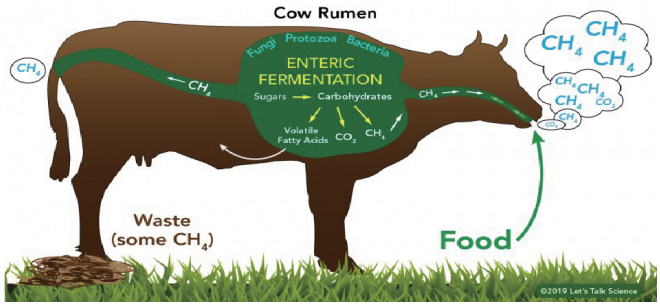
Asparagopsis Act



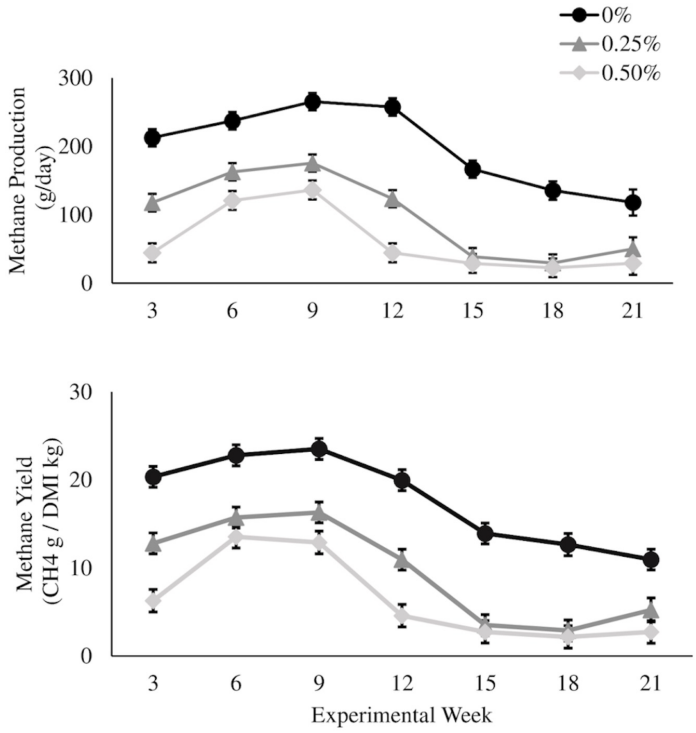
Investment Thesis

Provide an innovative opportunity for investors to build up the asparagopsis livestock feed industry. The Asparagopsis Act model improved traditional meat production with the solution to reduce greenhouse gas emissions in the livestock market, and provided asparagopsis farmers opportunities with farm ownership loans.

"Cattle are the No. 1 agricultural source of greenhouse gases worldwide. Each year, a single cow will belch about 220 pounds of methane." - Mitloehner, professor and air quality specialist (UC Davis)

Problem Statement & Opportunity

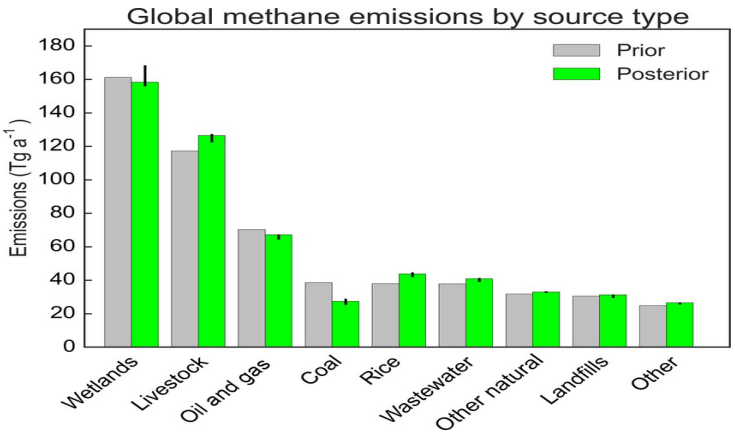
Cows burps methane gas, causing climate change. The 'enteric fermentation' describes the process in which cows eat grass and make methane gas. Livestock agriculture and fast food production face the challenge of reducing greenhouse gas emissions in the supply chain. The food industry also faces the increasing need for meat, approximately growing by 5% per year. A study shows adding 10 ounces of seaweed a day to a dairy cows' feed reduced methane emissions by up to 67%.



Why is this important

- Livestock are responsible for 14.5 percent of global CO2 emission every year. However, meat production has tripled in the past 50 years. The CO2 emission from livestock will keep increasing in the future.
- Many fast food restaurants are seeking the chance to reduce CO2 emission in their supply chain. Meat production presents an opportunity for restaurants to invest in ESG market with huge reduction in greenhouse gas emissions.
- In the US, one-half of 2.1 million farms had cattles and calves. There are potentials and opportunities in improving livestocks feed with seaweed supplement.
- Investing in nature is critical for developing countries, in which annual meat production is projected to grow by 2.5-3 percent to 2030.

We present an opportunity to reduce the global CO2 emissions by investing in the seaweed livestock feed industry, and promote sustainable agricultural yields for seaweed farmers and fast food restaurants. We initially targeted the US, before scaling to other major developing countries with growing need of meat production.



Target:

Target Geography:

Due to asparagopsis can only be planted in warm areas, we decided to locate our target area in California and Florida. Though Hawaii is also a good location to plant it, we didn't take it into account due to the cost of transportation. California and Florida both have plenty of farms and a long sea coast. These areas would be perfect for our investment.

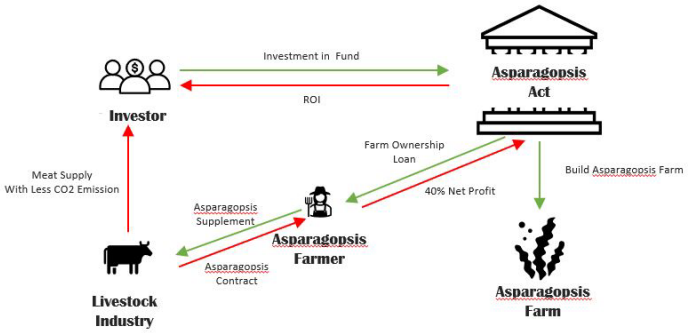
Size of Addressable market:

There are 1.7 million milk cows and more than 5 million cattles in total in CA and around 1.6 million cattles in Florida. The market is huge. If every farm use our seaweed, there would be around 50000 tons of dry seaweed consumed each day. But our target is the farm in the supply chain of food companies who have a wish of reducing carbon emission, so our target market would be relatively small but still in decent scale.

Estimate of scalability:

Due to the limit of the amount of farmers who plant seaweed, the scale of our target consumer of seaweed can't be so large now. By our estimation, around 100 tons of seaweed would be needed per day. But with time going by, the market can grow fast if our plan succeeds. Anyway, 100 tons of seaweed still means around 500 million dollars revenue each year.

Fund Structure



Loan Terms

Total Commitment	$200m target
Geography	West US
Fund Life	5year(investment period ½ year)
Target Rate	6%-8%
Origination Fee	5%

We can get our revenue from two sources. First is the seaweed growth. 1 seaweed farm is a 480 line seaweed farm which can be handled by one person. The red seaweed farms we build are supposed to have 300 ton output per year which generates total revenue of $1.9b. Since our fund provides technology and places and facilities to build the seaweed, we decide to take 40% from the total value. And with the seaweed price $13.4/kg, we can give our investor 8% percent interest rate a year with a total commitment of $200m. After paying the farmer, we can get the revenue per year for our funds to distribute to investors. Second is that we can build a contract between farmers that use the seaweed and the food sellers that have ESG requirements. Based on the revenue we get, we are able to offer a lower price than the market.

Due Diligence & Risk Management

Risk	Mitigation Strategy
Seaweed Grow: • Loss of equipment • Bad weather	• 10% of the fund capital to resolve relevant issues. • Ensure to build farms that adapt to local conditions by leveraging experts.
Policy Risk: • Some cattle may not be allowed to use seaweed. • Grow location restriction	• Develop other uses of seaweed like seaweed oil and chemical use. • Develop new types of seaweed grown on farms like inland farms or deeper in the sea. • Develop an overseas seaweed plant farm.
Technology: • Effective and healthy feeding with seaweed	• Consulting experts and keeping focus on the latest research result. • Build an experimental farm to mitigate the risk.
Commercial Risk: • Companies may not be willing to use seaweed feeding.	• Provide cost leadership strategy and promising outcome product. • Engage in partnership with different food companies which have ESG requirements.

Potential Investor

Food companies

Farm companies

Environmental or social impact thesis

Metrics to measure impact

First, the most intuitive environmental impact is the reduction of carbon emissions. By adding seaweed to the feed of the pasture, it can directly reduce the methane emissions of the cattle by 50 %, in other words, the seaweed fund could reduce 9,000 tons of methane emissions per year. and not only that, but when we farm seaweed, it also reduces CO2 for the environment.

Secondly, we believe that the seaweed fund can play a very positive role in the meat industry's green gas reduction efforts, and as more and more retail-end food companies join our overall fund program, this will in turn stimulate all of their meat supply chain companies to purchase more seaweed. It's like a corporate race, previously, companies compared operating income. In the future, companies will be comparing green gas emissions with each other. Finally, we think that when governments propose green credits or carbon trading policies, they will also further industry-wide carbon reform, which may lead to a great wealth of green credits for our seaweed fund.