Dimensionally stable

Hardly any other wood is as stable as Paulownia. Once Paulownia is dried, it hardly absorbs water again, offering excellent dimensional stability which reduces the possibility of warping. These qualities render it very valuable timber used for the manufacturing of furniture and musical instruments where an aesthetic and light wood is in demand. Therefore it is not surprising that for decades Japanese craftsmen have used this valuable wood in musical instruments; the wood is light but strong and will not crack or split when nails or screws are used. Thanks to its light weight and resistance to decay, Paulownia is also ideal wood for structural pieces such as doors and windows, which may exposed to severe weather conditions. Wooden surfboards are usually made of Paulownia wood – being saltwater resistant is probably the most useful characteristic for making wood surfboards, which means there is no need for fiberglass or any other chemical sealer. In addition due to its light weight, the wood has excellent floating properties.

Special feature

Paulownia produces a light wood with a delicate honey-yellow to light grey colour and a surface characterised by a silky shine. The characteristic grain of the wood is particularly attractive due to its broad annual growth rings. It takes stain perfectly and finishes well, so it can be used both, in its natural tone or stained.

Become an owner

Why place the trust in trees?

The news that interest rates are falling to another record low yet again are daily, banks are considering negative interest rates, stock market is becoming increasingly unpredictable and savings deposits are barely covering inflation. In addition, the number of bonds issued has seen a decrease. This makes it increasingly difficult to invest safely and, above all profitably, in order to protect yourself in old age or simply to save for an investment.

With the sale of Paulownia trees we offer a solution to this problem. Paulownia trees grow very fast and can be sold and processed as high-value timber after a very short time, as such, it is a secure and profitable investment. **Shares rise and fall, once planted trees grow and their value increases with time.** Moreover, Paulwnia is resistant to weather conditions, insects and due to its deep root system, it is resistant to long periods of drought.

It's that easy to become a tree owner.

You have the possibility to participate in an already planted and established Paulownia tree plantation. This is a direct acquisition and you will be the owner of the trees.
We provide: absolute openness, safety and transparency.

After you decide on a Paulownia tree set and have sent us the sales contract, you immediately receive a Tree Certificate identifying you as the owner.

From now on, everything is in our hands and you don't have to worry about anything. After your purchase, our highly trained agricultural experts will take care of your trees. The full service, tree and parcel maintenance, until Paulownia grows into a mature tree ready for harvest is already included in the tree price, which means there are no additional costs.

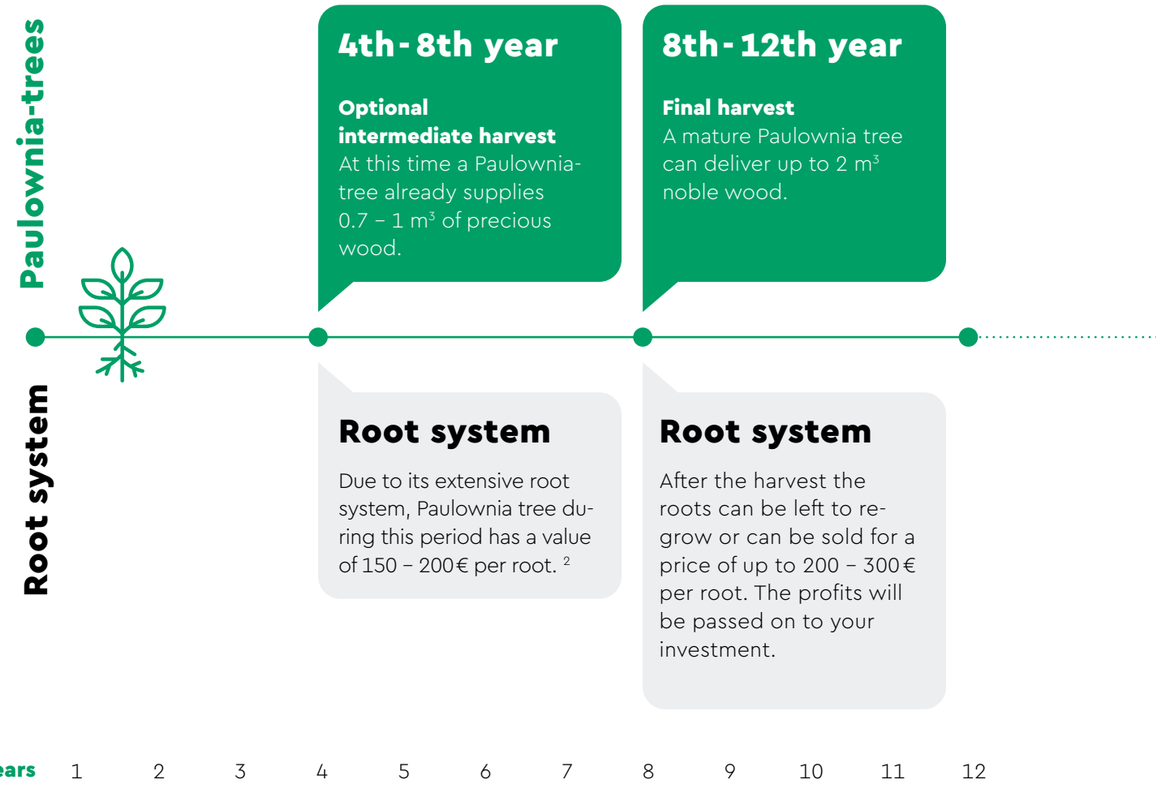
The Paulownia trees are monitored by video and are located on the Greenchild Group plantations. –

Increase in value through biological growth

The Paulownia tree is not a financial product. Its value is linked to the size of the tree and the quality of its wood. With its steady growth, its value increases continuously.

For generations, trees have been regarded as a very good investment to increase wealth.

For most trees, however, there is a very long period of time between planting and harvesting. This is where the fast-growing Paulownia tree comes into the picture. It offers all advantages of other high-value trees – in a fraction of the time. –



² The projected revenue from the root plant was calculated on the basis of current, average sale prices (as of December 2018) and **does not** constitute a guaranteed price.

Full-grown.
Harvest time for you.

High value wood is a natural raw material, with the value arising from the gradual growth of trees – the longer it grows, the higher the value.

Sufficient sunshine, moderate climate, defined four seasons and the good soil quality in Southern Europe, ensure a harvest as early as 8 – 12 years after planting. At this time each Paulownia tree delivers up to two cubic metres of high-value class C or B timber.

Another option is to keep the trees beyond 8 – 12 years, to grow into high quality trees, class A. –

Wood categories

Wood quality A (less than 1.0 percent of all Paulownia logs are of this quality): US $ 2966.42 – 3390.20 pro m^3.

Wood quality B (about 40 percent of all Paulownia logs are of this quality): US $ 1695.10 – 2118.88 pro m^3.

Wood quality C (about 40 percent of the Paulownia logs are of this quality): US $ 847.55 – 932.30 pro m^3.

Approx. **17 years**
Growth in Central Europe

Approx. **7 years**
Growth in Southern Europe

Ø 45 cm

Tree kits

The Greenchild Group is a service provider with an experienced and professional team that plants, maintains and processes the trees on your behalf.

Our concept is neither an investment nor a financial product. Our focus lies on the professional management of the plantations, sustainability, the personal touch and transparency.

After you have decided on a tree set, you receive a tree-certificate, which identifies you as a tenant of the land and owner of the Paulownia trees. There will be no additional costs. –

Basic

BASIC: **25 - 100 trees**

25 TREES
Price: **4.975 €**

50 TREES
Price: **9.950 €**

100 TREES
Price: **19.900 €**

- ✓ High-quality root system that supports and guarantees growth
- ✓ Paulownia-trees
- ✓ Lease of the arable land
- ✓ Care & Maintenance
- ✓ Tree-certificate
- ✗ –
- ✓ No further costs
- ✗ –

Premium

PREMIUM: **125 - 400 trees**

125 TREES
Price: **24.062 €**

250 TREES
Price: **48.125 €**

400 TREES
Price: **77.000 €**

- ✓ High-quality root system that supports and guarantees growth
- ✓ Paulownia-trees
- ✓ Lease of the arable land
- ✓ Care & Maintenance
- ✓ Tree-certificate
- ✓ 5% discount on the tree price
- ✓ No further costs
- ✗ –

Business

BUSINESS: **425 trees or more**

425 TREES
Price: **79.050 €**

600 TREES
Price: **111.600 €**

800 TREES
Price: **148.800 €**

- ✓ High-quality root system that supports and guarantees growth
- ✓ Paulownia-trees
- ✓ Lease of the arable land
- ✓ Care & Maintenance
- ✓ Tree-certificate
- ✓ 10% discount on the tree price
- ✓ No further costs
- ✓ Travel voucher to the plantatio (incl. flight and hotel)

All at a glance

Fastest growing hardwood

Our Paulownia trees in South-East Europe can grow approximately five metres in a year and produce ten times as much volume as an oak in the same timeframe.

High demand

Wood as raw material is highly demanded worldwide with demand constantly growing. Only since 1990 the price of wood has risen by 1054%.

Unique high-value wood

Paulownia wood is also named the aluminium of timber because it is extremely light, yet very robust. In addition, once dried it absorbs less water than any other hardwood – making it very attractive for the shipbuilding industry.

Inflation-protected

The purchase of Paulownia trees is crisis-proof, inflation protected & independent of stock exchange fluctuations.

Environmental miracle

The Paulownia tree plays an important role in reversing the effects of climate change and protecting the environment. Its large leaves absorb more CO_2 than most other trees – also earning the name "the lung of the cities".

tax-saving

Agroforestry investments offer tax advantages to investors in many countries (e.g. Switzerland and the United Kingdom). In addition, capital gains, as with the investment in Paulownia trees, are tax-free! Simply ask your tax adviser about the situation in your country.

Option to sell the trees before the harvest

If you possess the tree-certificate, you have the option to sell your trees any time, even before harvest. A tree surveyor will make a visit, measure your trees, determines the current high-value wood price per cubic meter and calculates what your trees are worth.

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