



PELLETMX



Pellet Mexico

Waste to Energy

Pellet Mexico takes advantage of agricultural, forestry and organic waste to generate renewable energy.



The Problem

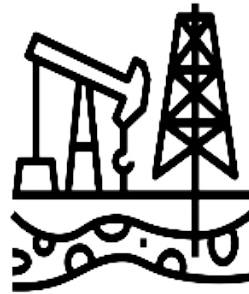
Waste and Unsustainability



Organic waste

- The processes of the industries:
 - Forestry
 - Agricultural
 - Food & Beverage
 - Other

They generate waste that could be put to good use: Circular Economy



Dependence on fossil fuels

- The demand for thermal and electrical energy is largely met by:
 - Coal, gas and hydrocarbons
 - Few clean sources to produce thermal energy

**Environmental Damage
High Costs**



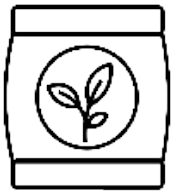
Climate change

- High concentrations of gases in the atmosphere
 - Global Warming
 - Environmental degradation

**Ecological destruction
Damage to health
Unsustainability**

The Solution

A renewable energy source **that uses waste to produce energy in a sustainable way.**



Make the most of waste

- Utilizing the organic remnants of industrial processes



Replaces Fossil Fuels

- Making a renewable biofuel from waste



Savings on Energy Costs

- Meeting energy demand with savings vs. fossil fuels



Diversify the Energy Matrix

- Adding one more renewable source, in a country with great potential for biomass energy.



Emissions mitigation

- Reducing the greenhouse gases and CO₂ emitted into the atmosphere.

Our Product

Solid Biofuels



**Agave bagasse
pellets**



Pine Pellets



Packaged Pellets

Global Context and Momentum

Global Need | Local Potential | Pellet Mexico: First in the Marketplace



Climate change

- The transition to *net-zero* requires urgent efforts on as many fronts as possible:
 - Supply Chain
 - Production Processes
 - Power Generation
 - Circular Economy
 - Investment
 - Consumption habits
 - Net-Zero Public Policy



1,600 Petajoules

- Mexico's biomass energy potential

**Market
Opportunity**



**Environment
al Need**



Pellet Mexico

- First company in the Mexican market on an industrial scale

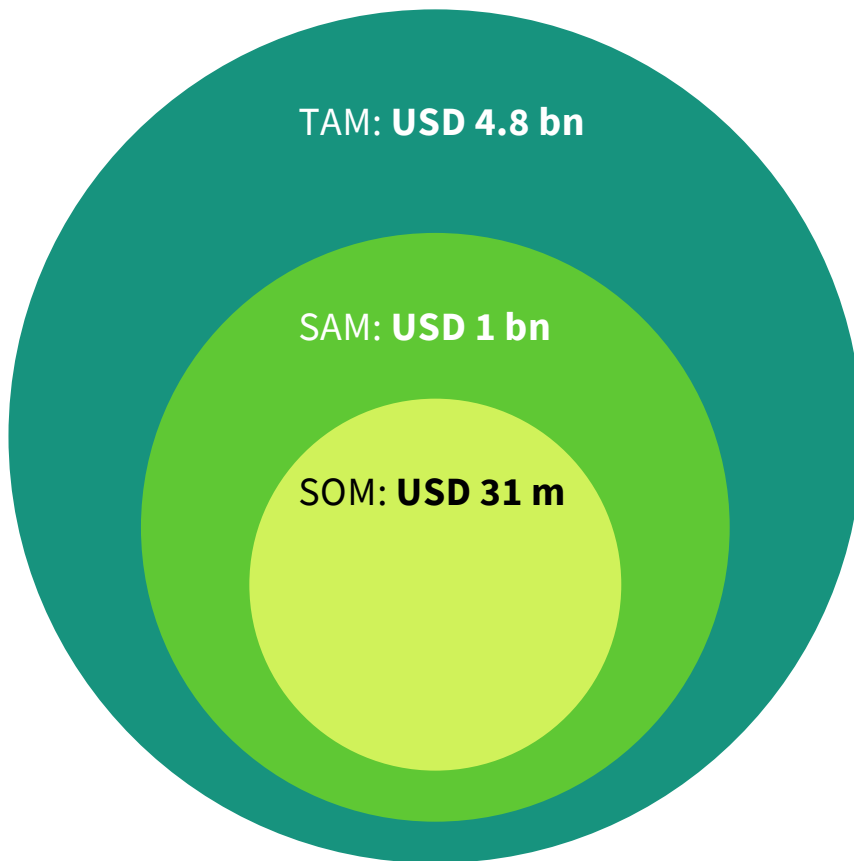
Strategy



- **Build the complete value chain**
 - Develop the domestic market

Marketplace

LP Gas and Diesel Replacement



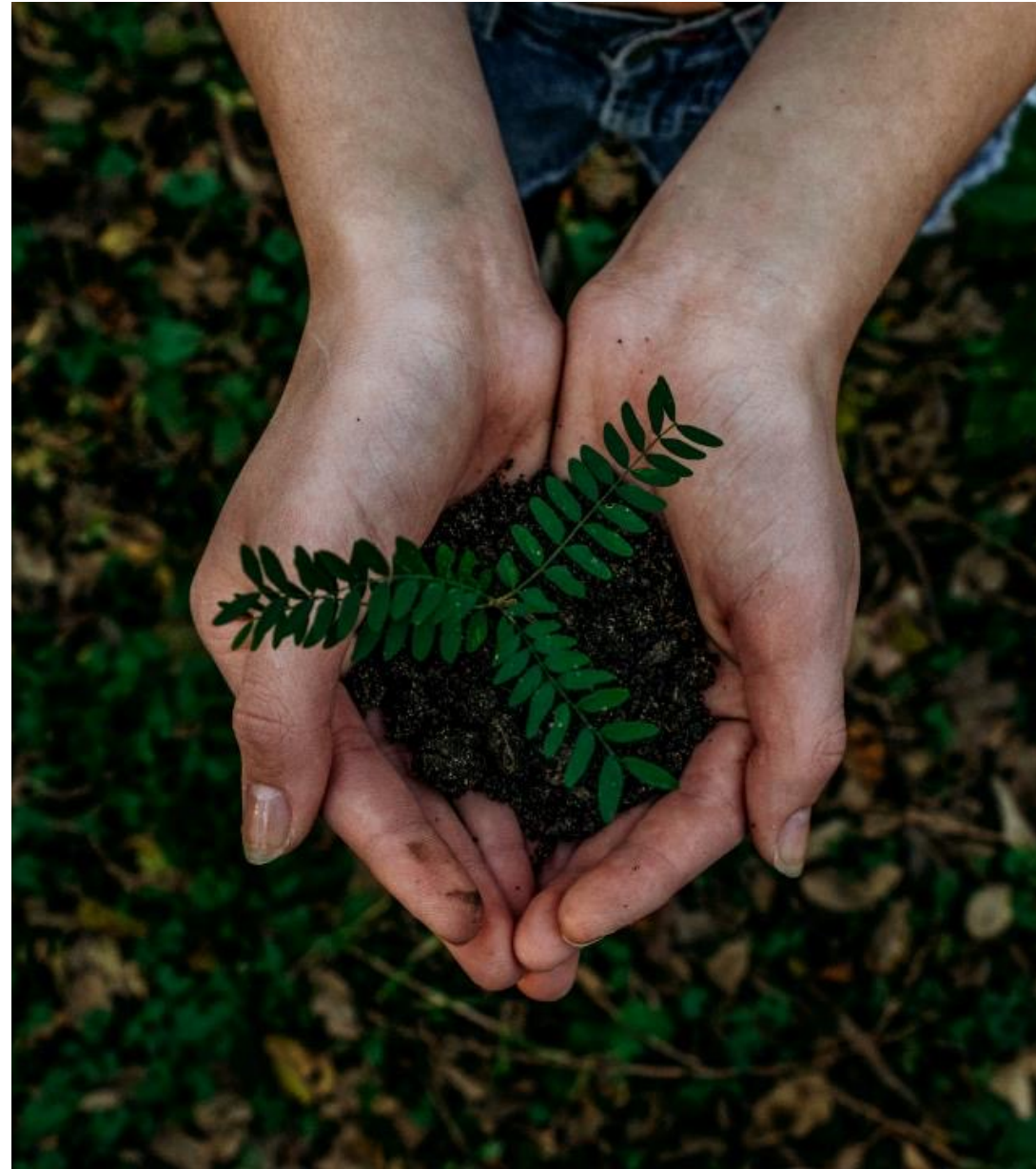
Market Size

- **TAM**
 - Substitution of national consumption of LPG and diesel in the sectors:
 - Industrial
 - Hotelier
 - Domestic
 - **Volume:** 22 million tons of pellets per year
 - **Value:** \$4.8 billion
- **SAM**
 - Substitution of national consumption of LP gas and diesel in:
 - Industrial sector
 - **Volume:** 4 million tons of pellets per year
 - **Value:** \$1 billion
- **SOM**
 - 0.6% of TAM
 - Industrial sector
 - **Volume:** 146,000 tons of pellets per year
 - **Value:** \$31 million

Pellet Mexico

Waste to Energy Model

Business model and about the company



Business Strategy

Business Model



Business Strategy

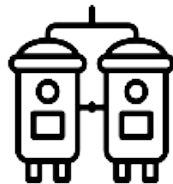
Marketing chain



Pellet Mexico Strategy

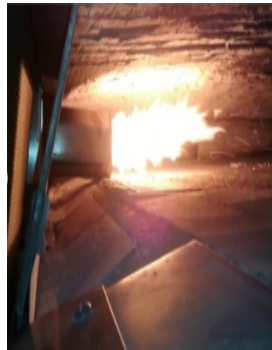
- **Sales (B2B)**
 - Long-term, fixed-price pellet purchase agreements
 - An adaptation is made to the customer's existing processes, replacing the existing burners with new pellet burners.
- **Raw Material**
 - Pellet Mexico partners with waste generators through special vehicles.
 - Incentives are aligned and the supply of material to produce is guaranteed.

Pellet applications: **processes requiring thermal energy**



Industrial processes requiring thermal energy

- Examples: food dehydration, drying, steam generation, impregnation...



Industrial processes of mango dehydration and special impregnations



Tourist and Domestic Use

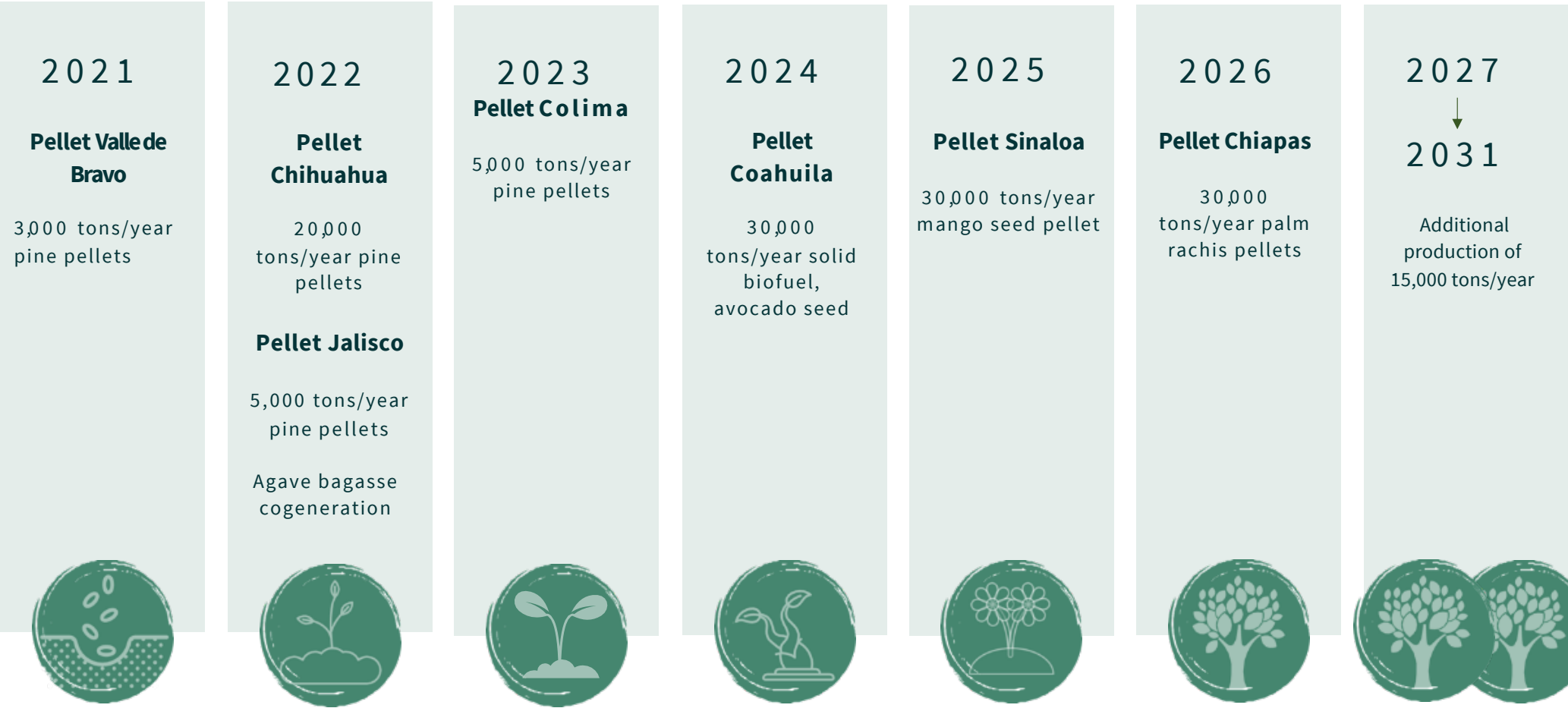
- Examples: heating and water heating



Domestic and hotel adaptations

Strategic Plan

200,000 tons/year after a development period of 10 years



Strategic Plan

Growth : Phase 1



Phase 1. Development
Investment: **\$2.2 million**



June 2021



June 2022



December 2022



June 2023



💡 Product Fit

💡 Go to Market

💡 10,000 tons/year production in 2022

💡 Closing of long-term supply contracts

💡 Commercial and financial consolidation

Strategic Plan

Growth : Phase 2



Phase 2. Scalability
Investment: **\$10 million**



- 💡 Opening of regional markets
- 💡 Expanding supply and assurance capacity on the matter
- 💡 Scale up production 15,000 tons/year after 2027
- 💡 200,000 tons/year in 10 years
- 💡 Replicating the model in Latin America
- 💡 Access to the international export market

Acknowledgements

One of the **1000 Efficient Solutions** to Take Care of the Environment



SOLARIMPULSE
FOUNDATION

[Click to read Pellet Mexico's profile on SOLARIMPULSE](#)

- An audit was made to Pellet Mexico focused on:
 - Business Model
 - Energy solution

Solar Impulse Foundation

- **Pellet Mexico's business model was named one of the 1000 efficient solutions to protect the environment.**

- **Key Features:**

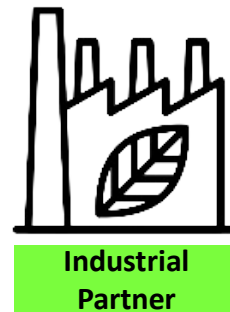
- Environmental way to reuse forestry, agricultural and food production waste.
- Safe and risk-free combustion process
- Highly effective and low-cost industrial adaptation

- **Profitability**

- 40% savings, average vs. traditional fossil fuels
- 25% savings, average vs. LP Gas

Advantages for a Strategic Partner

Financial investment | Use of waste



- Investor in Pellet Mexico



Participation in Serie A

- Return on financial investment

- Strategic Partner; and/or
- Customer; and/or
- Supplier



Industrial Benefits

- Additional income from the use of organic waste
- Using Biofuel Pellets to meet your thermal energy needs

- Strategic Partner; and/or
- Customer



CO₂ Mitigation

- Carbon neutrality, reducing fossil fuel consumption and giving a second chance to organic waste.

How can Pellet Mexico help your organization?

Value creation opportunities



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