

Technology Opportunity Review

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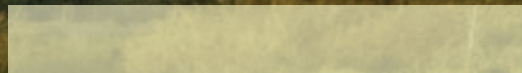
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The *Purpose*

PhytoTeq™ technologies provide
a superior sugar for you and the planet.

The Technology

- Produces a wide range of sugars and flavor compounds for fermentation or sweetening
- Utilizes IP that mirrors natural plant photosynthesis and captures carbon during the process
- Delivers huge ESG benefits through reduced water, energy use and waste production
- A significantly less expensive and more consistent, demand-driven green manufacturing process
- Focused first on the natural benefits of the ATWB Agave plant
- Positioning to meet the demands of the Agave Syrup, Agave Spirits, Tequila and High-Fructose Corn Syrup Ingredient Markets

This overview examines the potential impact of PhytoTeq™ technology on the Sweetener and Agave Spirits industries, highlighting how its implementation can drive significant market transformation.

Other potential applications of PhytoTeq™, including additional spirits using sugar for fermentation and advancements in biofuel development, are not covered in these materials but are available for further discussion and review with the company.



A bold vision for tomorrow requires a technological evolution *today*.



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About PhytoTeq

Lightning *in a Bottle*

PhytoTeq™ is a privately held corporation built on a patented, GRAS, ingredient IP estate. Established in 2021, the company has successfully demonstrated technology performance at benchtop and laboratory scales, validated by third parties adhering to ISO standards.

Upon formal patent receipt in October 2023, the company engaged Subject Matter Experts in finance, engineering, biochemistry, process integration, and scale-up to accelerate PhytoTeq™'s path to industrial commercialization.

Exhibit I: Addressable Market Sweeteners Market

- Market size and projections for the global sweeteners market were referenced from reports such as:
 - (1) Grand View Research: [Sweeteners Market Size, Share & Growth Analysis Report, 2030](#)
 - (2) NextMSC: [Sweeteners Market Size and Share | Statistics - 2030](#)
 - (3) MarketsandMarkets: [Sweetener Market Size, Share & Growth Trends](#)
 - (4) Virtue Market Research: [Global Natural Sweeteners Market Report](#)
- PhytoTeq utilized the CAGR, mix and proportion provided and extended to a common set of milestone dates.

Sugar & Sweeteners Opportunity

Agave Syrup is a superior sweetener and ingredient. PhytoTeq™ delivers this sweetener at lower cost and more sustainably across the environmental spectrum than any current offering. The 2024 global value of the technology's target market exceeds \$10.6B, growing at a market CAGR of 1.8%.

ADDRESSABLE MARKET	2024	2030	2038
Agave Syrup	\$120.50	\$172.56	\$271.95
High Fructose Corn Syrup (HFCS)	\$10,550.00	\$11,816.00	\$13,706.56
Syrup & HFCS MMT	\$12,264.90	\$12,109.70	\$11,552.50
Price Per Kg	\$0.87	\$0.99	\$1.21
Available Phyto Mkt \$/USD (\$MM)s	\$10,670,500	\$11,988,556	\$13,978,508

Tequila

Unconcentrated Agave Syrup is the core sweetener ingredient for Tequila fermentation. The 2024 Global value of ATWB Agave fermentable sugar exceeds \$1.6B supporting the Tequila industry forecast to grow at over a 5% CAGR.

	2024	2030	2038
100%	\$7,286.40	\$9,472.32	\$13,261.25
51%	\$3,753.60	\$4,879.68	\$6,831.55
Total \$ Market	\$11,040.00	\$14,352.00	\$20,092.80
Liter Produced (000)s	531,603	691,084	967,517
Current Sugar Cost Produced Liter	\$3.11	\$3.11	\$3.11
Available Phyto Mkt \$/USD (\$MM)s	\$1,653,285	\$2,149,271	\$3,008,979

Exhibit 2: Tequila Addressable Market

- (1) The Spirits Business - A detailed report on the growth of the tequila and mezcal category, highlighting the projected sales volume and value for 2023 (The Spirits Business).
- (2) Beverage Dynamics - Discussed broader trends in the tequila market, including the shift toward premium products and how this has driven value growth in the category (Beverage Dynamics)
- (3) Maia Research, "2022-2029 Global Tequila Professional Market Research Report, Analysis from Perspective of Segmentation (Competitor Landscape, Type, Application, and Geography)" <https://www.maiaresearch.com/market-report/1370432-Tequila-1370432.html>
 - PhytoTeq utilized the CAGR, mix and proportion provided and extended to a common set of milestone dates.

PhytoTeq™ savings versus current costs across its target market(s) opportunity are significant. Savings of 47% compared to current High Fructos Corn Syrup; 78% for Agave Syrup; and 89% for ATWB Tequila.

COMPARING COSTS

	Economic
Agave Syrup	\$USD / Liter
Current Cost	\$3.25
Phyto Cost	\$0.73
Net	-\$2.52
Variance (savings)	-78%
High Fructose Com Syrup (HFCS)	
Current Cost	\$1.37
Phyto Cost	\$0.73
Net	-\$0.64
Variance (savings)	-47%
Tequila	
Current Cost	\$3.11
Phyto Cost	\$0.34
Net	-\$2.77
Variance (savings)	-89%

Exhibit 3: Current Industry Comparative Cost to PhytoTeq

- (1) Current industry pricing data was secured from interviews with various industry principals from the Tequila industry. The Agave Syrup and HFCS pricing was secured from the USDA Economic Research Service, Sugar and Sweetener Yearbook Tables, <https://www.ers.usda.gov/data-products/sugar-and-sweeteners-yearbook-tables/>
- PhytoTeq utilized the cost data and provided comparative metrics





Revolutionary Value Chain *Sustainability*

Exhibit 4: Agave Syrup, HFCS and Tequila Environmental Metrics

PhytoTeq sourced various environmental data from the sources below to create a tabulated presentation summarizing the critical metrics and the comparison within and between the products.

- (1) Agricultural greenhouse gasses UN Food and Agriculture Organization (UNFAO)
<https://www.fao.org/faostat/en/-data/GPP>
- (2) Assorted Crop Environmental Statistics UNFAO FAOSTAT statistical sources
<https://www.fao.org/faostat/en/-home>
- (3) Molina Institute Study of Tequila Industry and ATWB Agave Environmental Impact
https://www.origin-gi.com/wp-content/uploads/2021/05/Tequila-Sprits_GIs_sustainability_20-04-2021.pdf
- (4) USDA Energy Use In Agriculture. https://agdatacommons.nal.usda.gov/articles/dataset/Data_from_Chapter_5_Energy_Use_in_Agriculture_U_S_Agriculture_and_Forestry_Greenhouse_Gas_Inventory_1990-2018/24667737?file=44530682
- (5) HFCS Carbon Footprint Metrics <mailto:https://apps.carboncloud.com/climatehub/product-reports/id/75078232156>
- (6) Milestone LCA of High Fructose Corn Syrup <mailto:https://earthshiftglobal.com/blog/milestone-lca-of-us-high-fructose-corn-syrup-production-offers-impact-reduction-insights-addresses-crucial-data-gap>

Achieving Corporate Sustainability: A bold vision for tomorrow requires a technological evolution today.

Year by year, global climates and associated weather patterns are evolving, prompting governments and scientists worldwide to declare a climate emergency.

In response to this pressing and quantifiable threat, the COP 26 Glasgow Climate Pact finalized the Paris Agreement. This landmark accord emphasizes mitigation, adaptation, finance, and collaboration to uphold the Business Ambition commitment by 196 transnational parties, aiming to limit global warming to 1.5°C above pre-industrial levels.

The UN's Intergovernmental Panel on Climate Change (IPCC) indicates that surpassing the 1.5°C threshold risks triggering much more severe climate impacts, including more frequent and intense droughts, heatwaves, and rainfall.

Currently, the IPCC requires that Scope 1 and Scope 2 emissions reporting be audited by 3rd party, with allowable independent reporting for Scope 3 Emissions.

In review of the largest stakeholders within the tequila industry who have committed to IPCC emission reductions, a majority of all emissions reported are classified as Scope 3, allowing limited to no oversight in reporting.

PhytoTeq™ provides a capital solution in the satisfaction of a number of UN Sustainable Development Goals impacting Scope 1, 2 and 3 emissions including but not limited to Goal 6 'Available and Sustainable Water', Goal 7 'Affordable and Clean Energy', and Goal 13 'Climate Action'.

CURRENT ENVIRONMENTAL EFFECT

	Carbon Capture (Kg)	Water Use (L)	Liquid Waste (L)	Solid Waste (Kg)	Electric (Kw)
Agave Syrup					
Current Output	1.68	13.40	0.02	3.30	1.44
High Fructose Com Syrup (HFCS)					
Current Output	0.42	1.11	2.50	0.94	462.02
Tequila					
Current Output	1.32	13.5	12.4	5.5	1.80

The PhytoTeq™ process eliminates many of the steps in the sweetener ingredient value chain including; cultivation, transportation, selection and specific pre-manufacturing. Further, the process eliminates a range of environmental remediation costs

PHYTOTEQ ENVIRONMENTAL IMPACT

The below graphic illustrates the improvement variances by industry as a result of PhytoTeq™ implementation

	Carbon Footprint (Kg)	Water Use (L)	Liquid Waste (L)	Solid Waste (Kg)	Electric (Kw)
Agave Syrup					
Industry Use	1.68	13.4	6.7	3.3	1.44
Phyto Use	-1.17	0.26	0.26	0	1.17
Net	-2.85	-13.12	-6.44	-3.30	-0.27
Variance	-169.8%	-98.1%	-96.1%	-100.0%	-18.7%
High Fructose Corn Syrup (HFCS)					
Industry Use	0.42	1,110	2.5	0.943	462.2
Phyto Use	-1.17	0.26	0.26	0	1.17
Net	-1.59	-1109.75	-2.24	-0.94	-461.0
Variance	-279.3%	-100.0%	-89.6%	-100.0%	-99.7%
Tequila					
Industry Use	1.32	13.5	12.4	5.5	1.80
Phyto Use	-1.17	0.26	0.26	0	1.17
Net	-2.49	-13.25	-12.14	-5.50	-0.63
Variance	-88.9%	-98.1%	-97.9%	-100%	-34.8%

Water

The PhytoTeq™ process uses milliliters of water vs gallons. A saving of >90% is a minimum versus comparable current production methodologies.

Waste

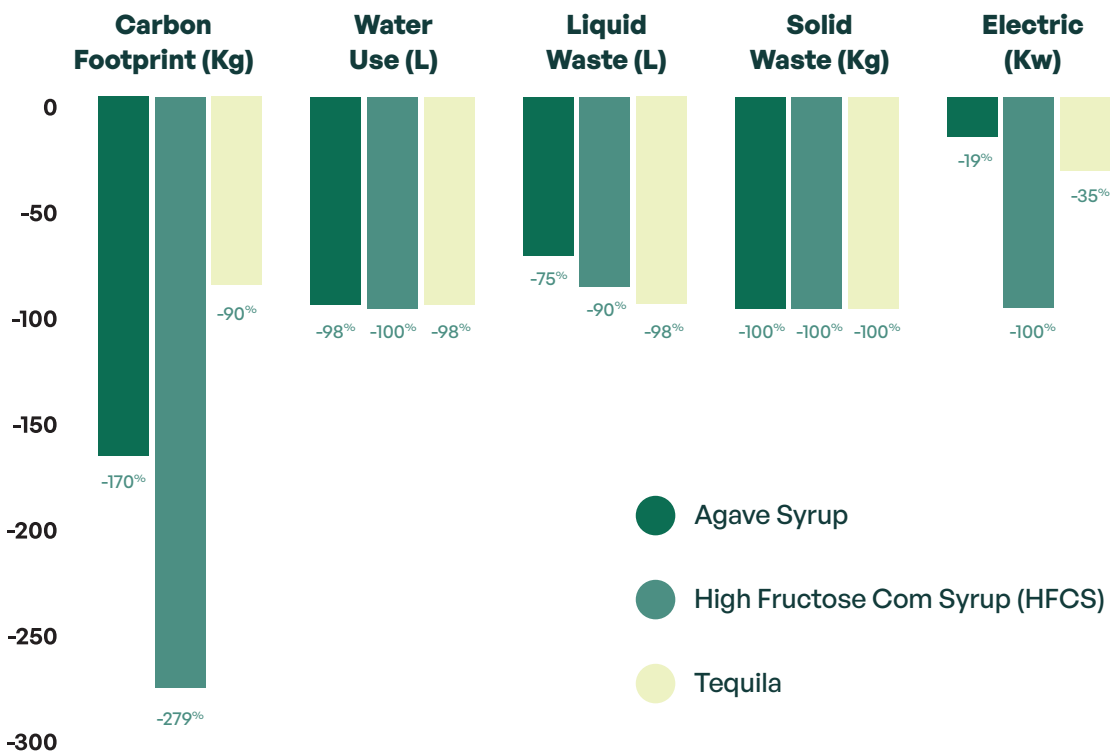
The PhytoTeq™ process produces no solid waste and only limited quantities of non-harmful, Ph neutral liquid waste, which contains no solids or additional chemicals.

Carbon

Internal carbon Intensity analysis calculates the PhytoTeq™ process with a revolutionary CI score below 20. The PhytoTeq™ process replicates Phytosynthesis and consumes CO2. The PhytoTeq™ process replicates Photosynthesis (sp) and consumes CO2, providing a net-positive ingredient manufacturing solution.

IMPROVED ENVIRONMENTAL IMPACT OF PHYTOTEQ™

Net savings and % improvement





Technology *Overview*

Time savings: The PhytoTeq™ process compresses the natural plant growth cycle of 4+ years to less than 4 months. Manufacturing is “Just In Time”, predictable and dependable.

Exhibit 5: PhytoTeq Target Market Opportunity

- (1) Exhibit I Sources Ibid.
- (2) PhytoTeq forecast the separate ingredient opportunities using the research average CAGR for each year through 2038
- (3) This straight-line method is purely mathematic for reference but follow the secondary source research methodologies

The Problem

With over half a billion people living with diabetes worldwide, the global demand for sugar continues to swell. To satisfy a seemingly unsatiable craving, the industry has turned to unsustainable agricultural practices and alternative sweeteners like high-fructose corn syrup, despite criticism regarding their environmental and health impacts. HFCS specifically is now considered a manufactured ingredient by the USDA and has a Glycemic index of 87 versus less than 25 for Agave Syrup.

MARKETS

	2024	2030	2038		2024	2030	2038
Global Sweetener Market				US Sweetener Market			
Value \$ B USD	\$105.5	\$188.7	\$194.73	Value \$ B USD	\$21.1	\$29.1	\$48.14
Volume MMT	211.0	290.8	481.4	Volume MMT	42.2	58.2	96.3

The PhytoTeq™ Agave syrup is superior to current commercial Agave Syrup as the produced sugar mimics the natural ATWB Agave sap which is high in sugar and contains healthy fiber like fructans, which are linked to beneficial effects on metabolism and insulin. No excess heat and pressure is used in the PhytoTeq™ process to destroy these valuable components.

MARKETS

	2024	2030	2038		2024	2030	2038
Global Sugar Market				US Sugar Market			
Value \$ B USD	\$73.9	\$101.8	\$168.52	Value \$ B USD	\$14.8	\$20.4	\$33.73
Volume MMT	184.6	254.5	421.3	Volume MMT	36.9	50.9	84.2
Global HFCS Market				US HFCS Market			
Value \$ B USD	\$10.6	\$14.5	\$24.07	Value \$ B USD	\$2.1	\$2.9	\$4.82
Volume MMT	21.1	29.1	48.2	Volume MMT	4.2	5.8	9.6

A woman with dark hair, wearing a white lab coat and blue nitrile gloves, is holding a potted aloe vera plant. She is looking directly at the camera with a slight smile. The background is a blurred laboratory or industrial setting with shelves and equipment.

The PhytoTek™ process eliminates many of the steps in the sweetener ingredient value chain including; cultivation, transportation, selection and specific pre-manufacturing.

Further, the process eliminates a range of environmental remediation costs. PhytoTek™ produces no solid waste and only limited quantities of non-harmful liquid waste.

Performance Delivery

PhytoTeq™ systems offer global Suppliers, Distillers and Brands a natural, healthier, greener sugar customers want, with enhanced supply-chain visibility, manufacturing predictability, and significant cost reductions, while lowering water requirements and virtually eliminating harmful emission streams.

PhytoTeq™ technologies provide a superior sugar for you and the planet.





PhytoTeq™
Photosynthesis
brought to you
by *Science*.

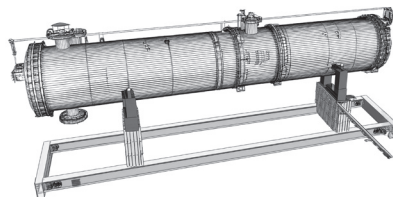
01

SELECTION



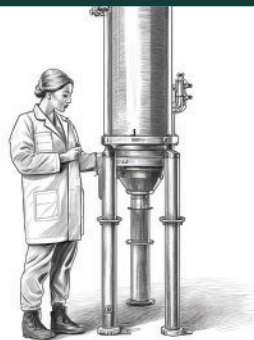
04

CROSS FLOW HARVESTING



07

MECHANICAL FILTRATION



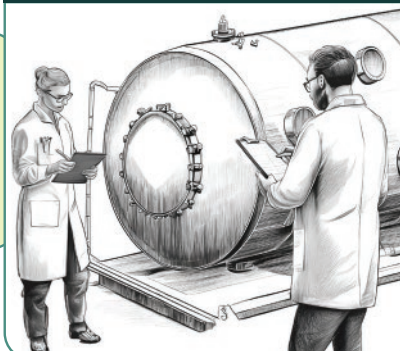
02

CULTURING



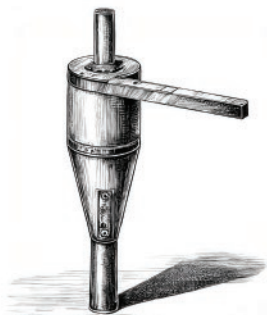
03

GROWING



05

HYDROCYCLONE SEPARATION



06

CONVERSION HYDROLYSIS



08

QUALITY CONTROL INSPECTION & RELEASE



09

STORAGE / SHIPPING

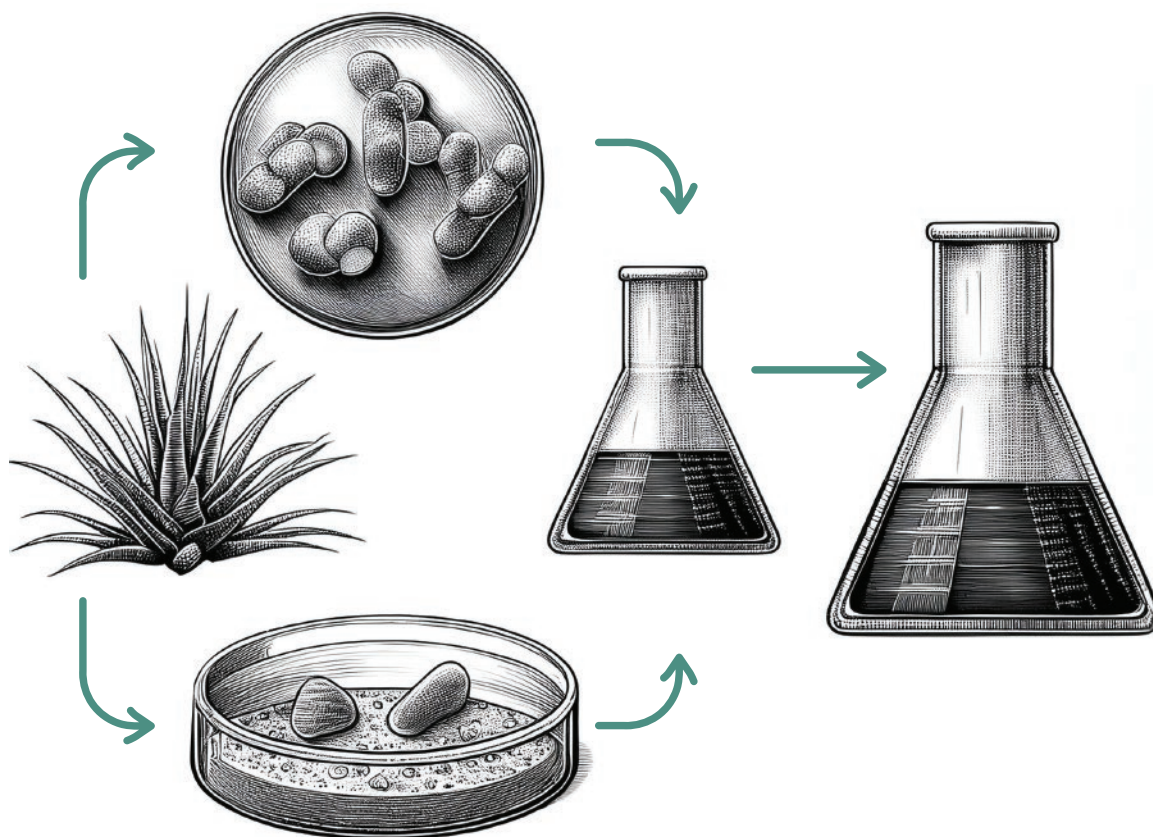


01.

Selection

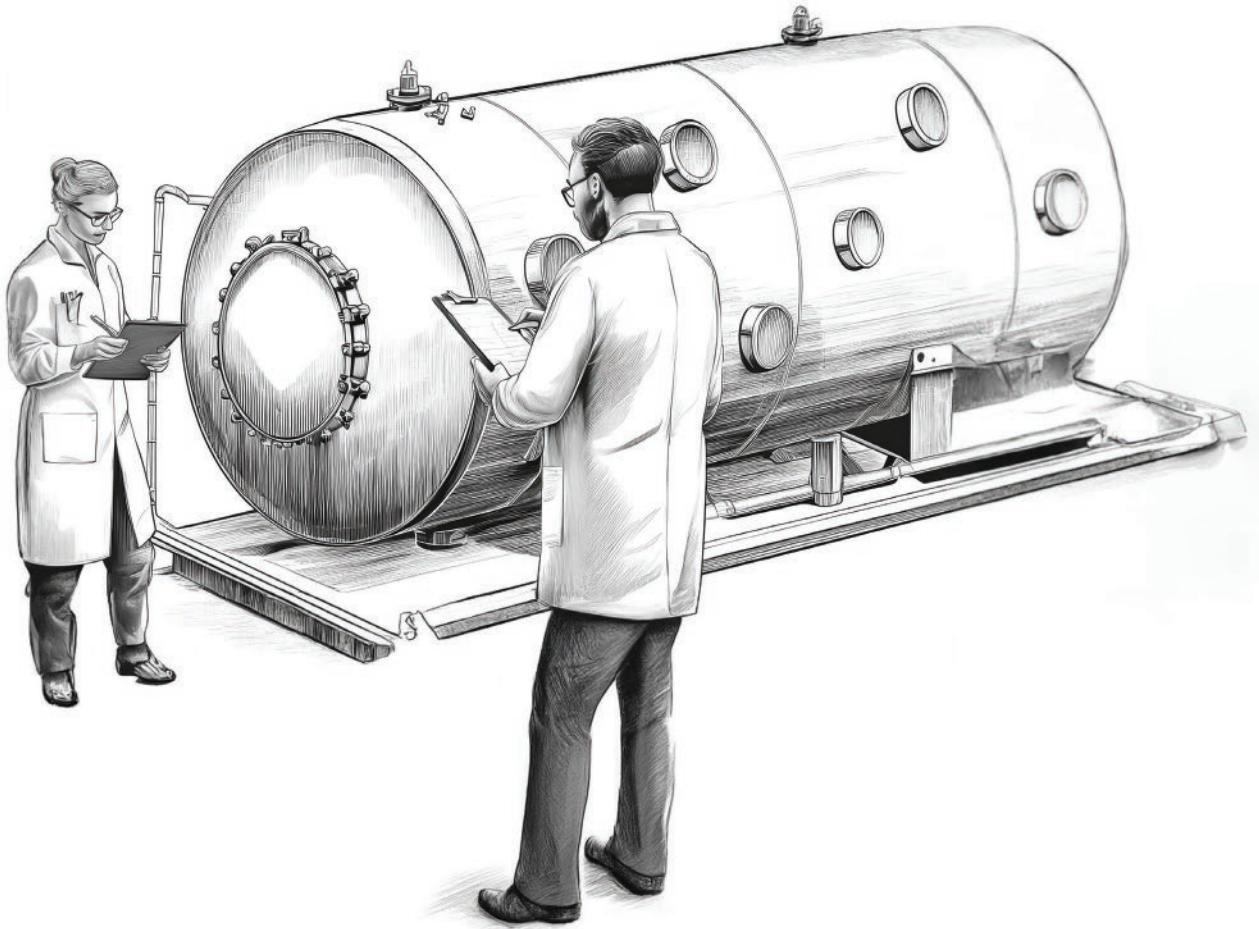
For each targeted product the ideal healthy and mature agave is selected for harvest and the plant is taken to the manufacturing facility.





02. Culturing

The agave sample is placed in a sterile dish with an all-natural media under light for approximately 16 days.



03.

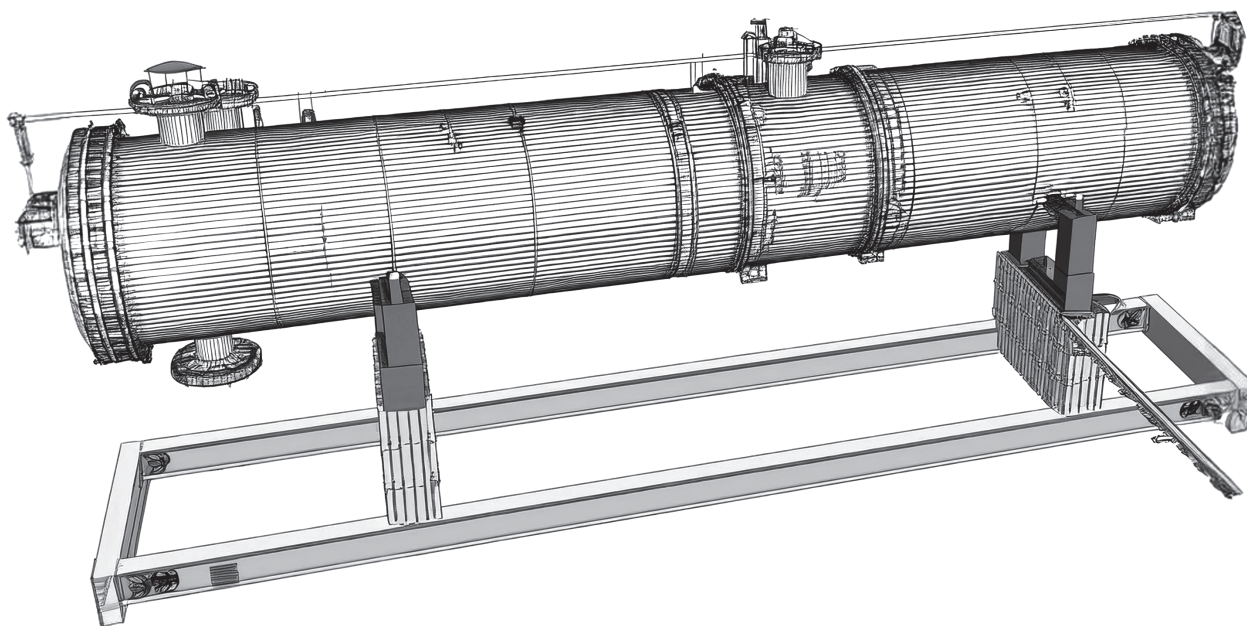
Rapid Cell Replication

As the photosynthetic process drives cellular production, the sample is moved into larger and larger photo-bioreactors where carbon dioxide is introduced to create the ideal replication environment.

04.

Crossflow Harvesting

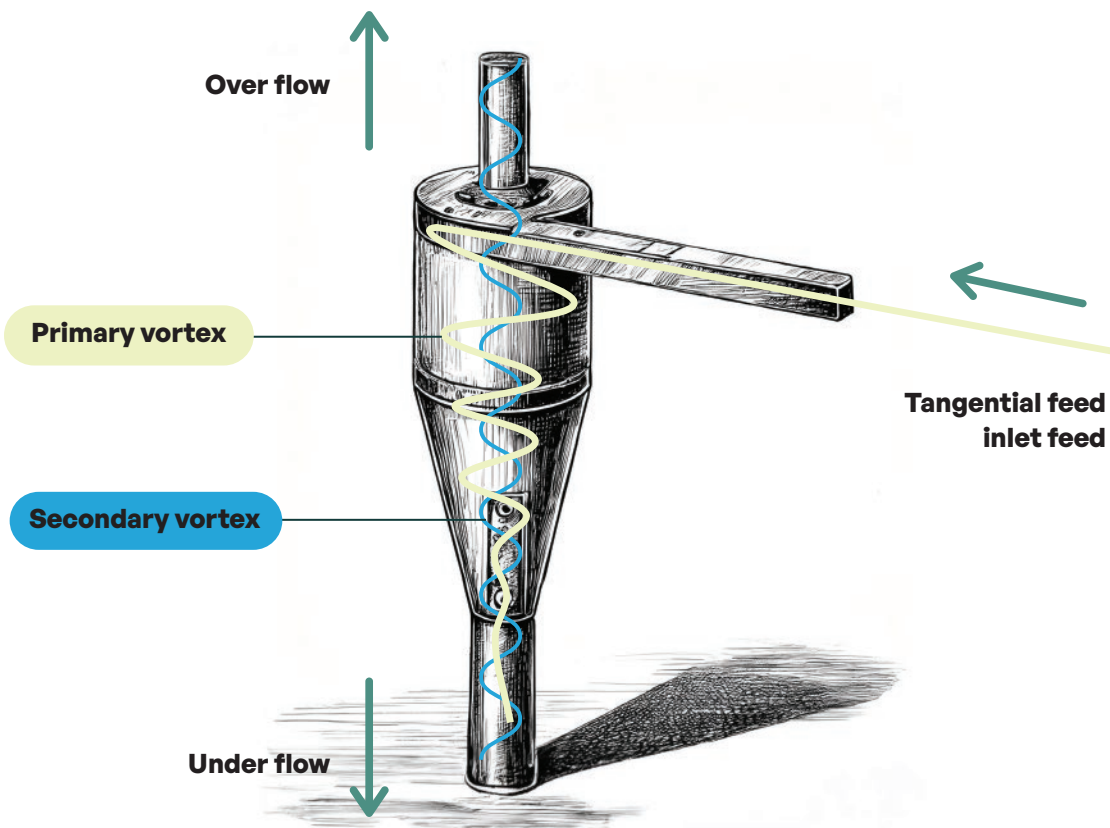
The PhytoTeq reactor and system integration designs enable continuous harvesting for commercial production efficiencies. Continuous harvesting is done by removing a portion of the starches contained in the reactor through a crossflow membrane.

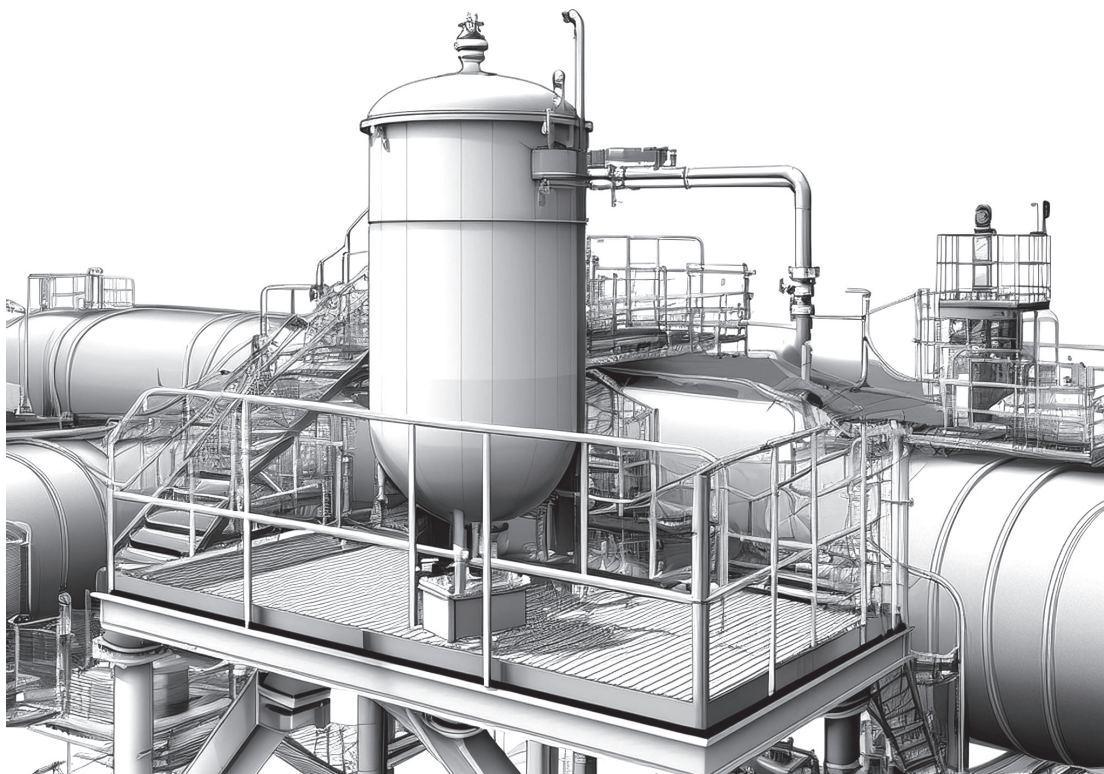


05.

Hydrocyclone Separation

After being passed through natural filters, the starches are separated using automated centrifugal processes.





06. Conversion Hydrolysis

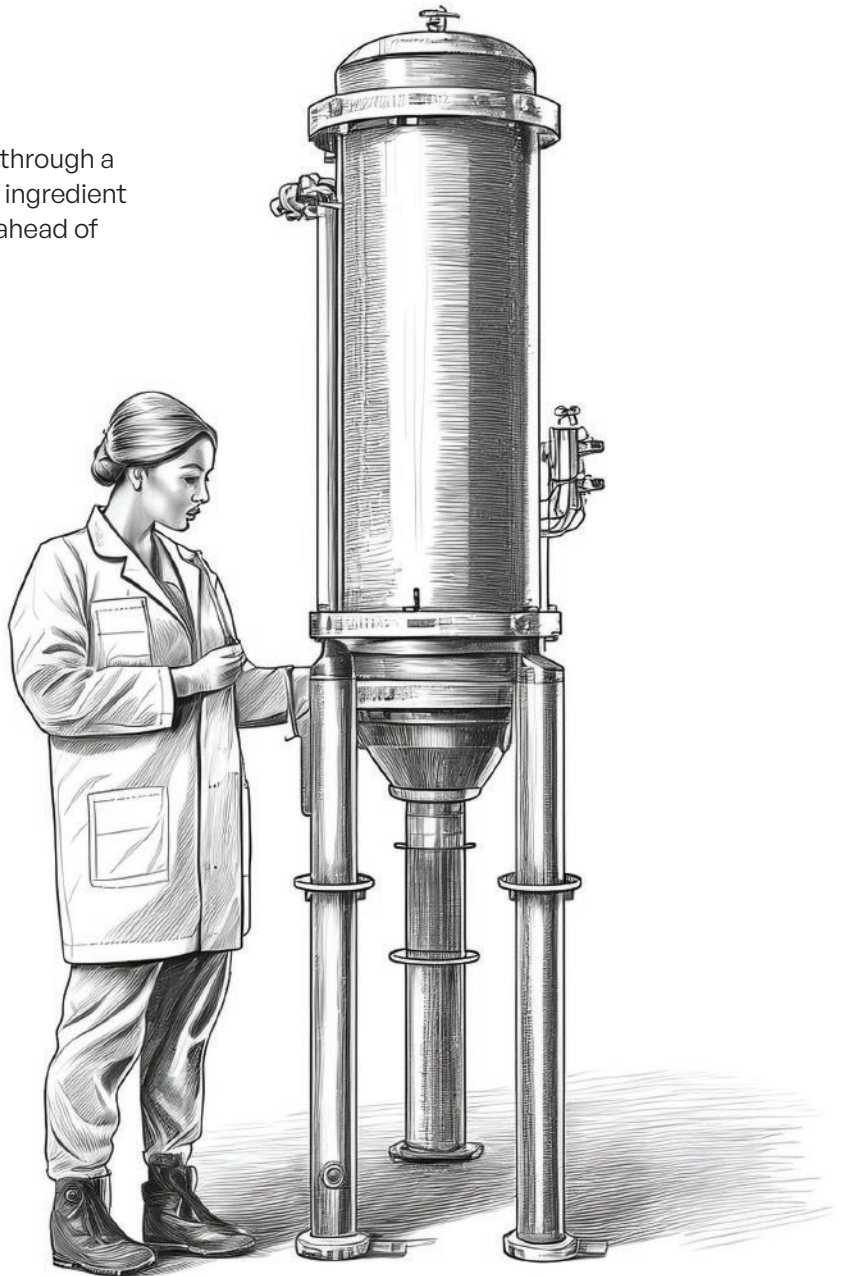
The separated starches are gently heated to optimal temperatures for sugar conversion, preventing any burning and assuring consistency. Hydrolysis is performed through a shell and tube heat exchanger before being piped into a holding container prior to

being pumped into a shipping tote for storage and transportation. Depending on industry utilization, concentration requirements may vary. Agave sugars will be concentrated to a >80% consistency targeting the industry standard 2 year shelf-stability.

07.

Mechanical Filtration

The hydrlized sugars are passed through a mechanical plated filter assuring ingredient consistency without particulate ahead of storage.



08.

Quality Control Inspection & Release

Sugar analysis is completed and accompanies each batch produced, assuring finished ingredient quality with complete tracability.





09.

Storage / Shipping

Concentrated agave sugars will be stored and shipped in international 330L IBC Totes, capable of 3x stacking and intermodal transport.



PhytoTeq™ delivers a green, all natural, additive-free method of producing *100% agave sugars*.

Our sugars are *consistent, pure and without harsh flavor compounds* associated with roasting or chemical extraction.

Improved Ingredient Performance *On-Demand*

Historic Supply and Demand misalignment has caused ongoing Boom and Bust cycles in the Agave value chain. Prices have risen and fallen over the past several decades, causing instability, endorsement of unsustainable practices and overall production inefficiencies. Corn supply, while not as extreme, also has a cyclical pattern.

i. Purity

The initial bottling of distilled PhytoTeq™ sugars received high praise from leaders within the tequila industry, prompting a formal comparison as the next crucial step to validate the technology's commercial viability.

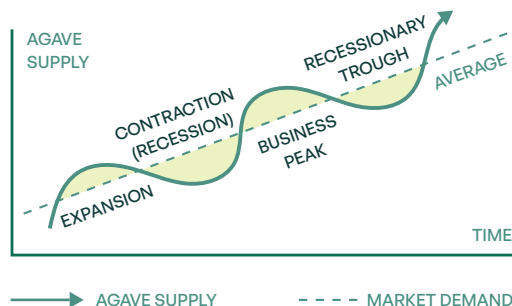
ii. Consistency

A Comparative Analysis Trial was completed during September 2024, returning improved IP performance results from the initial bottling as well as a clear picture of cost and waste impact and reduction.

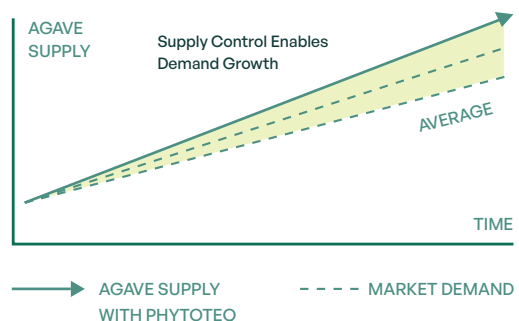
iii. Predictability

The PhytoTeq™ process is engineered to a time-milestone protocol. It takes 16 weeks for cellular replication and thereafter the process is continuous, yielding specified sugar output. No longer is sugar volume dependent on the uncertainties of weather, crop yield, the environment or supply chain performance

THE BLUE AGAVE CROP VALUE CYCLE



PHYTOTEQ AGAVE CROP VALUE CYCLE



Low Tech, Low Cost, *Ease & Affordability*

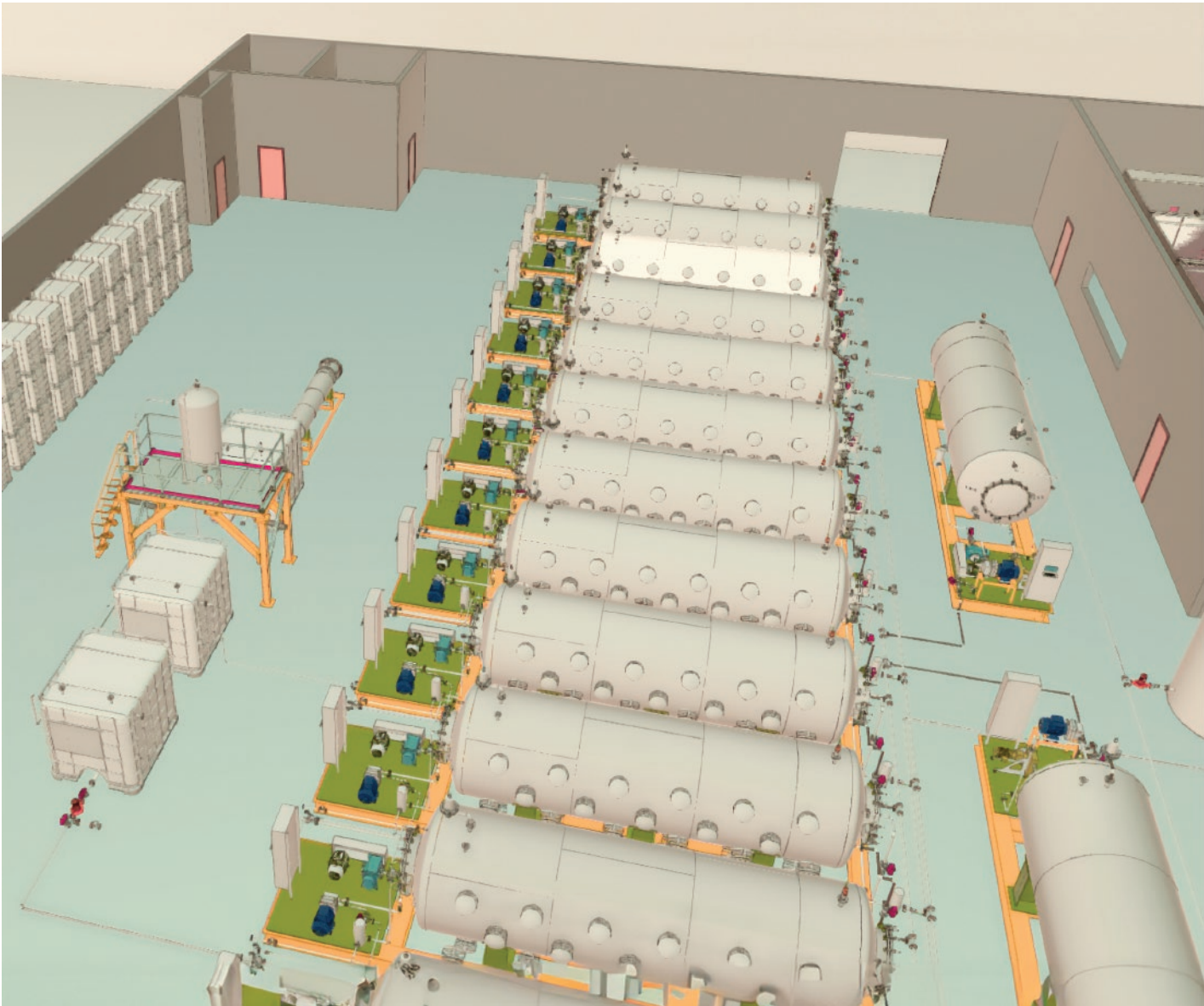
One 24,000 SF PhytoTeq™ facility will produce the equivalent sugar of 170 hectares of agricultural land per year, or enough sugar to produce nearly 1,000,000 Liters of Agave Syrup annually, resulting in a water savings greater than 55,000,000 Liters and more than a half-kiloton of carbon sequestration.



ii. Operating Requirements

The PhytoTeq™ process has been designed to easily integrate into the current ingredients and distilled spirits value chains. With only one clean space required for the initiation phase, the low

tech operation of the continuous harvest sugar production process enables a limited team of as little as two system technicians to operate a commercial scale system.



iii. Capital Recovery Illustration

The market-specific deployment of a PhytoTeq™ facility, along with the resulting margin opportunities, will affect the capital recovery timeline. Initial system installations

will incur higher costs and slower repayment. However, all systems are expected to achieve faster capital recovery compared to traditional CapEx equipment."

100% Pure Agave Syrup Replacement Cost Payback Model

		Scale
	Syrup Liters/Year	955,935
	Total Facility Cost	\$9,204,520
	Agave Syrup Cost Kg	\$2.75
	PhytoTeq Sugar Cost L	\$0.51
	Cost Saving	\$2.24
	Total Volume Saving	\$2,138,015
	Years to Payback	4.3

Tequila 49% Sweetener Replacement Cost Payback Model

		Scale
	Tequila Liters/Year	3,311,816
	Total Facility Cost	\$9,204,520
	Current Sweetener Cost L	\$0.80
	PhytoTeq Sugar Cost L	\$0.16
	Cost Saving	\$0.64
	Total Volume Saving	\$2,119,562
	Years to Payback	4.3

100% Tequila Replacement Cost Payback Model

		Scale
	Tequila Liters/Year	1,622,790
	Total Facility Cost	\$9,204,520
	Current ATWB Cost L	\$2.94
	PhytoTeq Sugar Cost L	\$0.28
	Cost Saving	\$2.66
	Total Volume Saving	\$4,321,537
	Years to Payback	2.1



The Addressable *Marketplace*

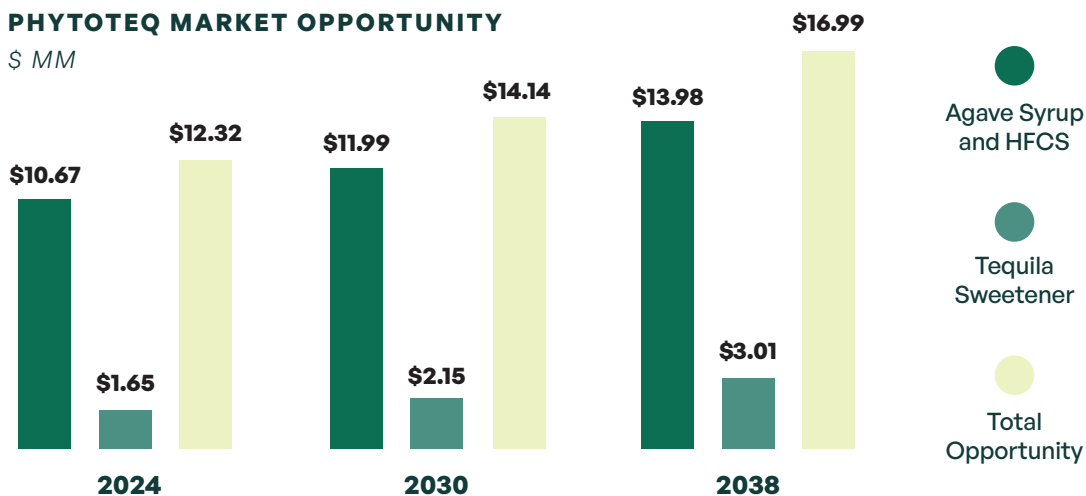
Exhibit 6: PhytoTeq Target Market Free Cash Estimate

- (1) The Exhibit 5 forecast data and the data for product costs from the same Exhibit I sources were used to develop an economic reference of current expected costs versus the PhytoTeq IP expected annual value of its Fully Burdened cost. Fully burdened cost included the cost of production, the capital equipment cost and an expected cost of the facility needed to house production.
- (2) Calculation of the net difference in current minus PhytoTeq cost was defined as the Free Cash contribution of the technology per year.
- (3) The exhibit defines the cumulative Free Cash produced for the period 2030 through 2038.

The total PhytoTeq™ technology target market *potentially exceeds \$17 Billion by 2038.*

PHYTOTEQ MARKET OPPORTUNITY

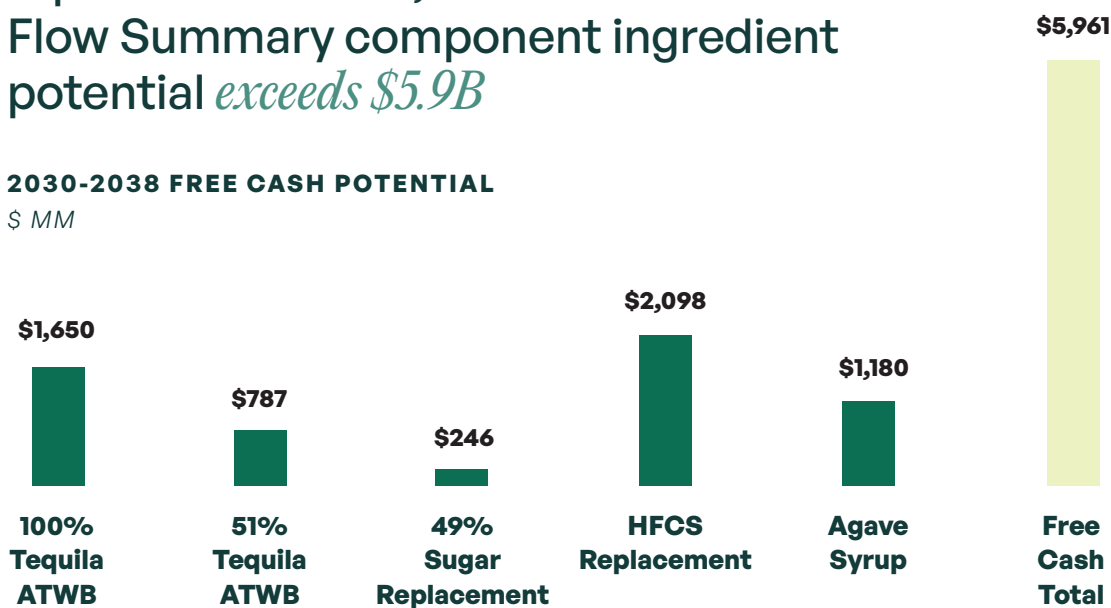
\$ MM



Using a *conservative adoption* and replacement model, the forecast Free Cash Flow Summary component ingredient potential *exceeds \$5.9B*

2030-2038 FREE CASH POTENTIAL

\$ MM



PhytoTeq™
delivers a *consistent
and repeatable*
OnDemand
ingredient solution



To access additional materials visit:
www.sustainablegave.com