**Background**

David Davies is the CEO of Izenzo.

His involvement in the 'underground' market over the last 25 years in SA has seen Izenzo’s turnover grow to $2m - $3m p.a. in the trade. It was with this historical perspective coupled with out-of-date legislation and the monopolistic nature of the SA market that David eyed the pharmaceutical companies moving into the cannabis market and establishing licensing authorities to ring fence their interests in a manner that suggested they were up to their old tricks again.

David’s reaction is to establish a country agnostic solution in the form of an offshore listed entity. This entity would build and operate a cannabis commodity trading platform easily and cheaply accessible to producers (sellers) and buyers in the first instance, facilitating forward sales of product in the ground to 'lock' in their potential profit. This no-brainer to listing for producers and buyers would work as almost a free window on the global trade through powerful marketing: Fendahl's global marketing reach, social media and our existing global network of traders (Canada, USA, Brazil, Australia, Israel, Macedonia, Spain & Poland -currently). The entity would establish a principal trading account for the equity partners. Expected multiplier of earnings to be in the region x 100 through moving from an underground SA distribution to a legal global platform. This will impact on earnings to the order of $200m - $300m p.a. from the 2nd/3rd year of going live.

**Business Case**

**Trading desk** – The value proposition attracting producers and buyers alike who would transact independently on the platform and the platform acting as a clearing house would charge $1000 p.a. fee and 10% of all transactions. The principal trading account would enjoy the fillip of the $200m - $300m multiplier commodity trading platform

**Equity** – The JSE has/is establishing a platform in London for trading in unlisted stocks offering the necessary compliance & governance to assuage investor fears. Izenzo has been negotiating with the JSE to position the Fintech aspect of the commodity trading platform as a pure tech play - P:E ratio for tech stocks is between 20 -25. Formula: (p.e. ratio x turnover). The advantage of this scenario is not only the consequent multiplier of the equity but also to give certainty and confidence to investors for easier entry and exit opportunities.

**Carbon Credits & Green Hydrogen** – David has been in touch with the Thabo Mbeki Foundation which is highly influential in the African Union (AU). They have access to hundreds of millions of hectares of virgin land across 55 countries in Africa. Izenzo’s proposal to them is to convert the land into commercial carbon credit and green hydrogen credit opportunities. The proposal has been well received. Current pricing suggest $35/hectare per credit. The opportunity to introduce hemp as a sequester of fossil fuels can improve that efficiency 20X and hence the price. The market is made of the normal and obvious culprits (oil, coal, gas) and even some of the lesser offenders such as fashion, airlines, etc. The market represents the ultimate push for Net Zero and its metamorphosis of the fossil fuel energy sector. The opportunity to participate will yield highly profitable results.

**Marketing** – By maintaining an independent Chinese wall between the producers and buyers Izenzo expects to instill confidence in the platform and to concentrate entirely on marketing, as outlined above.

**Equity Offer – The offer is 20% of the stock for $5m.**