

Strategic Financing for Algae Projects in Asia

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Agenda

- Fundamentals of Business Sustainability
- Financing Options
- What we would look for in a Biofuel Project.

Fundamentals of Business Sustainability

“To deliver a product that meets the customers need at a price that meets the investors expectations of return”

- Market Drivers
- Unique Selling Proposition
- Scalable Business Model
- Production and Capital Cost

What are your Financing Options?

- Equity
 - Best suited for early stage and fast growth phases
- Project Finance
 - Asset / secure income backed finance
- Debt
 - Bank Senior Debt / requires strong balance sheet
- Alternative finance
 - Customer Finance
 - Government Grants

What we would look for in a Algae Project Business Plan

- Management Team
- Sustainability of Business Model
- Flexibility of Technology
- Execution Plan
- Product Diversity
- Revenue Certainty – Take-off Contracts
- Risk Management

What we would look for in a Algae Project Business Plan

Management Team

- Relevant Experience
 - Business management
 - Project implementation
 - Research / Algae / Biology Expertise
- Financial Commitment
- Identified Gaps in Team

What we would look for in a Algae Project Business Plan

Sustainability of Business Model

- Does the team understand the value drivers
- What are the dependencies
 - Inputs – CO₂, water, nutrients, algae strains
 - Location and Logistics – transport, processing
 - Subsidies – do you rely on these?
- Financial Analysis
 - Break Even / Payback Period
 - Sensitivity Analysis

What we would look for in a Algae Project Business Plan

Flexibility of Technology

- Plant flexibility
 - Manage the risks of cultivating algae
 - Capable of manufacturing multiple products
- Technology selection
 - Technology Curve Strategy
- Capital cost
 - Scalability
- Operational cost
 - Mechanisation and Automation
 - Scalability

What we would look for in a Algae Project Business Plan

Execution Plan

- Management experience
- Project Management
 - Research and Development Experience
 - Plant Build and Commissioning Experience
- Customer Commitments
- Milestones

What we would look for in a Algae Project Business Plan

Product Diversity

- Multiple Revenue Steams
- Products options / market knowledge
 - Specialised fats/oils
 - Specialty Chemicals
 - Nutraceuticals / Pharmaceuticals
 - Biopolymers

What we would look for in a Algae Project Business Plan

Revenue Certainty

- Customers – Local vs Export
- Off-take contracts
 - Payment Terms
 - Contract Period
 - Guarantees

What we would look for in a Algae Project Business Plan

Risk Management

- Supply Contracts
- Off-take Contracts
- Insurance
 - Country Risk
 - Project Risk
 - Contract Risk

Thank You

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