



OUTSYDE



Outsyde Inc. Litepaper



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**Disclaimer: The contents of this document are
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Introduction

Outsyde Inc. is driving environmental change through real land protection and restoration, to help small to medium businesses (SMEs) reduce their carbon footprints.

By owning recognized carbon sink properties across the United States, Outsyde is in a unique position to bring much-needed validation to emissions trading and carbon markets. We are achieving this through our Non-Fungible Token (NFT)-based approach. Outsyde has partnered with the Algorand Foundation to launch a real-land NFT collection on the Algorand blockchain.

Each NFT will be fractionalized into percentages to sell as individual shares. Each share of an NFT will represent an area of square feet in Outsyde properties and a certain tonnage of carbon emissions avoidance.

Our partnership with Algorand, which is one of the first carbon negative blockchains, reflects our values as an ESG focused project looking to provide validity to carbon markets; make carbon offsets real and tangible; maximize carbon sequestration through biodiversity restoration; and reduce emissions of greenhouse gasses (GHG).

Problem

Traditional carbon markets—of which there are two kinds, compliance and voluntary—suffer from a lack of validity and transparency which results in increased GHG emissions. In either market, carbon credits, which represent quantified emission rates and allow a company to produce more, are traded as exchangeable securities for the purpose of offsetting industry emissions outputs.

Emission rates are measured per metric ton and are calculated by determining the carbon equivalent that was emitted during a product's manufacturing. Compliance markets are regulated and function through a cap-and-trade system where the supply of carbon credits is limited, due to a government-placed restriction on the amount of carbon that a company can emit during production.

Voluntary carbon markets are not regulated by a governing body and so the supply of carbon credits is much larger because there is no cap regulating emissions outputs. This has opened the market up to smaller firms who now have the choice to offset their individual emissions, and this has also massively increased carbon credit trade volumes within voluntary markets.

Protocols put in place by governing bodies to establish validity within carbon markets have unfortunately seen very little success in doing so. The United Nations Framework Convention on Climate Change (UNFCCC) is a framework that was established in the early 1990s to stabilize GHG concentrations in the atmosphere, by placing mandatory limits on carbon emissions in industrialized countries. The UNFCCC is operationalized by the Kyoto Protocol, an international treaty outlining how countries can curb their emission rates through three defined implementation mechanisms:

1. Clean Development Mechanism (CDM); a mechanism where a company takes active steps in making their production processes more sustainable to reduce emissions.
2. Joint Implementation (JI); a mechanism where two companies collaborate on green initiatives to reduce emissions.
3. Emissions Trading (ET); a mechanism that involves companies exchanging carbon credits to offset their emission rates.

These mechanisms can be implemented within both regulated compliance markets, and unregulated voluntary markets. Nonetheless, under the Kyoto Protocol, major global enterprises in industrialized countries whom these mechanisms were designed for, failed to implement them and as a result, at the 12th annual United Nations Climate Change Conference (COP12) in 2015, the Paris Agreement was founded and signed to replace the Kyoto Protocol. The Paris Agreement sought to establish validity where the Kyoto Protocol couldn't by improving upon the existing implementation mechanisms and holding participating countries to a higher standard.

The Paris Agreement is an international, legally binding treaty, that outlines how the contributions made by participating companies within industrialized countries to improve their emission rates through implementation mechanisms, will be reviewed every five years. At COP26 in 2021, which was held in Glasgow, the UNFCCC reached two significant outcomes aimed at improving the implementation mechanisms under the recent Paris Agreement.

The first of these outcomes was that guidance will be adopted for companies in bilateral arrangements between various geographical regions to recognize the transfer of emissions reductions between them, allowing international emissions trading to occur more fluidly.

The second outcome saw carbon-reducing activities being credited internationally. Meaning that if a company in one country participates in an activity to reduce its carbon emissions, that activity will be recognized in another country, enabling that company to sell its reductions to firms in foreign markets. This second outcome has seen carbon markets become increasingly globalized.

Despite established guidelines and legislation meant to increase transparency in both compliance and voluntary markets, transactions between market participants exchanging, selling, and purchasing carbon credits are not validated which leads to credits being double counted.

If one credit is double counted, the actual quantified tonnage of emitted carbon it represents will be falsely inflated. Carbon credits are double counted in both compliance and voluntary markets, which leads to inaccurately tracked emission rates across entire industries. This has resulted in much higher emission rates than government caps allow for in compliance markets, and significantly lower GHG reductions than are reported in in voluntary markets.

One way that a company can implement a CDM under the UNFCCC to make their production more sustainable, is through the trading of carbon offsets. Carbon credits allow a company to emit carbon, whereas a carbon offset is an investment into a sustainable initiative, practice, activity, or project, that works and functions to reduce carbon emissions and remove existing carbon concentration from the atmosphere. Carbon offsets are invested in by companies looking to "offset" their own emissions by dedicating capital towards something green.

By virtue of a CDM involving a company taking active steps to make their manufacturing processes more sustainable to mitigate carbon output, investing capital into green energy projects and initiatives to increase sustainability, directly categorizes carbon offsets as a CDM under the Paris Agreement. Every carbon offset has a contract attached to it that represents a quantified weight of sequestered carbon; the larger the tonnage of carbon offset, the more valuable the contract attached to that offset becomes.

If a company chooses to trade in carbon offsets without investing in a green initiative to improve the sustainability of their manufacturing processes, they can invest in carbon sinks as another way of offsetting their emission rates.

Carbon sinks are environments that absorb more carbon than they release (i.e. forests and marshlands). The contract attached to the offset would then represent a physical land stake in the carbon sink and detail the amount of land purchased for the investment. The value of the contract is based on the carbon-sequestering capacity of the land that was purchased. So, if the land that made up that carbon sink was damaged by natural occurrences or man-made deforestation, the value of the contract attached to it would decrease as that land would be less effective at offsetting emission rates through carbon sequestration.

Purchasing, selling, and trading carbon offsets is the exchanging of the contracts attached to them that, depending on the offset, either represent the tonnage of carbon offset, or the amount of carbon sequestering land purchased as part of a carbon sink investment to offset emission rates.

Regardless, as carbon offsets can be traded in both compliance and voluntary markets, there is still no validity in their exchange. For example, a contract attached to an offset that represents a physical land stake in a carbon sink where its value is derived from the sequestering capabilities of that land, will never be validated. There is no process for ensuring the land remains in healthy condition, no one to actively monitor the state of the land, and no protocols for measuring the specific tonnage of carbon sequestered by that land.

The quality of the land doesn't matter as it is not tracked because the contracts attached to carbon offsets still get traded anyway, so conservation isn't prioritized and as a result, unique carbon sink ecosystems are lost. The land quality of carbon sinks must be validated because funding the preservation of a carbon-sequestering ecosystem that isn't threatened, just allows for more carbon to be emitted into the atmosphere.

Now, companies don't have to exclusively invest in green projects and carbon sinks to earn exchangeable offsets, they can be awarded them by implementing sustainable initiatives themselves, such as planting trees. But what has happened because of the carbon markets' lack of validity, is that companies will clear-cut a unique carbon sequestering ecosystem, just to replant more trees on that same site, to be awarded additional carbon offsets. However, the damage caused by clear-cutting cannot be repaired through the planting of more trees because when it occurs, the ecology of the land gets damaged at a biodiverse level. So, unless restored and conserved properly, that environment will never again be able to sequester as much carbon as it initially could. Trees also sequester the most carbon when they are fully matured and clear-cutting a forest before it reaches said maturity, means that it will never have the opportunity to absorb its maximum tonnage of carbon.

The lack of validity in compliance and voluntary carbon markets has led to falsely reported emissions reductions and inflated rates of GHG outputs. It has become increasingly difficult for smaller participants to enter the market to exchange carbon credits to offset their own carbon footprints because carbon markets cater to large corporations. As transactions are not verified within carbon markets, exchangeable carbon credits get double counted and when this happens, the credits no longer accurately represent the tonnage of carbon emitted in a company's production process.

Unvalidated land quality means that traded carbon offsets also no longer accurately represent an amount of carbon sequestered in an environment because nobody is checking the quality of that land. Unvalidated land quality has also allowed for the clear-cutting of unique carbon sinks because there is no process to establish if the land is in good condition. So, if a company decides to clear-cut an ecosystem because they deem it unhealthy, who is to contest them? That company is justified in causing deforestation due to how they determined the land as "unusable," enabling them to implement a new green initiative on the same site that will never properly restore its quality, just to be awarded additional offsets. Carbon markets are void of transparency which has plagued the space for years, but what can be done?

Solution

The rise of Non-Fungible Tokens (NFTs)—a new class of digital asset—provides a way to bring validity to emissions trading and carbon markets.

A Joint Photographer Expert Group (JPEG) file is an image format that contains lossy and compressed photo data. Lossy data involves the dissipation of computational energy to compress a dataset without compromising its quality. When an image is formatted using a JPEG file, the image data within it is made smaller without the image itself changing. JPEG formatting allows for image files to be sent and received faster, and for a higher volume of image files to be stored at once.

NFTs utilize JPEG image formatting for ubiquitous storage capabilities as these assets are held across numerous digital infrastructures. However, the difference between an NFT and a regular JPEG file is that the image data and pixilation that make up the structure of an NFT, are uniquely encrypted and completely immutable. Meaning that for every individual NFT minted, it is truly one of a kind, and once minted, its code and metadata cannot be altered, replicated, or changed.

NFTs are deflationary assets, which means that their value is designed to increase over time as their supply decreases. Only a limited number of NFTs in any given collection will be minted, and this limited supply fosters artificial scarcity. This is great for long-term value growth because the less of something there is, or the more exclusive that something is, the more value it will hold.

Now, the digital infrastructure that NFTs are stored on is called a blockchain and this is a public ledger technology that is fully decentralized and situated across a distributed network. There are four types of blockchains: public blockchains with no central authority that require no permission to join or operate; hybrid blockchains that are controlled by one authority with a few permissionless processes; consortium blockchains that are controlled by a group of individuals; and lastly, private blockchains that are controlled by one authority. Blockchains are categorized and differentiated by how permissionless their protocols are for new users to join and participate in the network.

All four kinds of blockchains function using a consensus mechanism; this is an algorithm designed to facilitate participation on a blockchain by validating and publishing all user transactions that take place on said chain. NFTs can be exchanged in marketplaces built on blockchains and because of how every on-chain sale, purchase, and trade is publicly validated, the entire transaction history of an NFT is accessible to be viewed.

Anyone at any time can look at the past ownership of an NFT and know exactly when it was minted, its specific number in the collection, who held it and how long they held it for, who they sold it to, and when, and fluctuations in its value over time. This level of transparency and validity would greatly benefit traditional carbon markets.

Outsyde seeks to maximize conservation finance opportunities on lands to support productive forest environments by owning over 30,000 acres of unique carbon sink territory and carbon sequestering ecosystems throughout the United States in Virginia, North Carolina, Arkansas, Kentucky, and Pennsylvania.

Properties Under Outsyde Ownership and Management

Clinch River- Scott County, VA	\$375,000	393 Acres
Bluebell- Powhatan County, VA	\$3,550,000	1,410 Acres

Properties Under Outsyde Management

Clarion- Allegheny Plateau, PA (8% GP equity)	\$13,000,000	11,261 Acres
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Properties Under Contract or Management for 2021-2022

Broyhill- Caldwell County, NC	\$1,307,000	738 Acres
Brandywine Island- Crittenden County, AR	\$20,000,000	9,885 Acres
Brandon- Amelia County, VA	\$5,000,000	1,310 Acres

Figure 1. Information on Outsyde properties.

Our experienced team strategically acquires and manages lands utilizing creative structures with comparatively high-impact, landscape-scale conservation opportunities, and co-benefits using a public and private partnership approach.

Organizations with climate-based initiatives will need partnerships with conservation owners like Outsyde, who will manage the land in accordance with preservation goals.

Many of today's landowners are in a situation of needed diversification for income on their owned lands. A lot of those private landowners are unsure of how to maximize their opportunities for economic growth while protecting their lands and ecosystems. Outsyde's team is prepared to be a trusted partner to guide these individuals and families to drive more conservation, carbon reduction, recreation, and mitigation monies into the landowners' pockets.

It is becoming increasingly important that companies, individuals, and industries become aware of their carbon footprint. Outsyde has created a strategy to keep natural minerals and fossil fuels in the ground. We are taking traditional assets and maximizing the opportunity for revenue while also preserving them. Tokenization refers to the process of bringing real-world assets onto the blockchain by representing them through an exchangeable digital token. In Outsyde's case, real land plots will be tokenized onto the blockchain and represented through minted conservation NFTs.

By tokenizing real land parcels onto the blockchain as NFTs, Outsyde can sell them as carbon offsets to SMEs looking to improve their carbon footprint, which would bring much-needed validity to carbon markets. Outsyde has partnered with the Algorand blockchain to tokenize the properties that it owns across the United States.

● Solution ●

1

An Extensive Background in Sustainable Forest Management and Eco System Protection enables Outsyde to Source Unique Land with multiple High Value Protection and Restoration Opportunities

2

Develop the first Real Land NFT on the Algorand Blockchain in Partnership with DEPT Agency utilizing innovated Lidar Technology with Treemetrics an Irish Forest Metrics Firm working with the European Space Agency

3

Launch NFT Units on Algo Blockchain for Small and Medium Companies interested in Offsetting Carbon Emissions while Building their own Reputation for a Green Future

Figure 2. High level overview of Outsyde solution.

The Algorand blockchain was founded in 2017 by Turing award winner Silvio Micali, and utilizes a Pure Proof of Stake (PPoS) consensus mechanism. PPoS allows for two-phase block production, enabling transactions on a blockchain to be processed at twice the speed. This significantly shortens the time it will take for new blocks to form on that chain, and for the chain itself to grow. PPoS also requires much less computing power to verify transactions, determining Algorand as a highly sustainable, scalable, and carbon negative blockchain.

Algorand features an intricate ecosystem from which to build out other applications, products, and services that contribute to a decentralized, and borderless economy. This partnership with Algorand will enable Outsyde to leverage the blockchains' ever-growing NFT marketplace to connect with environmentally conscious organizations and consumers looking to embody more sustainable practices to offset their carbon emissions.

Outsyde encompasses strategies from varying markets to create our story in land conservation. By acquiring or managing the same lands that would traditionally be used for clear-cut timber harvesting or real estate development, we are able to implement the Outsyde model to protect and preserve the land by creating practical solutions for complex environmental problems.

To ensure that land parcels remain healthy and unthreatened to maximize their carbon absorption potential, Outsyde has partnered with Treemetrics to actively monitor the state of our properties in real-time. Treemetrics is a leading forest measurement and climate-smart management platform that uses lidar imagery technology and Earth observation satellites through the European Space Agency, to monitor changes in vegetation and canopy growth which enables better forest management.

Tokenomics



- Owning tokenized land allows Outsyde to offer a true-impact NFT backed by real assets and documented results. Outsyde is creating interactive opportunities for buyers to get involved in offsetting their emissions as an effort to build more sustainably conscious brands.
- Outsyde has been given a grant from the Algorand Foundation to build out this blockchain strategy to bring it to market. Outsyde's approach to this strategy is to offer a fractional NFT based on ARC-0003, the Algorand standard for asset parameters regarding NFTs.

To fractionalize an asset or security is to deaggregate its value into multiple equal shares to enable a larger investment pool and this way, our NFTs will offer investment opportunities to buyers that wouldn't otherwise be able to purchase an entire NFT. For example, if one minted NFT meant one acre of land, that acreage would be fractionalized to sell percentages as individual shares, which would still represent a set amount of carbon sequestered.

The ALGO token will be used to purchase fractionalized shares of our NFTs. It is important to note that in order to hold our NFTs, buyers will need to create a Pera Wallet.

Algorands' microequity exchange MESE.io, allows for assets to be fractionalized to the millionth decimal point. Enabling each Outsyde property to be tokenized and minted as a fractional NFT divided into 1 million individual shares.

The first property to be tokenized is 392.14 acres of riparian ecosystem along the Clinch River in Scott County, Virginia; this property sequesters 9.5 million tons of carbon. Every individual share of the Scott County NFT will represent 17.08 square feet of land and roughly 9.58 metric tons of carbon emissions avoidance, priced at \$3.82 per share. A singular fractionalized share of the Scott County NFT will cost \$36 USD.

SCOTT COUNTY

Total Acreage	392.14
Square Feet of Acreage	17,081,618.40
Number of Fractional Shares	1,000,000
Square Feet per Share	17.08
Metric Tons of Carbon for Coal	9,349,563.62
Metric Tons of Carbon for Forestry	231,579.48
Total Metric Tons of Carbon	9,581,143.10

Tonnage of Carbon Offset	9.58
Square Feet per Acre	43,560
Outsyde Carbon Price per Ton	\$3.82
Price per Fractional Share	\$36.60
Total Value of the Scott County NFT	<hr/> \$36,599,967

The floor price of Outsyde NFT shares is based on the total tonnage of carbon sequestered within the Scott County property. The fluctuation in the value of that floor price will be measured against the worth of the ALGO token, which is computed against a seven-day average to determine and establish a median price

Fractionalized shares of the NFT representing a single property will be purchased as part of a perpetual contract. The perpetual contract offers governance to holders and involves permanent ownership of the NFT. Outsyde maintains a small percentage of the carbon to support the management of the land. By owning the perpetual NFT, holders will have a say in where Outsyde's profit will be allocated to further our land and water conservation efforts.

DISCLAIMER: The tonnage of sequestered carbon, square footage of land, and share price will be different for every Outsyde property.



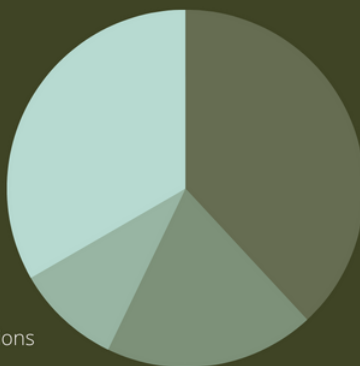
Small Sized Companies
33.3%

Medium Sized Companies
38.1%

● Target Market

Larger Corporations
9.5%

Conservation Minded Individuals
19%



Outsyde is focused on carbon and biodiversity markets, retail and institutional land investors, regenerative agricultural opportunities, niche renewable energy projects, and outdoor recreation

Figure 3. Revenue Generation from Property Ownership.

● Investment & Funding

92% of every dollar spent on acquiring at-risk lands, all while making a profit.

- Outsyde is raising \$25 million on a \$65 million valuation

Operations & Overhead
8%

Land Acquisition
92%

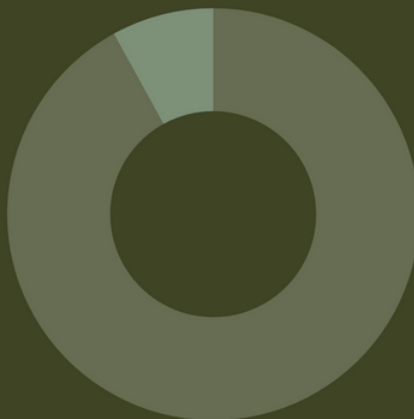


Figure 4. Allocation of Capital.

Market Overview

2021 saw a massive increase in carbon credit trade volume within the voluntary carbon market. Market capitalization refers to the price of one unit or share, multiplied by the total supply; the voluntary carbon market within the United States has seen an increase in its market capitalization by nearly \$300 million USD since 2020, valuing the U.S. domestic voluntary carbon market around \$1B currently. The global voluntary carbon market has a market capitalization of nearly \$900B currently and is expected to exceed \$1 trillion USD in value by the end of 2027.

This boom was spurred by a commitment from member states of the International Energy Agency (IEA)—an autonomous intergovernmental group leading the dialogue on energy consumption and its environmental impact around the world—who, at the 47th G7 Summit, pledged to become net-zero by 2050, which refers to the emittance of zero-carbon. This ambitious commitment will require a complete transformation of energy sectors and global production processes to become 100% sustainable.

The 48th G7 Summit occurred in May 2022 where member nations concluded that the environmental state of the world is facing a triple crisis of climate change, pollution, and biodiversity loss. It was determined that a critical lever for tackling this triple crisis is nature-based solutions. The United Nations Environmental Programme (UNEP) defines a nature-based solution as actions to protect, conserve, restore, or sustainably use and manage ecosystems.

As more and more countries from around the world have started declaring their commitment to reducing their carbon footprints following the 2021 G7 Summit, the supply of carbon credits within voluntary markets has skyrocketed. With such a rise in supply, there has been a movement toward cryptocurrency-backed carbon credit projects. In 2021, venture capitalists invested upwards of \$300M USD into these types of projects, and in 2022 so far, as clarified by the Wall Street Journal, \$150M USD has been invested into the space, with the project Flowcarbon (a climate-based solution looking to bring carbon onto the blockchain) announcing it received \$70M in funding.

The Toucan Protocol was founded in 2020; Flowcarbon was founded in 2021; and KlimaDAO was founded in 2021 as well. These organizations are the leading blockchain projects when it comes to reducing carbon emissions through decentralized finance. However, since the inception of these projects, over 23 million carbon credits—close to 30% of the total global supply of carbon credits listed since 2020—have been removed from carbon registries and integrated with crypto and blockchain networks.

These tokenized credits, unfortunately, were not being purchased to offset emission rates, but instead were being accumulated to be traded for the purpose of spreading more equity between the communities and holders of the previously mentioned projects. This resulted in Verra, the Verified Carbon Standard and largest offset registry in the world, declaring in May of 2022, that it would no longer use carbon credits to back cryptocurrencies as the perceived volatility of tokenized offsets during the ongoing bear market, makes them too risky to invest in contemporarily. However, Verra has recently opened up a consultation on how to effectively integrate crypto-backed carbon credits into its registry, by encouraging the double checking of Know Your Customer (KYC) protocols.

Massive innovation and scaling in carbon capture and storage technology must happen by 2030 to enable a heavier societal reliance upon renewable resources, which the IEA outlines as critical in the process toward achieving net-zero. In 2021, renewables accounted for 20.1% of electricity generation in the United States according to the U.S. Energy Information Administration.

Renewable resources are cheaper to extract and harness than fossil fuels but are more expensive to store, and the storage of sustainable energy is not without its own harmful environmental impacts. Nonetheless, investment in further green technology development remains substantial.

Team

Aaron Bumgarner - Chief Executive Officer

With a passion for wildlife habitat management and conservation, Aaron has a diverse background which includes being an ISA Certified arborist, North Carolina and Virginia certified prescribed burn manager, and a QDMA deer steward. Aaron is also a successful and accomplished entrepreneur with a background in private property rights, financial markets, alternative investments, and the outdoor industry.

Jordan Kauffman - Web3 Advisor

Nolan Davis - Vice Chairman and Early Investor

David Mckie - Strategic Partnership Consultant

Kevin Richards - Head of Strategic Growth & Blue Outsyde Initiative

Jax Bunn - Executive Assistant

Seth Shiley - Executive Assistant

Outsyde is in the process of hiring new CFO **Daniel Reyes**, and former head of app development at Coinbase, **Scott Potter** as CTO

Testimonials



"Real estate is such a burden here in Toronto and there are only two lawyers in the city that have approval by the US Consulate for notarizations that would be accepted by most US title companies. When I do want to buy US property, it takes an entire day and upwards to \$500 for the notary work alone! But with you guys, as a Turkish national in Canada, I can not only easily buy real estate in the United States and save money, but also know I am making an environmental difference. I really feel Web3 will turn the corner with projects like yours."

- Anonymous



Aaron is a subject matter expert in the land management and conservation industry, and I am excited to be involved with Outsyde and its bright future!

- Anonymous

A photograph of a dense forest. The foreground is filled with a thick carpet of green ferns. The middle ground and background are dominated by numerous tall, slender trees with light-colored bark, possibly cypresses or pines, reaching towards a bright, overcast sky. The overall atmosphere is serene and natural.

Thank You