



Revolutionizing recycling with sustainable solution

SEPTEMBER 2024

CIRCLE CLIMATE CORPORATION

Background



Circle Climate Corporation “CCC” presents a groundbreaking solution to combat climate change by addressing the urgent need to preserve existing trees, the most efficient carbon capture technology known to date. Leveraging insights from leading scientific institutions like MIT, CCC aims to revolutionize the paper and box recycling industry in the United States.

CCC's strategy is twofold: first, to increase the recycling rate of paper and boxes from the current 68% to 100%, effectively saving millions of trees annually. Second, to modernize and localize the recycling process, eliminating the inefficient and environmentally damaging practice of shipping recyclables overseas.

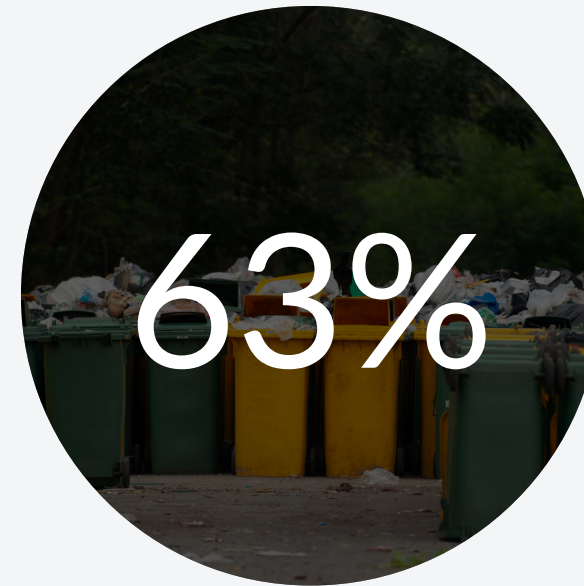
Key to the CCC approach is the development of a market-based solution that not only aligns economic incentives with environmental goals but also delivers significant returns to investors. Unlike traditional ESG investments, CCC offers both high returns and tangible climate impact, overcoming the trade-off dilemma that has hindered previous efforts.

By employing proven technology and optimizing logistics, CCC mitigates risks associated with unproven technologies and inefficient supply chains. Through strategic partnerships and AI-driven optimization, CCC streamlines the recycling process, reducing costs and carbon emissions.



Problem

There simply is not enough box and paper plant recycling capacity in the US.



of all US boxes and paper are either not being recycled or being shipped overseas for recycling, something completely unacceptable in today's world struggling to fight climate change and environmental degradation.



of all US boxes and paper collected by US trash companies is now being dumped in scarce landfills.

Solution



- CCC solution is to disrupt this uneconomic and environmentally damaging supply chain by building a series of new, smaller, more efficient, and environmentally friendly plants in the US near the sources of discarded boxes and paper that are not now being recycled or are shipped overseas.
- CCC's goal is to bring the US box and paper recycling rate from 67% to 100% and recycle 100% of that in the US.
- This will provide Circle Climate a 30%+ cost advantage over competitors in the commodity recycled paper pulp market by eliminating the expensive international shipping of trash and allow it to access domestic US subsidies only available to new US based recycling plants. Those savings will be turbo-charged by converting the recycled paper pulp into recycled paper products for packaging materials, food trays, cupholders and many other in demand recycled paper products.



The Results



This re-organizing and decarbonizing of the box and paper recycling supply chain will turn it from a marginal business to a profitable one, attracting additional capital needed to scale, thus making a meaningful contribution to the battle against climate change.

Boxes that are not now getting recycled will be recycled

Consumption of electricity, oil, water, and gas will be reduced

All the expenses of international shipping and logistics will flow to CCC's bottom line

Mature trees will be saved which will capture carbon

Well paying local jobs will be created

CCC will qualify for generous US subsidies not available to international competitors

Disappearing landfill will be conserved, eliminating significant amounts of greenhouse gas emissions

Unnecessary shipping and logistics pollution will be eliminated

The use of plastics in packaging will be offset with recycled paper products

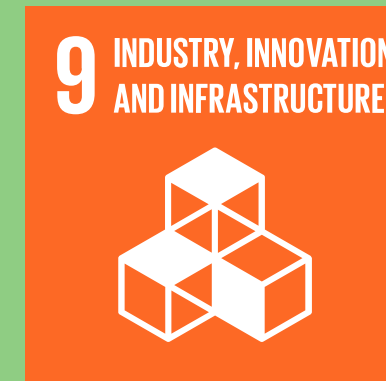
Market Size



- According to the American Forest & Paper Association the US consumes around 66 million tons of paper and paperboard per year, of which 68% is currently being recycled, or 45 million tons per year. This leaves a US market of 21 million tons per year yet to be recycled to reach 100% recycle rate, but for the want of new US recycling capacity which Circle Climate is building.
- Of that 45 million tons of US boxes being recycled now per year, 45%, or around 20.3 million tons, is being uneconomically placed in shipping containers and shipped overseas to be processed.
- Therefore, Circle Climate's total market size is 41 million tons of boxes and paper per year to be recycled in the US. This is a very big market open to CCC.



CCC's Strategy Hits 9 of the 17 UN SDGs



Financial Forecast



Financial Forecast USD	FY1	FY2	FY3
Revenue Forecast			
Recycled Paper Pup Selling Price/Ton	\$250	\$300	\$350
Number of Tons Sold Per Year	120,000	240,000	480,000
Total Revenue	\$30,000,000	\$72,000,000	\$168,000,000
Costs of Goods	\$10,800,000	\$22,680,000	\$48,000,000
Gross Profits	\$19,200,000	\$49,320,000	\$120,000,000
Less Total Opex:	\$5,238,086	\$11,832,345	\$23,664,691
Logistics	\$900,000	\$1,800,000	\$3,600,000
Employee/Management Costs	\$678,086	\$2,712,345	\$5,424,691
Processing Costs (Electric/Water/Gas/Other)	\$1,500,000	\$3,000,000	\$6,000,000
Warehouse Rent	\$1,200,000	\$2,400,000	\$4,800,000
MISC/Reserves	\$960,000	\$1,920,000	\$3,840,000
Profit before Tax	\$13,961,914	\$37,487,655	\$96,335,309
LESS: Tax 25%	\$3,490,479	\$9,371,914	\$24,083,827
Profit After Tax	\$10,471,436	\$28,115,741	\$72,251,482

CASH OUT FOR INVESTORS



Total Shares	150,000,000	150,000,000	150,000,000
Earnings Per Share	\$0.07	\$0.19	\$0.48
Share Price (assume 20x PER)	\$1.40	\$3.75	\$9.63
Gain: Entry share price (\$1)	40%	275%	863%
Market Capitalization	\$209,428,710	\$562,314,825	\$1,445,029,635
Subscription Share Price	\$1.00	\$1.00	\$1.00

Notes:

1. Foreign-sourced income not repatriated are usually exempted from tax but provided 25%
2. 150 million shares issued at \$0.0001
3. Earnings per share est 7c,19c, 48c for FY1, 2, 3 respectively
4. Price earning multiple defaulted to 20x
5. The first-round placement price is \$1 per share

Strategic Analysis



01

Customer annual growth rate %

Each pulping line will produce about 40,000 tons of pulp per year assuming 2 shifts of 8 hours per day six days a week which will then be processed into 40,000 tons of finished recycled paper products such as trays, cup holders, and paper packing. (3 shifts per day may be possible)

The conservative plan is to have one franchised plant with THREE lines to produce 120,000 tons a year. The second year to have another franchised plant with another three lines to double the total output to 240,000 tons. By the third year, there should be a total of 4 plants each with three lines producing a total of 480,000 tons - **growing 4 times** in production tonnage and **5.6 times** in income.

Strategic Analysis



02

Cost effectiveness- Return on Sales

The forecasted revenue for 40,000 tons is \$30 million with a net profit after tax of \$10.5 million delivering a return on sales “ROS” of 35%. With the increase in the number of franchised plants, the fixed operating costs can be lowered by the economy of scale. The aim is for 45% ROS.

03

Capital Return

The return on share capital is based on \$10 million to be raised via this placement of 10 million shares at \$1 each. The return on share capital is 48%, 98%, and 195% for FY1, 2, and 3 respectively. On target, shareholders could then recover their investments within 3 years through a generous dividend policy of distributing at least 80% of the net profits as dividends.

Strategic Analysis



04

Cash Flow Positive Business Model

The business will be cash flow positive within 3 months of opening the first plant and highly cash flow positive in the first year of operation. Unlike traditional COCO (company-owned company operated) recycling plant that carries heavy assets and liabilities like bank loans for the plant, property, and equipment “PPE”, CCC adopts an asset-light strategy by appointing and training franchisees to own and operate the plants. In turn, franchisees sell their production outputs to CCC for value-add molding, packaging, customizing, and branding before selling to end clients.

05

Core Competency

The CCC execution team is managed by hands-on experienced entrepreneurs who have been in the box and paper recycling industry for more than 20 years. They have proven expertise and expansive connections in recycling operations, plant management, logistics, sales, marketing, finance, risk, and legal management.

What is so special about Circle Climate?



CCC is combining market arbitrage, commodity trading, logistics rationalization, technological advancement, environmental market opportunities, and accessing subsidies which when viewed separately do not appear special, but when combined create the potential to expand, rationalize, modernize, and decarbonize box and paper recycling in the US while simultaneously delivering financial and environmental benefits with low risk, something that the ESG investment sector in general, and the box and paper recycling industry, in particular, have found difficult to do. If it were easy, it would already be done.

That makes CCC special.

Executive Team



EXECUTIVE CHAIRMAN - William Lawton

Mr. Lawton is the Executive Chairman of Circle Climate Corporation. His vision is to raise the US recycling rate for boxes and paper from 38% to 100%, thereby saving millions of trees to help fight climate change and create a successful IPO for Circle Climate. He founded The Seagate Global Group in 1996 to focus on low-risk/high-return strategies that are socially responsible. Seagate Global entities have taken 10 companies public, including Goldwind Technologies, China's most successful IPO, and now a top global wind turbine producer. Seagate Global was named the #1 fixed income manager in the world in 2004 by GAIM and has received numerous other performance and social responsibility citations, including from the Office of the Prime Minister of Malaysia, the Office of the President of The Philippines and the Office of the President of Bougainville. Lawton helped modernize China's central bank as its Sr. International Advisor for 15 years. As founding CEO of China Everbright Asset Management, Mr. Lawton established China Everbright as one of China's pre-eminent asset management companies.

Lawton has a 30-year history as a professional investor and manager. Before founding Seagate Global Lawton helped set up and manage six exceptional institutional investment operations at major global financial entities matched to market opportunities of that time. Lawton views Circle Climate as his next exceptional operation, intricately crafted for today's remarkable opportunity he sees now to produce a high return with low risk in US box and paper recycling that will also help fight climate change by saving trees. He was an early pioneer in fixed-income derivatives and seeks to use that experience to monetize Circle Climate's AAA Carbon Offsets while building out the nascent private carbon offset market. Lawton holds a BA degree in economics from UC Berkeley, an MA in International Economics from Middlebury Institute of International Studies, and an MBA in Finance from Columbia University. Mr. Lawton was an Adjunct Professor of Finance at Tsinghua University.

Executive Team



CHIEF SUSTAINABILITY AND FINANCIAL OFFICER - Angela Ye

Ms. Angela Ye is the Chief Sustainability Officer responsible for sustainability, corporate finance, and investor relations. She has more than 23 years of financial management experience with 15 years of hands-on CFO responsibility serving one of Indonesia's largest paper and pulp conglomerates. Angela is versed with Asian cross-border trade and in recycling paper materials. She looks after the sustainability & financial strategy, budgeting, risk management, credit control and fundraising. She is responsible for the company's public listing on the NYSE. Her key research now is in sustainability and corporate finance interrelationships to attain higher ESG standards.

Management Team

HEAD - TECHNOLOGY DEVELOPMENT - John Carlo

Mr. Carlo is a senior professional with 35+ years of pulp and paper management experience. Broad-based knowledge and experience in the pulp and paper recycling industries providing manufacturing process, plant production management, and planning experience. Intimate knowledge of recycling operations and technologies. Relevant experience: Proctor and Gamble Pulp and Paper Division, Plant Manager, 2008-2019; Weyerhaeuser, West Coast Operations Manager, 1993-2008.

Management Team



MANAGER- PROCUREMENT- Donnie King

Mr. King has an exceptional 25+ year record of achievement in box and paper recycling. He has a history of identifying and capitalizing on emerging market trends and revenue opportunities. Strategic and analytical with a motivational leadership style and expertise in building new network connections, promoting products, and expanding territories. Select experience: Global Pulp and Paper, President, 2019-2024; International Paper, Procurement Specialist, 2015-2019, focusing on the recycled box and paper market. ROCK-TEN, Supply Chain Manager, Las Vegas, 2012-2014. Rock-Ten is now part of WestRock, one of the largest US recycled cardboard and paper recycling companies. Negotiated contracts, policies, and deadlines with suppliers and vendors. Mr. King is well positioned to assist Circle Climate in obtaining the feedstock necessary to recycle and contribute to the growth of Circle Climate.

MANAGER- MARKETING- Frank Zuo

Mr. Zuo has 18 years of experience in the recycling industry, including 8 years with Harbor Green Recycling, Circle Climate's technical advisor. He has extensive market contacts with recycled paper pulp, especially in Asia.

Management Team



MANAGER-LOGISTICS- Jessica Zhang

Ms. Zhang has over 20 years of experience in the international recycling market, responsible for safely and efficiently moving thousands of containers of recycled boxes and paper from the US, to Asia and around the world. She has 10 years of experience working with Circle Climate's dedicated logistics company, CTC Logistics focused on the paper box recycling business.

FRANCHISING MANAGER- Gene Krinn, CFA

Mr. Krinn is a well-connected senior finance executive with over 30 years of experience in financial services. Mr. Krinn founded and led a 14-person single-family office that served the needs of a 32-member Chicago-based family spanning three generations. As CIO and COO, he managed a multi-billion-dollar portfolio with diverse investments, including private equity, hedge funds, separate accounts, and cash management. Worked directly on major construction projects for family members. Recognized by Family Office Exchange (FOX) for Best Practices in 2008.

Mr. Krinn is a Chartered Financial Analyst (CFA) and serves as a consultant advising on investment portfolio construction, risk management strategies, and compliance and fiduciary planning for corporate retirement plans, endowments, foundations, and wealthy families. Mr. Krinn is well-connected with family offices, hedge funds, and private equity firms to help expand Circle Climate's franchise network and realize its goal of a successful IPO.

Mr. Krinn received his BA in Classical Greek, from Concordia College in Fort Wayne Indiana, and his Masters of Divinity/Counseling from Concordia Seminary.



Contact Us

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CIRCLE CLIMATE CORPORATION