

ACTS



Freedom  
Farms™  
of America

*Quality Produce Grown By Quality People*

# CARBON ZERO PODS

**Path to Market Penetration**

# QUALITY PRODUCE GROWN BY QUALITY PEOPLE

Sustainably-Grown  
Food



# MASTER-PLANNED GROWING SYSTEMS

## Agricultural Projects

ACTS Freedom Farms creates new paths and set new standards for agricultural projects that meet regional food production needs, integrate a healthy environment and economic profitability through our master-planned agricultural environments.



# SUSTAINABLY GROWN FOOD

## Health Benefits

The great taste of our sustainably grown foods assures that you and your family will get all the proven health benefits of whole food nutrition in your daily diet.





## **WE HONOR VETERANS**

### **Through ACTS Freedom Farms**

We create employment and careers in hi-tech agriculture for America's Veterans.

Veterans, service-disabled veterans, reservists, active-duty service members, transitioning service members, and their dependents and spouses are welcome at ACTS Freedom Farms.



# EMPLOYMENT AND CAREERS

## Locations Across the U.S.

We establish and operate PODS and greenhouse clusters throughout the US. All locations offer Veterans opportunities for permanent employment and a sustainable career in hi-tech agriculture and related industries.

- Engage in sustainable growing practices
- We provide ongoing onsite training and on the Web related educational instruction.

# THE FUTURE OF FOOD PRODUCTION

Unlimited  
possibilities





# CONTROLLED ENVIRONMENT AGRICULTURE

## Veteran-Focused Program

ACTS Freedom Farms creates master-planned environments in high-tech Controlled Environment Agricultural throughout the USA.

- Our Produce on Demand Systems (PODS) is a national program to create Veteran-focused hi-tech food production operations.
- We are flexible to meet crop production requirements for any location.
- Start with specialty crops and expand out and up with greenhouses
- Beginning each location by establishing a local growing footprint using our PODS, we can create any size and type of master-planned environment suitable for growing in a specific geographical area.



# ACTS FREEDOM FARMS PODS

## PRODUCE ON DEMAND SYSTEMS

- Self-contained growing system.
- Suitable for any geographic location world-wide.
- Full training and remote systems monitoring.
- All that is required is a reliable water source.
- A 3,000 sf flat surface for PODS placement.
- Fully operational within 90 days of contract execution.



# OVERVIEW AND GOALS

Benefits

# PODS MODULAR GROWING SYSTEMS

## Revenue Generation

As a stand-alone option, or in advance of, and in parallel with the development and construction of a 15-acre renewable powered high-tech glass greenhouse, ACTS Freedom Farms will utilize the rapid deployment of Carbon Zero PODS, a modular self-contained growing system.

This approach will enable growing and revenue generation in as little as 90 days of contract execution. This model will minimize capital investment, mitigate growing risk, conserve resources, and limit operating expenses





# PODS

## Benefits

- **Rapid Deployment:** Grow onsite within 90 days of contract execution.
- **Revenue Generation:** Generate over \$838,000 in revenue over next 12 months following planting.
- **Growing Experience:** Develop core management team for growing operations.
- **Retail Relationships:** Provide crop certainty and quality for local retail customers.
- **Qualified Labor Pool:** Build qualified talent pool for PODS and/or greenhouse expansion.
- **Software Management:** Remote monitoring and management of facilities and crops.
- **Crop Diversity:** Create the ability to deliver multiple specialty crops to local customers.

# SCOPE OF SERVICES

Asset Performance

## GROWING CAPABILITIES

- ACTS Freedom Farms optimizes under-utilized land due to limited growing seasons, soil quality issues and resource availability.
- Our Carbon Zero PODS provide fast-ramp capabilities that deliver near-term revenue while helping ensure long-term success in any geographic location.



## RISK MITIGATION

- Weather Risk
- Asset Performance Risk
- Labor Risk
- Food Safety Risk
- Secure Facility Risk
- Market Delivery Risk

## GROWER VALUE REALIZED

- Rapid Revenue Generation
- Minimized Operating Expenses in Year 1
- Lower Balance Sheet Requirements
- Higher Margins on Specialty Crops
- Retail Customer Acquisition.
- Scalable



# DEVELOPMENT PROCESS

Key Activities





## SITE DEVELOPMENT

- Limited Site Preparation
- Rapid Permitting
- Minimal Infrastructure Costs



## DEPLOYMENT

- Ship
- Deliver
- Installation
- Train
- Remote Systems Monitoring



## COMMISSIONING

- Electrical and Plumbing
- Systems Commissioning
- Compliance and Acceptance



## GROWING

- Plant
- Cultivate
- Harvest

## FINANCING

- PODS and/or Greenhouse as a Service
- Capital Lease
- 7-Year Lease (\$1 buy out)



# PODS

## Description





# HIGH TECH ENVIRONMENT

## TurnKey Solution

- **System Size:** 48 ft x 48 ft x 11 ft – purpose built to maximize yield and minimize labor.
- **Turnkey Platform:** designed to optimize efficiency and streamline the growing process.
- **Human Experience:** designed to provide the best possible human experience.
- **Growing Innovation:** LED lighting, growing media, fertigation, HVAC and Co2 systems.
- **VineSoft:** hardware/software platform for the monitoring and management of plant health, environment, lighting, temperature, humidity and nutrient levels.
- **Controlled Environment:** perfect environment to grow anywhere 365 days a year.

# PROJECT SUMMARY

Implementation  
Specifics



## TURN KEY FACILITIES

- 48 ft x 48 ft x 11 ft PODS
- Turnkey growing facilities including the highest quality of LED lighting, HVAC, Growing Media, Fertigation, Co2, Humidity and Software Control Systems.

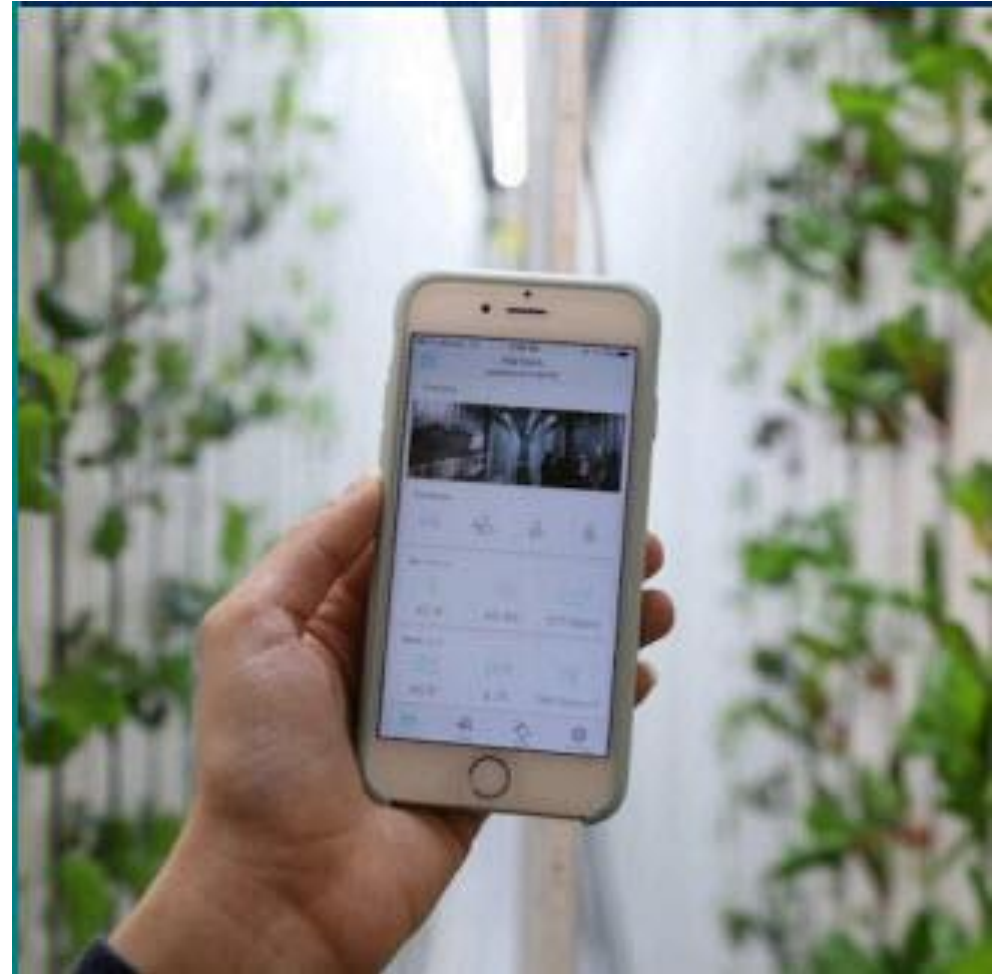


## TURN KEY IMPLEMENTATION

- Design, configuration, shipping, installation, commissioning, training and remote monitoring capabilities.
- Easily expandable by additional PODS.
- Multiple PODS can work in unison or stand alone.

## SUPPORT

- 24 x 7 facility support 365 days a year.
- Remote monitoring and management of facility and growing operations.
- Redundant monitoring to multiple parties.





# BUSINESS CASE

## Capital Requirements and Financing

## 1 YEAR FINANCIAL SUMMARY

Annual Revenue	\$ 838,976
Cost of Goods Sold	\$ 95,053
Annual Operating Expenses	\$ 515,841
Interest Pmt	\$ 55,564
Start-up Capital Interest Pmt	\$ 14,840
Net Income	\$ 157,680

\*Annual Payment on PODS P&I \$100,081 + \$55,564 in Year 1 and adjusts according to remaining principle.

\*\* Annual repayment of start-up Capital P&I \$37,751 + \$14,840 in Year 1 and adjusts according to remaining principle.



## FINANCING AND YEAR 1 CAPITAL REQUIREMENTS

- 1 PODS (48 ft x 48 ft x 11 ft) \$ 809,407
- 1 Time Start-up Costs \$ 33,900
- Total Start-up Costs & Amount Financed \$ 843,307
- Estimated Monthly Payment\* \$ 12,970
- Lease Term (\$1 buy out) 7 Years

\* Principal Pmt \$100.081 + Interest Payment \$55,564 = \$155,645 divided by 12 months.



# MODULAR CONTROLLED GROWING

## Local Operations

A successful launch of a local growing operation is achieved with minimal capital investment enabling year-round growing with the following advantages of modular, controlled growing environments:

- ✓ **Resource Conservation:** reduced land and water required for success.
- ✓ **Flexible Siting:** PODS can be sited on any flat surface.
- ✓ **Ease of Use:** structured training and remote monitoring and management ensures success.
- ✓ **Time to Market:** produce is grown within 90 days of contract execution.
- ✓ **Low Market Entry Costs:** solves the issue of a lack of balance sheet for new operations.

# PODS PERFORMANCE

## 24 Month Cash Flow Performance

2019	AMOUNT	2020	AMOUNT
STARTING CASH	\$300,000	STARTING CASH	\$324,909
REVENUE	\$660,323	REVENUE	\$784,090
COGS	(\$94,162)	COGS	(\$94,162)
GROSS PROFIT	\$567,727	GROSS PROFIT	\$689,425
OPEX	(\$276,179)	OPEX	(\$216,179)
<b>EBITDA</b>	<b>\$291,548</b>	<b>EBITDA</b>	<b>\$473,246</b>
DEPRECIATION	\$211,256	DEPRECIATION	\$402,820
EBIT	\$80,292	EBIT	\$70,426
NOI	\$0	NOI	\$0
<b>YEAR END CASH BALANCE</b>	<b>\$324,909</b>	<b>YEAR END CASH BALANCE</b>	<b>\$589,934</b>

Model includes \$100,000 in salaries for local operations

# ACTS FREEDOM FARMS PODS

Rapid Scale  
Operations





# PODS DELIVER HEALTHY, FRESH PRODUCE YEAR-ROUND

## Flexible Growing Operations

- ACTS Freedom Farms Carbon Zero PODS are designed for the unique requirements of each location.
- Management of the entire capital stack for the facility construction, implement world-class systems and provide ongoing operations and maintenance services to optimize facility performance.
- Non-permanent growing systems simplify the initial market entrance and facilitate the development of retail customer relationships.
- PODS are in concert with renewable powered, high-tech glass greenhouses which provide a platform that is both flexible and expansive.
- Leveraging a PODS environment provides a clear path to near-term revenue during the development and construction process for the renewable powered, high tech glass greenhouse.



ACTS Freedom Farms Carbon Zero PODS is a solution that fosters the cultivation of plants in multiple growing form factors, with minimal capital investment required to build and deploy the facilities. PODS enables the growth of the highest quality produce and rapidly scalable operations.

# MARKET PENETRATION

Structured Approach



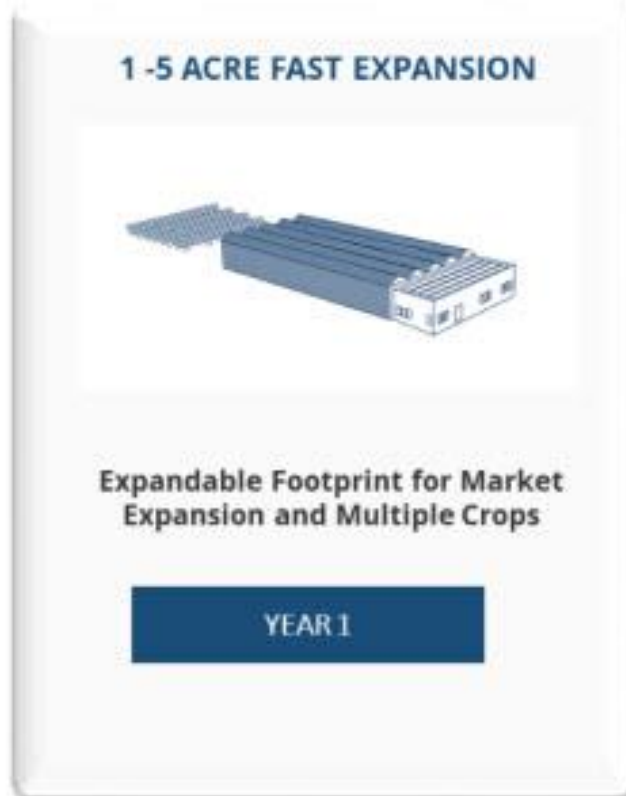


# RAPID SCALE STRATEGY

## Modular Farm Launch

- While every market targeted presents different opportunities and challenges, our structured approach to market expansion will mitigate risk and create economies of scale.
- PODS are either a temporary or permanent solution to year-round production.
- Local Scale Up Model: Launch – Expand – Scale





## TOP TEN MARKETS

### Expandable Footprint

ACTS Freedom Farms has identified the top ten markets as the fastest path to market penetration, revenue generation, brand recognition, retail relationships and the development of local growing expertise.

1. Cleveland OH – Western PA
2. IL (southern) & MO
3. Burlington County NJ
4. DC Beltway
5. Dallas/Ft. Worth, TX
6. Detroit, MI
7. IL & IN (northern)
8. Charlotte, NC
9. Boston, MA
10. La Crosse, WI

**5 TO 15 ACRE LARGE PRODUCTION**



**Maximizes Economies of Sale, Revenue  
and Profits**

**YEARS 2 - 5**

# LARGE PRODUCTION

## High-Tech Greenhouse

- PODS will scale towards the build out of a 5-15-acre high-tech greenhouse facility in each of the top ten markets identified.
- Once a greenhouse is built, PODS offer flexibility for the local grow operations.
- PODS can either continue growing specialty crops, turn into packing and storage facilities, warehouse, or use them for nursery operations.

## CONCLUSION

- ACTS Freedom Farms forecasts \$ 838,976 minimum revenue per PODS location for the first 10 markets which creates over \$8.3M in top line revenue.
- The software to monitor and manage the PODS will ensure the successful launch and performance of each grow operation.
- PODS will demonstrate an ability to grow indoors and build local retail customer relationships and brand recognition.



## **BUSINESS OPPORTUNITY**

The ACTS Freedom Farms PODS Program has been designed to allow quick entry into any given market with minimal capital infusion and the shortest timeframe to revenue from production.

Interested parties may assist in any one or more of the following roles to ensure the success of the PODS Program in their marketplace.



# LAND ACQUISITION

- A single PODS requires 3,000 SF and additional space for access, servicing, packaging of produce, etc. Therefore, approximately 1/4 acre is ideal.
- If additional PODS were to be placed on the same site, it is likely that 1/8 of an acre will suffice per PODS.
- Land can be purchased outright or through a Lease/Option.
- However, a long-term lease will also serve the need.
- Either fair market values can be negotiated or the provider of the land may receive an equity position in the POD LLC.

# CAPITAL REQUIREMENTS

- The first year's operational capital requirements are \$300,000.
- This is structured as debt with a 7-year payout including 6% interest, amortized.
- The person(s) responsible for providing this funding will also receive an equity position in the LLC.
- The infusion schedule will be: \$10,000 upfront to set all startup needs for legal filings, accounting, and structuring of the operation.
- \$90,000 upon execution of the Operating Agreement.
- \$100,000 upon delivery of the PODS to the site. Last \$100,000 upon setting up of the POD and growing systems at the time planting is ready.
- If this disbursement schedule is used, the Funder shall receive 5% ownership in the LLC. Should Funder provide entire \$300,000 upon execution of the Operating Agreement, the same repayment terms and interest will be applied, but the ownership will increase to 7%.
- The lease terms for the PODS will be 7 years P&I amortized, with a \$1 buyout. Although the structuring of the lease lies fully upon the LLC, the signatory for the lease will be assured that payments will be made on time as structured in the payment schedule.

# EQUITY POSITIONS

- For the signatory to qualify for the 100% lease, the signatory shall receive an equity position of 10% of the LLC. (It is likely that anyone holding more than 20% ownership in the LLC will be required to sign as a guarantor on the lease)
- Additional participants may also qualify for an equity position in the POD LLC and shall be negotiated as needed.
- ACTS Freedom Farms of America will hold a 19% equity position but will transfer its rights to disbursement of dividends to the local ACTS Freedom Farms LLC.
- The Local ACTS Freedom Farms LLC will hold a 19% equity position
- R. Michael Buehler or his assignee will hold a 13% equity position but will transfer his rights to disbursement of dividends to the Local ACTS Freedom Farms LLC.
- The PODS will stand alone as an operation and be established as its' own entity. Should expansion of PODS become necessary, the current ownership shall have first right of participation, if rejected then outside sources will be offered the opportunity. Should future greenhouse operations become available, they shall be kept as a separate entity.
- The local ACTS Freedom Farms LLC shall retain the right to control and negotiate all operations of the PODS LLC and greenhouse expansion.



**ACTS**



***THANK YOU!***

**CONTACT US TODAY!**

**877.290.6010**

**ACTSFFA.COM**