2023 REPORT

Aquagga, Inc.

Dear investors,

Aquagga has had a transformative year marked by significant accomplishments and a few challenges as we continue to grow. We successfully completed our first industrial pilot, demonstrating the viability of our Hydrothermal Alkaline Treatment (HALT) technology for PFAS destruction at scale. This was a major step forward in proving our solution's effectiveness in real-world applications.

Additionally, we published a peer-reviewed paper in collaboration with 3M, solidifying our credibility in the scientific community and showcasing the impact of our technology. The successful completion of two Department of Defense (DoD) demonstrations further validated our technology's capability to handle PFAS destruction in high-impact, government-regulated environments.

On the organizational front, we underwent a key leadership transition, with CEO Nigel Sharp moving into an advisory capacity, allowing him to focus on strategic initiatives while bringing in new leadership to drive day-to-day operations. This shift, combined with our first sales hire, positions Aquagga to ramp up our commercialization efforts.

One of the most promising developments has been the increased traction in the semiconductor market, where PFAS contamination is a significant concern. Our HALT technology has begun to attract attention in this sector, offering a powerful solution to a critical problem.

However, as with any growing company, challenges remain. Scaling our operations to meet demand while ensuring cost-effective implementation is a priority. Furthermore, pushing for greater regulatory recognition and adoption of our technology is essential to accelerate market penetration and

ensure widespread impact. We remain committed to overcoming these obstacles as we continue to expand Aquagga's footprint in the cleantech industry.

We need your help!

Investors can support Aquagga by making introductions to venture capital, private equity, and family offices with a focus on cleantech and impact investments. Additionally, connections with potential customers in industrial sectors like chemical manufacturing and semiconductors are valuable as we expand our Hydrothermal Alkaline Treatment (HALT) technology for PFAS destruction. Investors can also help by raising public awareness of PFAS contamination issues and advocating for stronger regulations and wider adoption of innovative solutions like Aquagga's HALT technology, which is crucial for accelerating its impact and driving positive environmental change.

Sincerely,

How did we do this year?

REPORT CARD

B+

☺ The Good	☹ The Bad
First industrial pilot, mobilizing our Steed system & team for a 3-week project demonstrating >99% destruction	Customer conversion from pilot to full-scale remains a long process
Back-to-back pilots at a DoD installation in California treating AFFF & PFAS-impacted groundwater	Timing of regulatory landscape for discharge & waste disposal remains unclear
Grew our team to 16, adding our first full-time sales role	Leadership transition in August, with CEO Nigel Sharp moving into an executive advisory role

2023 At a Glance

January 1 to December 31

$2,341,142 +303%
Revenue

-$215,824
Net Loss

$139,032 +869%
Short Term Debt

$518,549
Raised in 2023

$377,473
Cash on Hand
As of 10/16/24

INCOME BALANCE NARRATIVE

Net Margin: -9% Gross Margin: 0% Return on Assets: -31% Earnings per Share: -$0.01 Revenue per Employee: $146,321

Cash to Assets: 49% Revenue to Receivables: 2,166 Debt Ratio: 34%

2022_and_2023_Aquagga_Financials.xlsx
2022_and_2023_Changes_in_SH_Equity.xlsx
2022_and_2023_Aquagga_Financials-output.pdf

We ❤ Our 183 Investors

Thank You For Believing In Us

Thibaut LaBarre
Cody Heisinger
Matt Riordan
Ulrika Munther
Florian Hoornaar
Bill Robinson
Rick Fichera
Nigel Wylie
Chantelle Ludski
Lars Carver
John Frederick Adderholdt
Erika Houtz
Tyler Gale
Stephanie Hooks
Theodore OSHMAN
Robert Jay Martin
Andrew McAfee
Rachael Brown
Holly Rice
Mia Paradiso
Kurt Wickham
Leif Elgethun
Clare Petrich
Joris Strypens

Steven Alexander Littaua
David Donaldson
John Doll
William Sarni
Ashley Cooper
Martino Finotelli
Eric McCallum
Richard Krejcarek
Clinton Meyer
Felix Vayssieres
Chris D. Busick
Ryan James Carlson
Edward Kelly Mediock
Allen Jarocha
Andres Gomez
Barbara Tibbetts
Joel Ebers
Neetal Parekh
Kyle Hay
Daniel Johnsen
Bruce Taylor
Connor Green
Peter Ullrich
Raffaela Chiacchia

Marcus Mendiola
Martin Brenner
Johnny Evans
Garrett Gross
David Kempisty
Jeff Allen
Cameron Alder
David Fantom
Curtis Wood
Isaac Johnson
Simon Horrer
Bucky Frost
Brian Topper
Whoopi Goldberg
Martha Wiedemann
Thomas Smith
Jean Ikezoe-Halevi
Curtis Stewart
Vincent Mach
Tracy Kessner
Bernadette Drumm
Ulrich Eilers
Bradley McMahon
Hendrik Bratsch

Delores Ollie
Lisa Graham
Michael Z Furer
Haleigh Reed
Michael Pinkard
Ross Johnston
Maximiliano Grass
Chris Kibbe
Nick Ost
Kim Kuncl
Riley Hume
Gloria S
John Heide
Suzie Clary
David Harrison
Igor Tsukerman
Ken Burgener
Mitchell Kunkler
Joseph Purcell
James Wheeler
Ben Endress
Mike Mutto
Quy Nguyen
Michael Doyle

Weston Johnson
Prabhudas Chelumala
Gregg Carlson
Francisco Luquin
Tim Hanna
Brendan Moloney
Julie Penner
Scott Larson
Sameer Dawande
Chris Kolbegger
Alan Shapiro
Lynda S BEST
Thomas Lynch
Frank DeCecco
Jonathan Hendrickson
Matthew Ingram
Kelton Shockey
Ryan Spor
Keith Nation
Donald McDaniel
Hans Ulrich Engel
Jonathan Loomis
Benedetg Cajacob
Heidi Mauer Wunsch

David Macario
Scott E Kaplan
Dan Devlin
Nicholas Ellingson
Martin Nielson
Rosanna Leroe-Munoz
Ston Nguyen
Grace Park-Bradbury
Roderick Herron
Wayne Burkholder
Sidney Mahanay
Fabio Weiss Ferreira Chaves
Mike Catsi
Kelly Henley
Michael E. Bielewicz
Makoto Eyre
Linda Janes
Ray Riechert
Andrew G. Roots
Tara Bradley
Laura Loomis
Chris MOMOSE
Samantha McLelland
Leanne Werner

Yosef Hertz
Peyton Dalton

Stena Troyer

Thaddeus Onwuka

Danny Shamoon

Sarah Waterman

Miranda Berger

Thank You!

From the Aquagga, Inc. Team

Chris Woodruff

Co-Founder & COO, Interim CEO

Chris Woodruff brings a blend of mechanical engineering, project management, and operational experience spanning the construction, aerospace, and...

Brian Pinkard

Co-Founder & CTO

Dr. Brian Pinkard has previously spearheaded efforts at the University of Washington to develop mobile hydrothermal systems for the destruction of bulk chemical...

Nigel Sharp

Executive Advisor

Serial entrepreneur, technologist, and Techstars Alum, Nigel Sharp has held successive Entrepreneur in Residence roles at the University of Colorado Boulder, and the...

Mike Czerski

Senior Mechanical Engineer

Mike Czerski has worked on a wide variety of projects ranging from football helmet design to the design of an experimental...

Ariella Halevi

Mechanical Design Engineer

Ariella Halevi is a Solidworks master, has experience with consumer product design and completed an AmeriCorps...

Cody Thomsen

Mechanical Engineer

Cody Thomsen is a recent graduate from the University of Washington Mechanical Engineering program, currentl...

Hilary Joyner

Senior Marketing Manager

Hilary is a marketing professional with more than a decade of experience in content creation, project management,...

Calvin Rhodes

Mechanical Design Engineer

Calvin Rhodes is a multidisciplinary Mechanical Engineer working on Engineering Development and...

Somnath Mukherjee

Senior Controls Engineer

Somnath (Som) holds a Master's degree in Electrical Engineering from the University of Washington, Seattle. He has...

Gus Millevolte

Research Engineer

Gus has spent the last decade studying neural control systems and self-learning algorithms for control optimization. He...

Quinn Huelsbeck

Operations Manager

Quinn is a dedicated Lean/Continuous Improvement Leader who excels at using proven methods and cutting-...

Angie Karsama

Marketing Manager

Angie Karsama is a B2B marketing professional who brings a wealth of knowledge in technical marketing, business...

Conrad Austin
Test Engineer

Annie Heble
Postdoctoral Research Fellow

Josh Arvin
Mechanical Engineer

Juliet Veskova
Lab Technician

Daniel Nelson
Director of Industrial Sales

Details

The Board of Directors

Director	Occupation	Joined
Brian Pinkard	CTO @ Aquagga Inc.	2019
Christopher Woodruff	COO @ Aquagga Inc.	2021
Steven Strickler	Radiologist @ Bartlett Regional Hospital	2024

Officers

Officer	Title	Joined
Brian Pinkard	CTO	2019
Christopher Woodruff	COO	2021

Voting Power

Holder	Securities Held	Voting Power
Christopher Woodruff	6,996,094 Common Stock	24.4%
Nigel Sharp	6,996,094 Common Stock	32.5%
Brian Pinkard	6,996,094 Common Stock	24.4%

Past Equity & Loan Fundraises

Date	Amount	Security	Exemption
06/2020	$8,300		Section 4(a)(2)
03/2021	$25,000	Safe	Section 4(a)(2)
03/2021	$25,000	Safe	Section 4(a)(2)
04/2021	$25,000	Safe	Section 4(a)(2)
06/2021	$25,000	Safe	Section 4(a)(2)
06/2021	$25,000	Safe	Section 4(a)(2)
07/2021	$25,000	Safe	Section 4(a)(2)
03/2022	$75,000	Safe	Section 4(a)(2)
03/2022	$75,000	Safe	Section 4(a)(2)
03/2022	$75,000	Safe	Section 4(a)(2)
03/2022	$40,000	Safe	Section 4(a)(2)
04/2022	$25,000	Safe	Section 4(a)(2)
05/2022	$25,000	Safe	Section 4(a)(2)
10/2022	$100,000		Section 4(a)(2)
12/2022	$50,000	Safe	Regulation D, Rule 506(c)
12/2022	$50,000	Safe	Regulation D, Rule 506(c)

12/2022	$50,000	Safe	Regulation D, Rule 506(c)
04/2023	$25,000	Safe	Regulation D, Rule 506(c)
05/2023	$308,549		4(a)(6)
05/2023	$25,000	Safe	Regulation D, Rule 506(c)
06/2023	$10,000		506(c)
08/2023	$25,000	Safe	Regulation D, Rule 506(c)
08/2023	$20,000	Safe	Regulation D, Rule 506(c)
08/2023	$10,000	Safe	Regulation D, Rule 506(c)
08/2023	$30,000	Safe	Regulation D, Rule 506(c)
08/2023	$25,000	Safe	Regulation D, Rule 506(c)
08/2023	$10,000	Safe	Regulation D, Rule 506(c)
08/2023	$20,000	Safe	Regulation D, Rule 506(c)
08/2023	$10,000	Safe	Regulation D, Rule 506(c)
01/2024	$300,000		Other

The use of proceeds is to fund general operations.

Outstanding Debts

Lender	Issued	Amount	Oustanding	Interest	Maturity	Current?
SBA	06/15/2020	$8,300	$13,500	3.75%	06/15/2050	Yes
Craft3	10/28/2022	$100,000	$121,018	7.0%	10/01/2027	Yes
MDF Fund I, LP	01/22/2024	$300,000	$246,427	9.0%	02/01/2026	Yes

Related Party Transactions

None.

Capital Structure

Class of Security	Securities (or Amount) Authorized	Securities (or Amount) Outstanding	Voting Rights
Common	30,000,000	16,061,970	Yes

Warrants: 0
Options: 3,620,096

Form C Risks:

Technical risks associated with system design and material longevity in highly corrosive internal system operating environments continue to be an area requiring further technical R&D and practical demonstrations of systems for real-world operating conditions.

Long-term business viability on a singular product line and associated recurring revenues are hard to predict, as the number of systems we will need to sell versus the number which may be leased or contracted is still somewhat unclear. Further product diversification will be needed, which inherently will take investment and non-dilutive funds which would have to be secured in the future.

Currently, we're centered around a singular product line and primarily focused on the PFAS destruction problem. Product diversification in the short/medium term may be risky, and it takes 18 months+ of development to bring new hardware products to market outside of our current products in development.

Regulatory and permitting are mandated at the federal, state, and municipal levels. This adds complexity to the operating landscape and could make certain markets harder or more time-consuming than others to successfully deploy into.

Our future success depends on the efforts of a small management team. The loss of services of the members of the management team may have an adverse effect on the company. There can be no assurance that we will be successful in attracting and retaining other personnel we require to successfully grow our business.

The Investor understands that the Company is a public benefit corporation, as defined in Section 362(a) of the General Corporation Law of Delaware, and acknowledges receipt of the notice required under Section 362(c) of the General Corporation Law of Delaware.

Potentially infringing on the patents of other companies: The company may inadvertently use technology that is covered by a patent held by another company, which could result in a lawsuit. And this is equally true of copyrighted or trademarked materials and will need further extensive searches and additional IP attorney resources to mitigate.

The Company may never receive a future equity financing or elect to convert the Securities upon such future financing. In addition, the Company may never undergo a liquidity event such as a sale of the Company or an IPO. If neither the conversion of the Securities nor a liquidity event occurs, the Purchasers could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company's assets or profits and have no voting rights or ability to direct the Company or its actions.

Description of Securities for Prior Reg CF Raise

Additional issuances of securities. Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured. The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

Issuer repurchases of securities. The Company may have authority to repurchase its securities from shareholders, which may serve to decrease any liquidity in the market for such securities, decrease the percentage interests held by other similarly situated investors to the Investor, and create pressure on the Investor to sell its securities to the Company concurrently.

A sale of the issuer or of assets of the issuer. As a minority owner of the Company, the Investor will have limited or no ability to influence a potential sale of the Company or a substantial portion of its assets. Thus, the Investor will rely upon the executive management of the Company and the Board of Directors of the Company to manage the Company so as to maximize value for shareholders. Accordingly, the success of the Investor's investment in the Company will depend in large part upon the skill and expertise of the executive management of the Company and the Board of Directors of the Company. If the Board Of Directors of the Company authorizes a sale of all or a part of the Company, or a disposition of a substantial portion of the Company's assets, there can be no guarantee that the value received by the Investor, together with the fair market estimate of the value remaining in the Company, will be equal to or exceed the value of the Investor's initial investment in the Company.

Transactions with related parties. The Investor should be aware that there will be occasions when the Company may encounter potential conflicts of interest in its operations. On any issue involving conflicts of interest, the executive management and Board of Directors of the Company will be guided by their good faith judgement as to the Company's best interests. The Company may engage in transactions with affiliates, subsidiaries or other related parties, which may be on terms which are not arm's-length, but will be in all cases consistent with the duties of the management of the Company to its shareholders. By acquiring an interest in the Company, the Investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Minority Ownership

An Investor in the Company will likely hold a minority position in the Company, and thus be limited as to its ability to control or influence the governance and operations of the Company.

The marketability and value of the Investor's interest in the Company will depend upon many factors outside the control of the Investor. The Company will be managed by its officers and be governed in accordance with the strategic direction and decision-making of its Board Of Directors, and the Investor will have no independent right to name or remove an officer or member of the Board Of Directors of the Company.

Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured.

The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

Exercise of Rights Held by Principal Shareholders

As holders of a majority-in-interest of voting rights in the Company, the shareholders may make decisions with which the Investor disagrees, or that negatively affect the value of the Investor's securities in the Company, and the Investor will have no recourse to change these decisions. The Investor's interests may conflict with those of other investors, and there is no guarantee that the Company will develop in a way that is optimal for or advantageous to the Investor. For example, the shareholders may change the terms of the articles of incorporation for the company, change the terms of securities issued by the Company, change the management of the Company, and even force out minority holders of securities. The shareholders may make changes that affect the tax treatment of the Company in ways that are unfavorable to you but favorable to them. They may also vote to engage in new offerings and/or to register certain of the Company's securities in a way that negatively affects the value of the securities the Investor owns. Other holders of securities of the Company may also have access to more information than the Investor, leaving the Investor at a disadvantage with respect to any decisions regarding the securities he or she owns. The shareholders have the right to redeem their securities at any time. Shareholders could decide to force the Company to redeem their securities at a time that is not favorable to the Investor and is damaging to the Company. Investors' exit may affect the value of the Company and/or its viability. In cases where the rights of holders of convertible debt, SAFES, or other outstanding options or warrants are exercised, or if new awards are granted under our equity compensation plans, an Investor's interests in the Company may be diluted. This means that the pro-rata portion of the Company represented by the Investor's securities will decrease, which could also diminish the Investor's voting and/or economic rights. In addition, as discussed above, if a majority-in-interest of holders of securities with voting rights cause the Company to issue additional stock, an Investor's interest will typically also be diluted.

Restrictions on Transfer

The securities offered via Regulation Crowdfunding may not be transferred by any purchaser of such securities during the one year period beginning when the securities were issued, unless such securities are transferred:

to the issuer;
to an accredited investor ;
as part of an offering registered with the U.S. Securities and Exchange Commission; or
to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

Valuation Methodology for Prior Reg CF Raise

The offering price for the securities offered pursuant to this Form C has been determined arbitrarily by the Company, and does not necessarily bear any relationship to the Company's book value, assets, earnings or other generally accepted valuation criteria. In determining the offering price, the Company did not employ investment banking firms or other outside organizations to make an independent appraisal or evaluation. Accordingly, the offering price should not be considered to be indicative of the actual value of the securities offered hereby.

The initial amount invested in a SAFE is determined by the investor, and we do not guarantee that the SAFE will be

converted into any particular number of shares of Preferred Stock . As discussed in Question 13, when we engage in an offering of equity interests involving Preferred Stock , Investors may receive a number of shares of Preferred Stock calculated as either (i) the total value of the Investor's investment, divided by the price of the Preferred Stock being issued to new Investors, or (ii) if the valuation for the company is more than the Valuation Cap, the amount invested divided by the quotient of (a) the Valuation Cap divided by (b) the total amount of the Company's capitalization at that time. Because there will likely be no public market for our securities prior to an initial public offering or similar liquidity event, the price of the Preferred Stock that Investors will receive, and/or the total value of the Company's capitalization, will be determined by our board of directors . Among the factors we may consider in determining the price of Preferred Stock are prevailing market conditions, our financial information, market valuations of other companies that we believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant. In the future, we will perform valuations of our stock (including both common stock and Preferred Stock) that take into account, as applicable, factors such as the following:

unrelated third party valuations;
the price at which we sell other securities in light of the relative rights, preferences and privileges of those securities;
our results of operations, financial position and capital resources;
current business conditions and projections;
the marketability or lack thereof of the securities;
the hiring of key personnel and the experience of our management;
the introduction of new products;
the risk inherent in the development and expansion of our products;
our stage of development and material risks related to our business;
the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given the prevailing market conditions and the nature and history of our business;
industry trends and competitive environment;
trends in consumer spending, including consumer confidence;
overall economic indicators, including gross domestic product, employment, inflation and interest rates; and
the general economic outlook.
We will analyze factors such as those described above using a combination of financial and market-based methodologies to determine our business enterprise value. For example, we may use methodologies that assume that businesses operating in the same industry will share similar characteristics and that the Company's value will correlate to those characteristics, and/or methodologies that compare transactions in similar securities issued by us that were conducted in the market.

Company

Aquagga, Inc.

Delaware Public Benefit Corporation
Organized August 2019
16 employees
748 Market Street
Tacoma WA 98402 https://www.aquagga.com/

Business Description

Refer to the Aquagga, Inc. profile.

EDGAR Filing

The Securities and Exchange Commission hosts the official version of this annual report on their EDGAR web site. It looks like it was built in 1989.

Compliance with Prior Annual Reports

Aquagga, Inc. is current with all reporting requirements under Rule 202 of Regulation Crowdfunding.

All prior investor updates

You can refer to the company's updates page to view all updates to date. Updates are for investors only and will require you to log in to the Wefunder account used to make the investment.

Show Less ⌄