



# Business Summary

## Non-confidential

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## Business Description

**Spoitz Liquified Seaweed (SLS)** is on a **mission to build the seaweed industry** in North America by improving the areas that are severely lacking: seaweed processing and testing. SLS has designed a method to create a range of stabilized liquid and solid products for the food, agriculture, and chemical industry use. This company is fundamentally a chemical company that is designed to support both seaweed growers and buyers of seaweed-derived products. Seaweed products generated by SLS meet the most stringent manufacturing standards. We believe established primary processing strategies, including detailed product testing and evaluation, must exist for the NA industry to scale and become profitable.

Liquid seaweed extracts are potent plant biostimulants that may hold the key in reducing fertilizer requirements or requirements for conventional chemical interventions such as fungicides or pesticides in agriculture.<sup>1</sup> The inclusion of specific dried seaweeds in cattle diets is proposed as a global solution to mitigate enteric methane production.<sup>2</sup> Seaweed continues to be regarded as a valuable and sustainable source of important nutrients that improve human health and wellness.<sup>3</sup> Studies suggest bioactive compounds from seaweed have pharmaceutical applications as anti-inflammatories or anti-cancer medication.<sup>4</sup> These effects are all associated with distinct chemicals present in seaweed biomass – biomass which is cultivated primarily in the Asian Pacific (>95% global supply). Domestic cultivation of seaweed presents a strategic opportunity to ensure a reliable, high value raw material suitable for refining into myriad high value ingredients. There is clear interest within Canadian/US governments and First Nation groups to support seaweed cultivation efforts across North America (Alaska, BC, Maine, Connecticut, New Hampshire) with the explicit objective of generating these types of products. With all this interest and potential upside, **what are the roadblocks standing in the way of North American seaweed?**

SLS has met with growers, buyers, industry groups, and startups across the landscape and identified two problems:

**Problem 1: Limited primary processing options exist for seaweed growers**

**Problem 2: Limited ingredient specification/information exists for buyers**

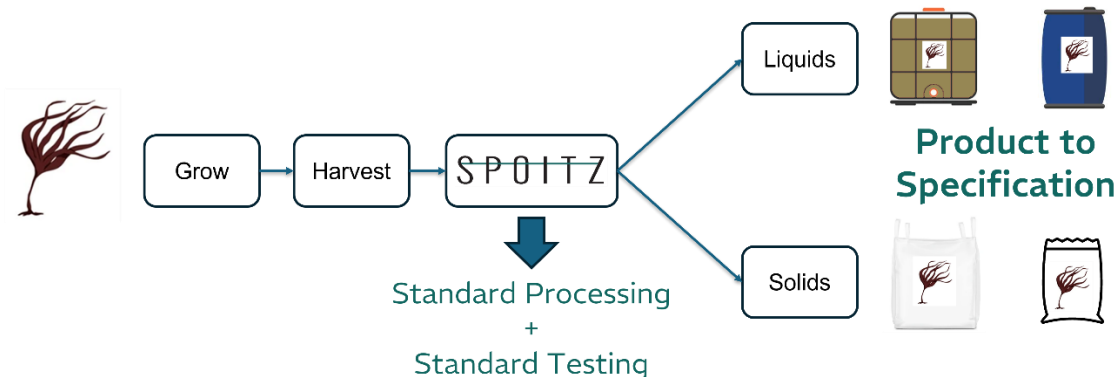


Figure 1 – Simplified Value Chain for Manufacturing and Role of Spoitz Liquified Seaweed

Modern products made from biological sources are often manufactured using several specialized partners who focus on a specific aspect of the value-add operation. It is rare for a single company to control the entire value chain and successfully achieve scale unless relying on capital intensive business practices – yet this is the approach NA seaweed startups are forced to take. Seaweed companies are burdened to develop cultivation, processing, marketing, and distribution operations

<sup>1</sup> Biostimulant Properties of Seaweed Extracts in Plants: Implications towards Sustainable Crop Production – 2021, DOI: 10.3390/plants10030531

<sup>2</sup> Key Considerations for the Use of Seaweed to Reduce Enteric Methane Emissions from Cattle – 2020, DOI: 10.3389/fvets.2020.597430

<sup>3</sup> Seaweeds as a Functional Ingredient for a Healthy Diet – 2020, DOI: 10.3390/md18060301

<sup>4</sup> An Overview of Potential Seaweed-Derived Bioactive Compounds for Pharmaceutical Applications – 2022, DOI: 10.3390/md20020141

pre-revenue, often before they can determine product/market fit. There is tremendous interest from dedicated “seaweed cultivators” to focus simply on growing seaweed, assuming there is a bulk raw material price they can expect at harvest.

SLS provides solutions to the major issues plaguing the growth of this industry – how to reliably process and test products that may have a range of applications and regulations. Our solution is a **defined process for transforming raw seaweed into a cleaned, sorted, and analyzed stable commodity suitable for domestic or international markets** – these products are suitable for further manufacturing, or in some cases direct use as-is. SLS is creating the first grading system for seaweed in NA – providing growers with an expected biomass target and price. Buyers of seaweed ingredients benefit from defined product specifications and standards to determine whether these ingredients are suitable in their operation.

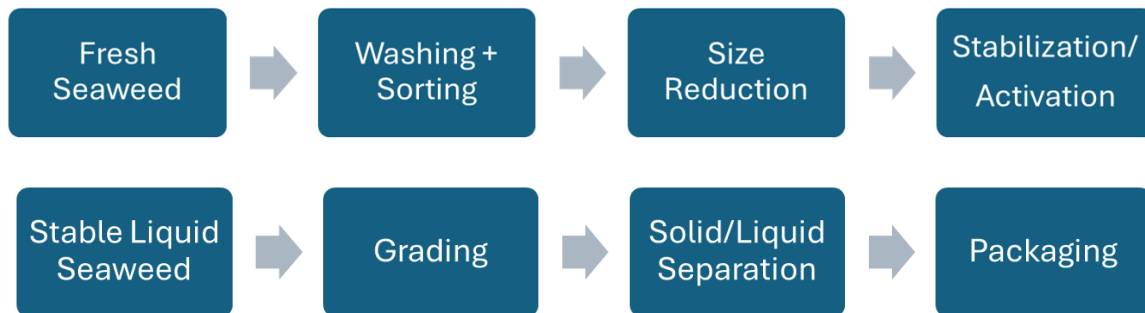


Figure 2 – Spoitz Liquified Seaweed Process

SLS uses established, emerging, and proprietary technologies to deliver unique products that leverage the natural compounds present in seaweed (Figure 2). This simplicity of the process accommodates a **range of seaweed inputs** from different suppliers, keeping costs low, and delivering a **range of ingredient outputs** for different markets. The versatility of the process design allows new technologies (more efficient process equipment, further refinements using chemical/biological methods) to be integrated seamlessly as the company scales and/or new markets are identified.

### Mission, vision, values

Our mission is to advance and support seaweed innovations because we recognize this feedstock’s potential benefits. SLS believes that seaweed represents a new high-value biological feedstock that can be grown domestically with real potential to service a global market – creating new employment opportunities, sustainable growth, and countless scientific discoveries. This impact can only be achieved through deliberate specialization and collaboration between members of the value-chain. Our mandate is to work with suppliers to ensure they get maximum value from their seaweed crop, in part due to the abilities we provide as processors and market opportunities granted by our methods. We aim to provide the users of seaweed ingredients with the highest value inputs for their applications. Valuable data and metrics generated during our business operations will improve the competitiveness of our company. We will continue to work with industry, government, and academic partners in our efforts to build North America as a central hub for premium seaweed-derived products.

### Opportunity

SLS is looking to raise seed capital to support business operations through 2025 and hit specific company milestones outlined in our comprehensive business plan. We have identified early revenue-generating opportunities that can be used to prove central hypotheses related to the business model and position ourselves for rapid growth in the following years. The drivers of growth are the high value of semi-refined chemical constituents, the growth of the North American seaweed cultivation sector and the proprietary database generated through our testing protocols. We are looking for early-stage investors to join us on this journey as we propel the seaweed industry forward.

If you are interested in learning more, we welcome the opportunity to share our full business plan.