



# CTS - Israel's First Industrial Carbon Removal Supply Platform

Investor One-Pager | Phase I CDR Supply Node Financing

<b>25M t</b> durable CDR purchased in 2025	<b>&lt;1M t</b> durable CDR credits issued to date	<b>~18,900 tCO<sub>2</sub>e/yr</b> Phase I gross CDR capacity	<b>\$1.6M</b> Seed / Phase I platform financing
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## Investment Thesis

CTS is building Israel's first industrial-scale **carbon removal supply platform**: an integrated biochar CDR model that converts woody agricultural and municipal residues into documented agricultural deployment and verified durable CDR supply. **The first facility is the first CDR supply node, not a standalone plant investment.**

Platform value is created across feedstock origination, industrial conversion, MRV, certification readiness, carbon rights, deployment corridors and commercialization.

## Market Pull - Durable CDR Supply Shortage

Durable CDR purchases accelerated from **~8M tonnes in 2024 to ~25M tonnes in 2025**, while fewer than **1M tonnes** of durable CDR credits have been issued to date. **The investable bottleneck is verified, deliverable supply - not demand creation.**

## Phase I: First Repeatable CDR Supply Node

Phase I validates the full supply chain: eligible feedstock -> pyrolysis -> stable biochar -> documented soil application -> registry-aligned MRV -> CDR issuance and sale. **The initial asset is designed for up to ~18,900 gross tCO<sub>2</sub>e/year**, subject to production, application, documentation, LCA, registry review and audit.

## Granot Beachhead & Local Scale Path

Granot provides field access, agronomic validation and end-use documentation. Phase I targets **~1,000 dunams** of avocado orchards, creating first-year demand for **~6,000t biochar** and **~16,200 gross tCO<sub>2</sub>e** of deployment potential.

Granot's **~35,000 dunams** represent **~924k gross tCO<sub>2</sub>e** over a five-year treatment cycle; the Israeli avocado sector (**~155,000 dunams**) represents **~4.09M gross tCO<sub>2</sub>e** of potential deployment demand.

## CDR Scale Logic

Application model: Year 1 at 100% (6.0t/dunam), Year 2 at 33% (1.98t), Years 3-5 at 10% (0.6t/year). **One treated dunam = ~9.78t biochar over five years, or ~26.4 gross tCO<sub>2</sub>e.**

Dunams create deployment demand. Credits are issued only after biochar is produced, applied, documented and certified.

## Commercial Model & Phase I Revenue Potential

Credit strategy: pre-contract up to 50% through advance purchase / offtake at a 25% discount; sell remaining volume post-delivery. Using a **\$140-160/tCO<sub>2</sub>e** target range, indicative annual gross credit revenue potential is **~\$2.48M** before net deductions and longer-term biochar product upside.

**Revenue logic:** CDR funds the entry; biochar product value can become the recurring commercial anchor after adoption.

## Use of Funds & Financing Logic

**\$1.6M funds the first repeatable CDR supply node:** equipment and site setup; MRV/certification stack; feedstock and deployment contracts; carbon-rights structure; buyer materials, pre-contracting and post-delivery commercialization.

Investor capital builds the first verified supply node and reusable platform infrastructure - not indefinite operating burn.

## Why the Risk Is Calculated

Phase I does not need to prove biochar exists. It needs to convert gross CDR potential into net issuable credits through eligible biomass, stable biochar, traceable field application, LCA, registry alignment, third-party validation and buyer contracting. **Risk is staged: execution, certification, contracting and pace of replication.**

## Summary

CTS is building the supply layer for durable carbon removal in Israel. Granot is the beachhead; Israel's avocado sector provides the first local scale path; Phase I proves the supply-chain playbook for repeatable verified biochar CDR.

**Sources:** Reuters citing CDR.fyi / Isometric market data; Reuters Google-Varaha biochar CDR deal; WSJ/OPIS Swiss Re-Carbonfuture biochar offtake; Beston specifications; Joseph et al. 2020 avocado biochar study.

**Important caveat:** Forward-looking projections describe gross CDR potential and deployment demand. Net issued credits depend on feedstock eligibility, LCA, operational emissions, registry methodology, audit outcomes, delivery documentation, buyer terms and market pricing.