

PROSPECTUS DATED 14 February 2024

of

Global TREE Project AG

(incorporated as a joint stock company [*Aktiengesellschaft*]
under the laws of Switzerland)

for the issue / public offer of

up to 9'194'000 TREE Tokens

ISIN CH1305377918

This document constitutes a prospectus (the "**Prospectus**") in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") in connection with Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. It comprises a summary, information regarding the Issuer and Information regarding the securities which have been issued and are offered to the public in Liechtenstein, Germany, Austria, and Spain (together the "**Public Offer Jurisdictions**" and each, a "Public Offer Jurisdiction"). The Securities will further be registered for distribution in Switzerland based on article 54 Financial Services Act.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES MAY INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**COMMODITY EXCHANGE ACT**") OR BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT).

AN INVESTMENT IN THE SECURITIES DOES NOT CONSTITUTE A PARTICIPATION IN A COLLECTIVE INVESTMENT SCHEME. THEREFORE, THE ISSUER OR THE SECURITIES ARE NOT SUPERVISED OR APPROVED BY ANY FINANCIAL MARKET SUPERVISORY AUTHORITY AND INVESTORS MAY NOT BENEFIT FROM THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER EEA OR SWISS INVESTMENT FUND REGULATION.

This Prospectus has been prepared on the basis that any offer of the Tokens in any Member State of the EEA in which the Prospectus Regulation is applicable other than offers which are contemplated in this Prospectus in the Public Offer Jurisdictions once the Prospectus has been approved by the Liechtenstein Financial Market Authority and published and notified to the relevant competent authority in accordance with the Prospectus Regulation as implemented in that Member State, will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Member State, from the requirement to publish a prospectus for offers of Tokens. Accordingly any person making or intending to make an offer in that Member State of Tokens which are the subject of the offering contemplated in this Prospectus, other than the public offerings permitted under Applicable Law, may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case,

in relation to such offer. The Issuer neither has authorized, nor does it authorize, the making of any offer (other than public offerings permitted under Applicable Law) of Tokens in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

This Securities Prospectus was approved by the Liechtenstein Financial Market Authority on 14 February 2024 and is valid until 14 February 2025. This Prospectus (incl. supplements, if any) are available for inspection and download at <https://gtp.ch/prospectus>.

In case of significant new factors, material mistakes or material inaccuracies the Issuer is obliged to establish a supplement to the Prospectus. The Issuer's obligation to supplement a prospectus does not apply when a prospectus is no longer valid.

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A. SUMMARY OF THE PROSPECTUS

I. INTRODUCTION AND WARNINGS

The Issuer Global TREE Project AG, Rothusstrasse 15, 6331 Hünenberg, Switzerland ("**GTP**" or the "**Issuer**"; LEI 894500YH69NWY8I0Z836) offers up to 9'194'260 digital tokens ("**TREE TOKENS**" or "**Tokens**" and each, a "Token", ISIN CH1305377918) to the public on the basis of this securities prospectus.

This Prospectus was approved by the Finanzmarktaufsicht Liechtenstein ("**FMA**"), Landstrasse 109, Postfach 279, 9490 Vaduz, (info@fma-li.li), on 14 February 2024.

This summary contains a description of the main features and risks relating to the Issuer and the Token offered on the basis of this Prospectus. The summary is an introduction to the Prospectus and should always be read together with the full Prospectus. A thorough examination of the entire Prospectus is therefore recommended prior to any decision to purchase or subscribe. Investors have to consider that they are about to purchase a financial product, that is not simple and may be difficult to understand. Also, Investors should be aware that they may lose all or part of the invested capital. The Issuer points out that in the event that claims are brought before a court based on the information contained in this Prospectus, the plaintiff investor may, under national law of the Member States, has to bear the costs of translating the Prospectus prior to the commencement of proceedings.

In addition, the Issuer points out that the Issuer, who is responsible for the summary including any translation thereof may be held liable in the event that the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or where it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities.

II. KEY INFORMATION ON THE ISSUER

1. Who is the Issuer of the Securities?

The Issuer is a joint stock company (*Aktiengesellschaft*) incorporated under Art. 620 seq. of the Swiss Code of Obligations ("**CO**"), was incorporated in Switzerland and is subject to the laws of Switzerland. The registered office is at Rothusstrasse 15, 6331 Hünenberg (Switzerland). The Issuer has been registered in the Public Company Register of the Canton of Zug on 13.06.2018 with reg. no. CH-170.3.042.515-8. The Legal Entity Identifier (LEI) of the Issuer LEI 894500YH69NWY8I0Z836.

The principal activities of the Issuer are consultancy services in the field of planning, implementing, promoting and participating in ecologically sustainable projects and developments, specifically the TREECYCLE Project. The Issuer has a minimum capital of CHF 100'000 (fully paid-in). It has five shareholders, in terms of beneficial owners, the largest direct and indirect beneficial owner holds 45.9% and the second largest 42.1% which stipulates that the issuer is controlled by Jörg Heinrich Schäfer and Alf Schröter with a joint majority of 88.0%. The members of the Board of Directors are Andreas Jelinek, Alf Schröter and Jörg Heinrich Schäfer. The Board of Directors has appointed Jörg Heinrich Schäfer as a delegate and CEO with sole signatory powers.

Grant Thornton AG, Claridenstrasse 35, 8002 Zürich, reg. no. CH-020.3.902.756-7 ("Grant Thornton"), has been appointed as auditor by resolution of the Issuer's Board of Directors as the statutory auditor (effective date 10 January 2023). Grant Thornton audited the accounts in accordance with the International Financial Reporting Standards ("IFRS") for the financial year 2022 (including prior year comparables as for 2021) and provided a qualified audit opinion.

2. What is the operational business of the Issuer?

The Issuer's operational business consists of the management of a reforestation project Paraguay in the region of Guaira Villarrica (the **"TREECYCLE Project"**).

The objective of the TREECYCLE Project is to purchase 10,000 hectares of land in the Guaira Villarrica and other regions in Paraguay and plant 10 million eucalyptus trees. In order to acquire the land and to execute the project, the Issuer has acquired a company in Paraguay, Global Tree Project S.A., RUC No. 80101522 DV:7, with registered office at Gregorio Benitez Y Coronel Oviedo, Paraguay (**"GTP Paraguay"**). GTP Paraguay has a share capital of 300,000,000 Guaraní (about CHF 42'000). The Issuer is holding 97% of the shares in GTP Paraguay, the remaining 3% are held on a fiduciary bases by a local partner (Andreas Jelinek) to comply with statutory domiciliation requirements. Consequently, the issuer controls all of the shares of GTP Paraguay. GTP Paraguay is dedicated to be the owner of the land to be reforested by the Issuer on his own account. Moreover, the Issuer entertains a close partnership with Grupo Empresarial La Rivera S.A. Paraguay Coronel Oviedo e/ Gregorio Benitez, Villarrica, Paraguay, RUC 80064655/HR 1103, which provides all operational work on the project such as the land preparation, the afforestation, the maintenance of the plantation, the harvesting and the distribution of harvested wood for sale.

3. What is the key financial information regarding the Issuer?

The summarized financial information is derived from the audited financial statements as per 31 December 2021 and 2022 as well as the unaudited Interim Financial Statements as per 30 June 2023.

	31.12.2021	31.12.2022	30.06.2023
	audited CHF	audited CHF	unaudited CHF
Cash and Cash Equivalents	161'026	158'300	38'457
Other current assets	262'086	74'275	169'967
Total current assets	423'112	232'575	208'424
Reforestation assets at fair value	0	3'476'573	4'557'361
Property Plant and Equipment	277'221	835'401	849'764
Total non-current assets	277'221	4'311'974	5'407'125
TOTAL ASSETS	700'333	4'544'549	5'615'549
Short-term liabilities	448'065	769'014	840'539
Long term liabilities	618'240	947'281	1'114'275
Subordinated long term liabilities	0	100'000	100'000
Total liabilities	1'066'305	1'816'295	2'054'814
Share Capital	100'000	100'000	100'000
Perpetual Instrument	10'978'859	12'745'296	13'498'744
Exchange Difference	-5'609	-8'460	-8'555
Retained Earnings	-11'439'222	-10'108'582	-10'029'454
Total Equity	-365'972	2'728'254	3'460'735
TOTAL EQUITY AND LIABILITIES	700'333	4'544'549	5'515'549
Change in fair value from reforestation assets	0	3'219'695	1'001'286
Operational expenses	-1'001'350	-1'271'180	-921'574
Net Profit (+) / Loss (-)	-1'039'791	1'328'858	79'712
Net cash flow - operating activities	-1'042'857	-1'050'738	-790'038
Net cash flow - investing activities	-167'032	-658'263	-119'253
Net cash flow - financing activities	1'310'826	1'702'675	789'748

The balance sheets as of 31.12.2021 and 2022 and the profit and loss statements per 2021 and 2022 have been audited by Grant Thornton in accordance with the International Financial Reporting Standards (IFRS). The interim Financial Statements as per 30 June 2023 have been prepared in accordance with IAS 34 and are unaudited. For earlier accounting periods the accounts were prepared in accordance with articles Art. 957-963b CO and have not been audited. The financial statements are prepared on the basis of going concern for at least 12 months from the date the auditors report has been issued.

The audit opinion is qualified because the auditor was not able to independently verify certain key assumptions used to derive the fair value of the reforestation assets. Due to the early stage of the reforestation assets and the issuers operations, internal information based on historical data was not available and the issuer had to rely on management expert's data. In addition, the audit report contains a material uncertainty regarding the issuers going concern. This is

because of the negative operational results in combination with the issuers dependency on cash flows to be received from the issuance of TREE Tokens under this Prospectus.

4. What are the key risks that are specific to the Issuer?

a) Financial Situation of the Issuer

Capital, assets and income of the Issuer. The Issuer's statutory capital (equity) is limited to CHF 100'000.00, which is the minimum capital required under Swiss law. The Issuer has already sold in private sales about 805'740 TREE TOKENS and has obtained proceeds in an amount of appr. EUR 14,06 mn. As per the date of this Prospectus, the Issuer has invested these proceeds in the set-up of the project (including the incorporation of the Issuer, the acquisition of GTP Paraguay, and the acquisition of 245 hectares of land, which are currently being afforested). The sole source of income of the Issuer are proceeds from the public sale of TREE TOKENS until a first batch of trees can be harvested and sold.

The Issuer may assume additional debt. The Terms and Conditions (Annex II) of the Tokens do not limit the amount of additional indebtedness that the Issuer can create, incur, assume or guarantee. The Issuer does currently not plan to use financing provided by third parties, including banks, to finance the acquisition of land on behalf of GTP Paraguay, but reserves the right to use third-party financing for the acquisition of land. Such financing would likely be secured by security interests in the land. Should the Issuer assume third-party financing it would assume refinancing risks (the risk that the debt could not be rolled-over at maturity) as well as interest-rate risks (the risk that interest rates would increase in case of a roll-over).

Risk of illiquidity and insolvability of the Issuer.

The cash-flow predictions are based on a number of key assumptions, which may or may not realize. The key assumptions are 1) the growth pattern of the trees, which determines the timeline for harvesting, 2) the achievable timber prices for the various qualities and use forms of harvested timber and 3) the operational costs of the issuer. A severe crisis in timber markets and/or natural disasters which adversely affects growth of the trees and other factors outside the control of the Issuer could severely impact the expected quantity and timeline of cash flows. This may result in the Issuer's illiquidity and/or its insolvency. Insolvency risks are exacerbated by the Issuer's investments in forestall land in Paraguay, which is a highly illiquid asset in a developing country.

b) Risk Factors Relating to the Business of the Issuer

The TREECYCLE Project is subject to business risks which may prevent the generation of any, or sufficient, Net Profits to make payments to tokenholders. These risks include operational, market, political, legal and regulatory, and financial risks.

Operational risks include force majeure events (such as fires, explosions, earthquakes, cyclones, hurricanes, floods, droughts or such other extreme weather or environmental conditions), plant diseases, climate changes, temporarily or permanently insufficient workforce, temporary or permanent unavailability of proper infrastructure, theft of machinery, equipment and/or wood.

Market related risks include volatility of wood prices, collapse of the wood market, lack of demand for the timber produced and harvested.

The TREECYCLE Project is subject to **political risks**, including, but not limited to, political turmoil, unrest, war, hostilities (whether war be declared or not), invasion, act of foreign

enemies, mobilisation, requisition, embargo, rebellion, revolution, insurrection, or military or usurped power, civil war, and any acts or threats of terrorism.

The TREECYCLE Project is subject to **legal and regulatory risks**, including, but not limited to, the change or different interpretation of laws and regulations concerning land ownership, forestation, environmental protection and timber trade. Such an event might adversely affect the business of Issuer (including forcing the Issuer to change its business strategy) and negatively impact the generation of Net Profits.

The TREECYCLE Project is also subject to **Foreign Exchange Risks** since the currency of the Bond is Swiss Francs, whereas profits are generated and acquired land is accounted for in the local currencies of the countries where the afforestation projects are being undertaken (currently Paraguay).

III. KEY INFORMATION ON THE SECURITIES

1. What are the main features of the securities?

Type and Form of Securities. The Tree Token (“TREE”, ISIN CH1305377918) is a digital representation of a perpetual contractual claim to a fraction of the Issuer’s Net Profits (as defined below) resulting from the TREECYCLE Project (the “Profit Participation Rights”, as defined below). The TREE are perpetual debt securities in respect of which there is no fixed redemption date. Unless otherwise provided by mandatory applicable law, tokenholders have no right to request repayment of a payment or to otherwise terminate the arrangement entered into under these Terms. The TREE may not be redeemed at the option of the Issuer.

The entirety of the Tokens issued during the public offering is issued in the form of register securities (Registerwertrechte) in accordance with article 973d seq. Swiss Code of Obligations (“CO”). The transfer of ownership rights in Tokens from one Tokenholder to another Tokenholder will need to be registered on the TREE TOKEN platform and in accordance with its rules and provisions of the distributed ledger used for the issuance in order for a Tokenholder to be able to claim payments of Net Profits.

Payments and repayments at Maturity Date.

The TREE Tokens are perpetual securities in respect of which there is no fixed redemption or maturity date. Tokenholders therefore have no right to request repayment of a contribution made to the Issuer or to otherwise terminate the arrangement entered into under the Terms.

The Issuer has no right to redeem the Token. It may at any time purchase TREE Tokens in the open market or otherwise at any price in accordance with applicable law, provided that no such purchase shall be made unless sufficient free reserves are available (which will not be the case in the foreseeable future due to the distribution scheme under these Terms). The Issuer may, at its option, retain such purchased TREE Tokens for its own account and/or resell or cancel or otherwise deal with them at its discretion.

The payout of Net Profits is a function of the tree harvest cycles, which extends to about 13 years. Net Profits suitable for distribution to Tokenholders can be expected only when trees can be harvested and sold (i.e. in the years 6, 10 and 13 of a harvesting cycle).

International Securities Identification Number (ISIN): CH1305377918.

Rights attached to the Securities.

The TREE Token is a digital representation of a perpetual contractual claim of Tokenholders to a fraction of the Issuer’s Net Profits resulting from the Global TREE Project (the “**Profit**

Participation Rights", as defined below). The pro-rata share allocated for distribution to Tokenholders is forty percent (40%) of Net Profits, defined to mean the net cash flow from Operating Activities as shown in the Cash Flow Statement prepared in accordance with the IFRS Accounting Standard and audited by the Auditor. Net Profits suitable for distribution to Tokenholders can be expected only when trees can be harvested and sold (i.e. in the years 6 (at earliest), 10 and 13 of a harvesting cycle).

Tokenholders acknowledge, understand and accept that (i) due to the nature of the TREECYCLE Project Net Profits will be generated only if and when the afforestation and the sale of harvested wood can be successfully completed; (ii) any claim under these Terms is subject to, and conditional upon, a successful afforestation; (iii) Net Profits will be generated and become available for distribution only in some, but not all fiscal years; (iv) the earliest fiscal year for which Net Profits may be generated is five (5) to six (6) years after the first afforestation has been completed, and (vi) Tokenholders therefore have no right or entitlement to regular payments.

The Issuer has also undertaken to make use of the remaining sixty percent (60%) of the operating profit as follows:

- to reinvest fifty percent (50%) of Net Profits in the TREECYCLE Project, including, but not limited to, for the acquisition of land and afforestation; and
- to use ten percent (10%) of Net Profits to support projects for the protection of jungle and natural forests as well as social projects designated by the Issuer's Board of Directors.

The Issuer will meet this undertaking on a best-efforts basis, but it does not qualify as a contractual or legal right enforceable by a Tokenholder or any other person in a court of law.

If, for any reason, the Issuer is unable to acquire new land or to afforest existing or new land, the Issuer has the right but not the obligation, to allocate an additional fraction of Net Profits reserved for reinvestment in the TREECYCLE Project to Tokenholders. The Issuer's Board of Directors shall have full discretion regarding the decision to acquire and/or afforest land and the fraction of Net Profits reserved for reinvestment to be distributed to Tokenholders.

Repayment. The TREE Tokens are perpetual securities in respect of which there is no fixed redemption or maturity date and no fixed repayment amount. Tokenholders therefore have no right to request repayment. The Issuer has no right to redeem TREE Tokens.

Early Repayment. There is no Early Repayment option under the Terms. Neither the Tokenholders nor the Issuer have the right to request early repayment.

Ranking. The Tokens constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves. The rights and claims of Tokenholders are subordinated, which means that they are junior to all unsubordinated outstanding liabilities of the Issuer in respect of the Issuer.

In the event that the Issuer's Board of Directors determines that the requirements pursuant to article 725a Para. 1 CO (capital loss) or article 725b Para. 2 CO (overindebtedness) are met, Tokenholders irrevocably agree that any claim Tokenholders may have against the Issuer under the Terms (including, but not limited to, any claim for profit participation) shall rank subordinate and junior to the claims of all unsubordinated creditors of the Issuer; and the holders of other subordinated instruments or other obligations issued, entered into, or guaranteed by the Issuer, and any other instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank senior to the TREE by operation

of law or contract. In this event, all payments in relation to subordinated claims, including any claims for profit participation, shall be deferred (Stundung) for the duration of the subordination.

Repayment at the option of the Tokenholders. The Tokens may not be repaid early at the option of the Tokenholders.

2. Where will the securities be traded?

TREE Tokens are freely transferable in accordance with the Terms and the rules and procedures of the distributed ledger. TREE Tokens are not admitted to trading on a regulated market, and the Issuer has no plans to apply for a listing on a regulated market or trading facility. The Issuer reserves the right to make arrangements for making the TREE Token tradeable on a decentralized exchange (like the Ardor exchange) or another alternative trading platform, provided such arrangement is in compliance with applicable law. Until and unless such listing or arrangement is in place (if ever), Tokens can only be sold and purchased on a bilateral basis. In the absence of sufficient demand this will result in the TREE Tokens being highly illiquid investments.

3. What are the key risks specific to the securities?

The Issuer is in its early stage of developing its business operations. It has a capital (equity) of only CHF 100'000.00. It has currently, and until the harvesting starts, no regular operating income. A positive cash-flow (if any) is to be expected not before 2028 (operating year 6). Until a positive cash-flow is realized, the Issuer will fully rely on the proceeds from the public offering in order to finance the acquisition and preparation of land, the afforestation and all ongoing operational costs and expenses to run the Issuer. A lack of sufficient investments could result in the illiquidity or insolvency of the Issuer and thus lead to a partial or complete loss of the investment of a Tokenholder.

The success of the TREECYCLE Project, including the number of hectares to be acquired and the number of trees to be planted, depends on the success of the public offering. If the numbers of tokens sold to investors is lower than assumed in the financial model, the Issuer will not be able to acquire and afforest sufficient land. In such a scenario, the cash-flow (if any) and consequently the Net Profits to be distributed to Tokenholders will be lower than assumed in the financial model. The success of the public offering is therefore critical for the long-term success of the Issuer's business.

The TREE Tokens are perpetual securities in respect of which there is no fixed redemption or maturity date and no fixed repayment amount. Tokenholders have no right to request repayment. The Issuer has no right to redeem TREE Tokens. The Issuer has no plans to have TREE Tokens listed on a regulated market or trading facility. The Tokenholder's investment is therefore highly illiquid.

The pay-out of Net Profits is a function of the tree harvest cycle and other factors. Net Profits which permit a distribution to Tokenholders will vary considerably from year to year, and in some years the Issuer will not generate any Net Profits at all. Other factors which may impact Net Profits include natural disasters like hurricanes and wildfires and general economic conditions which may influence the demand for wood.

The TREE Tokens represent contractual claims against the Issuer which are unsecured. They do not represent any ownership claims in trees or land acquired with the proceeds of the TREE Tokens. The contractual claims represented by the TREE Tokens rank subordinate and junior in right of payment to, and of all claims of all unsubordinated creditors of the Issuer. This means

that in an insolvency of the Issuer Tokenholders would be satisfied only after general creditors have been fully paid.

4. Under which conditions and timetable can I invest in this security?

Offer Period. The offer will start in the Principality of Liechtenstein on 15 February 2024. For other Member States of the EEA the Offer Period will not commence in the relevant Member State until the day following the banking day in that Member State on which the registration office or other competent authority of the relevant Member State has been notified of the intended offer to the public. The Issuer also plans to have the Prospectus registered in Switzerland. Offer Period means the period during which the Prospectus is valid, i.e. one year after approval has been granted by FMA or the Registration in Switzerland.

Subscription Price. The subscription price per TREE Token during the Offer Period is CHF 21.

Details of the method for paying up and delivering the Tokens. The Issuer will issue Tokens to subscribers within 14 days after receipt of payment and send the Tokens to the wallet designated by the subscriber.

Subscribers shall arrange for payment of the subscription price in Swiss Franc ("CHF") or in Euro ("EUR"). Payments in CHF or EUR shall be made to the Issuer's bank accounts as disclosed during the subscription process. The Issuer reserves the right to accept, at any time during the Offer Period, payments in additional widely used cryptocurrencies.

Private Sales. Prior to the Public Sale the Issuer has already sold about 805'000 TREE Tokens in private sales (based on article 1(4)(b) Prospectus Regulation) between 18 June and 31 October 2019 and between 1 November 2019 and 30 September 2023 and raised approx. EUR 14,062 million during this period. Reflecting the early stage of the project Tokens issued between 2018 and 31 October 2019 were sold at a discount of 40%; Tokens issued between 1 November 2019 and 31 December 2020 were sold at a discount of 25%. Tokens issued in the course of private sales, including tokens sold at a discount, rank *pari passu* with tokens sold in the course of this public offering.

5. Why is this Prospectus being produced?

The Prospectus is being produced in order to be able to offer up to 9'194'000 TREE Tokens to the public. The proceeds from the public offering in the amount of up to CHF 193'074'000 will be used by the Issuer to finance the TREECYCLE Project, including the acquisition of about 10,000 hectares of land, the planting, maintenance and subsequent harvesting of about 10 million trees. The Issuer will finance the TREECYCLE Project through loans (including unsecured and subordinated loans) and/or equity contributions to GTP Paraguay, its operational subsidiary in Paraguay.

Net proceeds from the offer to the public will also be used to cover costs and expenses incurred for the public offering including costs in connection with the issuance and distribution of Tokens, the project development as such and additional costs for the establishment and operation of the TREECYCLE ecosystem. In addition, the Issuer will retain a portion of the proceeds as a liquidity reserve to safeguard liquidity at all times.

The trees are partially harvested after five and nine years followed by a complete harvest and subsequent reforestation under a new cycle after thirteen years. The sale of timber will generate Net Profits of 50 per cent will be reinvested into additional reforestation. 40 per cent of Net Profits will be distributed to Tokenholders, and 10 per cent are to be used for philanthropic projects. To reduce the dependency on cash flows from the issuance of new

TREE Tokens and to assure going concern, the issuer, will retain a liquidity reserve to provide for the operating costs until the first harvest. With the development of the TREECYCLE Project and more regular harvest proceeds, this reserve can gradually be reduced to approximately 5% of net assets.

B. RISK FACTORS

I. GENERAL

The following is a disclosure of risk factors relating to the Issuer and the Tokens. These factors include risks relating to the Issuer (section II.) and its business (section III.) as well as to the instrument itself (section IV.) and the markets and infrastructure supporting the issuance and the custody of the Tokens as well as the trading, the clearing and settlement of transactions with tokens (section V). It must be stressed that the Tokens are a novel and complex financial instrument, traded in immature markets relying on a market infrastructure in early stages of development. An investment in Tokens is therefore suitable only for experienced and financially sophisticated investors who are in a position to evaluate the risks and who have sufficient resources to be able to bear any losses which may result from such investment.

Prospective purchasers of the Tokens should consider these risk factors and consult with their own professional advisers before deciding to invest in Tokens. The risk warnings set out below cannot serve as a substitute for individual advice and information which is tailored to the individual requirements, objectives, experience, knowledge and circumstances of each prospective purchaser. If any of the risks described in the following materializes, the market price of the Tokens may be materially adversely affected, and an investor could lose all or part of its original investment.

Investors must consider that they are about to purchase a financial product, that is not simple and may be difficult to understand. Investors should be aware that they may lose all or part of the invested capital. The risk information below does not purport to be an extensive and comprehensive list of all possible risks associated with an investment in Tokens. The risk factors discussed below are focused on risks which are specific to the Issuer and the Tokens; risks affecting financial instruments or the economy in general are not specifically discussed. Nor are risks being discussed which may affect any business operation, including operational risks and fraud. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences. Additional risks currently not known or currently not deemed to be material may also impair the Issuer's business operations.

II. RISKS RELATING TO THE ISSUER

1. Issuer is a startup company with minimal capital and no operating income

The Issuer is in its early stage of development. It has a capital (equity) of only CHF 100'000.00, which is the minimum capital required under Swiss law. It has currently, and until the harvesting starts, no regular operating income. A positive cash-flow (if any) is to be expected not before 2028 (operating year 6). Until a positive cash-flow is realized, the Issuer will fully rely on the proceeds from the public offering in order to finance ongoing operational costs. A lack of sufficient investments could result in the illiquidity or insolvency of the Issuer and thus lead to a partial or complete loss of the investment of Tokenholders.

2. Issuer's operations depend on success of Public Offering

The success of the TREECYCLE Project, including the number of hectares to be acquired and the number of trees to be planted, depends on the success of the public offering. If the numbers of tokens sold to investors is lower than assumed in the financial model, the Issuer will not be able to acquire and afforest sufficient land. In such a scenario, the net cash-flow from operating activities (if any) and consequently the Net Profits to be distributed to Tokenholders will be

lower than assumed in the financial model. The success of the public offering is therefore critical for the long-term success of the Issuer's business.

3. Risk of illiquidity or insolvability of the Issuer

The cash-flow predictions are based on a number of key assumptions, which may or may not realize. The key assumptions are 1) the growth pattern of the trees, which determines the timeline for harvesting, 2) the achievable timber prices for the various qualities and use forms of harvested timber and 3) the operational costs of the issuer. A severe crisis in timber markets and/or natural disasters which adversely affects growth of the trees and other factors outside the control of the Issuer could severely impact the expected quantity and timeline of cash flows. This may result in the Issuer's illiquidity and/or its insolvency. Insolvency risks are exacerbated by the Issuer's investments in forestall land in Paraguay, which is a highly illiquid asset in a developing country.

4. The Issuer may assume additional debt

The Terms and Conditions of the Tokens do not limit the amount of additional indebtedness that the Issuer can create, incur, assume or guarantee. The Issuer reserves the right to seek additional third-party financing, including financing from banks, for the acquisition of land. Such financing would likely be secured by security interests in the land. If at the term of a financing arrangement with a third-party financier it is not possible to agree on a roll-over in a timely manner or at reasonable conditions, the Issuer may be forced to sell the land. Depending on the terms of such third-party financing, third party financiers may also have the right of early termination of such arrangements.

5. Amendment to laws or regulations

Existing laws, regulations and financial oversight practice relating to Tokens and digital assets are subject to intense political and jurisdictional debate in all jurisdictions where Tokens are offered for subscription. Changes in applicable laws and regulations may be implemented and enter into force without warning and with immediate or even retrospective effect leading to impacts on the Issuer's operational results and the ability to offer, distribute and trade the Tokens as well as to distribute profits to the Tokenholders. In very severe circumstances, jurisdictions may enforce a cancellation of the Offering or a closing of the platform and the Issuer respectively. This could lead to losses incurred by the subscribers or Tokenholders.

Further, laws, regulations and requirements regarding identification of the Tokenholder, anti-money laundering, use of distributed ledger technology, consideration as collective investment scheme, securities trading are at all times subject to change leading to amended requirements and / or new procedures required. This could also result in a sudden inability to trade the Token, to use the ecosystem or force the Issuer to exclude Tokenholders from the ecosystem or the list of eligible Investors. Tokenholders are strictly reminded to observe legal and regulatory developments at all times and to consider their own position vis-à-vis those requirements.

The Issuer has institutionalized internal processes to ensure compliance with the laws and regulations of Switzerland and all other jurisdictions where TREE Tokens will be offered to the public. If, despite these precautions, breaches of statutory or regulatory provisions occur, this could adversely affect the Issuer's business activities and/or the price of the Tokens.

Changes to data protection laws or regulations may force the Issuer to disclose any kind of additional information to authorities in the future.

III. RISK FACTORS RELATING TO THE BUSINESS OF THE ISSUER

1. Operational Risks

The TREECYCLE Project is subject to operational risks which may prevent the generation of Net Profits. This includes, but is not limited to, force majeure events (such as fires, explosions, earthquakes, cyclones, hurricanes, floods, droughts or such other extreme weather or environmental conditions), plant diseases, climate changes, temporarily or permanently insufficient workforce, temporary or permanent unavailability of proper infrastructure, theft of machinery, equipment and/or wood.

Adverse weather conditions (long periods of rain or drought) may damage the new plantings and make replanting necessary, which would result in considerable additional costs.

It cannot be ruled out that despite ecological reforestation and management, the trees on parts or the entire Estate will be damaged and destroyed by significant pest infestation or tree diseases. Such an event would require pest control measures and replanting of trees, which would result in additional costs and delay the subsequent timber harvest. It might also negatively affect product quality and/or profitability of operations.

The success of the project depends also on the availability of resources like fertilizer and lime. Yields and hence profitability will be negatively affected if these and other resources were not available, or available only at increased prices.

Improper execution of logging, transport and interim storage of harvested timber could negatively affect the sales price and can even result in the loss of sales. This would reduce the revenues and thus the profitability of the project. Due to the contractually agreed fluctuation reserve of twelve months, the respective timber harvest can take place before or after the originally agreed date. Natural fluctuations in the growth of the trees means that different quantities and qualities of valuable wood and fuel wood are produced at the respective times of the wood harvest, and thus different revenues from the marketing of the wood harvest can occur. Currency and wood price fluctuations at the time of harvest also result in varying sales revenues.

2. Market related project risks

The TREECYCLE Project is subject to market related risks which may prevent realization of its full potential or the generation of Net Proceeds from the TREECYCLE Project. These risks include, but are not limited to, volatility of wood prices, collapse of the wood market, or the lack of demand for the timber produced and harvested. Demand for timber products might also be adversely affected by adverse economic developments like a recession in main markets.

3. Political project risks

The TREECYCLE Project is subject to political risks, including, but not limited to, political turmoil, unrest, war, hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilisation, requisition, embargo, rebellion, revolution, insurrection, or military or usurped power, civil war, and any acts or threats of terrorism. These and other event could result in the expropriation of land, products, or proceeds from the sale of products. This could severely impact the profitability of the project or result in its unviability.

4. Legal and regulatory project risks

The Issuer is not required to be licensed or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory

authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of TREE Tokens.

The TREECYCLE Project is subject to legal and regulatory risks, including, but not limited to, the change or different interpretation of laws and regulations concerning land ownership, forestation, environmental protection and timber trade. Such an event might adversely affect the business of Issuer (including forcing the Issuer to change its business strategy) and negatively impact the generation of Net Profits.

5. Foreign exchange risk

The currency of the Bond is Swiss Francs, whereas profits are generated and acquired land is accounted for in the local currencies of the country where the afforestation project is being undertaken. Changes in the exchange rate between the currency of the Bond and local currencies can have a substantial negative or positive effect on the Issuer's performance and the value of the investments (foreign exchange risk). In particular, if the value of the CHF vis-à-vis a local currency raises, income from the operation and proceeds from the project shown in CHF will decrease and may, under adverse scenario, negatively affect the Issuer's capability to fully service the obligations under the Terms.

6. Inflation

The TREECYCLE Project is located in Paraguay, and operating income as well as expenses will be generated in the local currency, the Guarani (PGY). Likewise, the land is owned by GTP Paraguay (i.e. two plots of land with a total of 265 hectares with a total of 176'000 trees having already been planted) with its value being accounted for in the local currency. Paraguay has historically seen a comparatively high level of inflation. It is therefore currently difficult to predict future product and resource prices (including wages). A comparatively high inflation will likely result in a depreciation of the local currency against the Swiss Franc.

7. Liquidity risks

The cash-flow predictions are based on assumptions, which may or may not realize. A severe crisis in timber markets and/or natural disasters and other factors outside the control of the Issuer could severely impact the expected cash flows and result in the Issuer's illiquidity and/or insolvency. Insolvency risks are exacerbated by the Issuer's investments in forestall land and timber, which are highly illiquid assets. This could result, under adverse circumstances, the insolvency of the Issuer.

IV. TOKEN-RELATED RISKS

1. No fixed repayment date and amount

The TREE Tokens are perpetual securities in respect of which there is no fixed redemption or maturity date and no fixed repayment amount. Tokenholders have no right to request repayment. The Issuer has no right to redeem TREE Tokens.

2. Illiquid investment

The Issuer has no plans to have TREE Tokens listed on a regulated market or trading facility. The Tokenholder's investment is therefore highly illiquid. TREE Tokens can only be sold and purchased on a bilateral basis.

3. Unregular pay-out of Net Profits

The pay-out of Net Profits is a function of the tree harvest cycle and other factors. Net Profits suitable for distribution to Tokenholders can be expected only when trees can be harvested and sold (i.e. in the years 6, 10 and 13 of a harvesting cycle). Other factors which may impact Net Profits include natural disasters like hurricanes and wildfires and general economic conditions which may influence the demand for wood. Net Profits which permit a distribution to Tokenholders, will therefore vary considerably from year to year, and in some years the Issuer will not generate any Net Profits at all.

4. Unsecured and subordinated contractual claims

The TREE Tokens constitute unsecured obligations of the Issuer. The Issuer has not created any security interest to secure its obligations in respect of the Tokens and no such security interests exist for the benefit of the Tokenholders. They do not represent any ownership claims in trees or land acquired with the proceeds of the TREE Tokens.

The contractual claims represented by the TREE Tokens rank subordinate and junior in right of payment to, and of all claims of all unsubordinated creditors of the Issuer. This means that in an insolvency of the Issuer Tokenholders would be satisfied only after general creditors have been fully paid.

The contractual claims represented by the TREE Tokens are in particular subordinated in relation to all other unsubordinated creditors as well as holders of other subordinated instruments ranking senior to the TREE Tokens if the Issuer's Board of Directors determines that the requirements pursuant to article 725a Para. 1 (capital loss) or article 725b Para. 2 CO (overindebtedness) are met. In this event all payments in relation to subordinated claims, including any claims for profit participation, shall be deferred (Stundung) for the duration of the subordination.

5. Tax risks

The TREECYCLE Project is subject to taxation in Paraguay. The Issuer is subject to taxation in Switzerland. Tax legislation in both jurisdictions may change over the course of the project. An increased tax burden may substantially affect the profitability of the Project and may reduce the profit share to be distributed to Tokenholders.

6. Country Risks

Since the Issuer's operational business will be concentrated in Paraguay, Tokenholders will be exposed to the country risk of Paraguay. This risk category includes, but is not limited to, restrictions in the right to transfer profits, the impossibility of converting currencies, the risk of expropriation, the risk of war or political violence and sovereign risk.

While Switzerland and Paraguay have entered into a bilateral investment agreement (Abkommen vom 31. Januar 1992 zwischen der Schweizerischen Eidgenossenschaft und der Republik Paraguay über die Förderung und den gegenseitigen Schutz von Investitionen) there is no guarantee that such an agreement will continue to be in force over the full lifecycle of the TREECYCLE Project, or that remedies available under the Agreement will be available or effective.

C. PROSPECTUS RESPONSIBILITY AND APPROVAL

I. RESPONSIBLE PERSONS

Responsibility for the contents of this prospectus lies with the Issuer, Global TREE Project AG, Rothusstrasse 15, 6331 Hünenberg (Switzerland).

The senior management body of Global Tree Project AG is the Board of Directors. The members of the Board of Directors are Andreas Jelinek, Alf Schröter and Jörg Heinrich Schäfer (see p. 32 ff). The Board of Directors has appointed Jörg Heinrich Schäfer as a delegate and CEO with sole signatory powers.

Global TREE Project AG and the members of the Board of Directors hereby declare that, to the best of their knowledge, the information and data contained in this prospectus are accurate and in accordance with the facts and no facts have been omitted that are likely to affect the materiality of this prospectus.

To the extent that data in this prospectus has been obtained or quoted from third parties, it is hereby confirmed that said data has been faithfully reproduced, to the best knowledge of the Issuer as can be ascertained from the data published by any such third party, has not been presented in an inaccurate or misleading manner. Where data from third-party sources is used, this is indicated at the appropriate location and the source identified.

II. APPROVAL

This Prospectus was approved on 14 February 2024 by the Financial Market Authority of Liechtenstein as the competent authority under Regulation (EU) 2017/1129.

Prospectuses are approved by the Financial Market Authority of Liechtenstein after verification of the completeness, comprehensibility, clarity and consistency of the prospectuses imposed by Regulation (EU) 2017/1129 and should not be considered as an endorsement of the Issuer that is the subject of this prospectus nor confirmation of the quality of the securities covered by said prospectus.

Investors are required to independently verify the appropriateness of the security offered against their own investment objectives.

D. INFORMATION ON THE ISSUER

I. GENERAL INFORMATION

1. Legal and commercial name of the Issuer

The legal and commercial name of the Issuer is Global TREE Project AG (Global TREE Project SA, Global TREE Project Ltd).

2. Place of registration and register number and legal entity identifier

The Issuer is registered with the Swiss Registry of Commerce (*Handelsregister*) of the Canton of Zug under reg. no. CH-170.3.042.515-8 and UID CHE-326.153.517.

Legal Entity Identifier (LEI): 894500YH69NWY8I0Z836.

3. Date of Incorporation and Duration

The Issuer has been incorporated by way of registration in the Registry of Commerce on 13 June 2018. It has an unlimited duration.

4. Registered Office, Legal Form and Applicable Law of the Issuer

The registered office of the Issuer is at Rothusstrasse 15, 6331 Hünenberg (Switzerland). The management can be contacted by phone at +41 41 588 13 08 or by email at info@gtp.ch.

The Issuer was incorporated as a joint-stock company (*Aktiengesellschaft*) in accordance with articles 620 seq. Code of Obligations and is therefore governed by Swiss law.

Further information on the Issuer is available on the website at www.gtp.ch/prospekt and www.treecycle.ch/prospekt. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

5. Key Events in the Development of the Issuer's Business Activities

The Issuer was incorporated in June 2018. It started initial operations in Paraguay in 2019 and acquired for that purpose Las Marias 7, S.A., which was renamed into GTP Paraguay (see Page 31 for further details). An internet-based platform was also developed and became operational in late 2019. This work was financed with private sales of TREE Tokens.

The TREE Tokens were issued on the Ardor Blockchain on 5 September 2020 in a quantity of ten (10) million tokens. A total of about 805'000 TREE Token have been sold in private sales, raising about EUR 14,06 mn (all figures as of 30 September 2023). The tokens not yet sold are being held on reserve by the Issuer. At the same time one billion **Tree Coins (TXC)** were issued, and total of 50'585'660 have been distributed to purchasers of the TREE Token as bonus payments. The initial idea was to establish the TXC as a payment token in the wider ecosystem, but this goal has not been reached so far and is no longer part of the Issuer's business plan. Instead, TXC will continue to serve and will be issued as a **pure utility token**.

The Issuer obtained a non-action letter from the Swiss Financial Market Supervisory Authority (FINMA) on 18 October 2019 confirming that the TREE Tokens qualifies as an asset token under FINMA guidelines and as a transferable security in accordance with article 2(b) Financial Market Infrastructure Act. Since the token does not represent any claim for the repayment of a monetary sum it does not qualify as deposits from the public. The TXC Token was qualified as a payment token under the FINMA guidelines and as the issuance of a payment instrument under the AML Act. GTP is a member in good standing of the Verein zur Qualitätssicherung

von Finanzdienstleistungen (VQF), a Swiss self-regulatory organization for AML purposes authorized and supervised by FINMA.

The operational business was further developed in 2020 und 2021. A long-term relationship was established with La Riviera, a local company with extensive experience in forestation projects. In 2022 the first two land lots with a total size of 265 hectares were purchased by GTP Paraguay with funds provided by the Issuer. About 176,000 eucalyptus trees have been planted so far on these plots.

6. Credit Ratings

The Issuer has not been independently rated and therefore has no independent credit rating.

7. Current borrowing and funding structure

There have not been any material changes in the Issuer's borrowing and funding structure since the last financial year.

8. Expected financing of the Issuer's activities

For the full implementation of the business plan, which provides the acquisition of a total of 10,000 hectares of land and the planting of 10 million trees, the Issuer will rely on the proceeds from the public sale of TREE Tokens for an amount of up to CHF 193'074'000. Under the financial model (see pg. 30) revenues and Net Profits are to be expected only when trees can be harvested, which will not take place before 2028.

As of the date of the interim financial statement of 30 June 2023 about 236'000 trees had already been planted as part of the TREETCYCLE Project. The Issuer expects annual operational costs in the amount of approx. CHF 1.8 mio. per year. A first partial harvest is expected to take place in 2028, which is expected to generate an operating cash flow (net of taxes) in the amount of approx. CHF 29 mio. A second partial harvest and the main harvest are expected to take place in 2032 and 2035. More regular proceeds are expected after 2035, when the various harvesting cycles on existing and newly acquired land will start to overlap. This is expected to result in more regular distributions to Tokenholders.

If the Issuer cannot raise the full amount planned for the public token sale, the TREETCYCLE Project will have to be reduced proportionally which may affect the project's overall profitability.

II. BUSINESS OVERVIEW

1. Business Model

a) Wood Industry in Pargaguay

Paraguay, officially the Republic of Paraguay (Spanish: República del Paraguay; Guaraní: Tavakuairetã Paraguái), is a landlocked country in South America. It is bordered by Argentina to the south and southwest, Brazil to the east and northeast, and Bolivia to the northwest. It has a population of seven million, nearly three million of whom live in the capital and largest city of Asunción, and its surrounding metro.

Paraguay has long been suffering under deforestation, leaving vast swathes of land barren and unsuitable for cultivation. Exploitation, both from local loggers and foreign operators, has eradicated much of the country's rich woodlands. According to a recent report by the Food and Agriculture Organization of the United Nations (FAO) Paraguay recorded increases in the annual rate of net forest loss between 1990 and 2020. In Paraguay, the rate increased from 255 000 ha per year in 1990–2000, to 342 000 ha in 2000–2010, to 347 000 ha in 2010–2020

(FAO, Global Forest Resources Assessment 2020, Main report, Rome 2020, p. 17). In the last decade Paraguay has been among the top ten countries for average annual net loss of forest area (FAO, p. 18).

In 1973 forestry law 422/73 declared in the public interest the rational handling of forests to control erosion and protect water basins, obliging landowners with more than 20 hectares of forest to retain at least 25 % of it. Difficulties in enforcing the law, exacerbated by lack of funding, however, meant the legislation had little effect in stemming the tide of deforestation and illegal logging remained rife. In 2004 Paraguay passed the “zero deforestation” law that prohibited the transformation of forest soils into agriculture in the eastern region.

The National Forestry Institute (INFONA) started projects with the FAO to encourage sustainable forestry development, and UN-REDD+ aimed to reduce emissions. Paraguay has national plans for forestry competitiveness, agro-forestry policies, inventory, updated thematic maps for investment orientation and a National Forest Monitoring System. Management of indigenous forests, boosting planting programs and modernization of the institutional framework were identified as crucial issues for sustainable development and employment increase. The National Forestry Inventory (2015) identified 16:700.000 hectares of native forests, 2:400.000 ha of palm trees and 53.000 ha of commercial plantations. The total amounts to 47% of the country's area.

b) Market for Wood in Paraguay

Wood is used in Paraguay mainly for energy production (firewood, charcoal and other biomass) and mechanical processing (sawn wood, boards, joinery, floorboards, laminates, mouldings and furniture).

Firewood and other solid biomass is among Paraguay's main energy source, accounting for 36.8% of total energy use in 2019 (IRENA (2021), Renewable Readiness Assessment: Paraguay, 20; Ministerio de Obras Públicas y Comunicaciones (MOPC) et al., Producción y Consumo de Biomasa Sólida en Paraguay, Paraguay 2019). Biomass was used mainly as firewood (69.8%) and charcoal (8.1%). Firewood was mainly used for cooking purposes and for processing in the industry (IRENA (2021), Renewable Readiness Assessment: Paraguay, 22). Between 2010 and 2019, the consumption of biomass increased in the residential and commercial sectors by 20.7% and in the industrial sector by 23.7%.

Paraguay has the potential to utilise forest biomass from native forests, with an estimated productive area of 700 000 hectares in the eastern region and 12.2 million hectares in the western region, which represents a supply of 5.3 million m³ of biomass per year of this, at least 3.5 million m³ per year could be used for energy purposes. However, the sustainability of forested areas in the eastern region has been affected by the conversion for agricultural development and by the demand for firewood from the residential and industrial sectors. In recent years, these two sectors together consumed nearly 10 million tons of wood per year on average, four times the sustainable supply of forest biomass in this location and resulting in average national forest degradation of 7.6 million tons of biomass per year (FAO (2018), Sostenibilidad de la biomasa forestal para energía y del etanol de maíz y caña de azúcar en Paraguay (Sustainability of forest biomass for energy and of corn and sugarcane ethanol in Paraguay). Working paper no. 70, Food and Agriculture Organization of the United Nations, Rome), Sostenibilidad de la biomasa forestal para energía y del etanol de maíz y caña de azúcar en Paraguay (Sustainability of forest biomass for energy and of corn and sugarcane ethanol in Paraguay). Working paper no. 70, Food and Agriculture Organization of the United Nations, Rome; IRENA (2021), Renewable Readiness Assessment: Paraguay, 46).

Both the mechanical processing and the energy production chains have problems to ensure a continuous supply of raw materials. Timber demand for industrial use keeps growing while the offer has decreased with a more significant gap since 2013. FAO calculated that planting should average at least 10.000 hectares/ year to fulfil the demand of installed industries (FAO, Sustainability of forest biomass for energy and of corn and sugarcane ethanol in Paraguay). Working paper no. 70, Food and Agriculture Organization of the United Nations, Rome, 29 seq.).

c) The TREECYCLE Project

The Issuer's operational business consists mainly of the reforestation project in Paraguay (the "**TREECYCLE Project**") The objective of the TREECYCLE Project is to purchase 10,000 hectares of land and plant 10 million eucalyptus trees. The trees will be harvested in several stages over a full cycle of 13 years. The wood will then be sold as timber, firewood and pulpwood. Since the Issuer has pledged to reinvest about 50 per cent of Net Profits in reforestation and the acquisition of additional land, the TREECYCLE Project will grow exponentially over the planting and harvesting cycles.

The plantation of the TREECYCLE Project (is close to Villarrica del Espíritu Santo (Villaricca) in the east of Paraguay. Villaricca is the capital of the Guairá Department. The city is located near the Ybyturuzú, part of the Caaguazú mountain chain. The area around Villaricca has an average elevation of 180 meters above sea level. It is rough and wooded, appropriate for cultivating sugar cane and trees and for raising cattle. The TREECYCLE Project team has close ties with this area, having been engaged in reforestation work here since 2009 with local partner La Rivera (see p. 27). The climate, rainfall, soil quality, pH value and other variables are all suited to establishing an eucalyptus plantation to the scale and time-frame proposed. In addition, there is a capable local workforce in place to assist with the manual labour that such an undertaking entails.

The land for the TREECYCLE Project for afforestation has been selected based on criteria that will ensure maximum tree growth and harvest yield. Ecological metrics have also been taken into account in the land selection process, including the need for the rehabilitation of deforested, degenerated and over-acidified land. As of the date of this Prospectus, two plots of land with a total of 265 hectares have been acquired by GTP Paraguay at an average price of CHF 2,570 per hectare. The land is currently valued at CHF 658,000 in the books of GTP Paraguay. About 176,000 trees have been planted so far by GTP Paraguay.

The land for the TREECYCLE Project will be planted with hybrid eucalyptus trees, developed by business partner La Rivera (see p. 27) that are strong, pest-resistant and possess high growth yield. Eucalyptus comprises more than 900 species and unknown number of hybrids and varieties. Most Eucalyptus species (Eucalypts) occur naturally in Australia. The major planting of the Eucalypts outside of Australia and South-East Asia started in 1904 in Brazil. Today Eucalyptus plantations cover at least 12 million ha throughout the tropical zone. Eucalyptus are among the economically most important tree species and have become a cash crop in many parts of the world. They grow very fast; with 1.8 – 3.6 meters of new growth each year for most species (the hybrids used by the Issuer have an annual growth rate of 5-7 meters). Eucalyptus wood has many uses, including as timber, firewood and pulpwood to cellulose extraction for biofuels.

Eucalypts grow in diverse ecological conditions with some hardy species growing in semiarid areas, while others are able to grow on marshy and swampy sites. Eucalypts also grow under a variety of soils including fertile loamy soils, infertile sands and heavy clays. The species of eucalyptus provides multiple environmental and socio-economic benefits such as utilized for

fuel wood production (for fire), pole production, house building, medicine (e.g. blue gum used to treat flu, common cold), timber production. On the other hand, Eucalyptus is often considered to have undesirable ecological qualities such as depletion of soil water and nutrients, aggressive competition for resources with native flora, unsuitability for erosion control, production of allelopathic chemical that suppress the growth of other plants and provision of inadequate food and habitat for wildlife.

d) Planting and Harvesting Cycles

While Eucalyptus trees are growing quickly, it still takes a number of years until trees are ready to be harvested. The GTP expects that a full cycle has a duration of about 11 to 13 years and consists of the following stages:

- Year 1-2: Planting and maintenance of seedlings.
- Year 6: the trees will be reaching heights of 20 metres and 30 cm in diameter. For optimal growth, they need space. Every second tree (50%) is therefore harvested. The wood is used in paper and energy production or to make posts.
- Year 10: An additional harvest is performed in order to ensure that the remaining trees have sufficient space and light. About 19% of trees will be harvested. At this stage, the trees are approximately 45 cm in diameter. The harvested trees are sold and used for parquet flooring and general timber.
- Year 13: The final harvest (31% of trees) takes place as the trees have grown to 60 cm in diameter. Most of the wood is sold to the furniture, veneer, roof and parquet industry.

For the first full cycle it is expected that 1,000 trees per hectare will be planted on a total of 10,000 hectares, i.e. a total of about 10,000,000 trees. If a loss of 20% of the trees is assumed over the planting and harvesting cycle, the total harvest will be about 8,000,000 trees.

After the first full planting and harvesting cycle new seedlings will be planted in order to start a new cycle. Moreover, under the Token Terms the Issuer has promised and committed to reinvest fifty percent of Net Profits for the acquisition of additional land for afforestation. The number of trees planted on the TREECYCLE Project as well as the revenues are therefore expected to grow exponentially. This obviously assumes the availability of sufficient land suitable for afforestation and other resources and sufficient demand for products.

e) Ecological and Social Dimensions

It is critical for the TREECYCLE Project to fully take into account the ecological and social dimensions of the project. Close consideration will be given to environmental concerns during the course of each stage of the planting, maintenance and cultivation process. This will include paying local workers a fair wage and providing sustainable employment. In order to protect the country's 1,000+ unique species of birds, mammals, amphibians and reptiles, GTP will work closely with local forestry organisations including National Forestry Roundtable (Mesa Forestal Nacional) and National Forestry Institute (Instituto Forestal Nacional, INFONA) and the Paraguayan Timber Merchant Federation (Federación Paraguaya de Madereros, FEPAMA).

Given that the reforestation efforts undertaken by the TREECYCLE Project will occur in a different country and continent from the majority of the project's investors, transparency and close communication will be essential in order to retain trust. The TREECYCLE Project is therefore committed to public reporting that goes above and beyond GTP's legal obligations. The TREECYCLE Project and its partners will provide regular reports that detail activity conducted including trees planted, thinned, harvested and sold, as well as all out-goings and

revenues. With respect to financial accountability, the Issuer is subject to the International Financial Reporting Standard and the audit of an internationally recognized, fully licensed audit firm (see p. 35).

The TREECYCLE Project also recognises the need to give back to the community and to foster positive working relationships throughout the Guaira Villarrica and other regions. The TREECYCLE Project has therefore promised and committed, under the Token Terms, to spend 10 % of Net Profits for projects for the protection of jungle and natural forests as well as in the Villarrica area. These social initiatives include projects that deal with nature, water treatment, hospitals, child care centres, foundations, and associations for handicapped people.

The first social project TREECYCLE Project will sponsor is the Children's Centre "Die Angel" located in San Roque, Villarrica. In partnership with the local church, disadvantaged children in the area will be provided with food and clothing and offered educational classes involving cooking, sewing, welding, gardening and painting. It is estimated that the Children's Centre will provide services for 200 or more children in the local area, with projected management costs of USD 6,000 per month.

The TREECYCLE Project plans to initiate additional activities in the Guaira and other regions in order to support developing a full ecosystem. These activities will include farming (livestock farming (cattle breeding), beekeeping and organic fruit and vegetable cultivation) in close proximity to the TREECYCLE Project as well as wood processing plants and butcher shops. Furthermore, the set-up of an online store that will offer select products from South America such as organic honey, tereré tea, beef jerky, medicinal herbs, wellness products, relaxation oils, organic nuts and textile products made of cotton and natural hemp. Finally, the TREECYCLE Project plans to build a hotel in Villarrica for investors and tourists to stay when visiting the area. For the avoidance of doubt, these social activities will be financed and managed separately from the forestation project which is the object of this Prospectus.

2. Financial Model

The following section describes the Issuer's financial model. The model is characterized by the TREECYCLE Project's planting and harvesting cycles. Substantial revenues are therefore expected only when trees can be harvested and sold (i.e. in the years 6, 10 and 13 of a harvesting cycle). The main expense positions are likewise planting and harvesting costs, which also mainly fall due in planting and harvesting years. The model extends over 24 years, corresponding to two full planting and harvesting cycles (which are partially overlapping).

A project financial model is a representation of important qualitative and quantitative information. It contains assumptions, project schedules and operational and financial relationships in mathematical, deterministic models. The figures shown below are not a prediction of actual revenues, costs and future profits of the Issuer. The actual harvesting schedule may differ from the schedule assumed in the model if average tree growth is less or more than the actual growth. The revenue figures are based on current market prices in Paraguay. Actual revenues may deviate materially from the financial model for a number of reasons, including, inter alia, the adverse impacts of weather or climate or a decline in timber prices or other market developments. The model assumes an exchange rate CHF/PYG of 6,800, which may differ materially over time. Prices in PYG assume an average inflation rate of currently 5.16% with expected reduction to 4.00% ([Paraguay - inflation rate 1988-2028 | Statista](#)) over the full model cycle.

The following table summarizes products and volumes, gross revenues, costs and expenses and operating cash flows over a fully model cycle of 24 years:

(All figures in CHF thousand, if not state otherwise)

Period from	01 Jan 23	01 Jan 24	01 Jan 25	01 Jan 26	01 Jan 27	01 Jan 28	01 Jan 29	01 Jan 30	01 Jan 31	01 Jan 32	01 Jan 33	01 Jan 34
Period to	31 Dez 23	31 Dez 24	31 Dez 25	31 Dez 26	31 Dez 27	31 Dez 28	31 Dez 29	31 Dez 30	31 Dez 31	31 Dez 32	31 Dez 33	31 Dez 34
Operational Year	1	2	3	4	5	6	7	8	9	10	11	12
Operational Cash Flow	UNITS											
Timber Volume	Physical Trees	-	-	-	-	4'750'000	-	-	-	1'805'000	-	-
Volume by product		-	-	-	-	-	-	-	-	-	-	-
Wood chips	Cubic meter loose	-	-	-	-	1'425'000	-	-	-	541'500	-	-
Fence post	Single piece	-	-	-	-	4'750'000	-	-	-	1'805'000	-	-
High grade wood	Cubic meter	-	-	-	-	475'000	-	-	-	1'083'000	-	-
Wood Pellets (Future upside)	Cubic meter loose	-	-	-	-	-	-	-	-	-	-	-
Cellulose (Future upside)	Cubic meter loose	-	-	-	-	-	-	-	-	-	-	-
Revenue	CHF 000s	-	-	-	-	53'924	-	-	-	79'646	-	-
OPEX												
Harvest Costs	CHF 000s	-	-	-	-	(5'392)	-	-	-	(7'965)	-	-
La Rivera Harvest Participatic	CHF 000s	-	-	-	-	(10'111)	-	-	-	(14'934)	-	-
Overhead and Other Costs	CHF 000s	(1'778)	(1'806)	(1'829)	(1'848)	(1'866)	(1'885)	(1'904)	(1'923)	(1'942)	(1'961)	(2'001)
Social Projects	CHF 000s	-	-	-	-	-	(3'842)	-	-	-	(5'479)	-
		-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow	CHF 000s	(1'778)	(1'806)	(1'829)	(1'848)	(1'866)	32'694	(1'904)	(1'923)	(1'942)	49'308	(1'981)
Taxes	CHF 000s	-	-	-	-	-	(3'458)	-	-	-	(4'931)	-
Operational Cash Flow (after T	CHF 000s	(1'778)	(1'806)	(1'829)	(1'848)	(1'866)	29'236	(1'904)	(1'923)	(1'942)	44'377	(1'981)

Period from	01 Jan 35	01 Jan 36	01 Jan 37	01 Jan 38	01 Jan 39	01 Jan 40	01 Jan 41	01 Jan 42	01 Jan 43	01 Jan 44	01 Jan 45	01 Jan 46
Period to	31 Dez 35	31 Dez 36	31 Dez 37	31 Dez 38	31 Dez 39	31 Dez 40	31 Dez 41	31 Dez 42	31 Dez 43	31 Dez 44	31 Dez 45	31 Dez 46
Operational Year	13	14	15	16	17	18	19	20	21	22	23	24
Operational Cash Flow	UNITS											
Timber Volume	Physical Trees	2'945'000	-	-	-	4'750'000	-	-	-	1'805'000	-	2'945'000
Volume by product		-	-	-	-	-	-	-	-	-	-	-
Wood chips	Cubic meter loose	3'534'000	-	-	-	1'425'000	-	-	-	541'500	-	3'534'000
Fence post	Single piece	2'945'000	-	-	-	4'750'000	-	-	-	1'805'000	-	2'945'000
High grade wood	Cubic meter	589'000	-	-	-	475'000	-	-	-	1'083'000	-	3'534'000
Wood Pellets (Future upside)	Cubic meter loose	2'945'000	-	-	-	-	-	-	-	-	-	-
Cellulose (Future upside)	Cubic meter loose	-	-	-	-	-	-	-	-	-	-	-
Revenue	CHF 000s	984'657	-	-	-	82'906	-	-	-	122'124	-	479'261
OPEX												
Harvest Costs	CHF 000s	(98'466)	-	-	-	(8'291)	-	-	-	(12'212)	-	(47'926)
La Rivera Harvest Participatic	CHF 000s	(184'623)	-	-	-	(15'545)	-	-	-	(22'898)	-	(89'861)
Overhead and Other Costs	CHF 000s	(2'021)	(2'059)	(2'098)	(2'138)	(2'179)	(2'220)	(2'262)	(2'305)	(2'349)	(2'394)	(2'439)
Social Projects	CHF 000s	(69'955)	-	-	-	(5'689)	-	-	-	(8'466)	-	(33'899)
		-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow	CHF 000s	629'593	(2'059)	(2'098)	(2'138)	51'203	(2'220)	(2'262)	(2'305)	76'198	(2'394)	(2'439)
Taxes	CHF 000s	(62'959)	-	-	-	(5'120)	-	-	-	(7'620)	-	(30'509)
Operational Cash Flow (after T	CHF 000s	566'633	(2'059)	(2'098)	(2'138)	46'083	(2'220)	(2'262)	(2'305)	68'578	(2'394)	(2'439)

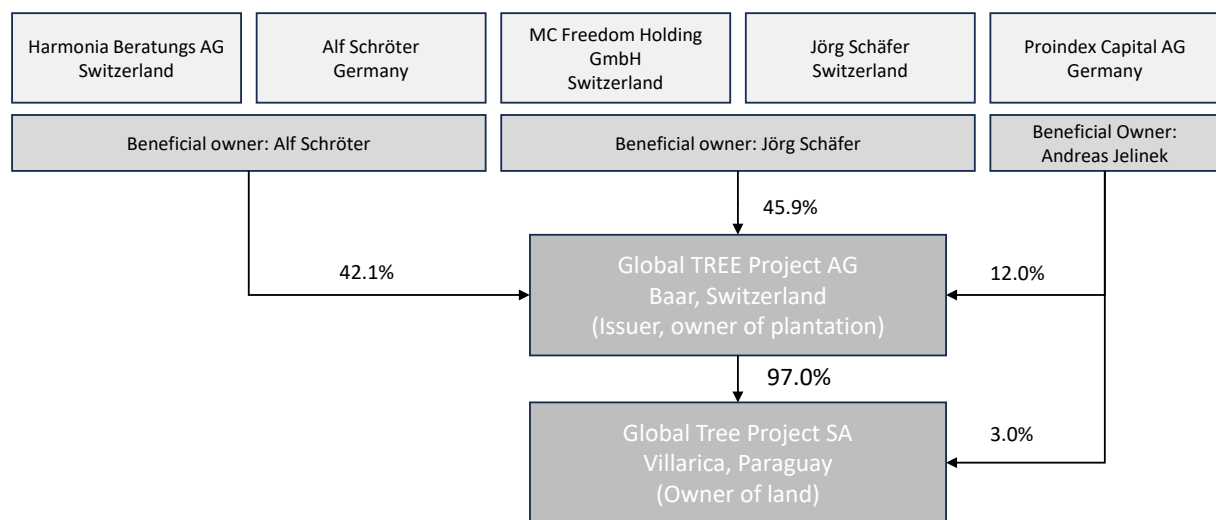
Revenues are to be expected only in harvesting years, i.e. in operating years 6, 10, 13, 17, 21 and 24. These are also the years in which harvesting costs (including the participation of La Rivera) will become due. Normal overhead and other costs (staff, offices, marketing etc.) will be incurred in all years and will be raising gradually from CHF 1,7 mio. in operating year 1 to CHF 2,7 mio. in operating year 24. Set-up and upfront costs, including for the incorporation of GTP Switzerland and the acquisition of GTP Paraguay as well as the acquisition and afforestation of the first 265 hectares of land, have been financed with the proceeds of a private sale of Tree Tokens.

The model also includes payments for projects for the protection of jungle and natural forests as well as social projects of 10% of Net Profits, as committed by the Issuer (see pg. 28 ff). The model does not include the positive effects of the reinvestment of 50% of Net Profits as

committed by the Issuer (see pg. 45). The number of trees planted and consequently the volume of products sold and gross revenues might be substantially higher than shown in the table. Since the Tree Token has no fixed maturity date, and subject to a different allocation of resources decided in a Voting (see pg. 46), Tokenholders will continue to participate proportionally in the Net Profits generated in repeat cycles. In view of the long-term nature of this business and the high degree of uncertainty inherent in long-term predictions and the high leverage that comes with exponential growth patterns, the Issuer does not provide an estimate of cash flows and Net Profits to be expected in repeat cycles.

III. ORGANIZATIONAL STRUCTURE

The Issuer serves as an operational holding and financing company. For the purpose of acquiring the land for reforestation it has acquired a company in Paraguay, Global Tree Project S.A., RUC No. 80101522 DV:7, with registered office at Gregorio Benitez Y Coronel Oviedo, Villarrica, Paraguay ("GTP Paraguay"). GTP Paraguay has a share capital of 300,000,000 Guarani (about CHF 42,000). The Issuer is holding 97% of the shares in GTP Paraguay, the remaining 3% are held by a local partner (Andreas Jelinek) on a fiduciary basis to comply with local domiciliation requirements. The organizational and ownership structure of the Issuer is as follows:



For forestation services the Issuer has entered into a reforestation agreement with Grupo Empresarial La Rivera S.A., RUC 80064655/HR 1103, Coronel Oviedo e/ Gregorio Benitez, Villarrica, Paraguay ("La Rivera"). La Rivera has been engaged in forestation projects for over a decade, has currently about 3,000 hectares under management and has harvested 2.5 million trees. La Rivera has developed eucalyptus hybrides which are strong, pest-resistant and possess high growth yield. La Rivera CEO Andreas Jelinek is also a shareholder of GTP Paraguay and of the Issuer and is a Board member of the Issuer. The Issuer has entered into a long-term contract with La Rivera. La Rivera will provide all operational services regarding the preparation of the land for reforestation, the plantation, the maintenance, the harvesting and the distribution of harvested wood. The issuer compensates La Rivera with a fixed, comprehensive fee which is a pre-determined amount per hectare depending on the stage in the Treecycle. Subject to successful distribution of harvested wood, La Rivera receives, in

addition to the fixed fee, an aggregate 18.75 per cent on net proceeds after harvesting costs. Once Global Tree reaches a total acreage of 5,000 hectares the share attributed to La Rivera will be reduced to 10 per cent.

IV. TRENDS

The Issuer does not provide trend information. All statements in this Prospectus on the business outlook are subject to uncertainties and are made to the best of the Issuer's knowledge and belief.

The Issuer however is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's business prospects and there have been no recent significant changes in the Issuer's financial position since the last audited financial statements have been set up and audited.

V. PROFIT FORECASTS AND ESTIMATES

The Issuer has not published any profit forecast or estimate in the past up to now. The Issuer does not publish any concrete profit estimates or forecasts. The financial model outlined above (see pg. 30) is a mathematical representation of qualitative and quantitative information which is based on certain assumptions, schedules and operational and financial relationships. It is not a prediction of future revenues, costs and profits.

The Issuer states that in view of the long-term nature of its business and the geopolitical and economic uncertainties currently prevailing a concrete profit estimate or forecast is not appropriate or possible.

However, in the IFRS financial statements, the Issuer is measuring the afforestation assets at fair value (IAS 41 and IFRS 13). The determination of the fair value is conducted by Level 3 fair value measurement according to IFRS 13 based on a base case management expectation scenario. The valuation model considers the present value of the net cash flows expected to be generated from the natural plantation management activities over a full cycle of 13 years. Since management was able to provide reliable cash flow estimates, the group utilized the Income Approach, specifically the Discounted Cash Flow (DCF) Method in order to determine the fair value of the biological assets. The DCF Method is a commonly used method for valuing biological assets based on its expected future cash flows.

The following significant assumptions and estimates were adopted by the Issuer to determine the fair value of the biological assets:

Price assumptions: The price assumptions are split by the different qualities of wood being energy wood, poles, value wood and wood laminates. All prices used are based on current traded prices and indexed by the currently applicable and expected inflation rates in Paraguay.

Harvesting cycle: The revenue at each point of harvest is calculated by the number of trees harvested and the respective revenue for the specific wood class in accordance to the maturity of the harvested trees.

Harvest costs: The costs of harvesting are assumed to be 10% plus the profit participation of La Rivera of 18.75%

Discount rate: In determining the pretax weighted average cost of capital (WACC) a group rate of 13.33 % (2021: not applicable) has been applied. The WACC is a compound aggregate of US Industry WACC, plus an add-on for Paraguay and small companies.

VI. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

1. Information on Management Bodies and Senior Management

a) Board of Directors

Role of the board of directors. The Board of Directors defines the strategic guidelines for the Issuer's business and is responsible for the oversight of the operational and financial management of the Issuer. It has appointed Jörg Heinrich Schäfer as a delegate and CEO with sole signatory powers.

Composition of the board of directors. The Board of Directors has three members. All members are – directly or indirectly – shareholders of the Issuer.

Jörg Heinrich Schäfer (Founder, Delegate of the Board/CEO) is Founder, Chairman and Delegate of Board of GTP. He also acts as the CEO of the Issuer. He has 30 years' experience in sustainable investment, having worked on many large-scale renewable energy projects across the globe. Jörg Schäfer has been involved with renewable energy projects that have amassed over EUR 100 Mio. in sales, including wood afforestation in Germany, Spain, Australia and Paraguay, wind and solar parks in Germany, France, the United Kingdom, Italy, Finland, Canada and the Philippines, along with hydropower plants and drinking water treatments. Since 2008 Jörg Schäfer has partnered with Thomas Lloyd Global Asset Management GmbH, (Frankfurt, Germany) where he advises private and institutional clients on renewable energy investments, including bioenergy plants, solar parks and wind turbines. In 2011, Jörg Schäfer and Thomas Lloyd launched Clean Tech Infrastructure Fund (CTI 20), (Munsbach, Luxemburg). Over the last five years, Jörg Schäfer's focus has been on large scale afforestation projects, including the Jäderberg & Cie project which won the 2017 German Investment Award for Best Alternative Investment. Jörg sits on the advisory board for Clean Water eV (Frankfurt, Germany) and is also a proud member of the Sustainable Investment Forum (FNG).

He has been a Board member since 31 January 2019.

Andreas Jelinek (Member): After completing his commercial vocational training, Andreas Jelinek held various positions in international trade and logistics companies until 1989. Having been active in the financial services industry since 1990, he went on to found the financial services company Jelinek & Partner (Suhl, Germany). In 1992, the sole proprietorship was incorporated into a limited liability company (GmbH), and in 1998, under the name of Jelinek Finanzdienstleistungs GmbH (Suhl, Germany) was licensed as a financial services institution in accordance with § 32 of the German Banking Act (*Kreditwesengesetz*). The company was later known as European Financial Advisors Services GmbH in Germany (Suhl, Germany) and became active in securities brokerage, with up to 550 tied agents. Here, Andreas Jelinek gained experience as managing director of a financial services institution and in investment consulting for funds of funds. An experienced entrepreneur who has founded several successful companies, Andreas Jelinek's track record as a founder, partner and managing director of various enterprises led to him becoming an executive committee member with Proindex Capital AG (Suhl, Germany). In conjunction with subsidiary La Rivera S.A. (see p. 31). Proindex Capital AG oversaw more than 1,000 hectares being reforested since 2009 and 3,000 hectares under administration. Projects for the reenrichment of plundered

rainforests and the planting and processing of castor oil in accordance with sustainable criteria as a substitute for oil were also implemented in Paraguay under Andreas Jelinek's stewardship.

He has been a Board member since 29 August 2019.

Alf Schröter (Founder, Member and COO) has over 25 years of experience as a manager and advisor for leading private financial institutions around the world. Starting his finance career in the early 1990s, Alf Schröter was the District Manager for Bausparkasse Mainz, in charge of sales and finance, later moving into education and training employees, where he successfully trained over 400 staff in building societies and finance. Alf Schröter then went on to found a number of companies, dealing with real estate development and asset management for various public funds. As the founder of Treuwert Projektgesellschaft (Cottbus, Germany), Alf Schröter managed a portfolio of real estate developments worth over EUR 25 Mio. As a founding partner at Astella GmbH, Alf Schröter and his team developed their own mutual funds with a multi-asset approach, managing over EUR 50 Mio. in capital for a number of clients. In 2008, Alf Schröter partnered with Proindex Capital AG (Suhl, Germany) and began working with investors in Paraguay and Bulgaria, primarily in agriculture and forestry projects, highlighting the importance of environmentally friendly and sustainable investments to those looking to invest in the region.

He has been a Board member since 29 August 2019.

b) Operational Management

Role of management: The operational management is responsible for the management of the Issuer based on the strategic guidelines provided by the Board of Directors. The Board of Directors has delegated the operational management to Jörg Heinrich Schäfer.

Composition of the management:

Jörg Schäfer (Founder, Delegate of the Board/CEO): See supra p. 33.

Alf Schröter (Founder, Member and COO): See supra p. 33.

Philipp Sebastian Rusch (CFO) has been involved in finance and capital markets since his studies in St. Gallen, Switzerland. After graduating in 2002, he started working in the financial market. His first job was at the Credit Suisse. After that he went to Munich, where he worked as a Mergers & Acquisition associate for UniCredit Markets & Investment Banking, gaining some important experience. After three years, he made his way to New York, where he first came into contact with sustainability. He started working for Thomas Lloyd Global Asset Management, a company responsible for solar panels, wind energy, and biomass technologies. Thomas Lloyd also invested various technologies. Philipp soon assumed the role of Director and was in charge of the infrastructure and private equity. In 2016, he joined the investment team of Sonnedix USA Services and assumed responsibility for investments in the photovoltaic solar market. He also developed a successful growth strategy for the company. Now Philipp Rusch is completely committed to sustainability and supports the TREECYCLE Project team as Chief Financial Officer.

2. Compensation for Board Members and Management

Members of the Board of Directors are all – directly or indirectly – shareholders of the Issuer and are therefore currently not compensated for the performance of their duties. Except for the CEO, management members are currently not compensated in cash. The Issuer plans to compensate Board members and selected members of the management with bonus payments

if certain thresholds in the fund raising are reached or exceeded, but at the time of this Prospectus the Issuer has not entered into any legally binding agreements to that effect. However, potential bonus payments have been reflected in the financial model and will be accounted for as expense to profit and loss of the Issuer at the time of distribution.

The bonus payment considered by the Issuer are as follows:

Funds raised	Bonus payment (% of total funds raised, including in private sale)
CHF 20 million	5%
CHF 50 million	2%
CHF 100 million	2%
CHF 150 million	2%
CHF 200 million	2%

If the offering is fully subscribed and CHF 210 million are raised, total bonus payments will amount to 13% or CHF 27.3 million.

3. Potential Conflict of Interests

Board member and shareholder Andreas Jelinek is CEO of La Rivera, which is providing all operational forestation services for the issuer in Paraguay. Any potential conflict of interests are managed by step-out rules provided for in the Issuer's organizational regulations.

4. Corporate Conduct

Election terms. Members of the board of directors will be elected / re-elected on an annual basis for a term of one year by the annual ordinary general meeting of shareholders of the Issuer.

Signatory powers. The members of the Board of Directors and the Management have joint signatory powers at three, with the exception of the Delegate of the Board of Directors and CEO who has single signatory power.

Audit committee. The Issuer does not have an audit committee.

Employees. With exception of the management team (see pg 33) the Issuer currently has no employees. GTP Paraguay currently employs less than five persons.

VII. AUDITOR

Grant Thornton AG, Claridenstrasse 35, 8002 Zürich, reg. no. CH-020.3.902.756-7 ("Grant Thornton"), has been appointed as auditor by resolution of the Issuer's General Assembly as the statutory auditor (see SHAB, 10.1.2023). Grant Thornton is a member of Expert Suisse as well as under supervision of the Federal Audit Oversight Authority in Switzerland. It has audited the accounts for the fiscal year 2021 and 2022 for the purpose to be used in this Prospectus. Grant Thornton issued a qualified audit opinion due to the inability to externally validate the key assumptions used within the internally generated, cash flow-based valuation model in determining the fair value of the reforestation assets, due to the lack of historically validated available data.

Turicum Wirtschaftsprüfung AG, Baumackerstrasse 24, 8050 Zürich, Reg. no. CH-020.3.925.278-2 served as statutory auditor from 30 July 2021 until 6 February 2022. The mandate was terminated since the approval of the prospectus under the Prospectus Regulation required that IFRS be adopted as an accounting standard, which presumes an adequately qualified audit firm. For the interim period the Issuer has resolved to opt-out of the duty to appoint an auditor in accordance with Art. 727a para. 2 CO.

VIII. PRINCIPAL SHAREHOLDERS

As of the date of this Prospectus the Issuer has five shareholders and three beneficial owners:

- Jörg Schäfer (directly and through MC Freedom Holding GmbH, Switzerland): 45,9 per cent of shares;
- Alf Schröter (directly and through Harmonia Beratungs AG, Switzerland): 42,1 per cent of shares;
- Andreas Jelinek (through Proindex Capital AG, Germany): 12,0 per cent of shares.

IX. RELATED-PARTY TRANSACTIONS

La Rivera is a sister company under factual common control by the same ultimate beneficial owners than those of the Issuer. The Issuer entered into an afforestation agreement, that outsources all of the operational execution of the land preparation, the plantation, the maintenance, the harvesting and the distribution of harvested wood to La Rivera. The agreement has a fixed term until 31 December 2041 with automatic one year extension on a three month prior notice period. The agreement obliges the Issuer to pay advance annual lump-sum amounts per hectar depending on the stage of the afforestation to La Rivera. During the estimated period of two years for land preparation and the plantation, the amounts will be between PYG 25'000'000 (approx. CHF 3'700) and PYG 7'500'000 (approx. CHF 1'000) per hectar. During the growth period, the amounts are reduced to PYG 1'250'000 (approx. CHF 187) per hectar. In addition, La Rivera has the right to a 18.75% performance participation on net revenues from the disposal of harvested wood. La Rivera is managed by Andreas Jelinek, who is a 12% shareholder of the Issuer (and a minority shareholder of GTP Paraguay) and a Board member of the Issuer. See pg. 33 for more information.

To finance the acquisition of land by GTP Paraguay, the Issuer grants GTP Paraguay collateralized loans at an interest rate of 8.5%. In return, GTP Paraguay entered into a land use agreement with the Issuer that permits the Issuer to use the land for conducting the afforestation and harvesting on its own expense and account. The land use agreement is valid for 25 years with three times extension options for five years each. The annual fee payable for the use of the land is staged by years and increases from initially CHF 275/hectar to CHF 444/hectar after the initial term. It may subsequently increase to a maximum of CHF 597/hectar.

Management concludes that the terms of all related party agreements are at arm's length.

X. FINANCIAL INFORMATION ON THE ASSET, FINANCIAL AND INCOME SITUATION OF THE ISSUER

1. Historical financial information

The audited financial statements for the financial years 2021 and 2022 are prepared in accordance with International Financial Reporting Standards (IFRS). The below table is a summary of key figures. The detailed accounts, including all Notes Disclosures and the audit report are reproduced in Annex III.

	31.12.2021	31.12.2022
	CHF	CHF
Cash and Cash Equivalents	161'026	158'300
Other current assets	262'086	74'275
Total current assets	423'112	232'575
Reforestation assets at fair value	0	3'476'573
Property Plant and Equipment	277'221	835'401
Total non-current assets	277'221	4'311'974
TOTAL ASSETS	700'333	4'544'549
Short-term liabilities	448'065	769'014
Long term liabilities	618'240	947'281
Subordinated long term liabilities	0	100'000
Total liabilities	1'066'305	1'816'295
Share Capital	100'000	100'000
Perpetual Instrument	10'978'859	12'745'296
Exchange Difference	-5'609	-8'460
Retained Earnings	-11'439'222	-10'108'582
Total Equity	-365'972	2'728'254
TOTAL EQUITY AND LIABILITIES	700'333	4'544'549
Change in fair value from reforestation assets	0	3'219'695
Operational expenses	-1'001'350	-1'271'180
Net Profit (+) / Loss (-)	-1'039'791	1'328'858
Net cash flow - operating activities	-1'042'857	-1'050'738
Net cash flow - investing activities	-167'032	-658'263
Net cash flow - financing activities	1'310'826	1'702'675

2. Interim and other financial information

The unaudited interim financial statements for the half-year ending on 30 June 2023 were prepared in accordance with the requirements set out by IAS 34. The below table is a summary of key figures. The detailed accounts, including all Notes Disclosures according to IAS 34 are reproduced in the Annex.

	31.12.2022	30.06.2023
	audited	unaudited
	CHF	CHF
Cash and Cash Equivalents	158'300	38'457
Other current assets	74'275	169'967
Total current assets	232'575	208'424
Reforestation assets at fair value	3'476'573	4'557'361
Property Plant and Equipment	835'401	849'764
Total non-current assets	4'311'974	5'407'125
TOTAL ASSETS	4'544'549	5'615'549
Short-term liabilities	769'014	840'538
Long term liabilities	947'281	1'114'275
Subordinated long term liabilities	100'000	100'000
Total liabilities	1'816'295	2'054'813
Share Capital	100'000	100'000
Perpetual Instrument	12'745'296	13'498'744
Exchange Difference	-8'460	-8'555
Retained Earnings	-10'108'582	-10'029'454
Total Equity	2'728'254	3'560'735
TOTAL EQUITY AND LIABILITIES	4'544'549	5'615'549
	HY 1 / 2022	HY 1 / 2023
	unaudited	unaudited
	CHF	CHF
Change in fair value from reforestation assets	0	1'001'286
Operational expenses	-603'262	-767'845
Financial expense (net)	-53'876	-30'071
Taxation	-23'385	-122'544
Net Profit (+) / Loss (-)	-641'422	79'712
Net cash flow - operating activities	-453'018	-790'038
Net cash flow - investing activities	-197'558	-119'253
Net cash flow - financing activities	760'902	789'748

3. Auditing of historical annual financial information

The historical annual financial information (see Annex IV) have been audited to give a true and fair view based on International Financial Reporting Standards (IFRS) and audited under Swiss Standards on Auditing (SA-CH) and the International Standards of Audit (ISA).

The audit report contains the following qualification:

“The Group invested in reforestation assets, which have been measured at fair value and carried on the consolidated statement of financial position as at 31 December 2022 at CHF 3’476’573. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Global Tree Project AG reforestation assets as at 31 December 2022 because the reliability of the underlying data used to derive at the fair value of the reforestation asset could not be independently assessed. Due to the early stage of the reforestation asset and group’s operation, internal information based on historical harvest data was not available and the group had to rely on management expert’s data, which could not be verified. Consequently, we were unable to determine whether any adjustment to the fair value of the reforestation assets were necessary.”

The audit report further contains following emphasis of matter on a material uncertainty related to going concern of the issuer.

“We draw attention to note 5 of the consolidated financial statements describing the groups negative operating cash flows that Global Tree Project AG faced during the financial year ended 31 December 2022 and uncertainties relating to the future cash flows to be received from tokens issued once the prospectus has been issued. This fact together with other matters disclosed in note 5 indicates the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not qualified in respect of this matter.”

Except for the financial statements for the year 2022, covering the financial years 2021 and 2022, (Annex III), no other information in this Prospectus has been audited.

4. Legal and Arbitration Proceedings

On 19 December 2023, the German BaFIN served a draft notice to Global TREE Project AG by means of public announcement. In this notice, BaFIN stated that it deems Global TREE Project AG to publicly offer eTREE-Token in Germany without having published a Security Prospectus. BaFIN informs Global TREE Project AG that it intends to issue an order according to which Global TREE Project AG was not allowed to publicly offer TREE-Token in Germany (note: without having published a Security Prospectus) and that, in case Global TREE Project AG does nevertheless continue to offer the Token, a fine of EUR 1’850’000.- will be imposed.

The reason for service by public notice was that BaFIN did not dispose of a (valid) address of Global TREE Project AG in Germany.

Global TREE Project AG established contact with BaFIN and will, in a statement to be filed by the end of January, lay out to BaFIN that it did in fact not act in breach of statutory provisions. Global TREE Project AG is of the opinion that no public offer in Germany was made as (i) Global TREE Project AG did exclusively offer its Tokens by means of private sales and (ii) a so-called “geo-blocker” was installed on the relevant websites of Global TREE Project AG so that investors domiciled in Germany were factually and technically unable to invest through the website. Also, Global TREE Project AG has now adjusted its websites in order to avoid any potential misunderstanding as to whether or not it publicly offers securities in Germany and will not include any wording as to investment options until approval and publication of a Securities Prospectus and notification to (inter alia) Germany.

Other than that, there is no nor has there been any information relating to the Issuer concerning any state interventions, legal or arbitration proceedings still pending or which may be investigated involving either the Issuer or any group company with any significant potential impact on the financial position or profitability of the Issuer.

5. Significant Changes to the Financial Position or Commercial Situation of the Issuer

There are no significant changes to the financial position or commercial position of the Issuer that have occurred since relevant financial information or interim financial information has been published.

XI. ADDITIONAL DATA

1. Share Capital

The share capital of Global TREE Project AG is CHF 100'000.00 and has been paid up in full. The share capital consists of 10'000'000 registered shares with restricted transferability (*vinkulierte Namenaktien*) with a nominal value of CHF 0.01 each.

2. Memorandum and Articles of Association

The Issuer has been registered in the Registry of Commerce of the Canton of Zug, Switzerland, on 13 June 2018 under the register number CH-170.3.042.515-8.

According to the Issuers Articles of Association its purpose is to promote, plan and implement ecologically sustainable projects as well as providing advice on such projects-

3. Material Contracts

Material contracts are (i) the reforestation agreement between the Issuer and Grupo Empresarial La Rivera S.A., RUC 80064655/HR 1103, Coronel Oviedo e/ Gregorio Benitez, Villarrica, Paraguay ("La Rivera"), and (ii) an intragroup loan agreement and (iii) the land-use agreements between the Issuer and its subsidiary Global Tree Project SA RUC No. 80101522 DV:7, with registered office at Gregorio Benitez Y Coronel Oviedo, Villarrica, Paraguay. The commercial terms to those agreements are disclosed in Section IX – Related Party Transactions.

4. Accessible Documents

For the term of the validity of this Base Prospectus and the registration document the following documents can be inspected on <https://treecycle.ch/prospectus> and <https://gtp.ch/prospectus>:

- the up to date articles of association of the Issuer.

E. SECURITIES NOTE

I. ESSENTIAL INFORMATION

1. Working Capital Declaration

The issuer, in its own opinion and in line with the duration of the validity of the prospectus established in Article 12 of the Prospectus Regulation, has sufficient working capital for a period of at least 12 months.

2. Capital Formation and Debt Burden

Total current debt (including current portion of non-current debt)	688'644
- <i>Guaranteed</i>	0
- <i>Secured</i>	0
- <i>Unguaranteed (unsecured)</i>	688'644
Total non-current debt (excluding current portion of non-current debt)	684'274
- <i>Guaranteed</i>	584'274
- <i>Secured</i>	0
- <i>Unguaranteed (unsecured)</i>	100'000
Shareholder equity	2'728'254
- Share Capital	100'000
- Legal Reserves	0
- Perpetual Instruments	12'745'296
- Other Reserves	-10'117'042
Total	4'101'172
 A Cash	 158'300
B Cash Equivalents	0
C Other current financial assets	35'176
D Liquidity (A+B+C)	193'476
 E Current financial debt (D+F)	 688'644
F Current portion of non-current financial debt	0
G Current financial indebtedness (E+F)	688'644
H Net current financial indebtedness (G-D)	495'168
 I Non-current financial debt	 684'274
J Debt Instruments	0
K Non-current trade and other payables	0
 L Non-current financial indebtedness (I+J+K)	 684'274
M Total financial Indebtedness (H+L)	1'179'442

3. Interested Parties

The Issuer is majority shareholder of Global Tree Project S.A., RUC No. 80101522 DV:7, with registered office at Gregorio Benitez Y Coronel Oviedo, Villaricca, Paraguay ("GTP Paraguay"). GTP Paraguay is, or will be, owning the land to be reforested. The Issuer will finance the activities of GTP Paraguay by way of capital injections or loans, including subordinated loans.

4. Reasons for the Offer and Use of Proceeds

The Issuer is raising funds for the TREECYCLE Project. The proceeds will primarily be used for the acquisition of land for reforestation in the Villaricca region in Paraguay, the cultivation of seedlings and operating expenses. The Issuer will fund these activities by injecting capital into, and/or granting loans, including subordinated loans, to GTP Paraguay, the company acquiring and holding the land.

The funds raised through the public sale will be used as follows:

		2018 - 2022	2023 - 2047	Total
Purchase of Land and Reforestation				
Reforestation (signed contract with La Rivera)	60.6%	1'720'000	125'485'941	127'205'941
Purchase of Land	26.7%	812'000	55'326'614	56'138'614
Other Reforestation Costs (R&D, machinery, equipment, etc.)	31.8%	658'000	66'209'327	66'867'327
	2.0%	250'000	3'950'000	4'200'000
Upfront Costs				
Marketing Fee (upfront costs)	13.0%	1'560'000	25'740'000	27'300'000
Founding Companies and Other (upfront costs)	2.0%	3'000'000	1'200'000	4'200'000
Marketing Fee + Management Success Fee	9.0%	-	18'900'000	18'900'000
Operating Costs				
Portfolio Transaction Costs	3.0%	-	6'300'000	6'300'000
Contingency Reserve	4.4%	1'740'765	7'553'294	9'294'059
Other Operating Costs	4.0%	-	8'400'000	8'400'000
Legal & Consulting	3.0%	3'894'235	2'405'765	6'300'000
Other Costs				
Social Projects	1.0%	85'000	2'015'000	2'100'000
Total Use of Funds	100.0%	12'000'000	198'000'000	210'000'000

II. INFORMATION ON THE OFFERED SECURITIES

1. General Description of the Debt Instruments

The Tree Token ("TREE", ISIN CH1305377918) is a digital representation of a perpetual contractual claim to a fraction of the Issuer's Net Profits (as defined below) resulting from the TREECYCLE Project (the "Profit Participation Rights", as defined below). The TREE are perpetual debt securities in respect of which there is no fixed redemption date. Unless otherwise provided by mandatory applicable law, tokenholders have no right to request repayment of a payment or to otherwise terminate the arrangement entered into under these Terms. The TREE may not be redeemed at the option of the Issuer.

For the avoidance of doubt, (i) TREE do not represent or constitute any ownership rights or stake, shares or security or equivalent rights nor any rights to receive future revenues, shares or any other form of participation or governance rights in or relating to the TREECYCLE Project, the Global TREE Platform and/or the Issuer, other than defined in the Terms; (ii) TREE do not create or confer any enforceable contractual or other obligations against any party

(including Issuer or other developers, auditors, contractors or founders associated with the TREE, the Global TREE Project and/or Issuer), except the ones defined in the Terms, and (iii) Tokenholders have no right to claim as holder of TREE any intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the TREECYCLE Project, the Global TREE Platform and/or Issuer, other than defined by the Terms.

2. Legal Basis

The legal basis for this Prospectus is the law of the Principality of Liechtenstein, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. The issuance of the Token as well as the terms and conditions for the Tree Token are to be found in the Asset Token Offering Terms dated 1 September 2023 (Annex II). The Terms are governed by Swiss law.

3. Form

The Tree Tokens are issued in the form of register securities (Registerwertrechte) as defined by Art. 973d seq. CO, in accordance with the registration agreement (Registrierungsvereinbarung) included in the Token Terms. Tokens have been issued on the Ardor protocol (<http://www.Ardor.org>), an open source multichain platform launched in 2018 and an early proof-of-stake protocol. The Issuer is currently considering to replace Ardor with the Ethereum protocol, which has also switched to a more sustainable proof-of-stake verification mechanism. The TREE Token would then be issued as an ERC-30 Token. The switch from Ardor to Ethereum would involve a replacement of all TREE Tokens issued so far with newly issued ERC-30 Tokens.

Without prejudice to the cancellation procedure set forth in article 973h CO, in case of a damage to, or loss of, a Token or the private key by a Token holder, the Issuer has the right, but not the obligation, to (i) permanently freeze the respective Tokens and to (ii) mint and issue new Tokens which shall replace the Tokens subject to the permanent freeze. The Token holder making the request shall be obliged to post a cash bond with the Issuer in an amount to be determined by the Issuer in order to secure any adverse claim by a bona fide acquirer of the Token. The replacement of the Token shall not constitute an increase of the total number of Tokens.

In the event of a Hard Fork or similar circumstances which may endanger the reliability of the distributed ledger, the Issuer may activate the “pause” function of the Token to prevent Transactions on both versions of the Distributed ledger pending its decision on which version it will support. If the Issuer decides to support the version of the Distributed ledger that follows the rules and protocols of such Distributed ledger that were in force immediately prior to the occurrence of the Hard Fork (i.e. the “legacy” version of the relevant Distributed ledger), all Transactions on “forked” versions of the Distributed ledger will be invalid. If the Issuer decides to support a forked version of the Distributed ledger, all Transactions on the “legacy” version of the relevant Distributed ledger will be invalid, and any Token existing on the “legacy” version of the Distributed ledger will not be associated with tokenized shares.

4. Currency of the Securities Issuance

The Tree Token are denominated in Swiss Franc (“CHF”). Subscribers can make payment of the Subscription Price in CHF, in Euro (“EUR”) or alternatively in Bitcoin (“BTC”) or Ether (“ETH”).

The Issuer will make all payments under the Terms in CHF or, at the election of the Issuer if the Tokenholder is resident outside of Switzerland, in EUR. Payments in EUR shall be calculated based on the spot mid-rate of exchange between CHF and EUR as of 4 p.m., Zurich time, on Payment Date, as displayed on, or derived from, Bloomberg.

Banking transfer fees related to participation payments made in CHF and EUR will be borne entirely by Tokenholders, and the Issuer is authorized to make any necessary deductions from the amount to be paid to Tokenholders.

The Issuer reserves the right to change the payment mechanism set forth in this paragraph, including by making payments in widely used and highly liquid crypto currencies.

5. Ranking of the Instruments and Security

The TREE constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

Subject to the insolvency laws of Switzerland and other applicable laws, the rights of Contributors to payment of Net Profits and any other entitlements in respect of the TREE, shall rank:

- (i) subordinate and junior in right of payment to, and of all claims of all unsubordinated creditors of the Issuer; and the holders of other subordinated instruments or other obligations issued, entered into, or guaranteed by the Issuer, and any other instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank senior to the TREE by operation of law or contract;
- (ii) senior in right of payment to, and of all claims of the holders of Junior Obligations. "Junior Obligation" means all classes of the Issuer's ordinary share capital and any instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank junior to the TREE by operation of law or contract.

In the event that the Issuer's Board of Directors determines that the requirements pursuant to article 725a Para. 1 (capital loss) or article 725b Para. 2 CO (overindebtedness) are met, Tokenholders irrevocably agree that:

- (i) any claim Tokenholders may have against the Issuer under these Asset Token Offering Terms, including, but not limited to, any claim for profit participation, shall rank subordinate and junior to the claims of (1.) all unsubordinated creditors of the Issuer; and (2.) the holders of other subordinated instruments or other obligations issued, entered into, or guaranteed by the Issuer, and any other instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank senior to the TREE by operation of law or contract;
- (ii) that all payments in relation to subordinated claims, including any claims for profit participation, shall be deferred (*Stundung*) for the duration of the subordination. Without limiting the generality of Section 2.1, the Issuer shall not have the obligation to repay any subordinated claim in whole or in part or redeem it by way of set-off or novation or secure it. In the case of an insolvency of the Issuer, the Issuer reserves the right to set-off claims under these Asset Token Offering Terms with claims against Tokenholders (if any).

6. Rights associated with the Securities

6.1. Profit Participation Right

The Tree Token ("TREE") is a digital representation of a perpetual contractual claim to a fraction of the Issuer's Net Profits (as defined below) resulting from the TREECYCLE Project (the "Profit Participation Rights", as defined below). By accepting the Terms Tokenholders

acknowledge and understand that in consideration for a *pro rata share* of Net Profits they forego and waive any claim to a fixed rate of interest on contributions or payments made to the Issuer.

Under the Terms, the Issuer has to allocate forty percent (40%) of Net Profits for distribution to Tokenholders. “**Net Profits**” is defined to mean, for any fiscal year, the Net Cash Flow from Operating Activities as shown in the Cash Flow Statement, prepared in accordance with the Applicable Accounting Standards and audited by the Auditor. For the avoidance of doubts, a negative Net Cash Flow from Operating Activities shall not qualify as Net Profits.

By agreeing to the Terms, Tokenholders acknowledge, understand and accept that (a) Tokenholders have no entitlement to regular payments and (b) due to the nature of the TREECYCLE Project, (i) Net Profits will be generated and become available for distribution only in some, but not all fiscal years; and (ii) the earliest fiscal year for which Net Profits may be generated is five (5) to six (6) years after the first afforestation has been completed.

6.2. Commitment to Reinvest Net Profits

The Issuer promises and commits to make use of the remaining sixty percent (60%) of Net Profits as follows:

- (a) to reinvest fifty percent (50%) of Net Profits in the TREECYCLE Project, including, but not limited to, for the acquisition of land and afforestation; and
- (b) to use ten percent (10%) of Net Profits to support ecological and social projects designated by the Issuer’s Board of Directors.

For the avoidance of doubt, the commitment to reinvest 50% of Net Profits and to use 10% of Net Profits for ecological and social projects shall not qualify as a contractual or legal right enforceable by a Tokenholder or any other person in a court of law.

Since the TREE Token is an eternal instrument without a fixed repayment date, investors will continue to participate proportionally in the proceeds of the reinvestments made in subsequent planting and harvesting cycles (if any). For the avoidance of doubt, the financial model (see page 30 f) does not reflect any proceeds from reinvestments.

The assessment and decision of (i) whether no new land can be acquired and afforested and (ii) whether all or a part of the 50% of the Net-Proceeds reserved for this purpose shall be allocated to the respective TREE holders, lies in the sole discretion of the Issuer’s Board of Directors.

If, for any reason, the Issuer reasonably determines that the conditions for a reinvestment in accordance with subsection (a) or not met or that such reinvestment would not be in the best interest of the Tokenholders, it has the right, but not the obligation:

- (a) to allocate an additional fraction of Net Profits to Tokenholders, or
- (b) to invest the share of Net Profits referred to in subsection (a) in another project, provided that such an investment is approved by Tokenholders.

6.2. Distribution to Tokenholders

Not later than three months following the approval of the annual accounts by the Issuer’s annual general meeting of shareholders the Board of Directors shall:

- (a) Determine whether any Net Profits are available for distribution to Tokenholders resulting from the TREECYCLE Project in the last fiscal year;
- (b) Determine whether any discretionary payments shall be made to Tokenholders;

- (c) If Net Profits or discretionary payments are available for distribution to Tokenholders, calculate the payment per TREE by dividing total Net Profits (plus discretionary payments, if any) by the total number of TREES issued up and until the day on which the calculation is made (including TREES held on reserve and for sale by the Issuer, but excluding TREES repurchased and cancelled in accordance with Clause 2.3.4).

The Issuer shall give notice to Tokenholders without delay, setting out the payment per TREE to be expected in a given fiscal year (which, for the avoidance of doubt, may be zero); it shall also inform Tokenholders about reinvestments of Net Profits and the support of ecological and social projects undertaken in the relevant period.

Payments (if any) shall be made to the persons registered in the securities register as a Tokenholder on the last day of the fiscal year for which payment is made.

Payment shall be made in CHF or, if the Tokenholder is resident outside of Switzerland, in EUR. Payments in EUR shall be calculated based on the spot mid-rate of exchange between CHF and EUR as of 4 p.m., Zurich time, on Payment Date, as displayed on, or derived from, Bloomberg.

Banking transfer fees related to participation payments made in CHF and EUR will be borne entirely by Tokenholders, and the Issuer is authorized to make any necessary deductions from the amount to be paid to Tokenholders.

The Issuer reserves the right change to the payment mechanism set forth in this paragraph, including by making payments in widely used and highly liquid crypto currencies.

7. Voting Rights

Tokenholders may, on behalf of and with effect for all Tokenholders, resolve to alter any of the Terms, including, but not limited to, the provisions on Allocation of Net Profits, by way of a Voting in accordance with the remainder of Clause 2.3.5. of the Terms. Tokenholders may not adopt resolutions which would give certain Tokenholders an unreasonable advantage at the expense of other Tokenholders.

Votings may be scheduled by the Board of Directors, at its full discretion, upon a request of Tokenholders holding at least 10% of TREE Tokens or at its own initiative.

At least 50% of TREE eligible for Voting must participate in the Voting in order for a resolution to be adopted. Eligible for Voting are all TREES issued up and until the day on which the Summons for a Voting is issued (including TREES held on reserve and for sale by the Issuer, but excluding TREES repurchased and cancelled in accordance by the Issuer).

Resolutions will be passed by simple majority of TREES participating in a Voting. Resolutions passed in accordance with this Clause shall be binding upon all Tokenholders, including Tokenholders not participating in the Voting, voting against a resolution or abstaining from vote.

The Issuer will ensure that all Tokenholders are notified of resolutions passed at the Tokenholders' Voting and that the resolutions are published on the website of the Issuer (or other relevant electronically platform or press release).

The Issuer shall bear the costs and expenses incurred in connection with convening a Voting regardless of who has convened the Voting.

8. Rights of Termination

TREE are perpetual securities in respect of which there is no fixed redemption date. Unless otherwise provided by mandatory applicable law, Investors have no right to request repayment of a Contribution or to otherwise terminate the arrangement entered into under these Terms. The TREE may not be redeemed at the option of the Issuer.

9. Termination Restrictions

TREE are perpetual securities in respect of which there is no fixed redemption date. Unless otherwise provided by mandatory applicable law, Investors have no right to request repayment of a Contribution or to otherwise terminate the arrangement entered into under these Terms.

10. Maturity and Redemption

TREE are perpetual securities in respect of which there is no fixed redemption date. Unless otherwise provided by mandatory applicable law, Investors have no right to request repayment of a Contribution or to otherwise terminate the arrangement entered into under these Terms.

11. Redemption

TREE are perpetual securities in respect of which there is no fixed redemption date. Unless otherwise provided by mandatory applicable law, Investors have no right to request repayment of a Contribution or to otherwise terminate the arrangement entered into under these Terms. The TREE may not be redeemed at the option of the Issuer.

12. Paying Agent

No Paying Agent has been, or will be, appointed. The Issuer will arrange any payment to be made under the Token terms in its own name and on its own account.

13. Yield Calculation

Tree Token are a digital representation of the right to receive a pro-rata share of Net Profits (as defined in the Terms, see p. 51 f) from the operation of the TREECYCLE Project. Whether and how much Net Profits will result is uncertain, and the Issuer does not publish any profit forecasts or predictions. It is therefore not possible to provide any yield calculation.

14. Representation of Tokenholders

No representative of Tokenholders has been, or will be, appointed.

15. Resolutions, Authorisations and Approvals

The Issuance of the TREE Token has been resolved by the Board of Directors by circular resolution dated 6 and 7 October 2023.

16. Anticipated Issue Date

The TREE Tokens were issued on the Ardor Blockchain on 5 September 2020 in a quantity of ten (10) million tokens. A total of about 805'000 TREE Token have been sold in private sales, raising about EUR 14,06 mn (all figures as of 30 September 2023). The tokens not yet sold are being held on reserve by the Issuer.

17. Restrictions on the Free Transferability of the Securities

TREE Tokens are freely transferable in accordance with the Terms and the rules and procedures of the distributed ledger. TREE Tokens are not admitted to trading on a regulated

market, and the Issuer has no plans to apply for a listing on a regulated or unregulated market which may result in a factual limitation of transferability.

18. Tax Information

18.1 General

Investors have to be aware that the laws of their own residence as well as the residence of the Issuer may have an (adverse) impact on the taxation of or in context with the Token.

The following information is of a general nature and represents a general one description of some of the important tax consequences that may arise in connection with the acquisition, holding or selling of a bond under Swiss law, Liechtenstein law, German law or Austrian law as of the date of this Prospectus, and it applies subject to changes – including changes with a retroactive effect – of applicable tax laws, court rulings, administrative practice, or other changes. The following information does not claim to be a complete description of all possible tax aspects which may be relevant for an investment decision. It does not constitute legal or tax advice and cannot not to be considered as such. Prospective Tokenholders are advised to consult a tax advisor for information on tax consequences resulting from law applicable to them. The Issuer does not assume any responsibility or liability for any tax consequences resulting from the acquisition, the holding or the sale of TREE Tokens.

17.1 Taxation in Liechtenstein

Realized interest income from bonds is tax-free for investors who are a natural person with residence in Liechtenstein tax-free, provided the relevant securities were subject to wealth tax. Realized interest income from bonds/debt is taxable income for investors who are regularly taxed legal entities domiciled in Liechtenstein with the taxable income. Capital gains from the sale of the bond are for investors tax-free as a natural person residing in Liechtenstein.

Capital gains from the sale of the bonds are tax-free for investors as a natural person residing in Liechtenstein. Capital gains from Sales of the bond are taxable income for investors who are ordinary taxed legal entities domiciled in Liechtenstein.

17.2 Taxation in Switzerland

Natural persons with residence in Switzerland are subject to income tax in relation to realized interest income from debentures held as private assets. Capital gains from the sale of bonds held as private assets are generally tax-free. Pro rata accrued interest counts as part of the purchase price.

Legal entities incorporated in Switzerland are subject to corporate tax for realized interest from debentures (taxable as income). Capital gains from the sale of debentures are usually also taxable as profit. (Exceptions depending on the canton of residence and individual tax status are reserved.)

17.3 Taxation in Germany

Individuals domiciled in Germany have realized interest income from debentures as well as capital gains from the sale of bonds as taxable income.

Realized interest income and capital gains on debt securities in business assets of legal entities based in Germany are fundamentally subject the corporate tax.

17.4 Taxation in Austria

Realized interest income from debentures/bonds held as private assets and capital gains on the sale of privately held assets (including bonds) qualify as taxable income of individuals

residing in Austria. Income tax may be reduced by a capital gains tax to be withheld by the paying agent.

Interest income from debentures/bonds realized by legal entities domiciled in Austria qualify as income to be taxed under the Corporate Income Tax Act. Capital gains from the sale of a bond are usually taxed as well.

III. TERMS AND CONDITIONS OF THE OFFERING

1. Conditions, Offering Statistics, Anticipated Timetable and Necessary Steps of Applications

a) Terms of the Offering

The Public Offering is subject to the Terms displayed in Annex II.

b) Total Issuance Amount

The Issuer offers through the Public Sale a total of up to 9'194'000 TREE Tokens at a price of CHF 21 per Token in order to raise a total of CHF 193,074,000.

Prior to the Public Sale the Issuer has already sold about 805'000 TREE Tokens in private sales (based on article 1(4)(b) Prospectus Regulation) between 18 June and 31 October 2019 and between 1 November 2019 and 30 September 2023 and raised approx. EUR 14,062 mn. In order to reflect the early stage of the project Tokens sold between 2018 and 31 October 2019 were sold at a discount of 40%; Tokens sold between 1 November 2019 until 31 December 2020 were sold at a discount of 25%. The proceeds of the private sales of about EUR 14,06 mn. have been used to finance upfront costs, including for the acquisition of 265 hectares of land in the Villaricca region and the planting of about 176'000 trees. Tokens issued in the course of the private sale are considered to be part of the overall issue and rank pari passu with tokens issued in the course of the public sale.

c) Offer Period

The Offer Period will start in the Principality of Liechtenstein on 15 February 2024. For other Member States of the EEA the Offer Period will not commence in the relevant Member State until the day following the banking day in that Member State on which the registration office or other competent authority of the relevant Member State has been notified of the intended offer to the public. For Switzerland the Offer Period will start after the Prospectus has been approved by a Swiss Reviewing Body in accordance with article 54 Financial Services Act (FinSA). The Offer Period will end one year after approval has been granted by FMA.

The Issuer reserves the right to extend the Offer Period by requesting a new approval for the Prospectus.

Costs of this issue and offer will be accounted for as expenses of the Issuer and will thus indirectly be borne out of the issue proceeds.

d) Subscription Reductions

No reductions to the Subscription Price apply. However, each Subscriber receives **five (5) TXC Tokens for each TREE Token as a bonus**.

TXC are only for use in connection with the TREECYCLE Project under the Terms and only constitute a transferable representation of attributed functions specified in the Terms. The TXC has the functionality of an application settlement token and is required for transactions between the users of the Global TREE Platform. The intention is to establish an ecosystem within which

TXC will serve as a medium of access and exchange. It is also envisaged to grant certain preferential rights to TXC holders when interacting with the ecosystem (e.g. discounts). The **TXC qualifies as Utility Token** under the FINMA ICO Guidelines.

TXC do not represent or constitute any ownership rights or stake, shares or security or equivalent rights nor any rights to receive future revenues, shares or any other form of participation or governance rights in or relating to the TREECYCLE Project, the Global TREE Platform and/or Issuer. The TXC does not create or confer any enforceable contractual or other obligations against any party (including the Issuer or other developers, auditors, contractors or founders associated with the Issuer and/or the TREECYCLE Project).

e) Minimum and Maximum Subscription Amounts

The Minimum Subscription Amount is 10 TREE Token at a subscription price of (total) CHF 210. The Maximum Subscription Amount is 4761 TREE Tokens at a subscription price of (total) CHF 99'981.

f) Subscription to and Delivery of the Securities

Subscription takes place through the GTP platform (<https://investor.treecoin.ch/#/home> OR <https://gtp.ch/prospectus>) which can be accessed after Subscribers have been identified in accordance with the Issuer's KyC and AML rules and policies. Subscribers can choose the number of TREE Tokens and the currency in which the investment amount is paid. After the confirmation of the subscription, they will receive an invoice with payment instructions to the email address registered in the course of their onboarding.

Subscribers shall make payment of the Subscription Price at the election of the Issuer in Swiss Franc ("CHF") or in Euro ("EUR"). Payments in CHF or EUR shall be made to the Issuer's bank accounts as disclosed during the subscription process. The Issuer reserves the right to accept payment of the Subscription Price in Bitcoin ("BTC"), in Ether ("ETH") or in any other widely accepted cryptocurrency. Payments in BTC or ETH shall be made to the wallet designated by the Issuer during the subscription process. The exchange rate for payments in a currency other than CHF will be determined based on the spot mid-rate of exchange between CHF and EUR as of 4 p.m., Zurich time, on Settlement Date, as displayed on, or derived from, Bloomberg, or between CHF and the respective cryptocurrency from CoinMarketCap or another widely used sourced for cryptocurrency price information.

The Issuer will issue TREE Tokens to Subscribers within 14 days after receipt of payment and send the Tokens to the wallet designated by the Subscriber. Subscribers can open a wallet on the Ardor blockchain through the Issuer's platform.

2. Distribution and Allotment of Securities

a) Investor Categories

The Public Offer is addressed to all investor categories with a residence in a Public Offer Jurisdiction or Switzerland.

b) Notification Procedure

All notices regarding the Tokens shall be published on the website of the Issuer (where notices are currently published under the address www.TreeToken.com, <www.gtp.ch/prospekt> and <www.treecycle.ch/prospekt>).

3. Price

The subscription price per TREE Token is CHF 21.

4. Placement and Issue

TREE Tokens can be subscribed exclusively through the Issuer's platform. The Issuer has mandated no intermediaries with the placement of the TREE Tokens. The Issuer will issue the TREE Tokens directly to Subscribers.

5. Paying Agent

The Issuer has not appointed a Paying Agent and will make any payments directly to the accounts or wallets indicated by Tokenholders. The Issuer reserves the right to appoint a Paying Agent at any time.

6. Admission to Trading and Trading Rules

TREE Tokens are not admitted to trading on a regulated market, and the Issuer has no plans to apply for a listing on a regulated market or trading facility. The Ardor blockchain features a decentralized trading platform (DEX) accessible through the Ardor wallet which can be used to Tokenholders, but there is not guarantee there will be sufficient liquidity on this DEX.

7. Applicable Law and Jurisdiction

The Terms are governed by and must be construed in accordance with the laws of Switzerland, excluding the rules on conflict of laws thereof. This Clause 5.3 shall qualify as a choice of the law governing the transfer of ledger-based value rights in accordance with article 145a Private International Law Act.

Subject to mandatory applicable law, any dispute arising out of or in connection with the terms and conditions of the Tokens, including the validity, invalidity, breach or termination thereof, shall be subject to the jurisdiction of the courts of the Canton of Zug.

Definition of Terms

“Applicable Accounting Standards” means International Financial Reporting Standards or such other accounting principles or standards as may apply to the Issuer’s financial statements under Applicable Laws.

“Applicable Law(s)” means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, regulatory requirement, judgment or decision of a competent authority.

“Auditor” means a reputable international audit firm appointed by the Issuer as a statutory auditor in accordance with article 727 seq. CO or, if the Issuer has declared the opt-out in accordance with article 727a(2) CO, mandated by the Board of Directors.

“Auditor” shall mean the statutory auditor appointed by the Issuer in accordance with Swiss law.

“Board of Director” means the board of directors of the Issuer, appointed in accordance with article 707 seq. CO.

“BTC” or “Bitcoin” means the type of virtual currency based on an open source cryptographic protocol existing on the Bitcoin network.

“Cash Flow Statement” means the financial statement summarizing the cash in- and outflows of the Issuer, prepared in accordance with the IFRS Account Standard and audited by the Auditor.

“CHF” or “Swiss Francs” means the Swiss Franc, the lawful currency of the Swiss Confederation.

“CO” means the Swiss Code of Obligations.

“Commodity Exchange Act” means the U.S. Commodity Exchange Act of 1936, as amended.

“Consolidated Profit and Loss Statement” means the profit and loss statement consolidating profits and losses of the Issuer and of any Operating Company proving material products or services for the TREECYCLE Project.

“Contributor” means the an acquirer subscribing to a TREE Token directly with the Issuer at or after the Date of the Terms.

“Date of the Terms” means the 1. September 2023.

“DCF” means Discounted Cash Flow.

“Distributed Ledger” shall mean the Ardor Blockchain or the Ethererum Blockchain or any other distributed ledger as reasonably determined by the Issuer.

“Early Contributor” means any person who acquired TREE Tokens prior to the Date of the Terms.

“ETH” or “Ether” means the type of virtual currency based on an open source cryptographic protocol existing on the Ethereum network.

“Euro”, “euro” and “EUR” each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty.

“FEPAMA” means the Paraguayan Timber Merchant Federation or Federación Paraguaya de Madereros.

“FMA” means Finanzmarktaufsicht Liechtenstein, Landstrasse 109, Postfach 279, 9490 Vaduz, Principality of Liechtenstein.

“Grant Thornton” means Grant Thornton AG, Claridenstrasse 35, 8002 Zürich, reg. no. CH-020.3.902.756-7.

“GTP Paraguay” means Global Tree Project S.A., with registered office at Gregorio Benitez Y Coronel Oviedo, Paraguay, RUC No. 80101522 DV:7.

“Guarani” or “PYG” each means the Paraguayan guaraní, the lawful currency of Paraguay.

“IFRS Accounting Standard” means the International Financial Reporting Standards or such other accounting principles or standards as may apply to the Issuer’s financial statements under Applicable Laws.

“IFRS” means International Financial Reporting Standards.

“INFONA” means National Forestry Institute or Instituto Forestal Nacional.

“ISIN” means International Securities Identification Number.

“Issuer” or “GTP” each means Global TREE Project AG, Rothusstrasse 15, 6331 Hünenberg, Switzerland.

“Net Profit” or “Net Profits” shall have the meaning set forth in Clause 2.3.1.(a) Terms.

“Offer Period” has the meaning assigned on pages 16 and 49 of this Prospectus.

“Operating Activities” means activities undertaken by the Issuer (including any operating subsidiary) in the course of its regular business activities.

“Operating Company” means any company or other legal entity owned or otherwise controlled by the Issuer.

“Payment Date” means the date set by the Issuer’s Board of Directors for payments to Tokenholders in accordance with the Terms.

“Profit Participation Rights” means the right to receive a fraction of the Issuer’s Net Profits resulting from the TREECYCLE Project.

“Prospectus Regulation” means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

“Prospectus” means the prospectus as approved by the Financial Market Authority (FMA) of the Principality of Liechtenstein.

“Public Offer Jurisdictions” means any Member State of the European Economic Area where the Prospectus has been notified to a competent authority.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Terms” mean the terms and conditions set forth in the Asset Token Offering Terms included in Annex II of this Prospectus.

“Token(s)” means either a TREE Token and/or a TXC Token.

“Tokenholder” means the person registered in the securities registry as the holder of one or several TREE Tokens, and shall include any Contributor, Early Contributor or Transferee.

“Transferee” means any person acquiring TREE Token from a Contributor, regardless of the jurisdictions involved, whether by way of an agreement or by operation of law

“TREE Token(s)” means a digital representation of the Profit Participation Rights, issued by the Issuer in the form of register securities, as further defined in Clause 2 of the Terms and Conditions.

“TREECYCLE Project” means the project for the reforestation in the Guaira Villarrica and other regions of Paraguay as describes in this Prospectus, initiated, managed and financed by the Issuer, or any equivalent project as determined by the Board of Directors.

“TXC Tokens” means the utility token issued by the Issuer in accordance with Clause 3 of the Terms.

“WACC” means weighted average cost of capital.

Global Tree Project AG



Jörg Heinrich Schäfer, Chairman of the Board

Annex I – Asset Token Offering Terms

ASSET TOKEN OFFERING TERMS

for the offering of TREE and TXC Tokens by

Global TREE Project AG
Co. Reg. No. CH-170.3.042.515-8
Rothusstrasse 15
6331 Hünenberg
Switzerland

(the “**Issuer**”)

1. PURPOSE AND SCOPE

1.1. Purpose

These Asset Token Offering Terms (the “**Terms**”) shall govern the issuance and public offering of TREE Tokens (“**TREE**”) and TXC Tokens (“**TXC**”; together the “**Tokens**”) by the Issuer for purposes of funding the TREECYCLE Project (the “**TREECYCLE Project**”). The Tokens will be offered to the public in selected jurisdictions based on the prospectus (the “**Prospectus**”) to be approved by the Financial Market Authority (FMA) of the Principality of Liechtenstein.

The Terms furthermore are setting forth (i) the information that the Issuer is required to provide under article 973i para. 1 of the Swiss Code of Obligations (“**CO**”), (ii) the registration agreement (Registrierungsvereinbarung) in relation to the Tokens that have been or will be issued in the form of register securities (Registerwertrechte) within the meaning of articles 973d et seq. of the CO; and (iii) the rules pursuant to which Tokens can be transferred.

1.2. Scope

These Terms are entered into between the Issuer, as the issuer of the TREE Token, and any first acquirer acquiring TREE Tokens directly from the Issuer (a “**Contributor**”) at or after the Date of the Terms (as defined below). It shall be binding on any subsequent acquirer of a TREE Token (a “**Transferee**”), regardless of the jurisdictions involved, whether by way of an agreement or by operation of law.

These Terms shall also apply to any person who acquired TREE prior to the Date of the Terms (an “**Early Contributors**”), and shall replace and substitute the TREE and TXC Token Creation / Asset Token Offering Terms of 2019, with the understanding however that nothing in these Terms shall be construed to limit in any material manner rights and privileges acquired by an Early Contributor under the TREE and TXC Token Creation / Asset Token Offering Terms of 2019.

By holding, using, accepting, owning, transferring or otherwise interacting with the Tokens, any Contributor, Early Contributor or Transferee (jointly referred to as a “**Tokenholder**”):

- (1) confirms to have carefully reviewed the Terms and to fully understand the risks and costs of contributing to the Issuer;
- (2) explicitly agrees with these Terms; and
- (3) acknowledges that these Terms form a legal binding agreement with the Issuer and shall govern the acquisition and use of the Tokens.

These Terms shall exclusively govern the relationship between the Issuer and a Tokenholder (including in relation to the creation and the allocation of Tokens and the assignment of the operation and further development of the TREETCYCLE Project and the Global TREE Platform to the Issuer). These Terms constitute the entire agreement between the Issuer and a Tokenholder and supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to their subject matter. By agreeing to these Terms, each Tokenholder acknowledges that it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in these Terms. The information contained in the Whitepaper and on the TREETCYCLE Project website (www.treecycle.ch) are of a descriptive nature only, are not legally binding and do not form part of the Terms as set forth hereinafter.

1.3. Definitions

In these Terms:

“Applicable Accounting Standards” means International Financial Reporting Standards or such other accounting principles or standards as may apply to the Issuer’s financial statements under Applicable Laws.

“Applicable Law(s)” means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, regulatory requirement, judgment or decision of a competent authority.

“Auditor” means a reputable international audit firm appointed by the Issuer as a statutory auditor in accordance with article 727 seq. CO or, if the Issuer has declared the opt-out in accordance with article 727a(2) CO, mandated by the Board of Directors.

“Auditor” shall mean the statutory auditor appointed by the Issuer in accordance with Swiss law.

“Board of Director” means the board of directors of the Issuer, appointed in accordance with article 707 seq. CO.

“BTC” or “Bitcoin” means the type of virtual currency based on an open source cryptographic protocol existing on the Bitcoin network.

“Cash Flow Statement” means the financial statement summarizing the cash in- and outflows of the Issuer, prepared in accordance with the IFRS Account Standard and audited by the Auditor.

“CHF” or “Swiss Francs” means the Swiss Franc, the lawful currency of the Swiss Confederation.

“CO” means the Swiss Code of Obligations.

“Commodity Exchange Act” means the U.S. Commodity Exchange Act of 1936, as amended.

“Consolidated Profit and Loss Statement” means the profit and loss statement consolidating profits and losses of the Issuer and of any Operating Company providing material products or services for the TREETCYCLE Project.

“Contributor” means an acquirer subscribing to a TREE Token directly with the Issuer at or after the Date of the Terms.

“Date of the Terms” means the 1 September 2023.

“DCF” means Discounted Cash Flow.

“Distributed Ledger” shall mean the Ardor Blockchain or the Ethereum Blockchain or any other distributed ledger as reasonably determined by the Issuer.

“Early Contributor” means any person who acquired TREE Tokens prior to the Date of the Terms.

“ETH” or “Ether” means the type of virtual currency based on an open-source cryptographic protocol existing on the Ethereum network.

“Euro”, “euro” and “EUR” each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty.

“FEPAMA” means the Paraguayan Timber Merchant Federation or Federaciòn Paraguaya de Madereros.

“FMA” means Finanzmarktaufsicht Liechtenstein, Landstrasse 109, Postfach 279, 9490 Vaduz, Principality of Liechtenstein.

“Grant Thornton” means Grant Thornton AG, Claridenstrasse 35, 8002 Zürich, reg. no. CH-020.3.902.756-7.

“GTP Paraguay” means Global Tree Project S.A., with registered office at Gregorio Benitez Y Coronel Oviedo, Paraguay, RUC No. 80101522 DV:7.

“Guarani” or “PYG” each means the Paraguayan guaraní, the lawful currency of Paraguay.

“IFRS Accounting Standard” means the International Financial Reporting Standards or such other accounting principles or standards as may apply to the Issuer’s financial statements under Applicable Laws.

“IFRS” means International Financial Reporting Standards.

“INFONA” means National Forestry Institute or Instituto Forestal Nacional.

“ISIN” means International Securities Identification Number.

“Issuer” or “GTP” each means Global TREE Project AG, Rothusstrasse 15, 6331 Hünenberg, Switzerland.

“Net Profit” or “Net Profits” shall have the meaning set forth in Clause 2.3.1.(a) Terms.

“Offer Period” has the meaning assigned on pages 16 and 49 of this Prospectus.

“Operating Activities” means activities undertaken by the Issuer (including any operating subsidiary) in the course of its regular business activities.

“Operating Company” means any company or other legal entity owned or otherwise controlled by the Issuer.

“Payment Date” means the date set by the Issuer’s Board of Directors for payments to Tokenholders in accordance with the Terms.

“Profit Participation Rights” means the right to receive a fraction of the Issuer’s Net Profits resulting from the TREECYCLE Project.

“Prospectus Regulation” means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

“Prospectus” means the prospectus as approved by the Financial Market Authority (FMA) of the Principality of Liechtenstein.

“Public Offer Jurisdictions” means any Member State of the European Economic Area where the Prospectus has been notified to a competent authority.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Terms” mean the terms and conditions set forth in the Asset Token Offering Terms included in Annex II of this Prospectus.

“Token(s)” means either a TREE Token and/or a TXC Token.

“Tokenholder” means the person registered in the securities registry as the holder of one or several TREE Tokens, and shall include any Contributor, Early Contributor or Transferee.

“Transferee” means any person acquiring TREE Token from a Contributor, regardless of the jurisdictions involved, whether by way of an agreement or by operation of law

“TREE Token(s)” means a digital representation of the Profit Participation Rights, issued by the Issuer in the form of register securities, a further defined in Clause 2 of the Terms and Conditions.

“TREECYCLE Project” means the project for the reforestation in the Guaira Villarrica and other regions of Paraguay as describes in this Prospectus, initiated, managed and financed by the Issuer, or any equivalent project as determined by the Board of Directors.

“TXC Tokens” means the utility token issued by the Issuer in accordance with Clause 3 of these Terms.

“WACC” means weighted average cost of capital.

2. TREE TOKENS

2.1. Definition

- (a) Subject to the terms and conditions of these Terms, the TREE shall be a digital representation of a perpetual contractual claim of Tokenholders to a fraction of the Issuer’s Net Profits (as defined below) resulting from the TREECYCLE Project (the “**Profit Participation Rights**”, as defined below). By accepting these Terms
- (b) For the avoidance of doubt, Tokenholders acknowledge, understand and accept that (i) Tokenholders have no right of redemption and cannot request repayment of contributions or payments made to the Issuer; (ii) TREE Token do not pay interest; (iii) TREE Tokens do not represent or constitute any ownership rights or stake, shares or security or equivalent rights in relation to the TREECYCLE Project, the Global TREE Platform and/or the Issuer, other than defined in Clause 2.3 below; (iv) TREE Tokens do not create or confer any enforceable contractual or other obligations against any party (including Issuer or other developers, auditors, contractors or founders associated with the TREE, the TREECYCLE Project and/or the Issuer), except the ones defined in Clause 2.3 below, and (v) Tokenholders have no right to claim any intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the TREECYCLE Project, the Global TREE Platform and/or the Issuer, other than defined in Clause 2.3 below.

2.2. Form and Status

- (a) TREE shall be issued as register securities (Registerwertrecht) under article 973d seq. CO and in accordance with the registration agreement set forth in Clause 4 of the Terms.
- (b) TREE constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* with all other TREE and without any preference among themselves.
- (c) Subject to the insolvency laws of Switzerland and other applicable laws and Clause 2.2(d), the rights of Contributors to payment of Net Profits and any other obligations in respect of the TREE, shall rank:
 - (i) subordinate and junior in right of payment to, and of all claims of all unsubordinated creditors of the Issuer; and the holders of other subordinated instruments or other obligations issued, entered into, or guaranteed by the Issuer, and any other instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank senior to the TREE by operation of law or contract;
 - (ii) senior in right of payment to, and of all claims of the holders of all classes of the Issuer's ordinary share capital and any instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank junior to the TREE by operation of law or contract.
- (d) In the event that the Issuer's Board of Directors determines that the requirements pursuant to article 725a Para. 1 (capital loss) or article 725b Para. 2 CO (overindebtedness) are met, Tokenholders irrevocably agree that:
 - (i) any claim Tokenholders may have against the Issuer under these Asset Token Offering Terms, including, but not limited to, any claim for profit participation, shall rank subordinate and junior to the claims of (1.) all unsubordinated creditors of the Issuer; and (2.) the holders of other subordinated instruments or other obligations issued, entered into, or guaranteed by the Issuer, and any other instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank senior to the TREE by operation of law or contract;
 - (ii) that all payments in relation to subordinated claims, including any claims for profit participation, shall be deferred (Stundung) for the duration of the subordination. Without limiting the generality of Section 2.1, the Issuer shall not have the obligation to repay any subordinated claim in whole or in part or redeem it by way of set-off or novation or secure it. In the case of an insolvency of the Issuer, the Issuer reserves the right to set-off claims under these Asset Token Offering Terms with claims against Tokenholders (if any).
 - (iii) This subordination agreement is irrevocable and cannot be terminated by either Party.

2.3. Rights of Tokenholders

2.3.1. Allocation of Net Profits

- (a) The pro-rata share allocated for distribution to Tokenholders shall be forty percent (40%) of Net Profits (as defined below). For purposes of this Clause 2.3.1, "**Net Profits**" shall mean, for any fiscal year, the net cash flow from the Issuer's Operating Activities as shown in the Cash Flow Statement prepared in accordance with the IFRS Accounting Standard and audited by the Auditor. For the avoidance of doubts, a negative Net Cash Flow from Operating Activities shall not qualify as Net Profits.

- (b) By agreeing to these Terms, Tokenholders acknowledge, understand and accept that (i) due to the nature of the TREETCYCLE Project Net Profits will be generated only if and when the afforestation and the sale of harvested wood can be successfully completed; (ii) any claim under this Clause 2.3.1 is subject to, and conditional upon, a successful afforestation; (iii) Net Profits will be generated and become available for distribution only in some, but not all fiscal years; (iv) the earliest fiscal year for which Net Profits may be generated is five (5) to six (6) years after the first afforestation has been completed, and (vi) Tokenholders therefore have no right or entitlement to regular payments.
- (c) The Issuer promises and commits to make use of the remaining sixty percent (60%) of Net Profits as follows:
- (i) to reinvest fifty percent (50%) of Net Profits in the TREETCYCLE Project, including, but not limited to, for the acquisition and afforestation of additional land; and
 - (ii) to use ten percent (10%) of Net Profits to support ecological and social projects designated by the Issuer's Board of Directors.
- (d) If, for any reason, the Issuer reasonably determines that the conditions for a reinvestment in accordance with subsection 2.3.1(a) are not met or that such reinvestment would not be in the best interests of the Tokenholders, it has the right, but not the obligation:
- (i) to allocate an additional fraction of Net Profits to Tokenholders, or
 - (ii) to invest the share of Net Profits referred to in subsection (a) in another project, provided that such an investment is approved by Tokenholders.
- (e) For the avoidance of doubt, the commitment under Section 2.3.1(c) and (d) to reinvest 50% of Net Profits and to use 10% of Net Profits for ecological and social projects shall not qualify as a contractual or legal right enforceable by a Tokenholder or any other person in a court of law.

2.3.2. Distributions to Tokenholders

- (a) Not later than three (3) months following the approval of the annual accounts by the Issuer's annual general meeting of shareholders the Issuer's Board of Directors shall:
- (i) Determine whether any Net Profits are available for distribution to Tokenholders resulting from the TREETCYCLE Project in the last fiscal year;
 - (ii) Determine whether any discretionary payments shall be made to Tokenholders;
 - (iii) If Net Profits or discretionary payments are available for distribution to Tokenholders, calculate the payment per TREE by dividing total Net Profits (plus discretionary payments, if any) by the total number of TREES issued up and until the day on which the calculation is made (including TREES held on reserve and for sale by the Issuer, but excluding TREES repurchased and cancelled in accordance with Clause 2.3.4).
- (b) The Issuer shall give notice to Tokenholders without delay, setting out the payment per TREE to be expected in a given fiscal year (which, for the avoidance of doubt, may be zero); it shall also inform Tokenholders about reinvestments of Net Profits and the support of ecological and social projects undertaken in the relevant period.
- (c) Payments (if any) shall be made to the persons registered in the securities register as a Tokenholder on the last day of the fiscal year for which payment is made.
- (d) Payment shall be made in CHF or, at the election of the Issuer if the Tokenholder is resident outside of Switzerland, in EUR. The exchange rate for payments in EUR shall be calculated based on the

spot mid-rate of exchange between CHF and EUR as of 4 p.m., Zurich time, on Payment Date, as displayed on, or derived from, Bloomberg.

- (e) Banking transfer fees related to participation payments made in CHF and EUR will be borne entirely by Tokenholders, and the Issuer is authorized to make any necessary deductions from the amount to be paid to Tokenholders.
- (f) The Issuer reserves the right change the payment mechanism set forth in this paragraph, including by making payments in widely used and highly liquid crypto currencies and to amend these Terms for that purpose.

2.3.3. No fixed Redemption Date

- (a) The TREE Tokens are perpetual securities in respect of which there is no fixed redemption date. Subject to Clause 2.3.4. the Issuer has no right to redeem TREE Token.
- (b) By agreeing to these Terms, Tokenholders acknowledge, understand and accept that they have no right to request repayment of a contribution made to the Issuer or to otherwise terminate the arrangement entered into under these Terms.**
- (c) The Issuer has the right, but not the obligation, to purchase TREES from Tokenholders in the open market or otherwise at any price, provided that no such purchase shall be made unless sufficient free reserves are available in accordance with article 659 CO. The Issuer may, at its option, retain such purchased TREE for its own account and/or resell or cancel or otherwise deal with them at its discretion.

2.3.4. Voting Rights

- (a) Tokenholders may, on behalf of and with effect for all Tokenholders, resolve to alter any of the Terms, including, but not limited to, the provisions on Allocation of Net Profits, by way of a Voting in accordance with the remainder of this Clause 2.3.4. Tokenholders may not adopt resolutions which would give certain Tokenholders an unreasonable advantage at the expense of other Tokenholders.
- (b) The Board of Directors has the right, to be exercised at its full discretion, but not the obligation, to schedule a Voting if requested by Tokensholders holding at least 10% of TREE Tokens or at its own initiative.
- (c) At least 50% of TREE eligible for Voting must participate in the Voting in order for a Resolution to be adopted. Eligible for Voting are all TREES issued up and until the day on which the Summons for a Voting is issued (including TREES held on reserve and for sale by the Issuer, but excluding TREES repurchased in accordance with Clause 2.3.3.
- (d) Voting will take place on the distributed ledger protocol adopted by the Issuer in accordance with Clause 4. The Issuer has the right, but not the obligation, to make arrangements to set up a decentralized autonomous organization to facilitate the exercise of voting rights.
- (e) Resolutions will be passed by simple majority of TREES participating in a Voting. Resolutions passed in accordance with this Clause 2.3.4. shall be binding upon all Tokenholders, including Tokenholders not participating in the Voting, voting against a resolution or abstaining from vote.**
- (f) Summons to a Tokenholders' Voting must be sent no later than ten (10) Business Days prior to the proposed date of the Voting. The Summons shall be sent to all Tokenholders registered in the securities registry at the time the Summons is sent.
- (g) Any Summons for a Tokenholders' Voting must clearly state the agenda for the Tokenholders' Voting and the matters to be resolved. If the Summons contains proposed amendments to these

Terms, a description of the proposed amendments must be set out in the Summons. Items which have not been included in the Summons may not be put to a vote at the Tokenholders' Voting.

- (h) Minutes of the Tokenholders' Voting must be recorded by the Chairperson of the Board of Directors. The minutes shall state the number of Tokens represented at the Tokenholders' Voting, the resolutions passed at the Voting, and the results of the vote on the matters to be decided at the Tokenholders' Voting. The minutes shall be signed by the Chairperson of the Board of Directors and at least one other person. The minutes shall be made available to the Tokenholders.
- (i) The Issuer will ensure that all Tokenholders are notified of resolutions passed at the Tokenholders' Voting and that the resolutions are published on the website of the Issuer (or other relevant electronically platform or press release).
- (j) The Issuer shall bear the costs and expenses incurred in connection with convening a Voting regardless of who has convened the Voting.

3. TXC TOKEN

- (a) The Issuer has the right, but not the obligation, to issue and distribute TXC to Tokenholders free of charge.
- (b) TXC are only for use in connection with the TREECYCLE Project under the Terms and only constitute a transferable representation of attributed functions specified in the Terms. The TXC has the functionality of an application settlement token and is required for transactions between the users of the Global TREE Platform. The intention is to establish an ecosystem within which TXC will serve as a medium of access and exchange. It is also envisaged to grant certain preferential rights to TXC holders when interacting with the ecosystem (e.g. discounts). The TXC qualifies as Utility Token under the FINMA ICO Guidelines.
- (c) Tokenholder understands and accepts that TXC (i) do not represent or constitute any ownership rights or stake, shares or security or equivalent rights nor any rights to receive future revenues, shares or any other form of participation or governance rights in or relating to the TREECYCLE Project, the Global TREE Platform and/or Issuer; (ii) does not create or confer any enforceable contractual or other obligations against any party (including Issuer or other developers, auditors, contractors or founders associated with Issuer and/or the TREECYCLE Project); and (iii) Tokenholder has no intellectual property rights, equity or equivalent rights or any other form of participation in or relating to the TREECYCLE Project, the Global TREE Platform and/or Issuer.

4. REGISTRATION AGREEMENT

4.1. Subject Matter and Scope

- (a) This Section 4 shall serve as a registration agreement, and is entered into between the Issuer, as the issuer of the Token, and an acquirer of a Token directly subscribing to a Token with the Issuer.
- (b) It shall be binding on any subsequent acquirer of a Token (regardless of the jurisdictions involved), whether by way of an agreement or by law (a "Transferee").

4.2. Registration

- (a) The Issuer and the initial subscriber to of a Token agree and consent that the Tokens shall be registered in the distributed ledger as register securities, whereby each Token represents one register security.
- (b) The Issuer reserves the right to substitute Tokens with new tokens or to migrate Tokens to a new protocol if necessary to comply with, but not limited to, legal developments and/or technical

amendments of the token standard or the protocol being used, provided such substitution or amendment in no way affects the ledger-based value rights and the rights represented by such ledger-based value rights.

- (c) The registration in accordance with this registration agreement has the following effects:
- (i) The Token can only be transferred in accordance with the rules and procedures set forth in this registration agreement and the distributed ledger;
 - (ii) Only persons having control within the meaning of article 973d para 2 CO over the token shall be deemed to have power of disposal over the Token, in accordance with the rules and procedures set forth in this registration agreement and the distributed ledger;
 - (iii) Only persons registered in the distributed ledger as a Tokenholder shall have the right to assert any claim or right represented by the Token, and payment to such person shall discharge the debtor from its obligations;
 - (iv) A person who acquires Tokens from the person registered in the distributed ledger as the holder of Tokens in good faith shall be protected in respect of the acquisition even where the Transferor had no legal power or authority to dispose of the Tokens.

4.3. Transfer and exercise of rights

4.3.1. General

Unless otherwise provided by Applicable Law (e.g. in the event of universal succession further to the death or merger of the Token holder), the transfer of legal title to a Token, and the creation of a security or other interest on such Tokens (such as a pledge or usufruct) (each such transfer or creation of interest a "Transaction"), requires the transfer of the relevant Token to a distributed ledger address controlled by the Transferee, in accordance with the rules and procedures of this registration agreement, the distributed ledger and the functions of the Tokens.

4.3.2. Exercise of Rights by Transferee

- (a) A Tokenholder may exercise any rights represented by the Token only after it was identified and registered in accordance with the Issuer's "Know your Customer" & "Anti Money Laundering" procedure as outlined in this Clause 4.3.2.
- (b) In order to register with the Issuer, a Transferee shall submit, through the Issuer's website, the following information:
 - (i) first and last name (for individuals) or corporate name (for legal entities and unincorporated partnerships) of the Transferee;
 - (ii) total number of Tokens held by the Transferee;
 - (iii) Distributed ledger address(es) on which the Tokens are recorded;
 - (iv) details of the Transferee;
 - place of residence (for individuals) or registered office (for legal entities and unincorporated partnerships) and valid postal address;
 - date of birth (for individuals) or date of constitution (for legal entities and unincorporated partnerships);
 - beneficial owner (for legal entities and unincorporated partnerships);

- nationality(ies) (for individuals);
 - email address;
 - telephone number;
 - copy of a document used to verify the identity such as a valid passport copy;
- (v) confirmation that the Transferee acquired and holds the Token for its own account and not as a fiduciary for a third party;
- (vi) confirmation that the Transferee has sole control over the Distributed ledger address(es) referred to under (b)(iii) above; and
- (vii) total number of Tokens held on each Distributed ledger address referred to under (b)(iii) above.
- (c) The Issuer may request supporting evidence or further documentation from the Tokenholder, including documents reasonably requested by the Issuer to fulfil its documentation requirements under any applicable customer due diligence (“CDD”), know your customer (“KYC”) and anti-money laundering (“AML”) regulations or requirements.
- (d) The Issuer is entitled to restrict the rights of any and all Tokens held by a Transferee until the Transferee has fulfilled its obligations to provide the Issuer with the information and documents required by this Clause 4.3.2 and, to the Issuer’s satisfaction, has complied with the CDD, KYC, and AML regulations or requirements applicable to the Transferee.
- (e) The Issuer can, at any time, request a Token holder to confirm that the information provided previously remains accurate and up to date. Failure to do so or the discovery of an irreconcilable status of the Token holder at the discretion of the Issuer, results that all attendant rights to the Tokens shall be immediately forfeited.

4.4. Replacement of Tokens

- (a) Subject to Clause 1.2, TREE Tokens acquired by Early Contributors shall deemed to be TREE Tokens governed by these Asset Tokens Offering Terms. The rights represented by the TREE Tokens shall correspond in all material respects to the rights represented by the TREE Tokens acquired by Early Contributors.
- (b) The Issuer reserves the right to substitute the distributed ledger currently used for the issuance of TREE Tokens with another distributed ledger meeting the requirements of article 973d para. 2 CO.
- (c) Without prejudice to the cancellation procedure set forth in article 973h CO, in case of a damage to, or loss of, a Token or the private key by a Token holder, the Issuer has the right, but not the obligation, to (i) permanently freeze the respective Tokens and to (ii) mint and issue new Tokens which shall replace the Tokens subject to the permanent freeze. The Token holder making the request shall be obliged to post a cash bond with the Issuer in an amount to be determined by the Issuer in order to secure any adverse claim by a bona fide acquirer of the Token. The replacement of the Token shall not constitute an increase of the total number of Tokens.
- (d) In the event of a Hard Fork or similar circumstances which may endanger the reliability of the distributed ledger, the Issuer may activate the “pause” function of the Tokens to prevent Transactions on both versions of the Distributed ledger pending its decision on which version it will support. If the Issuer decides to support the version of the Distributed ledger that follows the rules and protocols of such Distributed ledger that were in force immediately prior to the

occurrence of the Hard Fork (i.e. the “legacy” version of the relevant Distributed ledger), all Transactions on “forked” versions of the Distributed ledger will be invalid. If the Issuer decides to support a forked version of the Distributed ledger, all Transactions on the “legacy” version of the relevant Distributed ledger will be invalid, and any Token existing on the “legacy” version of the Distributed ledger will not be associated with tokenized shares.

5. GENERAL PROVISIONS

5.1. Severability

If at any time, any provision of these Terms and/or the registration agreement (or any part thereof) is or becomes invalid or unenforceable, then neither the validity nor the enforceability of the remaining provisions or the remaining part of the provision shall in any way be affected or impaired thereby. The invalid or unenforceable provision or part thereof shall be replaced by a valid or enforceable provision which shall best reflect the original intention of the Parties (if and to the extent possible).

5.2. Amendments / Assignment

- (a) The Issuer may amend these Terms at any time and without prior notice in order to provide clarifications or corrections, provided such amendments do not affect any rights of Tokenholders in a material manner. Amendments to these Terms will be validly made and binding upon all Tokenholders upon being published or otherwise communicated to Tokenholders, including through a publication on the Issuer’s website. Amendments to these Terms will only affect the acquisition, encumbrance or disposal of Tokens entered into after the amendments became effective and will not affect such transactions previously completed (in the case of register securities recorded in the distributed ledger).
- (b) The Issuer may transfer and assign at any time in its sole discretion its rights and obligations under these Terms, in whole or in part, to any party at any time without notice. Otherwise, these Tokens Terms may not be assigned and the duties hereunder may not be delegated.
- (c) The Issuer shall have the right to transfer and assign its rights and obligations under these Terms, in whole, at any time without notice to any of its affiliates, including any entity controlled, controlling or under common control with the Issuer or to a third party that acquires the Issuer or substantially all of the assets of the Issuer. In the event of such a substitution, the Issuer may activate the “pause” function of the Tokens to prevent transactions until such new party has amended these Terms to effect compliance with applicable law and applicable regulatory requirements. For the avoidance of any doubt, this could include other jurisdictions than Switzerland.

5.3. Governing Law and Jurisdiction

- (a) These Terms are governed by and must be construed in accordance with the laws of Switzerland, excluding the rules on conflict of laws thereof. This Clause 5.3 shall qualify as a choice of the law governing the transfer of ledger-based value rights in accordance with article 145a Private International Law Act.
- (b) Subject to mandatory applicable law, any dispute arising out of or in connection with the terms and conditions of the Tokens, including the validity, invalidity, breach or termination thereof, shall be subject to the exclusive jurisdiction of the courts of the Canton of Zug.

Annex II – Annual Financial Statements Global TREE Project AG 2022 (2021)

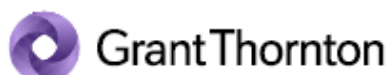


Global Tree Project AG Hünenberg

Independent Auditor's Report

Consolidated Financial Statements for the year ended December 31, 2022





Grant Thornton AG
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Independent Auditor's Report on the Consolidated Financial Statements

To the Board of Directors of
Global Tree Project AG, Hünenberg

Qualified Opinion

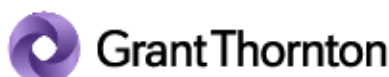
We have audited the consolidated financial statements of Global Tree Project AG and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and consolidated comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

The Group invested in reforestation assets, which have been measured at fair value and carried on the consolidated statement of financial position as at 31 December 2022 at CHF 3'476'573. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Global Tree Project AG reforestation assets as at 31 December 2022 because the reliability of the underlying data used to derive at the fair value of the reforestation asset could not be independently assessed. Due to the early stage of the reforestation asset and group's operation, internal information based on historical harvest data was not available and the group had to rely on management expert's data, which could not be verified. Consequently, we were unable to determine whether any adjustment to the fair value of the reforestation assets were necessary.

We conducted our audit in accordance with the Swiss Standards on Auditing (SA-CH) and the International Standards on Auditing (ISA). Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the provisions of the Swiss audit profession and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Material Uncertainty Related to Going Concern

We draw attention to note 5 of the consolidated financial statements describing the groups negative operating cash flows that Global Tree Project AG faced during the financial year ended 31 December 2022 and uncertainties relating to the future cash flows to be received from tokens issued once the prospectus has been issued. This fact together with other matters disclosed in note 5 indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the report of the directors and prospectus but does not include the consolidated financial statements and our auditor's report thereon.

Our qualified opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

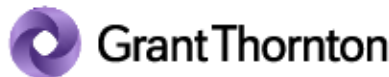
The Board of Directors' is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as the Board of Directors' determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors' is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors' either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SA-CH and ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with SA-CH and ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Zurich, 29 September 2023
Grant Thornton AG



Hermann Caspers
Partner



Gesa Mannigel
Director

Enclosure:

- Consolidated financial statements (comprise the consolidated statement of financial position, consolidated statement of profit or loss and consolidated comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and notes)

Global TREE Project AG
Consolidated statement of profit and loss

	Notes	2021	2022
		CHF	CHF
Gain/(loss) from changes in fair value of reforestation assets	8	0	3'219'695
Reforestation maintenance		0	-42'813
Corporate Development	9	-386'199	-411'802
Personnel Expenses	10	-458'637	-424'807
Marketing		-31'152	-272'632
Administration	11	-125'362	-119'126
Operating Profit (+) / Loss (-)		<u>-1'001'350</u>	<u>1'948'515</u>
Depreciation, amortization and impairment		-2'527	-3'002
Operating Profit (+) / Loss (-)		<u>-1'003'877</u>	<u>1'945'513</u>
Financial Expense net	12	-16'230	-162'266
Profit (+) / Loss (-) before tax		<u>-1'020'107</u>	<u>1'783'246</u>
Income tax	13	-19'684	-61'586
Deferred Tax	13	0	-392'803
Net Profit (+) / Loss (-)		<u>-1'039'791</u>	<u>1'328'858</u>
Earnings per share		<u>-0.10</u>	<u>0.13</u>
Attributable to:			
Equity owners of Global TREE Project AG		<u>0</u>	<u>0</u>

To the extent of a positive Net Operating Cash Flow, net profits are attributable to the holders of the Perpetual Instruments in the amount of 40% of Net Operating Cash Flow. The remainder shall be either reinvested (50%) or dedicated to philanthropy in Paraguay (10%).

GlobalTREE Project AG
Consolidated statement of comprehensive income

	2021	2022
	CHF	CHF
Net Profit (+) / Loss (-)	-1'039'791	1'328'858
Items that may subsequently be reclassified to profit and loss		
Other comprehensive income for the period net of tax		
Translation Difference (OCI)	-5'610	-8'460
Total comprehensive income for the period	-1'045'401	1'320'398
Earnings per share	-0.10	-0.13
Attributable to:		
Equity owners of Global TREE Project AG	0	0

To the extent of a positive Net Operating Cash Flow, total comprehensive income is attributable to the holders of the Perpetual Instruments in the amount of 40% of Net Operating Cash Flow. The remainder shall be either reinvested (50%) or dedicated to philanthropy in Paraguay.

Global TREE Project AG
Consolidated statement of financial position

	Notes	01.01.2021	31.12.2021	31.12.2022
		CHF	CHF	CHF
ASSETS				
Cash and Cash Equivalents	14	54'788	161'026	158'300
Short term receivables (third party)		3'000	3'000	3'026
Short term receivables (related party)		0	6'184	6'200
Crypto Assets held for sale	15	18'331	65'098	25'950
Tax receivables		40'896	22'774	39'099
Prepaid expenses		0	165'030	0
Total current assets		117'016	423'112	232'575
Reforestation Assets	16	0	0	3'476'573
Property Plant and Equipment	17	112'717	277'221	835'401
Total non-current assets		112'717	277'221	4'311'974
TOTAL ASSETS		229'733	700'333	4'544'549
LIABILITIES				
Accounts payable (third party)	18	140'827	106'289	315'293
Accounts payable (related party)		107'364	236'376	373'351
Accrued income		0	86'230	0
Tax payable		0	19'170	80'370
Short-term liabilities		248'191	448'065	769'014
Deferred Tax Liability	13	0	0	392'803
Long term financial liabilities (third party)	19	682'304	618'240	554'478
Long term financial liabilities (related party)	19	0	0	100'000
Long-term liabilities		682'304	618'240	1'047'281
Share Capital	20	100'000	100'000	100'000
Perpetual Instrument	21	9'603'969	10'978'859	12'745'296
Exchange Difference		-6'510	-5'609	-8'460
Retained Earnings		-10'398'222	-10'399'431	-11'437'440
Profit (+) / loss (-)		0	-1'039'791	1'328'858
Total Equity		-700'762	-365'972	2'728'254
TOTAL LIABILITIES		229'733	700'333	4'544'549

Global TREE Project AG
Consolidated statement of cash flows

	2021	2022
	CHF	CHF
OPERATING ACTIVITIES		
Net Profit	-1'039'791	1'328'859
Depreciation	2'528	-3'003
Gain/(loss) from changes in fair value of reforestation assets	0	-3'219'695
Taxation	37'293	437'678
Change in net working capital	9'490	374'736
Change in valuation of Crypto assets.	959	-799
Foreign exchange losses / (gains) on operating activities	-53'336	31'487
Cash flow from operating activities	-1'042'857	-1'050'738
INVESTING ACTIVITIES		
Purchase of property, plant equipment	-167'032	-401'385
Purchase of Reforestation Assets	0	-256'878
Cash flow from investing activities	-167'032	-658'263
FINANCING ACTIVITIES		
Sale of Perpetual Instruments in FIAT Currency	1'339'988	1'757'674
Sale of Perpetual Instruments in Crypto Assets	34'902	8'763
Repayment of Loan	-64'064	-63'762
Cash flow from financing activities	1'310'826	1'702'675
Net change in cash and cash equivalents	100'937	-6'326
CASH FLOW RECONCILIATION		
Net cash 1 January	54'788	161'026
Net change in cash and cash equivalents	100'937	-6'326
Exchange gains / losses on cash and cash equivalents	5'301	3'600
Net cash 31 December	161'026	158'300

Consolidated statement of changes in equity

2021 (all figures in CHF)	Share capital	Perpetual Instruments	Other reserves	Accumulated losses	Total
Balance 1 January 2021	100'000	9'603'969	-6'510	-10'398'222	-700'762
Comprehensive income					
Loss for the period	0	0	0	-1'039'791	-1'039'791
Other comprehensive income					
currency translation difference	0	0	901	-1'217	-316
Total comprehensive income	100'000	9'603'969	-5'609	-11'439'230	-1'740'870
Sale Perpetual Instruments	0	1'374'890		0	1'374'890
Balance 31 December 2021	100'000	10'978'859	-5'609	-11'439'230	-365'980

2022 (all figures in CHF)	Share capital	Perpetual Instruments	Other reserves	Accumulated losses	Total
Balance January 01, 2021	100'000	10'978'859	-5'609	-11'439'230	-365'980
Comprehensive income					
Loss for the period	0	0	0	1'328'858	1'328'858
Other comprehensive income					
currency translation difference	0	0	-2'851	1'790	-1'061
Total comprehensive income	100'000	10'978'859	-8'460	-10'108'582	961'817
Sale Perpetual Instruments	0	1'766'437	0	0	1'766'437
Balance 31 December 2022	100'000	12'745'296	-8'460	-10'108'582	2'728'254

GlobalTREE Project AG

Notes to the consolidated financial statements

1. GENERAL INFORMATION

Global TREE Project AG, referred as (the "Company") is a joint stock company incorporated under Swiss laws (CHE-326.153.517). The registered office address is Rothusstrasse 23, 6331 Hünenberg, Switzerland. Global TREE Project AG consists of the Company and its fully controlled subsidiary GTP SA RUC No. 80101522 DV:7, with registered office at Gregorio Benitez Y Coronel Oviedo, Villarrica, Paraguay, referred as ("GTP SA").

The principal activity of the Company is the advancement, planning and realization of ecologically sustainable projects. The current main activity is to arrange for funding for the purchase of land in Paraguay and to conduct extensive reforestation. The company is funding its activities through issuance of a Subordinated Perpetual Participatory Bond, whereby investors are being participated on any realized profits from harvesting of the trees. All operational, agricultural work is performed by the sister company Grupo Empresarial La Rivera S.A., RUC 80064655/HR 1103, Coronel Oviedo e/ Gregorio Benitez, Villarrica, Paraguay, referred as ("La Rivera"). La Rivera is consequently an important related party to the Group.

The group of consolidated entities controlled by the company is referred as (the "Group"). The accounts are presented in Swiss Francs ("CHF"). The accounts of GTP SA are denominated in Paraguay Guarani ("PYG").

2. BASIS OF PRESENTATION AND FIRST TIME ADOPTION OF IFRS

The Company has previously prepared its unconsolidated financial statements based on the statutory accounting principles set forth by the Swiss Code of Obligations. For the purpose of inclusion to a public offering prospectus, the Company decided to prepare consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). Such requires adoption of IFRS 1 (First Time Adoption). The date of conversion to IFRS is the opening Balance Sheet as per 1 January 2021 to which the presentation and measurement of assets and liabilities have been restated with recognition of adjustments to retained earnings. The Group identified the following material areas of emphasis applicable to the operational activity and structure of the Group to be considered for impact in transition to IFRS. The items are in the order of relevance.

Reforestation Assets: IAS 41 and IFRS 13

Under statutory accounts, agricultural assets are accounted for at the lower of cost or recoverable amount.

As per IAS 41.12, an agricultural asset is accounted for at fair value less cost to sell at initial recognition and subsequent measurement with change in fair value through Profit And Loss (FVTPL). Changes in fair value require separate disclosure of effects for (1) physical change, (2) price change and (3) currency change. The Company measures its reforestation assets at fair value as a Level 3 fair value measurement in accordance with IFRS 13 using an internally

generated, income based, discounted cash flow model. Despite the plantation being physically based in Paraguay, it is legally owned by the Company and consequently accounted for in CHF.

Property Plant and Equipment: IAS 16

The Company is using proceeds from the issuance of the TREE Token to acquire land in Paraguay for reforestation. All preparation of the land including the execution of the plantation itself is conducted by La Rivera. All costs in connection with the acquisition of the land and the bringing it into the status of its intended use are recognized as cost of acquisition. Since land is an indefinite useful life asset, subject to impairment under IAS 36, no depreciation is accounted for. All other property plant and equipment is recognized at cost with depreciation according to their useful life. The applicable accounting policies remain unchanged from Statutory Accounts to IFRS.

Impairment of Assets: IAS 36

The group owns land for reforestation with indefinite useful life in Paraguay. This requires permanent assessment for impairment under IAS 36, whereby (1) reduced market prices for comparable land parcels or (2) reduced fertility or other adverse predicaments may be indicators for impairment. The applicable accounting policies remain unchanged from Statutory Accounts to IFRS.

Perpetual Instruments and Revenue Recognition: IAS 32, IFRS 15

In the context of the TREECYCLE Project, the Company has issued and will further issue TREE Tokens that are substantially representing a Subordinated Perpetual Participatory Bond, whereby there is no enforceable claim for paying neither any interest, nor to repay the Bond at any defined date. Under statutory accounting rules, covered by a respective tax ruling and the terms for using the issuance proceeds in the offering prospectus, the funds can be used to cover all costs and expenses in connection with the comprehensive execution of the TREECYCLE Project. The proceeds from issuance of the TREE Token is initially recognized as a long-term liability and subsequently accounted for in accordance with the principles of accounting for grants, whereby the liability is derecognized as income to cover costs and expenses incurred in connection with the TREECYCLE Project.

Under IAS 32 AG6 perpetual debt instruments are classified as equity if 1) the issuer has no contractual obligation for interest payments, 2) a repayment may only arise upon the liquidation of the company and 3) the returns are dependent on the performance of the assets which factually stipulates the profile of an Equity investment. All conditions are given for the TREE Token. Consequently, the proceeds from issuance of TREE is reclassified to a separate position in Equity and no revenue is accounted for to cover costs and expenses incurred in connection with the TREECYCLE Project.

The TREECYCLE Project is expected to generate revenue in a specific harvest cycle after five, nine and thirteen years following initial plantation. Under IFRS 15 the identifiable performance obligation arises at the time the harvested wood is being sold to local wood markets in Paraguay with allocation of the performance obligations to the transaction price. Since the transaction is expected to become executed pari passu with full transfer of risk and reward for no further considerations or performance obligations of any kind, the applicable accounting treatment will

allow for full revenue recognition at the time of settlement of the sales transaction to the local markets, whereby related deductions for agents shall be recognized as sales deductions at the time the respective contractual obligation arises.

Consolidation: IFRS 10 and IFRS 3

As per the date of the opening Balance Sheet the Company controlled GTP S.A. which has been acquired as per 1 January 2019. The Company paid an amount of PYG 300'000'000 (CHF 49'500) for the acquisition of the same amount in net equity and cash. 3% of the shares were subsequently allocated on a fiduciary bases with full beneficial rights for the Company to a local partner to comply with local requirements. The Company is hence fully consolidated and the purchase price allocation leads to no premium over accounted net asset value measured at fair value at the time of acquisition (IFRS 3). The calculation is based on the date of acquisition with subsequent measurement of the currency difference, that has been recognized under other reserves in equity.

Crypto Assets: IAS 2

In the statutory accounts, the Group accounts for Crypto Assets as Cash Equivalents at fair value through profit and loss. Due to their missing status as legal tender, IFRS excludes the classification of Crypto Assets from being accounted for as part of Cash and cash equivalents. As per the date of those financial statements, the IASB has not yet conclusively determined an accounting practice for exposures in Crypto Assets. In applied practice to determine an adequate accounting method, Crypto Assets have to be analyzed by their commercial substance and the way the Group intends to use them. As additional means of consideration for the issuance of TREE Tokens, the Group also accepts BTC and ETH. Those commodities are principally accepted with the purpose of selling in the near future and generating a profit from fluctuations. Under those circumstances, the Group is classifying them as commodity inventory at fair value less costs to sell under IAS 2. Changes in fair value less cost to sell are recognized in profit and loss. Consequently, the sole difference in accounting treatment is the recognition of a deduction for costs to sell the Crypto Assets.

Income Tax: IAS 12

As the Company is the owner of the planted reforestation assets, any profits from future harvesting will arise with the Company, which will have to be taxed in Switzerland. Since the Company only started initial plantation in 2022, the required criteria of probability set forth by IAS 12.34 is hence not yet sufficiently given for a recognition of the future tax benefits as an asset. Likewise and for the same reason, the Company neither recognizes deferred tax assets on temporary differences nor accounts for offsetting against deferred tax liabilities on temporary differences. The company however recognizes deferred tax liabilities on temporary differences. Consequently, the sole difference between statutory accounting and IFRS is the recognition of tax liabilities on temporary differences.

Earnings per share: IAS 33

The transition to IFRS requires additional disclosure of Earnings per Share.

Segment Reporting: IFRS 8

Since the Group is publicly issuing a security in the form of a Subordinated Perpetual Participatory Loan substantially in the form the TREE Token, Segment reporting under IFRS 8 will newly apply to the Group. However, the business is one single value chain from raising capital via issuance of TREE Token to the execution of the reforestation in Paraguay down to the sales of the wood and the pay-out of the participation to the TREE Tokenholders. The business therefore only has one operational segment.

3. RESTATED FINANCIAL POSITIONS

Global TREE Project AG

Restated Consolidated statement of profit and loss

	Consolidated Statutory 2021	Transition 2021	Consolidated IFRS 2021
	CHF	CHF	CHF
Income from TREE Token contribution	1'189'284	-1'189'284	0
Gain/(loss) from changes in fair value from biological assets	0	0	0
Reforestation maintenance	0	0	0
Corporate Development	-386'199	0	-386'199
Labour Costs	-458'637	0	-458'637
Marketing	-31'152	0	-31'152
Administration	-125'362	0	-125'362
Operating Profit (+) / Loss (-)	187'935	-1'189'284	-1'001'350
Depreciation, amortization and impairment	-2'527	0	-2'527
Impairment GTP Paraguay (release)	0	0	0
Operating Profit (+) / Loss (-)	185'408	-1'189'284	-1'003'877
Financial Expense net	-20'886	4'660	-16'230
Profit (+) / Loss (-) before tax	164'522	-1'184'624	-1'020'107
Income tax	-19'684	0	-19'684
Deferred Tax	0	0	0
Net Profit (+) / Loss (-)	144'838	-1'184'624	-1'039'791
Translation Difference (OCI)	0	-5'614	-5'610
Comprehensive Income	0	-1'190'238	-1'045'401

Global TREE Project AG

Restated Consolidated statement of profit and loss

	Consolidated Statutory 2022	Transition 2022	Consolidated IFRS 2022
	CHF	CHF	CHF
Income from TREE Token contribution	1'952'043	-1'952'043	0
Gain/(loss) from changes in fair value from biological assets	0	3'219'695	3'219'695
Reforestation maintenance	-42'813	0	-42'813
Corporate Development	-411'802	0	-411'802
Labour Costs	-424'807	0	-424'807
Marketing	-272'632	0	-272'632
Administration	-119'126	0	-119'126
Operating Profit (+) / Loss (-)	680'863	1'653'938	1'948'515
Depreciation, amortization and impairment	-3'002	0	-3'002
Impairment GTP Paraguay (release)	0	0	0
Operating Profit (+) / Loss (-)	677'861	1'653'938	1'945'513
Financial Expense net	-171'525	9'259	-162'266
Profit (+) / Loss (-) before tax	506'335	1'663'197	1'783'246
Income tax	-61'585	0	-61'585
Deferred Tax	0	-392'803	-392'803
Net Profit (+) / Loss (-)	444'750	1'223'267	1'328'859
Translation Difference (OCI)	0	-8'460	-8'460
Comprehensive Income	0	1'214'807	1'320'399

Global TREE Project AG
Restated Consolidated statement of financial position

	Consolidated Statutory 1. Jan 21	Transition 1. Jan 21	Consolidated IFRS 1. Jan 21
	CHF	CHF	CHF
BALANCE SHEET			
ASSETS			
Cash and Cash Equivalents	54'788	0	54'788
Short term receivables (third party)	3'000	0	3'000
Crypto Assets held for sale	18'705	-374	18'331
Tax receivables	40'896	0	40'896
Total current assets	117'390	-374	117'016
Property Plant and Equipment	112'717	0	112'717
Total non-current assets	112'717	0	112'717
TOTAL ASSETS	230'107	-374	229'733
LIABILITIES			
Accounts payable (third party)	140'827	0	140'827
Accounts payable (related party)	107'364	0	107'364
Short-term liabilities	248'191	0	248'191
Deferred Tax Liability	0	0	0
Long term interest bearing liabilities	682'304	0	682'304
Sale of Perpetual Instruments	9'603'969	-9'603'969	0
Use of Perpetual Instruments	-9'603'969	9'603'969	0
Long-term liabilities	682'304	0	682'304
Share Capital	100'000	0	100'000
Retained Earnings	-793'878	-9'604'343	-10'398'222
Perpetual Instrument	0	9'603'969	9'603'969
Exchange Difference	-6'510	0	-6'510
Total Equity	-700'388	-374	-700'762
TOTAL LIABILITIES	230'107	-374	229'733

Global TREE Project AG
Restated Consolidated statement of Cash Flows

	Consolidated Statutory 2021	Transition 2021	Consolidated IFRS 2021
	CHF	CHF	CHF
OPERATING ACTIVITIES			
Net Profit	144'838	-1'184'629	-1'039'791
Depreciation	2'528	0	2'528
Gain/(loss) from changes in fair value from biological assets	0	0	0
Income from TREE Token contribution	-1'189'284	1'189'284	0
Taxation	37'293	0	37'293
Change in net working capital	9'490	0	9'490
Change in valuation of Crypto assets.	0	959	959
Foreign exchange losses / (gains) on operating activities	-47'722	-5'614	-53'336
Net cash flow from operating activities	-1'042'857	0	-1'042'857
INVESTING ACTIVITIES			
Purchase of property, plant equipment	-167'032	0	-167'032
Purchase of Reforestation Assets	0	0	0
Net cash flow from investing activities	-167'032	0	-167'032
FINANCING ACTIVITIES			
Sale of Perpetual Instruments in FIAT Currency	1'339'988	0	1'339'988
Sale of Perpetual Instruments in Crypto Assets	34'902	0	34'902
Repayment of Loan	-64'064	0	-64'064
Net cash flow from financing activities	1'310'826	0	1'310'826
Net change in cash and cash equivalents	100'937	0	100'937
CASH FLOW RECONCILIATION			
Net cash 1 January	54'788	0	54'788
Net change in cash and cash equivalents	100'937		100'937
Exchange gains / losses on cash and cash equivalents	5'301	0	5'301
Net cash 31 December	161'026	0	161'026

Global TREE Project AG

Restated Consolidated statement of Cash Flows

	Consolidated Statutory 2022	Transition 2022	Consolidated IFRS 2022
	CHF	CHF	CHF
OPERATING ACTIVITIES			
Net Profit	444'750	884'109	1'328'859
Depreciation	-3'003	0	-3'003
Gain/(loss) from changes in fair value from biological assets	0	-3'219'695	-3'219'695
Income from TREE Token contribution	-1'952'043	1'952'043	0
Taxation	44'875	392'803	437'678
Change in net working capital	374'736	0	374'736
Change in valuation of Crypto assets.	0	-799	-799
Foreign exchange losses / (gains) on operating activities	39'947	-8'460	31'487
Net cash flow from operating activities	-1'050'738	1	-1'050'738
INVESTING ACTIVITIES			
Purchase of property, plant equipment	-401'385	0	-401'385
Purchase of Reforestation Assets	-256'878	0	-256'878
Net cash flow from investing activities	-658'263	0	-658'263
FINANCING ACTIVITIES			
Sale of Perpetual Instruments in FIAT Currency	1'757'674	0	1'757'674
Sale of Perpetual Instruments in Crypto Assets	8'763	0	8'763
Repayment of Loan	-63'762	0	-63'762
Net cash flow from financing activities	1'702'675	0	1'702'675
Net change in cash and cash equivalents	-6'326	0	-6'326
CASH FLOW RECONCILIATION			
Net cash 1 January	161'026	0	161'026
Net change in cash and cash equivalents	-6'326	0	-6'326
Exchange gains / losses on cash and cash equivalents	3'600	0	3'600
Net cash 31 December	158'300	0	158'300

4. BASIS OF PREPARATION, CONSOLIDATION AND ACCOUNTING PRINCIPLES

Basis of preparation

These consolidated financial statements for the period 1 January 2022 until 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on the bases of historical cost or lower recoverable amount, except for biological assets have been measured at fair value through profit and loss (FVTPL).

Basis of consolidation

The consolidated financial statements incorporate the financial statement of the Company and its 97% owned subsidiary GTP SA, whereby 3% are held on fiduciary bases by a local partner to comply with local requirements. Consequently, GTP SA is fully consolidated.

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swiss Francs (CHF).

b) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

c) Group companies

The results and financial positions of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting period;
- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the exchange rates at the dates of the transactions, in which case income and expense items are translated at the exchange rates at the dates of the transactions); and
- iii. All resulting exchange differences are recognized in other comprehensive income.

d) Foreign currency rates

The following foreign currency rates have been used to recognize all effects of foreign currency translation. The applicable rates have been published by Schweizerische Eidgenossenschaft derived from UBS Wartburg, Zurich.

					2022						2021			
					Year-end rate	in % of previous year	Average rate	in % of previous year			Year-end rate	in % of previous year	Average rate	in % of previous year
In CHF														
Swiss franc	1 CHF	1.0000	100.0%	1.0000	100.0%	1.0000	100.0%	1.0000	100.0%	1.0000	100.0%	1.0000	100.0%	
Gurany	1 GYP	0.000132	100.5%	0.000130	99.2%	0.000126	100.0%	0.000129	98.4%	0.000129	98.4%	0.000129	98.4%	

Revenue recognition

Revenue from contracts with customers is recognized when and to the extent an identifiable performance obligation arises. A performance obligation is expected to arise when control of the harvested wood is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the disposed harvest.

Income tax

Income tax expense represents the sum of current tax payable and deferred tax. Current tax is determined on the bases of the taxable profit for the year in each relevant jurisdiction.

Deferred tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases (temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profits in the future. Deferred taxable assets are recognized for all temporary differences that are expected to reduce taxable profit in the future as well as any unused tax losses or unused tax credits. The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments to prior year assessments are recognized in profit or loss. Deferred tax is calculated using the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted at the end of the reporting period.

Due to the minimum initial harvesting period of five years and the uncertainty of generating future profit in early stages of the harvesting cycle, it is considered unlikely that sufficient taxable profits will occur to offset deferred tax assets. Unless an earlier taxable monetization will become likely to occur, such future tax benefit are and will remain not recognized as an asset. Likewise and for the same reason, no netting will be accounted for between deferred tax assets and deferred tax liabilities on temporary differences.

Cash and Cash Equivalents

Cash comprises cash in readily convertible currencies on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash in readily convertible currencies and which are subject to an insignificant risk of changes in value. Any liquid assets in the form of Cryptocurrencies are not considered cash and Cash Equivalents due to their missing status as legal tender currency.

Crypto Assets

Crypto Assets in the form of liquidly exchangeable digital tokens that are commonly used as means of exchange such as i.e. BTC and ETH are classified as Commodities. Those commodities are principally accepted as means of consideration for the Issuance of the perpetual instruments in the form of the TREE Token. They are held with the purpose of selling in the near future and for generating a profit from fluctuations. Under those circumstances, the Group is accounting for BTC and ETH as commodity inventory at fair value less costs to sell under IAS 2. Changes in fair value less cost to sell are recognized in profit and loss.

Reforestation Assets

At initial recognition and subsequent measurement reforestation assets are accounted for at fair value less cost to sell with changes in fair value through profit and loss (FVTPL). The fair value is internally measured as a Level 3 fair value measurement in accordance with IFRS 13 using an internally generated, income based, discounted cash flow model. The model is including all costs associated with the arrangement and execution of the sales transaction to the point where the performance obligation is established allowing for a recognition of revenue under the provisions of IFRS 15.

Property, plant and equipment

Property, plant and equipment in the form of acquired land to be used for reforestation are measured at cost, less impairment. Costs include all costs incurred to acquire and prepare the land for its intended use, which is the readiness for plantation of the reforestation assets. The land is accounted for as an asset with indefinite useful life and no depreciation is accounted for.

Items of other property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives for all property, plant and equipment with definite useful life are 5 years. If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Impairment of assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there was an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognized immediately in profit or loss.

Provisions

Provisions are recognized when the group has an existing legal or constructive obligation as a result of a past event on or before the balance sheet date, and it is probable that the Group has to give up future economic benefits in order to repay the obligation. The provisions are measured at the

present value of the expected costs to be required in order to repay the present obligation at the balance sheet date. Provisions are not expected to be repaid within a year from the balance sheet date.

Trade and other receivables

Trade and other receivables are recognized initially at invoice amount and subsequently reviewed for recoverability. A provision for non-recoverability is established once there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor and the receivable being more than 60 days overdue are considered indicators. The carrying amount of the receivable is reduced by the provision, which is charged against revenue in the income statement.

Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency and translated into CHF using the exchange rate at the reporting date. Foreign exchange gains or losses are included in the finance cost or income.

Financial liabilities

At initial recognition, financial liabilities are accounted for at fair value plus transaction costs that are directly attributable to the assumption of the financial liability. In subsequent measurement, financial liabilities are measured at amortized cost using the effective interest method, where applicable. Financial liabilities meeting the criteria of being held for the purpose of trading are accounted for at fair value through profit and loss (FVTPL). All financial liabilities are accounted for at settlement date.

Accrued expenses

Accrued expenses are accounted for goods and services obtained but not yet invoiced by the supplying company.

Employee benefits

Defined Contribution plans: Any contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognized as employee benefit expense when they are due.

Defined Benefit Plans: To the extent a pension plan qualifies as a defined benefit plan, the obligation and costs of pension benefits are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognized immediately when they occur. Remeasurements which comprise actuarial gains and losses on the pension obligation, the return on plan assets and changes in the effect of the asset ceiling excluding amounts included in net interest, are recognized directly in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The pension obligation is measured at the present value of estimated future cash flows using a discount

rate that is determined by reference to the interest rate on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Profit participation on TREE Token

As per the commercial terms of the perpetual instrument, holders of TREE are eligible to participate on 40% on net operating cash flow. Given the nature of the TREETCYCLE Project, such participation only arises upon successful harvest of trees and subsequent disposal to the wood market. The obligation for any participation hence only arises at the time of successful disposal and will consequently only be accounted for as an accrued liability if and when the obligation has arisen.

Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting used by the operating decision maker, who is responsible for allocating resources and assessing the performance of operating segments. The operating decision maker of the Group is the Board of Directors that takes strategic decisions. The business concept of the Group is the TREETCYCLE project which is an inseparable value chain from 1) raising capital through issuance of perpetual instruments in the form of TREE Tokens, 2) the acquisition of land in Paraguay and its afforestation and 3) the payout of profit participation to TREE Tokenholders. The Group internally assesses the performance of the TREETCYCLE project as one comprehensive business activity and adequately communicates to the public about the TREETCYCLE project as one operating segment.

Determination of Fair Value

The Group uses the following hierarchy for determining and disclosing the fair value by valuation technique:

Level 1	quoted prices in active markets for identical assets or liabilities
Level 2	other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3	techniques that use inputs, which have a significant effect on the recorded fair value, and which are not based on observable market data

New or revised IFRS standards, amendments and interpretations

Certain IFRS and interpretations were revised or introduced.

Effective on or after 1 January 2022:

- IAS 16 Property, plant and equipment – This amendment had no impact on the consolidated financial statements.
- IAS 37 Provisions, contingent liabilities and contingent assets – This amendment had no impact on the consolidated financial statements.
- Annual IFRS improvements – These amendments had no impact on the consolidated financial statements.

Effective on or after 1 January 2023:

- IFRS 17 Insurance contracts (new standard) - effective on or after 1 January 2023.
- IFRS 16 Lease (amendment) - effective on or after 1 January 2023.
- IAS 1 Presentation of financial statements (narrow-scope amendments) - effective on or after 1 January 2023.
- IAS 12 Income taxes (amendments) - effective on or after 1 January 2023.
- IAS 1 Presentation of financial statements (narrow-scope amendments) - effective on or after 1 January 2024.

5. GOING CONCERN STATEMENT

The consolidated financial statements of the Group are prepared on a going concern basis. Despite the only inflow in Cash and Cash Equivalents being proceeds from the sale of TREE Token and a negative net equity in the statutory accounts of the Company, the Board of Directors has assessed going concern and concludes that such is given. The assessment has been performed as per the date, those financial statements have been approved by the Board of Directors for issuance. The following factors have been taken into due consideration:

1. The company has used proceeds from the issuance of TREE Token to acquire agricultural land in Paraguay which is legally owned by GTP SA in Paraguay. For that purpose, the Company has granted GTP Paraguay respective loans. In parallel to the business of the Group, the shareholders are operating a company, which directly sells agricultural land at similar location to investors. Over 2020 to 2022, this Company has built a track record of successful selling 392.5 Hectars of land at an average price of CHF 15'500 per Hectar. This substantiates, that similar land in Paraguay can easily be sold. Likewise, this sister company has the structures and relevant contacts to arrange for land to be sold and demonstrated that land held by GTP SA could successfully be liquidated for Cash within a time-period of maximum 6 month's to subsequently repay any loans granted by the Company to GTP SA. GTP SA currently owns 245 ready to use Hectars with a potential liquidation value of approx. CHF 3.78 Millions.
2. The main expenses incurred by the Company are directly related to the roll-out of the TREECYCLE Project, which are Corporate Development, Compensation for Management and Marketing. Those costs in the amount approx. CHF 1.1 Million for 2022 (PY: CHF 0.87 Million) are of variable nature and could be avoided on short notice to reduce the cash burn.
3. In the Pre-Sale of the TREE Token, the Company managed to raise an amount of CHF 12.74 Million until 31 December 2022 with annual raise of CHF 1.78 Million for 2022 (PY: CHF 1.38 Million), whereby the annual expenses, without consideration of any cost reduction as per Para 2 above, are CHF 1.27 Million for 2022 (PY: 1.00 Million), which demonstrates the ability to sell sufficient TREE Tokens to cover the running costs. As per the issuance of these accounts, the Company sold additional 50'864 TREE Tokens in 2023 for a consideration of EUR 1.07 Mio (CHF: 1.02 Mio) with incurred costs for the same period of unaccrued approximately CHF 0.7 Mio. Since the statutory accounting policies, governed and approved by respective tax-rulings, allows the proceeds from issuance of TREE Tokens to comprehensively be used for all costs

and expenses of the Company, there is sufficient capital reserve to assure liquidity and avoid overindebtedness as per Art. 725.2 CO.

Without the need to substantially impact the implementation of the TREECYCLE project by ways of reducing the operational activity and or triggering the liquidation of land, the Company continues to be dependent and is relying on cash proceeds from the sale of TREE Token. The respective expected cash inflows remain a material uncertainty with regard to its timing and amount.

To assure going concern for 12 month of the date those financial statements have been approved, the Board concludes to have effective measures at hand which can be escalated in stages, should the sale of TREE Token fail to meet management expectation. In a first layer, variable costs would be reduced and in second stage, existing land would be sold and placed to direct investors via the sister company in Paraguay. The Board therefore concluded, that despite the negative equity, the absence of running revenue from harvesting trees and selling wood until first harvest in 2027, and material uncertainties with regard to the timing and amount of future token sales, there are sufficient readily available, effective measures to secure going concern.

6. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. The resulting accounting estimates will, by definition, rarely equal the related actual results.

The estimates and assumptions, which may have a significant risk of causing a material impact on the consolidated financial statements, relate primarily to

- Reforestation Assets
- Segregation of costs for reforestation
- Impairment
- Deferred income tax assets
- Provisions
- Contingencies

The preparation of the acquired land for intended use, the plantation itself and the maintenance are conducted by La Rivera, a related party to the Company. The relationship is governed by a comprehensive agreement of reforestation, whereby lump-sum payments are made from the Company to La Rivera. The segregation of those payments into 1) land preparation, 2) plantation and 3) maintenance is prepared by an internally generated allocation model, which is confirmed by La Rivera to the Company. By nature, such allocation involves a high degree of judgement.

Reforestation Assets are measured at fair value by an internally generated valuation model. Respective disclosure on all assumptions and estimates are provided in accordance with the requirements for Level 3 Fair Value under IFRS 13. The model is based on estimated fair value per planted tree, whereby the number of trees are a standard estimate of planted trees per Hectar of land. The determination of the number of trees and the identification of any factors which may impair the growth to expected mass of wood at harvest involves a significant degree of judgement.

7. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Group is exposed to changes in market risk, liquidity risk and credit risk. The Group's financial risk management seeks to minimize potential adverse effects on financial performance. Risk Management is carried out by the Group's finance department under conditions approved by the Board of Directors.

Market risk comprises of

- **Interest rate risk:** The Group has no interest bearing assets exposing the Group to interest rate risk due to variable interest rates.
- **Foreign Currency risk:** The Group only has one subsidiary operating in Paraguay. The Paraguay Company only acts as the legal owner of the land, whereby all other assets, mainly the biological assets, are owned by the Company and denominated in Swiss Francs. The currency risk between the Paraguay Guarani and Swiss Francs is limited to the valuation of the land. The Group is not actively managing the currency risk by way of hedging or shifting exposure. The sensitivity analysis below is based on the exposure on 31 December based on assumptions that have been deemed reasonable by Management, showing the impact on profit or loss before tax as well as on equity. The Group uses historical volatilities of the currency pairs below to determine the reasonable shift.

		2021		2022	
	Reasonable shift	Impact on P&L	Impact on Equity	Impact on P&L	Impact on Equity
GYP / CHF	+/- 10%	-/+ 26	+/- 6'272	-/+ 1'408	-/+ 7'358

- **Price risk:** The Group is conducting reforestation for subsequent sale of the wood by different types of usage. The Group is therefore exposed to price risk in the wood market. The price risk is managed by adjusting the time of harvest and the type of wood product to be sold during the harvesting process. The Group also is exposed to price risk on the land in Paraguay, whereby a drop of traded price for similar land parcels may only be an indicator for an impairment. The recoverable amount is however determined by the use of the land as for reforestation.

Liquidity risk

The Group is exposed to substantial liquidity risk due to the absence of sellable products until first expected harvest in 2027. The Group has the proven ability to raise sufficient capital for covering operational costs through sale of TREE Token. Liquidity risk is managed by a staged escalation plan with first line being the sale of TREE Token, second line the cutting of operational variable expenses and third line the disposal of land in Paraguay.

Since the operations of the Group shall be funded via the issuance of the TREE Token, the Group does not have a refinancing risk but more a liquidity risk to pay third-party liabilities. All related party liabilities are connected to key companies involved in the project, whereby extensions in repayment terms can be expected if required to protect the liquidity of the Group.

The following table analyses the Group's remaining contractual maturities, including expected future interest payments for financial liabilities:

31 December 2021	Less than 1 year CHF	Between 1 and 2 years CHF	Over 2 years CHF	Total CHF
Accounts payable (third party)	106'289	0	0	106'289
Accounts payable (related party)	236'376	0	0	236'376
Long term financial liabilities (third party)	28'186	100'903	518'947	648'036
Total	370'851	100'903	518'947	990'701

31 December 2022	Less than 1 year CHF	Between 1 and 2 years CHF	Over 2 years CHF	Total CHF
Accounts payable (third party)	315'293	0	0	315'293
Accounts payable (related party)	373'351	0	0	373'351
Long term financial liabilities (third party)	0	103'635	480'639	584'274
Long term financial liabilities (related party)	0	100'000	0	100'000
Total	688'644	203'635	480'639	1'057'625

Credit Risk

Credit risk is managed on a Group basis from the Swiss parent company. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as, to the extent applicable, outstanding receivables and committed transactions. The Credit Risk is monitored by selecting and assessing the risk of default of the financial institutions where the assets are held in custody. The Group is using publicly available ratings to assess the risk of default and to measure any potential loss.

Capital Management

When managing capital, the Company's objectives are to safeguard the Group's ability to continue as a going concern by raising sufficient capital through sale of TREE Token as the sole source of funding. Capital Management remains an area of emphasis until first harvest. Since reforestation assets are measured at fair value less cost to sell by using an income approach, a successful reforestation results in an immediate appreciation of fair value, which shall be realized in stages over the harvesting cycles of five, nine and thirteen years. To the extent the Group manages to continue reforestation for each financial year, the capital structure is expected to rapidly improve until first realization. Following first harvest, the TREECYCLE Project should allow for a rolling cycle of fair value increments and realized harvest proceeds every year. In the absence of any leverage, and the TREE qualifying as equity under IAS 32, the intended capital structure shall develop towards near fully equity based. Consequently, Capital Management remains a key risk until 2027 where first harvest shall be realized.

The Group's equity ratio compares the total shareholders equity plus Perpetual Instruments to the total assets as presented in the consolidated statement of financial position. Capital is considered attributable to holders of the Company and the holders of the perpetual instruments. There were no changes in the Group's approach to capital management during the year.

Guarantees and pledges

No assets have been pledged as per 31 December 2022 and 2021.

8. GAIN/(LOSS) FROM CHANGES IN FAIR VALUE FROM REFORESTRATION ASSETS

	2021	2022
	CHF	CHF
Initial afforestation	0	3'219'695
Total Gain/(loss) from changes in fair value of reforestation	0	3'219'695

In 2022, the Group initiated the TREE Cycle project by first time afforestation of 245 ha (2021: nil) of land by planting 160'000 (2021: nil) Eucalyptus Trees. The sole change in fair value is therefore based on value gain through initial afforestation.

9. CORPORATE DEVELOPMENT

	2021	2022
	CHF	CHF
Third Party Services	-56'998	-220'480
IT Infrastructure	-207'649	-120'412
Consultancy	-121'553	-70'910
Total corporate development expenses	-386'199	-411'802

10. PERSONNEL EXPENSES

	2021	2022
	CHF	CHF
Wages and salaries	-402'957	-358'590
Social security costs	-20'959	-30'219
Family allowances contribution	-6'856	-5'743
Pension costs (defined contribution plan)	-27'022	-27'072
Accident insurance	-1'988	-3'045
Other	1'144	-138
Total personnel expenses	-458'637	-424'807

Given the legal constitution in Switzerland, Swiss Pension plans commonly qualify as Defined Benefit Plans under IAS 19. By way of an outsourcing agreement, the Company insured its employee via access to a larger multi employer pension fund operated by an insurance company, whereby the plan assets held forward by the insurance company are there to jointly and severally cover the pension liabilities of all associated enterprises as a solidaric community. The allocation of plan assets to a specific pension obligation of a single associated employer is therefore highly arbitrary. According to IAS 19.8 multi employer plans are principally to be accounted for in accordance with the requirements of the standard, unless insufficient reliable information is available to reasonably allocate the plan assets and to segregate the pension obligation to a specific employer for the purposes of accounting the plan as a defined benefit plan under the requirements of IAS 19. In such circumstances, IAS 19.32 allows for the pension plan to be accounted for as a defined contribution plan.

The pension insurance company reports 16'332 member companies with 151'984 insured persons and plan assets of 19.8 Billion as per 31 December 2022. The Company has one insured

employee. The criteria set forth by IAS 19.32 are consequently met. The Company accounts for its pension plan as a defined contribution plan.

As per the master terms to the pension agreement, neither the employee nor the employer has any defined contractual right to receive benefits or has assumed an obligation to additional contributions in case of actuarial differences between the compound plan assets and the aggregated actuarial pension obligations. Only in case of severe undercoverage which are triggering a restructuring implied by law, the Board of Trustees reserves the right, among other measures suitable for a financial restructuring, to call for additional contributions at its own discretion. In its current actuarial status defined under the methods applicable by Swiss law the plan assets cover the pension obligation with 109.5% as per 31 December 2022.

11. ADMINISTRATION

	2021	2022
	CHF	CHF
Office Costs	-33'660	-37'007
Transportation	-23'893	-24'985
Accounting and audit	-14'901	-29'629
Administration expenses	-40'594	-22'548
Communication	-5'557	-5'348
Other	-6'758	391
Total administration expenses	-125'362	-119'126

12. FINANCIAL EXPENSE

	2021	2022
	CHF	CHF
Interest expense	-17'571	-17'954
Bank charges	-16'557	-20'954
Cost to sell on cryptos	-954	799
Currency Differences	18'852	-124'157
Total financial expenses	-16'230	-162'266

13. INCOME TAXES

Major tax components

	2021	2022
	CHF	CHF
Current tax expense / (income)	19'684	-61'585
Deferred tax expense / (income) on temporary differences	0	-392'803
Total income taxes	19'684	-454'388

Current tax

The Company does not have any tax deductible loss carry-forwards.

Deferred tax assets / liabilities

	2021	2022
	CHF	CHF
Fair Value adjustment on biological assets	0	392'803
Total deferred tax liability on temporary differences	0	392'803

Due to the unlikely event that any positive temporary differences, leading to a tax asset, will be recoverable in the future, no tax asset from the following temporary differences has been accounted for.

	2021	2022
	CHF	CHF
Cost coverage TREE Token	1'316'777	1'700'019
Crypto Assets held for sale	208	272
Total deferred tax asset on temporary differences	1'316'985	1'700'291

Deferred tax income / (expense)

	2021	2022
	CHF	CHF
Total deferred tax assets / (liabilities) on 1 January	0	0
Deferred tax income / (expense)	0	-392'803
Deferred tax (charge) in other comprehensive income	0	0
Total deferred tax assets / (liabilities) on 31 December	0	-392'803

Reconciliation of tax expenses / (income)

The weighted average applicable tax rate, considering all profit- and loss-making entities, was 12.6 % (previous year 15.4 %).

	2021	2022
	CHF	CHF
Net profit / (loss) before tax	-1'020'107	1'783'246
Tax using the Group's tax rate of 12.6% (PY 15.4%)	157'066	-225'472
Tax effect of		
- Non-deductible expenses	0	0
- Unrecognized tax assets on temporary differences	-145'255	-383'307
- Use of deductible loss carry forward	0	61'585
- Change in applicable tax rate	0	36'257
- Other	-31'495	56'549
Total income taxes	-19'684	-454'388

14. CASH AND CASH EQUIVALENTS

	31.12.2020	31.12.2021	31.12.2022
	CHF	CHF	CHF
Cash at bank and on hand	54'788	161'026	158'300
Total	54'788	161'026	158'300

15. CRYPTO ASSETS HELD FOR SALE

	31.12.2020	31.12.2021	31.12.2022
	CHF	CHF	CHF
Bitcoin	17812	62023	25474
Etherium	893	5051	1653
Others	0	-646	-646
- Costs to sell	-374	-1'329	-530
Total	18'331	65'099	25'951

The Company accepts Bitcoin and Ethereum as means of investment for the subscription to the TREE Token. The Crypto Assets are held on custodial wallets with professional suppliers of custody service such as Bitcoin Suisse and Blockchain.com. None of those assets are held on any exchange wallet. The Company is holding the Crypto Assets with the intention to exchange them into FIAT to become invested within the TREECYCLE Project

16. REFORESTRATION ASSETS

Nature of the Assets

The objective of the TREECYCLE Project is to plant 1'000 hybrid Eucalyptus Trees per hectare of acquired land. The Trees developed by the related party La Rivera are strong, pest-resistant and possess high growth yield. They initially gain height up to 5 years from plantation before they grow width up to 9 years from plantation followed by gaining density for enhanced wood quality. The TREECYCLE project and the valuation model follows this natural routine of growth and harvest in a perpetual cycle of 13 years whereby Year 1 and 2 are reserved for planting and maintenance of seedlings. In year 6 the trees reach heights of 20 metres and 30 cm in diameter whereby they need space. Every second tree (50%) is therefore harvested. The wood is used in paper and energy production or to make posts. In year 10 an additional harvest is performed in order to ensure that the remaining trees have sufficient space and light, whereby about 19% of trees will be harvested. At this stage, the trees are approximately 45 cm in diameter. The harvested trees are sold and used for parquet flooring and general timber. In year 13 the final harvest takes place as the trees have grown to 60 cm in diameter. Most of the wood is sold to the furniture, veneer, roof and parquet industry. After the first full planting and harvesting cycle new seedlings will be planted in order to start a new cycle.

Valuation Process

The Group has a team lead by Chief Financial Officer and the local team of La Rivera that performs the valuation of the reforestation assets. The Chief Financial Officer holds relevant internationally recognized experience in valuation techniques and the team of La Rivera do contribute an extensive track record in executing reforestation projects in Paraguay as well as all relevant data sources on key assumptions such as growth patterns of Eucalyptus Trees, and wood prices for the different types of wood over the cycle. Due to the early stage of the Group's reforestation activity and the related absence of internally generated, historically substantiated data, management had to determine key assumptions on plantation growth and harvest proceeds based on expertise and data provided by La Rivera.

The valuation is updated internally at the end of each reporting period. When considering the appropriate input data, the team reviews available information such as quantity of trees per hectare, current market prices, expected harvest costs through to harvest and the expected timing of harvest. The valuation policies and procedures, as well as changes in the fair value measurements are reviewed by the Board of Directors semi-annually.

Methodology and assumptions used in determining fair value

The determination of the fair value is conducted by Level 3 fair value measurement according to IFRS 13 based on a base case management expectation scenario. The valuation model considers the present value of the net cash flows expected to be generated from the natural plantation management activities over a full cycle of 13 years.

Since management was able to provide reliable cash flow estimates, the group utilized the Income Approach, specifically the Discounted Cash Flow (DCF) Method for determine the fair value of the biological assets. The DCF Method is a commonly used method for valuing biological assets based on its expected future cash flows. The following significant assumption were adopted by the group to determine the fair value of the reforestation assets:

Price assumptions: The price assumptions are split by the different qualities of wood being energy wood, poles, value wood and wood laminates. All prices used are based on current traded prices and indexed by the currently applicable and expected inflation rates in Paraguay.

Harvesting cycle: The revenue at each point of harvest is calculated by the number of trees harvested and the respective revenue for the specific wood class in accordance to the maturity of the harvested trees.

Harvest costs: The costs of harvesting are assumed to be 10%

Discount rate: In determining the pre tax weighted average cost of capital (WACC) a group rate of 13.33 % (2021: not applicable) has been applied considering the following inputs:

WACC for Framing / Agriculture US	9.07%
WACC for Paper / Forest Products US	9.66%
<i>Average US Comparable Industry WACC (A)</i>	<i>9.37%</i>
Risk Free Rate Paraguay	6.72%
US Risk Free yield (30 year treasury yield)	3.63%
<i>Paraguay Risk Free Rate Adder (B)</i>	<i>3.09%</i>
Small Company Risk Premium Adder	0.88%
<i>Adjusted Paraguay Timber Rate (A + B + C)</i>	<i>13.33%</i>

Risk analysis

The Group is exposed to a number of risks relevant to its natural reforestation management activities, namely:

Operational risks: The TREECYCLE Project is subject to various operational risks. This includes, but is not limited to, force majeure events (such as fires, explosions, earthquakes, cyclones, hurricanes, floods, droughts or such other extreme weather or environmental conditions), plant diseases, climate changes, temporarily or permanently insufficient workforce, temporary or permanent unavailability of proper infrastructure, theft of machinery, equipment and/or wood as well as improper execution of logging, transport and interim storage of harvested timber. Adverse weather conditions (long periods of rain or drought) may damage the new plantings and make replanting necessary, which would result in considerable additional costs and delays in realizing planned harvests.

Market related risks: The TREECYCLE Project is subject to various market related risks. These risks include, but are not limited to, volatility of wood prices, collapse of the wood market, lack of demand for the timber produced and harvested. Demand for products might also adversely be affected by adverse economic developments such as high inflation leading to higher applicable discount rates.

Political risks: The TREECYCLE Project is subject to various political risks, including, but not limited to, political turmoil, unrest, war, hostilities, requisition, embargo, rebellion, revolution, insurrection, or military or usurped power or civil war.

Legal and regulatory risks: The TREECYCLE Project is subject to various legal and regulatory risks, including, but not limited to, the change or different interpretation of laws and regulations concerning land ownership, forestation, environmental protection and timber trade.

Sensitivity analysis

Assuming all other unobservable inputs are held constant, the following changes in these below assumptions will cause a change in the fair value of the biological assets. The below sensitivity analysis shows how the present value of the discounted cash flows would be affected if the key sensitivity parameters were used to determine discounted cash flows. An increase by the same percentage would have the opposite effect on the valuation.

		<i>Change in fair value</i>
Sales price of harvested wood	-20.00%	-1'660'274
Harvest Costs	50.00%	-1'302'837
Delay in harvesting cycle	2 years	-1'719'987
Loss in harvested volume	-30.00%	-1'979'069
Increase in industry WACC	50.00%	-2'160'721
Country adder to Risk Free Rate	50.00%	-1'520'953

Additionally, management is observing relevant scenario analysis which depart from the applied management base case scenario. Such deviation would have the following effect on the fair value of the biological assets.

	Prices	Costs	Change in fair value
Passimistic Scenario	50%	25%	-3'306'520
Management Scenario	0%	0%	0
Optimistic Scenario	50%	-25%	1'473'066

17. PROPERTY PLANT AND EQUIPMENT

	Land CHF	Equipment CHF	Total CHF
Cost			
1 January 2021	100'076	12'641	112'717
Additions	167'032	0	167'032
Disposals	0	0	0
31 December 2021	267'108	12'641	279'749
Accumulated depreciation			
1 January	0	0	0
Additions	0	0	0
Disposals	0	-2'528	-2'528
31 December 2021	0	-2'528	-2'528
Cost			
1 January 2022	267'108	12'641	279'749
Additions	556'284	4'899	561'183
Disposals	0	0	0
31 December 2022	823'392	17'540	840'932
Accumulated depreciation			
1 January	0	-2'528	-2'528
Additions	0	0	0
Disposals	0	-3'003	-3'003
31 December 2022	0	-5'531	-5'531
Carrying amount 31 December 2022	823'392	12'009	835'401

Land includes all land acquired in Paraguay for conducting subsequent reforestation. The land has an indefinite useful life subject to impairment which was nil in 2022 (2021: nil). Equipment consists of minor office equipment and IT Hardware. Which is linearly depreciated over the useful life of 5 years.

18. TRADE AND OTHER PAYABLES

	31.12.2020 CHF	31.12.2021 CHF	31.12.2022 CHF
Accounts payables suppliers and administration	106'894	75'887	291'659
Accounts payables social security	33'933	30'402	23'634
Total	140'827	106'289	315'293

Accounts payable as per 31 December 2022 contain a CHF 150'000 deferred payment obligation for the acquisition of a land in Paraguay (2021: nil).

19. FINANCIAL LIABILITIES

	31.12.2020	31.12.2021	31.12.2022
	CHF	CHF	CHF
Long term interest bearing liabilities	196'130	121'640	88'737
Long term non interest bearing liabilities	0	0	100'000
COVID-19 Loan	486'174	496'600	465'741
Total	682'304	618'240	654'478
Thereof subordinated	486'174	496'600	565'741

The long-term interest bearing loans consist of two loans to initial suppliers of the Company, whereby one is related to a previous business line the Company was venturing into but has been fully repaid over 2021 and 2022. The other loan refers to the provider of key technical solutions with an interest of 11% and is due for repayment on 31 December 2024.

The CEO of the company has signed a subordination on CHF 100'000 on his accrued non-interest bearing compensation for work rendered in the past. The amount remains restricted from being repaid for the duration of the subordination.

In April 2020 the Company applied for and received a state arranged long-term bank overdraft in the amount of CHF 0.5 Million to support during the hazards of COVID-19. The facility was granted through a Swiss Bank and backed by an indirect state guarantee whereby the commercial terms are determined through the respective state ordinance allowing for an interest free-period of three years followed by a 1.5% p.a. interest rate until maturity of initially 5 years and subsequently extended to 7 years with early repayment right. In May 2022, the issuing bank passed the loan to the state guarantee institution, whereby the state ordinance allows the bank to do so on an informal conduct with unchanged commercial terms. By article 24 of said state ordinance, loans COVID-loans are disregarded for the purpose of determining any potential capital loss or overindebtedness according to Art 725 CO.

20. SHARE CAPITAL

The Balance as at 31 December 2022 comprises 10'000'000 common shares (prior year: 10'000'000) at CHF 0.01 par value per share. There are no potential shares in the form of permissioned capital or any form of conversion rights outstanding.

21. PERPETUAL INSTRUMENTS

	2021		2022	
	TREE	CHF	TREE	CHF
Issued TREE Token 1 January	484'331	9'603'969	549'188	10'978'859
Annual Issuance	64'857	1'374'890	81'066	1'766'437
Issued TREE Token 31 December	549'188	10'978'859	630'254	12'745'296

The Perpetual Instruments are substantially a Subordinated Perpetual Participatory Bond which is represented by the issuance of maximum 9'430'000 TREE Token. The funds are used to cover the comprehensive costs and expenses of the TREECYCLE Project, which comprises of the acquisition of land in Paraguay, the afforestation of said land and the sale of harvested wood in different forms to local wood markets. The TREECYCLE Project includes the acquisition of about 10,000 hectares of land and the planting of about 10 million trees. As per the terms of the TREE Token, the Group will distribute 40% of net operating cash flow to Tokenholders, reinvest 50% of net operating cash flow back into the TREECYCLE Project and use 10% of net operating cash flow to support projects for the protection of jungle and natural forests as well as social projects designated by the Issuer's Board of Directors.

The TREE Token neither gives any right of regular payments in the form of fixed interest nor for a repayment. Due to the nature of the TREECYCLE Project net operating cash flows will be generated only if and when the afforestation and the sale of harvested wood can be successfully completed. Such is subject to, and conditional upon, a successful afforestation and distribution of harvested wood. Since the issuer has no contractual obligation for interest payments, a repayment may only arise upon the liquidation of the company and the returns are dependent on the performance of the assets which factually stipulates the profile of an Equity investment.

The TREE Token is governed by a securities offering prospectus, that is prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC in connection with Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. The prospectus is to be approved by the Liechtenstein Financial Market Authority.

22. OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

As part of the terms to the TREE Token, the issuer has the contingent obligation to distribute 40% of net operating cash flow to holders of the TREE Token. Neither in 2022 nor 2021, there was a positive net operating cash flow.

The Company outsourced the comprehensive handling of the land preparation, the plantation and the harvesting to La Rivera. Subject to successful harvesting and distribution of the harvested wood, the Company has a contractual obligation to pay 18.75% of the revenue to La Rivera as a success fee. The obligation arises if and when the Company realized income from the sale of wood.

23. SEGMENT REPORTING

In the reporting periods 2021 and 2022, the strategy of the Group continued to be concentrated on the development of the TREECYCLE project as one comprehensive line of business under direct decision making by and reporting to the Board of Directors with no further segmentation. The TREECYCLE project consists 1) of the issuance of perpetual instruments basically in the form of the TREE Token, 2) the acquisitions of land and its afforestation in Paraguay and 3) the distribution of respective profit shares to Tokenholders. Consequently, the consolidated statement of profit and loss as well as the consolidated statement on comprehensive income is identical to the income statement for the sole operating segment. Likewise the assets and liabilities for the sole operating segment are identical as reported in the consolidated statement on financial positions.

Geographic information

The Group is operationally active in Switzerland and Paraguay, whereby the GTP SA only owns the land with all other assets and liabilities owned by the Company. Except for immaterial costs at GTP SA all revenues and costs are incurred by the Company. Likewise, all funding through issuance of the perpetual instrument is arranged and incurred by the Company in Switzerland.

Geographic allocation of assets - 31 December 2021	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Reforestation Assets	0	0	0
Ready to use land	267'108	0	267'108
Office Equipment and furnishing	0	10'113	10'113
Total	267'108	10'113	277'221

Geographic allocation of liabilities - 31 December 2021	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Accounts payable	0	111'619	111'619
Accrued income	0	86'230	86'230
Tax payable	0	19'170	19'170
Deferred tax liabilities	0	0	0
Long term financial liabilities	0	849'286	849'286
Total	0	1'066'305	1'066'305

Perpetual Instrument	0	10'978'859	10'978'859
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Geographic allocation Statement of Profit and Loss 2021	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Gain/(loss) from changes in fair value from biological assets	0	0	0
Operating expense	-257	-1'001'093	-1'001'350
Depreciation, amortization and impairment	0	-2'527	-2'527
Financial Expense net	0	-16'230	-16'230
Taxation	0	-19'684	-19'684
Net Profit (+) / Loss (-)	-257	-1'039'534	-1'039'791

Geographic allocation of assets - 31 December 2022	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Reforestation Assets	0	3'476'573	3'476'573
Ready to use land	673'392	0	673'392
Office Equipment and furnishing	0	12'009	12'009
Total	673'392	3'488'582	4'161'974

Geographic allocation of liabilities - 31 December 2022	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Accounts payable	11'359	677'285	688'644
Accrued income	0	0	0
Tax payable	0	80'370	80'370
Deferred tax liabilities	0	392'803	392'803
Long term financial liabilities	0	654'478	654'478
Total	11'359	1'804'936	1'816'295

Perpetual Instrument	0	12'745'296	12'745'296
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Geographic allocation Statement of Profit and Loss 2022	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Gain/(loss) from changes in fair value of reforestation assets	0	3'219'695	3'219'695
Operating expense	-10'572	-1'260'608	-1'271'180
Depreciation, amortization and impairment	0	-3'002	-3'002
Financial Expense net	0	-162'266	-162'266
Taxation	0	-454'389	-454'389
Net Profit (+) / Loss (-)	-10'572	1'339'430	1'328'858

Reforestation Assets are legally owned by the Swiss Company but physically planted in Paraguay.

24. RELATED PARTY TRANSACTIONS

Transactions between the company and the subsidiary, which is a related party, have been eliminated in consolidation.

Parent and ultimate controlling party

Shareholder - 31 December 2021	Beneficiary	Shares	Percent
Markus Siegfried Oeser, Pilsach (Deutschland)	MS Oeser	1'700'000	17.00%
Markus Moye, Aue (Deutschland)	Markus Moye	1'660'000	16.60%
Jens Richard Nocke, Chemnitz (Deutschland)	JR Nocke	1'660'000	16.60%
Alf Schröter, Cottbus (Deutschland)	Alf Schröter	1'660'000	16.60%
Jörg Schäfer, Risch (Schweiz)	Jörg Schäfer	1'660'000	16.60%
Proindex Capital AG, Wülfershause (Deutschland)	Andreas Jelinek	1'660'000	16.60%
Total		10'000'000	100.00%

As part of a separation from the shareholders Markus Siegfried Oeser, Markus Moye and Jens Richard Nocke a total amount of 5'020'000 ordinary shares have been acquired for a conclusive consideration of the nominal amount per share by Harmonia Beratungs AG and MC Freedom Holding GmbH.

Shareholder - 31 December 2022	Beneficiary	Shares	Percent
Harmonia Beratungs AG, Buchs (Switzerland)	Alf Schröter	2'550'000	25.50%
MC Freedom Holding GmbH, Hünenberg (Switzerland)	Jörg Schäfer	2'930'000	29.30%
Alf Schröter, Cottbus (Deutschland)	Alf Schröter	1'660'000	16.60%
Jörg Schäfer, Risch (Schweiz)	Jörg Schäfer	1'660'000	16.60%
Proindex Capital AG, Wülfershause (Deutschland)	Andreas Jelinek	1'200'000	12.00%
Total		10'000'000	100.00%

Key management compensation

Members of the Board of Directors are all directly or indirectly shareholders of the Company and are currently not compensated for the performance of their duties. Except for one executive, management members are currently not compensated in cash. The highest compensation paid was CHF 256'288 (prior year CHF 256'288).

The Company plans to compensate Board members and selected members of the management with bonus payments if certain thresholds in the fund raising through the issuance of the TREE Token are reached or exceeded. As per the 31 December 2022, the Company has not entered into any legally binding agreements in that regard.

Grupo Empresarial La Rivera S.A

La Rivera is a sister company under factual common control to the Company by same ultimate beneficial owners. The Company entered an afforestation agreement, that outsources all of the operational execution of the land preparation, the plantation, the maintenance, the harvesting and the distribution of harvested wood to La Rivera. The agreement has a fixed term until 31 December 2041 with automatic one year extension on a three month prior notice period. The agreement obliges the Company to pay advance annual lump-sum amounts per hectar depending on the stage of the afforestation. During the estimated period of two years for land preparation and the plantation, the amounts are between PYG 25'000'000 (approx. CHF 3'700) and PYG 7'500'000 (approx. CHF 1'000) per hectar. During the growth period, the amount reduces to PYG 1'250'000 (approx. CHF 187) per hectar. La Rivera has a right of a 18.75% performance compensation on net revenues from the disposal of harvested wood. All payments are denominated in PYG.

GTP SA, Paraguay

To finance the acquisition of land by GTP SA Paraguay, the Company grants GTP Paraguay collateralized loans at an interest rate of 8.5%. In return, GTP SA entered a land use agreement with the company that permits the Company to use the land for conducting the afforestation on its own expense. The land use agreement is valid for 25 years with three times extension option for further five years. The annual fee payable for the use of the land is staged by years and increases from initially CHF 275/hectar to CHF 444/hectar after the initial term. It may subsequently increase to a maximum of CHF 597/hectar.

25. EARNINGS PER SHARES

	2021	2022
Outstanding shares	10'000'000	10'000'000
Net profit / (loss) for the year	-1'039'791	1'668'018
Earning per Share	-0.10	0.13

Since neither any dividend has been paid out to shareholders nor any dividend is proposed to be distributed for the financial year 2022, Dividend per Share is nil (2021; nil).

26. USE OF FAIR VALUE AND FAIR VALUE HIERACHY

As per 1 January 2021 and 31. December 2021 no assets or liabilities were measured at fair value. As per 31 December 2022, biological assets in the form of afforested trees were measured at fair value. The fair value was determined under Level 3 by using an internally generated, income based, discounted cash flow model.

27. EVENTS AFTER BALANCE SHEET DATE

No events after the Balance Sheet date have come to the attention of the Board.

28. APPROVAL

These financial statements were approved by the Board of Directors and authorized for issue 29 September 2023.

Annex III
(Unaudited) Financial Statements Global TREE Project AG for the period 01 – 06/2023

Global TREE Project AG
Consolidated interim statement of profit and loss

	Notes	HY 1 / 2022	HY 1 / 2023
		unaudited	unaudited
		CHF	CHF
Gain/(loss) from changes in fair value of reforestation assets	4	0	1'001'286
Reforestation maintenance		-31'541	-66'714
Corporate Development		-210'109	-307'215
Personnel Expenses		-217'430	-189'051
Marketing		-98'402	-167'560
Administration		-62'998	-48'018
Other		17'218	10'713
Operating Profit (+) / Loss (-)		-586'044	233'441
Depreciation, amortization and impairment		-1'502	-1'501
Operating Profit (+) / Loss (-)		-587'546	231'940
Financial Expense net		-53'876	-30'071
Profit (+) / Loss (-) before tax		-641'422	201'869
Income tax		-23'385	-387
Deferred Tax		0	-122'157
Net Profit (+) / Loss (-)		-641'422	79'712
Earnings per share		-0.06	0.01
Attributable to:			
Equity owners of Global TREE Project AG		-641'422	79'712

To the extent of a positive Net Operating Cash Flow, net profits are attributable to the holders of the Perpetual Instruments in the amount of 40% of Net Operating Cash Flow. The remainder shall be either reinvested (50%) or dedicated to philanthropy in

GlobalTREE Project AG
Consolidated interim statement of comprehensive income

	HY 1 / 2022	HY 1 / 2023
	unaudited	unaudited
	CHF	CHF
Net Profit (+) / Loss (-)	-641'422	79'712
Items that may subsequently be reclassified to profit and loss		
Other comprehensive income for the period net of tax		
Translation Difference (OCI)	2'425	-95
Total comprehensive income for the period	-638'997	79'617
Earnings per share	-0.06	0.01
Attributable to:		
Equity owners of Global TREE Project AG	-638'997	79'617

To the extent of a positive Net Operating Cash Flow, total comprehensive income is attributable to the holders of the Perpetual Instruments in the amount of 40% of Net Operating Cash Flow. The remainder shall be either reinvested (50%) or dedicated to philanthropy in Paraguay.

Global TREE Project AG
Consolidated interim statement of financial position

	Notes	31.12.2022	30.06.2023
		audited	unaudited
		CHF	CHF
ASSETS			
Cash and Cash Equivalents		158'300	38'457
Short term receivables (third party)		3'026	3'027
Short term receivables (related party)		6'200	0
Crypto Assets held for sale		25'950	59'727
Tax receivables		39'099	40'499
Prepaid expenses		0	66'714
Total current assets		232'575	208'424
Reforestation Assets	4	3'476'573	4'557'361
Property Plant and Equipment		835'401	849'764
Total non-current assets		4'311'974	5'407'125
TOTAL ASSETS		4'544'549	5'615'549
LIABILITIES			
Accounts payable (third party)		315'293	262'348
Accounts payable (related party)		373'351	497'820
Tax payable		80'370	80'370
Short-term liabilities		769'014	840'538
Deferred Tax Liability		392'803	555'998
Long term financial liabilities (third party)		554'478	558'277
Long term financial liabilities (related party)		100'000	100'000
Long-term liabilities		1'047'281	1'214'275
Share Capital		100'000	100'000
Perpetual Instrument	5	12'745'296	13'498'744
Exchange Difference		-8'460	-8'555
Retained Earnings		-11'437'440	-10'108'684
Profit (+) / loss (-)		1'328'858	79'231
Total Equity		2'728'254	3'560'735
TOTAL LIABILITIES		4'544'549	5'615'549

GlobalTREE Project AG
Consolidated interim statement of changes in equity

2021 (all figures in CHF)	Share capital	Perpetual Instruments	Other reserves	Accumulated losses	Total
Balance 1 January 2022	100'000	10'978'859	-5'609	-11'439'222	-365'972
Sale Perpetual Instruments	0	767'180		0	767'180
Loss for the period	0	0	0	-679'600	-679'600
Other comprehensive income					
currency translation difference	0	0	2'425	-954	1'471
Balance 30 June 2022	100'000	11'746'039	-3'184	-12'119'776	-276'921

2022 (all figures in CHF)	Share capital	Perpetual Instruments	Other reserves	Accumulated losses	Total
Balance January 01, 2023	100'000	12'745'296	-8'460	-10'108'582	2'728'254
Sale Perpetual Instruments	0	753'448	0	0	753'448
Comprehensive income					
Loss for the period	0	0	0	79'230	79'230
Other comprehensive income					
currency translation difference	0	0	-95	-102	-197
Balance 31 June 2023	100'000	13'498'744	-8'555	-10'029'454	3'560'735

Global TREE Project AG
Consolidated interim statement of cash flows

	HY 1 / 2022	HY 1 / 2023
	unaudited	unaudited
	CHF	CHF
OPERATING ACTIVITIES		
Net Profit	-682'025	79'325
Depreciation	-1'502	-1'502
Gain/(loss) from changes in fair value of reforestation assets	0	-1'001'286
Taxation	-31'398	123'744
Change in net working capital	261'906	9'681
Cash flow from operating activities	-453'018	-790'038
INVESTING ACTIVITIES		
Purchase of property, plant equipment	-4'899	0
Purchase of Reforestation Assets	-192'659	-119'253
Cash flow from investing activities	-197'558	-119'253
FINANCING ACTIVITIES		
Sale of Perpetual Instruments in FIAT Currency	764'447	785'698
Sale of Perpetual Instruments in Crypto Assets	2'733	250
Repayment of Loan	-6'278	3'800
Cash flow from financing activities	760'902	789'748
Net change in cash and cash equivalents	110'326	-119'543
CASH FLOW RECONCILIATION		
Net cash 1 January	160'460	158'150
Net change in cash and cash equivalents	110'326	-119'543
Exchange gains / losses on cash and cash equivalents	1'034	-150
Net cash 31 December	271'820	38'457

Global TREE Project AG

Notes to the interim condensed consolidated financial statements

1. GENERAL INFORMATION

Global TREE Project AG, referred as (the “Company”) is a joint stock company incorporated under Swiss laws (CHE-326.153.517). The registered office address is Rothusstrasse 23, 6331 Hünenberg, Switzerland. Global TREE Project AG consists of the Company and its fully controlled subsidiary GTP SA RUC No. 80101522 DV 7, with registered office at Gregorio Benitez Y Coronel Oviedo, Villarrica, Paraguay, referred as (“GTP SA”). The group of consolidated entities controlled by the company is referred as (the “Group”).

The principal activity of the Company is the advancement, planning and realization of ecologically sustainable projects. The current main activity is to arrange for funding for the purchase of land in Paraguay and to conduct extensive reforestation. The company is funding its activities through issuance of a Subordinated Perpetual Participatory Bond, whereby investors are being participated on any realized profits from harvesting of the trees. All operational, agricultural work is performed by the sister company Grupo Empresarial La Rivera S.A., RUC 80064655/HR 1103, Coronel Oviedo e/ Gregorio Benitez, Villarrica, Paraguay, referred as (“La Rivera”). La Rivera is consequently an important related party to the Group.

2. BASIS OF PRESENTATION, CONSOLIDATION AND GENERAL ACCOUNTING POLICIES

Bases of presentation

The unaudited interim condensed financial statements of the Group (hereinafter „interim financial statements”) for the six months 1 January 2023 to 30 June 2023 (prior year 1 January 2022 to 30 June 2022), later referred as “HY 1 / 2022” “HY 1 / 2023”, and have been prepared in accordance with IAS 34 Interim Financial Reporting and were authorized for issue by the Board of Directors on 10 November 2023. The interim financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2022. They mainly focus on new activities, events and circumstances and do not duplicate information previously reported. The reporting currency is Swiss Francs (CHF). All numbers are presented in CHF.

Significant accounting judgments, estimates and assumptions

The preparation of the interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses during the reporting period. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions made by management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those described in the last annual financial statements.

General accounting policies

These interim financial statements have been prepared according to the same accounting policies as those followed for the Company's annual financial statements 2022 as described therein in Section 4.

New or revised IFRS standards, amendments and interpretations

Certain IFRS standards and interpretations were revised or amended, effective on or after 1 January 2023. None of these changes are relevant for the Company.

3. GOING CONCERN STATEMENT

The Company's financial statements are continued to be prepared on a going concern basis.

Without the need to substantially impact the implementation of the TREECYCLE project by ways of reducing the operational activity and or triggering the liquidation of land, the Company continues to be dependent and is relying on cash proceeds from the sale of TREE Token. The respective expected cash inflows remain a material uncertainty with regard to its timing and amount. The Company filed for approval of the public offering prospectus with the Financial Market Authority in the Principality of Liechtenstein and expects its permission for the distribution of the TREE Token in the form of a participatory perpetual bond latest by end November 2023.

To assure going concern for 12 months from the date those interim financial statements have been approved, the Board concludes to have effective measures at hand which can be escalated in stages, should the sale of TREE Token fail to meet management expectation. In a first layer, variable costs would be reduced and in second stage, existing land would be sold and placed to direct investors via the sister company in Paraguay. The Board therefore concluded, that despite the negative equity, the absence of running revenue from harvesting trees and selling wood until first harvest in 2027, and material uncertainties with regard to the timing and amount of future token sales, there are sufficient readily available, effective measures to secure going concern.

4. REFORESTRATION ASSETS

The Group started initial plantations according to the TREECYCLE project in the second half year of 2022 on 130 ha followed by additional 43 ha planted in the first half year of 2023. The reforestation assets continued to be accounted for at fair value using the same internally generated, cash flow based valuation model used for the Financial Statements as per 31 December 2022. The main assumptions as disclosed in Note 16 to the Financial Statements as per 31 December 2022 have consistently been applied.

The fair value of reforestation assets changed as follows in first half-year 2023:

	HY 1 / 2022	HY 1 / 2022
	CHF	CHF
Change in grown wood mass	0	222'644
Additional reforestation	0	1'264'700
Change in harvest cycle	0	-400'636
Currency differences	0	-5'920
Total	0	1'080'788

Change in grown wood mass: The change in grown wood mass represents the continued growth of the 160'000 trees that have been planted by 31 December 2022.

Additional reforestation: In first half year 2023 the Group planted 76'000 trees to achieve a total of 236'000 trees planted by 30 June 2023 with a respective increase in fair value of CHF 1'264'700 (PY: zero)

Change in harvest cycle: Of the 173 ha planted as per 30 June 2023 (PY: zero) 131 ha are planed in accordance with the ordinary TREECYCLE business case allowing for a maximum of 1'000 trees per hectar. 42 hectar were planted to represent the worlds largest logo displaying the brand of TREECYCLE. Those hectares were planted on an increased desity of maximum 2'500 trees per hectar. Due to the much higher initial density at plantation, the standard harvest cycle was adjusted on the hectares used for the Logo to reflect the requirement to harvest substantially more trees upon first harvest after 6 years of plantation and to readjust to the base case towards final harvest. This lead to a negative effect due to change of harvest cycle in the amount of CHF – 400'636 (PY: zero)

	31 December 2022		30 June 2023	
	TREECYCLE	LOGO	TREECYCLE	LOGO
Hectars	104	26	131	42
First havest - year 6 after platation	50%	50%	50%	70%
Second havest - year 9 after platation	31%	31%	31%	15%
Final harvest havest - year 6 after platation	19%	19%	19%	15%

5. PERPETUAL INSTRUMENTS

	2022		2023	
	TREE	CHF	TREE	CHF
Issued TREE Token 1 January	549'188	10'978'859	630'254	12'745'296
Half-year Issuance	36'567	767'180	38'406	803'460
Issued TREE Token 30 June	549'188	11'746'039	668'660	13'548'756

The Perpetual Instruments are substantially a Subordinated Perpetual Participatory Bond which is represented by the issuance of maximum 9'430'000 TREE Token. The funds are used to cover the comprehensive costs and expenses of the TREECYCLE Project, which comprises of the acquisition of land in Paraguay, the afforestation of said land and the sale of harvested wood in different forms to local wood markets. The TREECYCLE Project includes the acquisition of about 10,000 hectares of land and the planting of about 10 million trees. As per the terms of the TREE Token, the Group will distribute 40% of net operating cash flow to Tokenholders, reinvest 50% of net operating cash flow back into the TREECYCLE Project and use 10% of net operating cash flow to support projects for the protection of jungle and natural forests as well as social projects designated by the Issuer's Board of Directors.

The TREE Token neither gives any right of regular payments in the form of fixed interest nor for a repayment. Due to the nature of the TREECYCLE Project net operating cash flows will be generated only if and when the afforestation and the sale of harvested wood can be successfully completed. Such is subject to, and conditional upon, a successful afforestation and distribution of harvested wood. Since the issuer has no contractual obligation for interest payments, a repayment may only arise upon the liquidation of the company and the returns are dependent on the performance of the assets which factually stipulates the profile of an Equity investment.

The TREE Token is governed by a securities offering prospectus, that is prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC in connection with Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. The prospectus is to be approved by the Liechtenstein Financial Market Authority.

6. FINANCIAL INFORMATION BY SEGMENTS

In the reporting periods for the first half year 2022 and 2023, the strategy of the Group continued to be concentrated on the development of the TREECYCLE project as one comprehensive line of business under direct decision making by and reporting to the Board of Directors with no further segmentation. The TREECYCLE project consists 1) of the issuance of perpetual instruments basically in the form of the TREE Token, 2) the acquisitions of land and its afforestation in Paraguay and 3) the distribution of respective profit shares to Tokenholders. Consequently, the consolidated statement of profit and loss as well as the consolidated statement on comprehensive income is identical to the income statement for the sole operating segment. Likewise the assets and liabilities for the sole operating segment are identical as reported in the consolidated statement on financial positions.

Geographic information

Geographic allocation of assets - 30 June 2022	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Reforestation Assets	0	192'659	192'659
Ready to use land	281'273	0	281'273
Office Equipment and furnishing	0	0	0
Total	281'273	192'659	473'932

Geographic allocation of liabilities - 30 June 2022	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Accounts payable	0	513'860	513'860
Tax payable	0	42'170	42'170
Long term financial liabilities	0	556'016	556'016
Total	0	1'112'046	1'112'046

Perpetual Instrument	0	11'746'039	11'746'039
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Geographic allocation Statement of Profit and Loss first half year 2022	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Operating expense	0	-603'262	-603'262
Depreciation, amortization and impairment	0	-1'502	-1'502
Financial Expense net	0	-53'876	-53'876
Taxation	0	-23'385	-23'385
Net Profit (+) / Loss (-)	0	-682'025	-682'025

Geographic allocation of assets - 30 June 2023	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Reforestation Assets	0	4'557'361	4'557'361
Ready to use land	839'258	0	839'258
Office Equipment and furnishing	0	10'506	10'506
Total	839'258	4'567'867	5'407'125

Geographic allocation of liabilities - 30 June 2023	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Accounts payable	10'998	749'170	760'168
Tax payable	0	80'370	80'370
Deferred tax liabilities	0	555'998	555'998
Long term financial liabilities	0	658'277	658'277
Total	10'998	2'043'815	2'054'813

Perpetual Instrument	0	13'498'744	13'498'744
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Geographic allocation Statement of Profit and Loss first half year 2023	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Gain/(loss) from changes in fair value of reforestation assets	0	1'001'286	1'001'286
Operating expense	0	-767'845	-767'845
Depreciation, amortization and impairment	0	-1'501	-1'501
Financial Expense net	0	-30'071	-30'071
Taxation	0	-122'544	-122'544
Net Profit (+) / Loss (-)	0	79'325	79'325

7. EVENTS AFTER BALANCE SHEET DATE

There are no ewportable events after the balance sheet date.

8. APPROVAL

The Interim Financial Statements as per 30 June 2023 have been approved for release on 10 November 2023.