



Spring Newsletter

April 5th, 2024

Hope everyone is doing well. FOTC is extremely excited about beginning our first full year of production with such great momentum. Below are a few highlights and updates.

Ten Oaks Energy Advisors is an investment banking group out of Dallas, TX whom we have recently reached an agreement to lead the Series A Round of FOTC's capital raise. The ask of \$5.25M will fully scale five vertically integrated production sites for an annual production capacity of 10M oysters. Operating at this scale with the Gulf Coast's exponential growth rates, FOTC will be one of, if not the, largest oyster producer in the United States. The Series A Round's launch means that early-stage investors will be offered an exit opportunity potentially as soon as this year. This also means that Lionel Olivier, managing partner of RIV Capital, will transition from leading the raise to Chief Financial Officer. However [RIV Capital, LP](#) will continue to offer Limited Partnership Shares and Green Bonds until the first major investor comes onboard, so feel free to participate in this round or increase your investment as we near this monumental milestone of providing seed round contributors their return on investment.

Pensacola Lease Buildout has begun by driving the pylons to mark the perimeter of the site. The pylons will be marked with the appropriate signage and marine lanterns for regulatory compliance.

Seed – the 2023 seed continues to grow experiencing beautiful cupping (pic below) and will be FOTC's first sales later in the year. Also 2024 spring seed production is commencing with the warmer temperatures in anticipation of Q4 2024 – Q1 2025 harvests. This seed will be Pensacola certified as the 2023 lot was for a value-add to the consumers. Again, something that does not currently exist in the oyster aquaculture industry. Our 2024 production goal is currently 400-500K, however that volume will increase as the capital raise allows for the purchase of additional cages and labor.

Harvest Presells – Speaking of harvests, we have begun presell conversations with major distributors. Namely Sysco, who has verbally committed to purchasing our first harvest including seed that has yet to be produced. Price point and volumes will be negotiated later this year as we provide samples and specific harvest volume estimates. FOTC is negotiating direct to consumer opportunities for lower volume/higher margin sales and is also in discussions with several other B2B buyers.

General Updates:

- **Vertical Integration** – Preliminary conversations have begun regarding potential franchising opportunities by licensing the patent-pending Micro-Hatchery IP. This will be an additional revenue channel that complements oyster sales as well as increases FOTC market share.
- **Workforce Development** – partnered with FL Sea Grant and University of West Florida Small Business Development Center to develop a FOTC-led Workforce Development Program to train techs, managers, owners, and researchers. This program will scale the industry, provide interns for FOTC farm ops, and create an additional revenue stream that supports Vertical Integration.
- **Varicon Partnership** – FOTC reached an agreement with Varicon Aqua, a UK-based algae supplement and photobioreactor manufacturer, to serve as their US Agent supplementing cashflow for 2024. Sizeable accounts are already being established.
- **Oyster South** – Josh attended the Symposium in New Orleans as a representative for Varicon. Many industry connections were made in support of Vertical Integration as well as algae sales.



- **Fresh From Florida Certification** – FOTC is now certified as Fresh from Florida in anticipation of marketing our impending harvest sales. This program is well aligned with FOTC’s mission to provide authentic, sustainably produced, local oysters for regional and national sales.



^A-Varicon Booth at Oyster South Trade Show ^B Interactive Ecosystem Services Dashboard to Quantify the Environmental Contributions to the Local Estuaries (in development) ^C- Winter Growth of Market Size 2022 Small Batch R&D Lot – FOTC will Supply Jumbo-Sized Oysters to Market ^D- Complimentary Sign provided by FL Div. of Aquaculture for becoming Fresh from Florida Certified

As always thank you all for your belief in The Florida Oyster Trading Company and our mission. Without your support we would not be sitting on the cusp of being revenue positive in year two and poised for full scale buildout. Current shareholders should receive their K1 soon. You will notice the increase in the value of your shares. This is due to FOTC’s valuation increasing from oysters in the water, seed in production, and pending large-scale investor **(exit opportunity for seed round investors)**. Please feel free to reach out to myself or Lionel if you have any questions or would just like to talk oysters.

Thank you and talk soon,

Josh