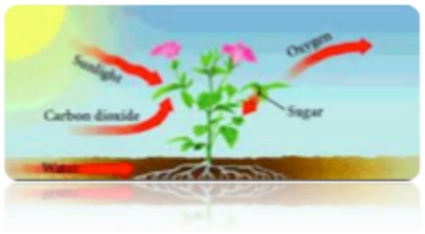
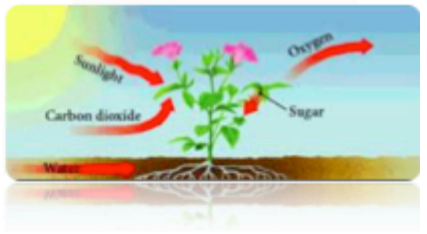
Green Loop's "Natural Garden System"



Edible Plants, Fresh Water

Ancient Solar, Water



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Electricity + Water + CO2 + Heat

Ancient Plants

Natural Gas

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Green Loop is a Service Company for Greenhouses

Green Loop is a resource services provider for the greenhouse growing industry. Our proprietary "**Natural Garden**" system provides:

- Low cost electricity and heat
- CO_2 enrichment to maximize crop yields.

Green Loop finances, installs and maintains the Natural Garden equipment, and purchases long term natural gas contracts.

Our Team…

So far, we've...

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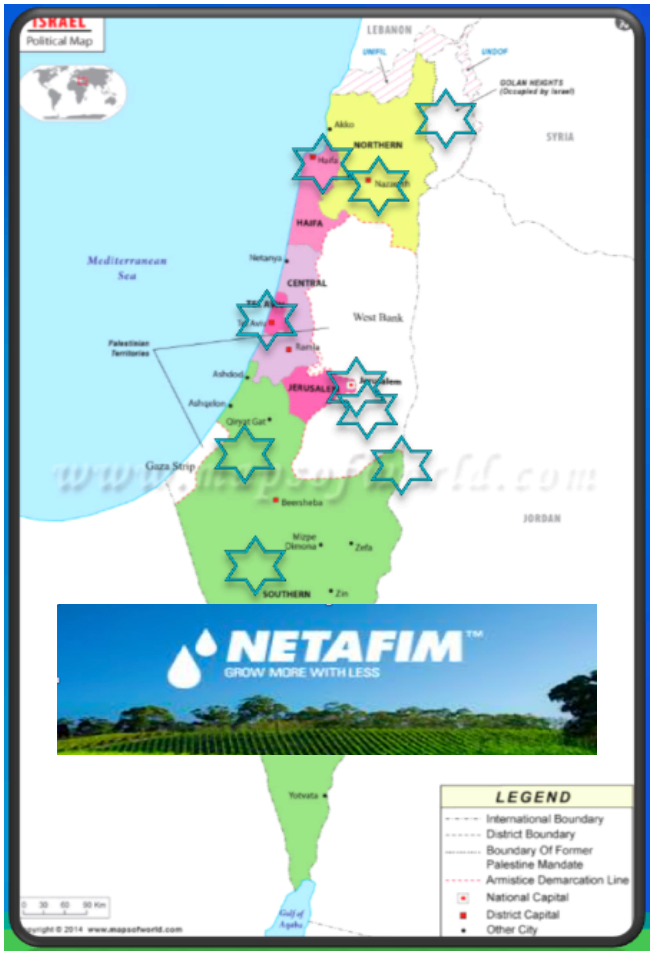
The Story of Greenloop, and the Natural Garden

- In December 2015, Tim and Divija visited **Israel** to learn about **water conservation**
- Israeli firm **Netafim** pioneered revolutionary **drip irrigation technology**, combining water and nutrients
  - *However, 97% of Israel's energy mix from natural gas and oil*
- Tim's work in microgrids
- Chris's work on home food growing
- Divija's family orchard business

Can the approaches that **solved water** in the desert help **solve energy** as well?



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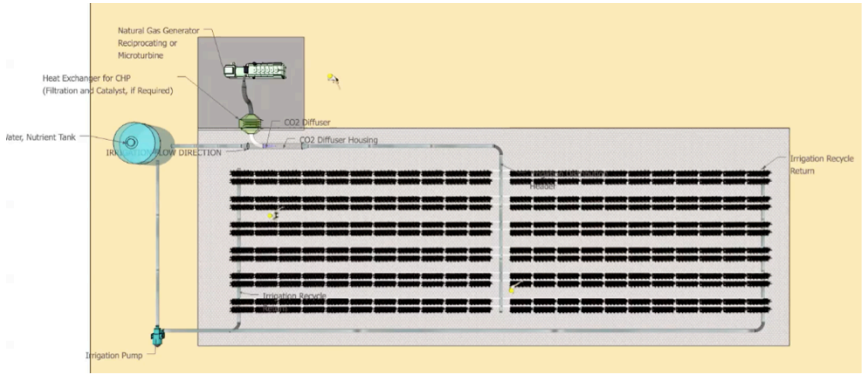
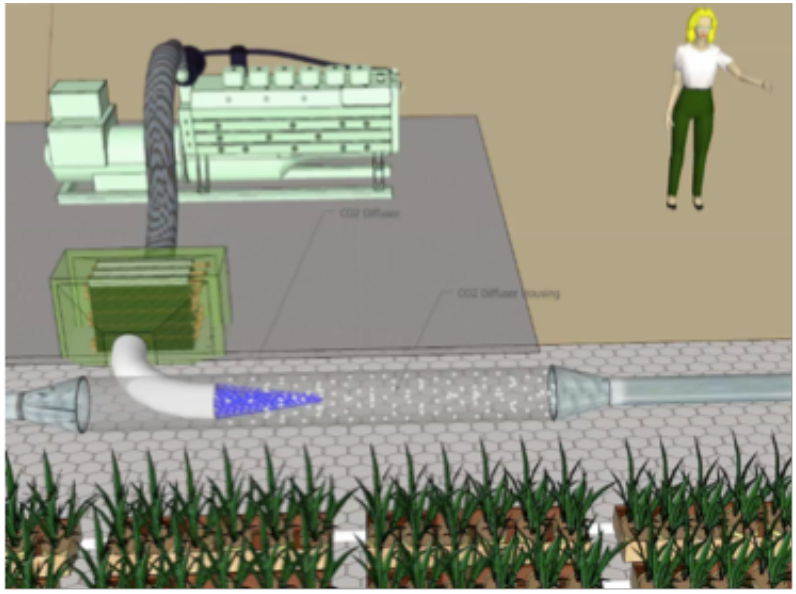
Pain/Unmet Need

- Increase in food production using greenhouses
- Fruit crops, flowers and green are grown more and more in greenhouses
- Pain: environmental factors of water and energy scarcity
- Fulfill need by providing an alternate to this
- Pain: Not many people have funds to use expensive solar or gas
- Easier to have a company that does it all

Green Loop's "Natural Garden" Solution





- **Power, Heat + CO2** by self generation
- Leverage modern natural gas generators, which emit what plants need: CO2, heat and water
- Leverage recirculating irrigation systms for **minimal** additional **infrastructure**
- Makes **CO2 enrichment cheap and easy** for greater crop yields

Natural Garden Technology

Drip Irrigation + CO2 Injection

- **Natural gas generator**
  - Natural gas in, CO2, water vapor, heat and power out
- **Exhaust heat exchanger for combined heat & power (CHP)**
  - Filtration as needed
- **Proprietary CO2 injection into irrigation stream**
  - Provides CO2 directly to plants, with minimal or no additional distribution infrastructure

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Business Model

Combined Carbon, Heat, and Power as a Service (CCHPaaS)

	Commercial Prices	Green Loop Prices
Electricity	$ 0.17 /kWh	$ 0.12 /kWh
Natural gas	$ 0.63 /therm	$ 0.50 /therm
CO2	$ 0.090 /lb	$ 0.045 /lb
Total (70kW)	**$5,449 /month**	**$3,626 /month**

=33% Savings

Customer Pays:

- One-time fee = 1yr savings
- Monthly rate at 33% savings

(Potential Ag subsidies may lower costs further)

Green Loop Pays:

- Generator & equip. financing
- Installation
- Natural gas

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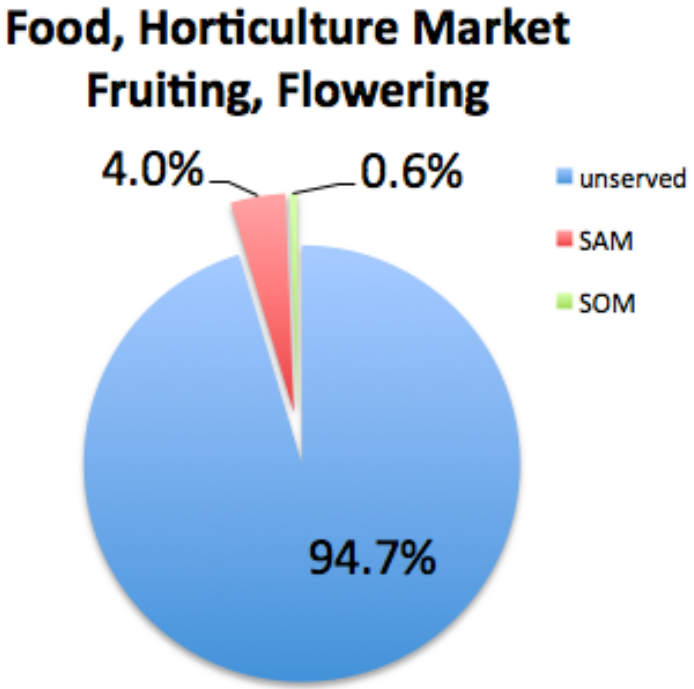
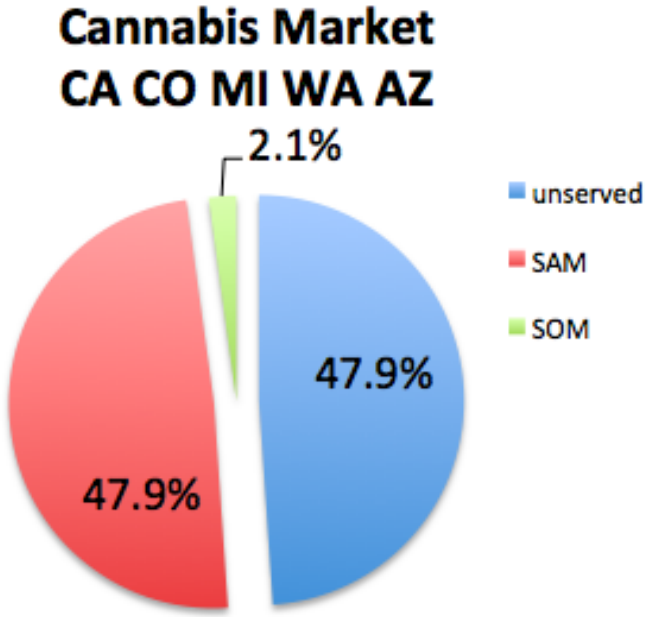
Addressable Greenhouse Growing Market



TAM: US fruiting, flowering greenhouse growers = 28,140 growers
SAM: Growers with revenue > $2.5M/yr
SOM: Required customers for target growth



TAM: Cannabis growers in largest State markets = 8,064 growers
SAM: 50% - median = power use
SOM: Required customers for target growth

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The Green Loop Value Proposition

- Low and consistent pricing – no peaks charges or time of use
- Reliability of independent power production w/o staff
- CO2 production = Higher crop yields, lower emissions, no need to source (grower marketing advantage)
- CO2 distribution with minimal or no infrastructure costs to grower low cost of entry for growers - capital
- Carbon footprint? Electricity - out of sight, out of mind?

- Power suppliers - we find customers
- Materials providers - volume

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The Competition

- GE system and Houweling's only one in North America, large size - scale down?
- Netherlands – have technology, but low demand due to low cost of electricity relative to natural gas

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Green Loop's Competitive Advantage

*Cheaper power * Homemade CO2 * Homemade Heat*

- Founder experience in power systems
- IP in CO2 distribution technology
- Hassle-free power and CO2 systems for growers
- Harness heat
- Comprehensive System
- Distill energy and complex interactions for growers
- Build the relationship

**CanopySD networking in cannabis industry

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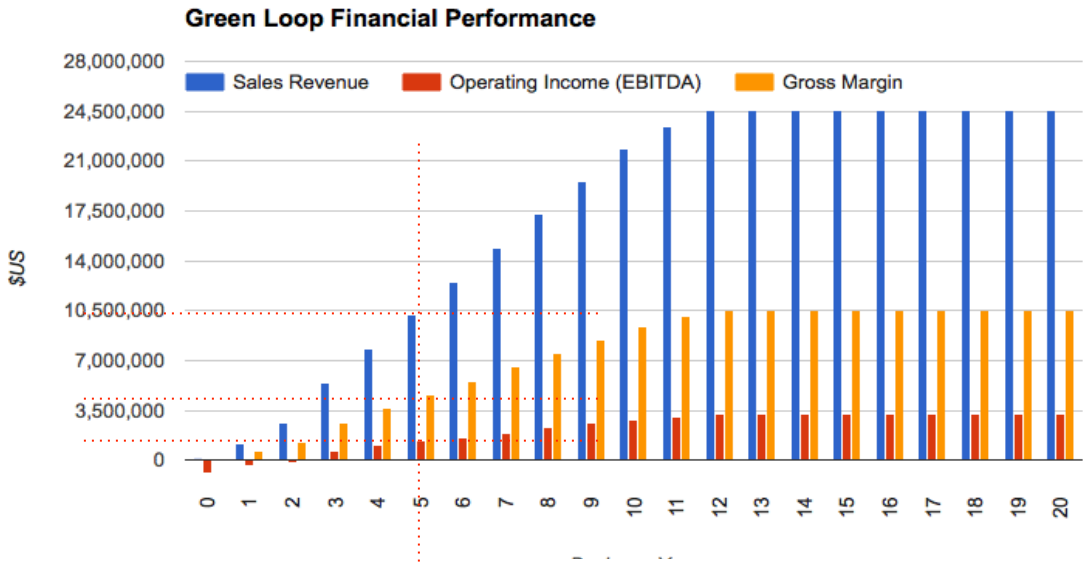
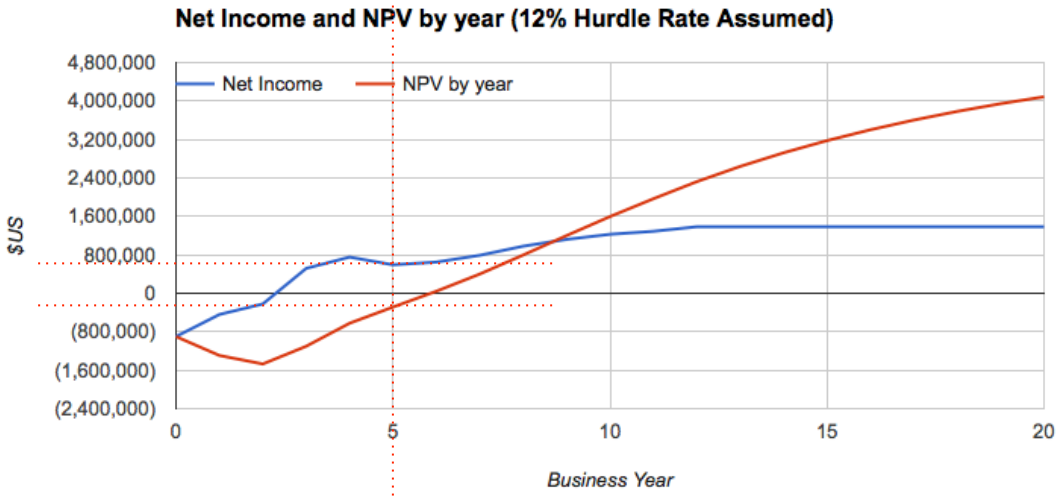
Risks

- **Commercial** - *New entrants, *Delivery
  - Partner with big names (CAT, etc.)
  - Demonstrate success
- **Technical** - complex system, balancing equation, steady service
  - Baby steps / mentorship
  - Study life sized prototype
  - Technical background!
- **Market** - plant sector, many suppliers
  - Market research; familiarization
  - Unique relationships
- **Regulatory** - horizon, incentives
  - Cannabis growth
  - *Local incentives and credits (RECs, SGIP, RPS)
- **Financial** - *Capital, *O&M
  - Due diligence/negotiate
  - Logistics Plan / attractive salaries

Green Loop Financials

Hurdle rate	12.00%
NPV (20yr)	$3,650,537
IRR (20yr)	32%





Business Financing and Exit Strategy

Initial seed round investment from greenhouse grower and cannabis accelerator, for low cost demonstration project

A-Round investment of **$1.6M** after demo

ESOP Exit Strategy:

- Seed and A round investors in year 4
- Founders in year 10

	Seed	A Round	Founders	Staff Options
Investment	**$36k**	**$1.6M**	**$257k (pre-money value)**	**-**
% Ownership	**9%**	**30%**	**51%**	**10%**
Exit Year	**4**	**4**	**10**	**10**
Return Rate /Payout	**132% $1.35M**	**30% $4.5M**	**- $12.5M**	**- $2.5M**

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Summary & Conclusion

- Growers need to increase efficiency and lower costs to remain competitive
- Cannabis is growing
- Ride the green wave
- Other countries are leading the way in efficiency and yields
- Smart growing gaining in popularity
- Pitch to D&E

SUPPLEMENTAL

Sensitivity Analysis

		Lending Rate		Natural Gas Price		CO2 Price		Elect. Costs	
	Base Case	=3%	=7%	-10%	+10%	-10%	+10%	-10%	+10%
IRR	32%	36%	28%	39%	24%	30%	35%	27%	38%
NPV (US$M)	$3.651	$4.527	$2.725	$5.341	$1.760	$3.300	$4.001	$2.881	$4.420
seed round investor return	131%	142%	120%	149%	110%	123%	141%	111%	151%
A round investor return	30%	36%	24%	40%	18%	25%	36%	19%	41%
founder return (US $M)	$4.175	$4.895	$3.413	$5.637	$2.548	$4.006	$4.344	$3.804	$4.545