



LOCAL GROWN
SALADS

Opportunity Zone Fund Overview

Brenda Dutrow
United States

202-441-7101

Brenda@LocalGrownSalads.com

Zale Tabakman
Founder

416-738-2090

Zale@LocalGrownSalads.com

www.LocalGrownSalads.com

This presentation contains "forward-looking information" within the meaning of applicable securities legislation.

Forward-looking information includes, without limitation, statements regarding the timing of the Private Placement, the use of proceeds from the Private Placement, and the future plans or prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Local Grown Salads Inc., as the case may be, to be materially different from those expressed or implied by such forward-looking information.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

The Problem We Address

1. Fresh Food Moves 1,500 Miles
2. Growing In Fields Is A Food Hazard and Creates Severe Environmental Damage

How We Solve It

Local Grown Salads
Sustainably Grows Organic
Ready-To-Eat Salads
Where People Live.

How We Do It:

1. Purchase a building (15,000 square foot in size) in Opportunity Zones.
2. Install our proprietary growing equipment
3. Grow, Harvest, Package, Sell Our Organic Ready-To-Eat Culinary Class Salads
4. Repeat steps 1-3 everywhere

What We Will Achieve:

- **Investor IRR 19.5%**
- **Help People Eat Well**
 - Create Healthy & Delicious Food
 - Provide Local & Organic Food
 - Foster Sustainability, Create Jobs, and End Food Deserts
- **By Not Moving Food 1,500 miles From Where Its Grown To Where Its Eaten**
 - Increases Taste & Nutrition
 - Reduces the carbon footprint caused by trucks moving food
- **By Not Growing In Fields**
 - Provide safe food
 - Stop the dumping into the environment of pesticides, insecticides, and fertilizers

Ready-To-Eat Salads Is A \$4 Billion Retail Business 85% of Americans buy them



Urban Grown, Harvested, and Packaged Organic "Ready-To-Eat" Salads



Why Ready-To-Eat Salads?

The Market: Ready-To-Eat Salads is a \$4 billion retail market niche.
One of the highest valued products in the retail store.

Customers: Retailers and food service companies starting with small local brands moving to companies like McDonalds, Wal-Mart and SYSCO.

Why Us? **We have a complete solution.**
Local Grown Salads grows, harvests, packages in a single facility.

The LGS Facility is a controlled environment with the highest standards of food quality and food safety.

All products are organic and free of pesticides, herbicides, and GMOs.

Each Facility is part of the LGS Network enabling us to supply nutritionally while producing locally.

LGS provides sales, operational monitoring, food safety certification, and personnel training & resources.

Our Branding



The Competition

Low Cost



Premium Organic



Co-Pack



Our Competitive Advantages

- ✓ **Local** – Always 2 hours from consumer
- ✓ **Culinary** - Herbs & Veggies
- ✓ **Fresh** – Harvest to table in 2 hours
- ✓ **Longer Shelf Life** – 21 days vs 14
- ✓ **Taste** – like it comes from your backyard
- ✓ **Pesticide Free** – Organic & Kosher too
- ✓ **Higher Nutrient Value**
- ✓ **Sustainable**
 - Plant-Based
 - No runoff, nothing into the environment
- **Highest Level of Food Safety**

Integrated Solution

Technology

Facility

- Indoor Vertical
- Urban
- Disruptive
- Scalable

Product

Ready-To-Eat Salads

- Plant-Based
- Billion \$ Market
- Ubiquitous
- Growing Yearly

Distribution

LGS Network

- Scalable
- Repeatable
- 2 Hours Away
- Opportunity Zone

Our Plan To Scale



Our Financial Model

- LGS Takes Customer Order
- Facility delivers the Salad
- LGS Invoices the Customer
- LGS Pays the Facility

Our Retail Customer Targets

Top Supermarkets in US

Retailer	Annual Sales	`Sales Per Store`	Locations
The Kroger Co	\$93,324,000,000	\$37,400,000	2,493
Safeway	36,330,000,000	27,400,000	1,326
Publix	30,560,000,000	23,600,000	1,296
Ahold	25,976,000,000	33,800,000	768
H-E-B	19,819,000,000	62,500,000	317
Albertsons	19,458,000,000	17,600,000	1,108
Delhaize	17,069,000,000	12,500,000	1,361
WakeFern	14,985,000,000	45,400,000	330
Whole Foods	13,642,000,000	35,800,000	381
Aldi	11,728,000,000	8,500,000	1,376
SUPERVALU	11,499,000,000	7,400,000	1,557
Bi-Lo	10,362,000,000	13,000,000	800
Trader Joe's	9,388,000,000	21,000,000	447

Other Retail Customers:




- Superstores: **Wal-Mart, Target**
- Online (**Amazon, Blue Apron, etc.**)
- C-Stores : **7-11, WAWA, etc.**
- Specialty **Sprouts, Cultural Markets**
- Food Service (**Sysco, Aramark, GFS, Compass**)
- Restaurant Chains – **McDonalds, Dominos, etc.**
- Local Chains – e.g.: **Fareway (NYC),**
- Regional chains : e.g.: **Harris Teeter**

International

- Canada: **Loblaw, Metro, Sobeys, Longos**
- Europe (**Carrefour, TESCO, Sainsbury, Aldi**)
- GCC (**Lulu, Panda, Spinneys, Geant**)

A Very Profitable Business

Changing the label increases margins substantially

Costs are constant no matter which label	Wal-Mart Pricing 	LGS Pricing 	Blended* Pricing 
Gross Revenues	\$6,281,232	\$21,073,535	\$12,577,414
COGS	(\$4,183,527)	(\$6,402,373)	(\$5,127,955)
Overhead	<u>(\$792,983)</u>	<u>(\$792,983)</u>	<u>(\$792,983)</u>
EBITDA	\$1,304,722	\$13,878,179	\$6,656,477

*Blended Pricing
80% Co-Pack Price
20% LGS Price

The LGS Facility

Annual Production : 6,281,232 is 5 oz. Salad Bags

- 15,000 square feet
- Offices and storage extra
- Building within a building
- Assembled onsite

120 Grow Units – 5 Grow Rooms – Central packaging area

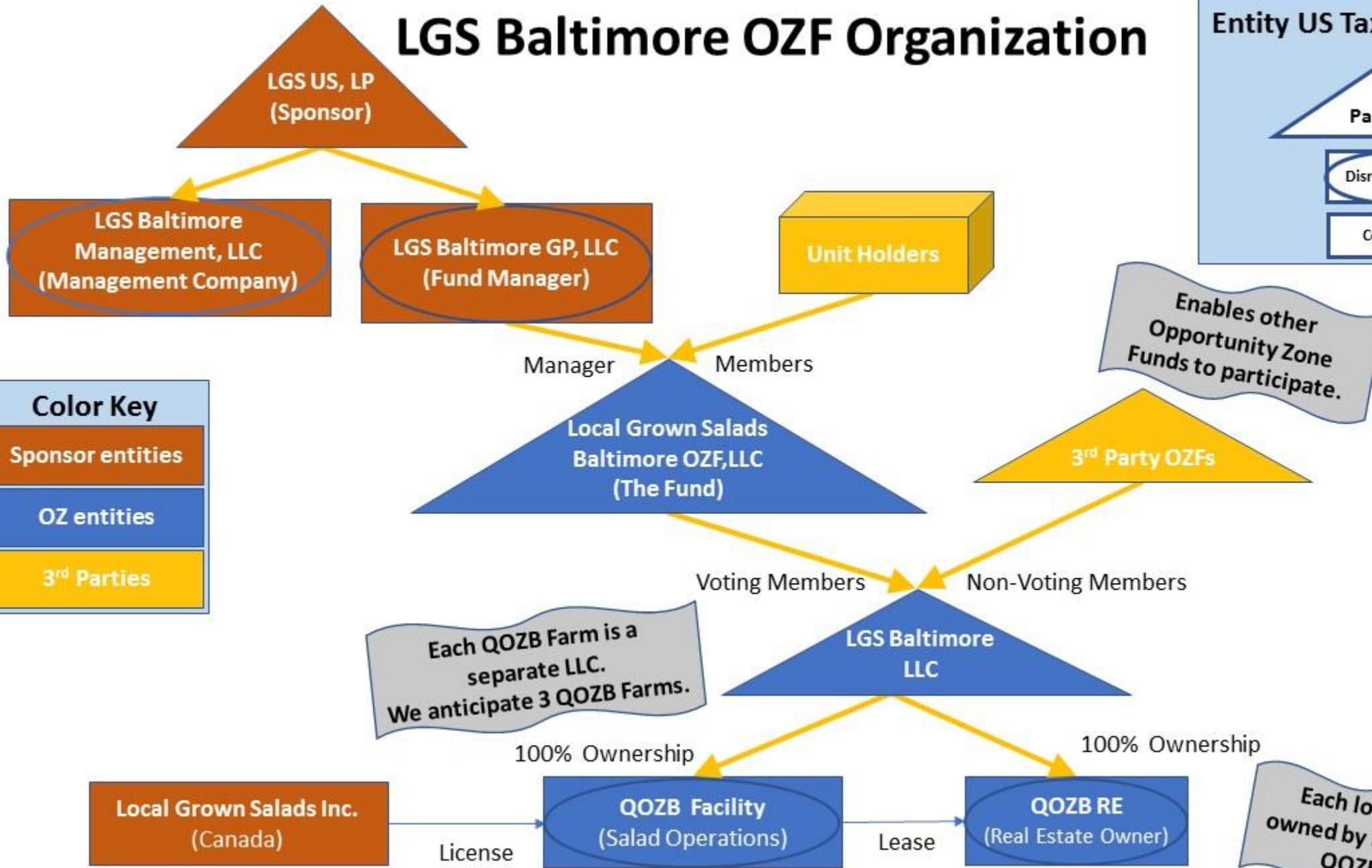


Copyright 2020 Local Grown Salads

**Remote
Monitoring**
Lighting
Watering
Nutrition
Air
Food Safety
Packaging



LGS Baltimore OZF Organization



Enables other Opportunity Zone Funds to participate.

Each QOZB Farm is a separate LLC. We anticipate 3 QOZB Farms.

Each location is owned by a different QOZB RE.

Fund Term Sheet

Fund Size:	\$10,000,000 USD
Unit Cost:	\$50,000 (Minimum investment)
Preferred Return:	8%
Management Fees:	1.75%
Targeted Net Investor Return:	19.5% IRR
Performance Fees:	20% of profits after LPs receive unit value No GP Catch-up
Expected Hold Period:	10 Years, As per Opportunity Zone Rules
Regulatory:	Reg D 506(c), 2017 Tax and Jobs Act
Portfolio Class:	Plant-Based, Opportunity Zone, Illiquid, Alternative Investment, ESG, Impact, Real Estate, Private Equity
Investor:	Verified Accredited 10 Year Hold Capital Gains Investment
Property:	4 Properties have been identified. Ranging in price from \$750,000 to \$1,200,000

The ESG Impact

Social Impact	Environmental	Food Production
<ul style="list-style-type: none">• 75 jobs• Addresses the Food Desert problem by providing Organic, healthy food at low cost• Addresses health problems by providing tasty healthy herbs, greens, and salad vegetables.• Creates an environment for food entrepreneurs with the necessary raw materials	<ul style="list-style-type: none">• Ensuring no Nitrogen, Phosphorus enters the water system• Protects species from accidental spraying of pesticides• Reduces food waste caused by inefficient delivery systems• Enhances food utilizations by extending the after-harvest shelf life• Reduces the Carbon footprint of food delivery	<ul style="list-style-type: none">• 60 different vegetables including leafy greens, herbs, and fruits and vegetables like strawberries, peas, beans, cucumbers, cherry tomatoes• Organic, Pesticide free, Herbicide free, and GMO free product• Year-round, Farm to Fork within 2 hours.• Meets and attempts to exceed the FSMA, SQF, Kosher standards.

Leadership Team

- Fund Manager: **Zale Tabakman**
- Secretary: **Brenda Dutrow**
- Treasurer: **Rena Myers**
- Legal: **Matthew Campbell**
- Fund Administrator: **Circle Partners**
- Auditor: **BKD**
- Bank: **Northern Bank and Trust**

The LGS Baltimore OZF is Reg D 506(c) fund only open to verified accredited investors through subscription.

This presentation is only for informational purposes, fund details are in the Private Placement Memorandum.

[Click here For Investor Registration and access to the Private Placement Memorandum](#)

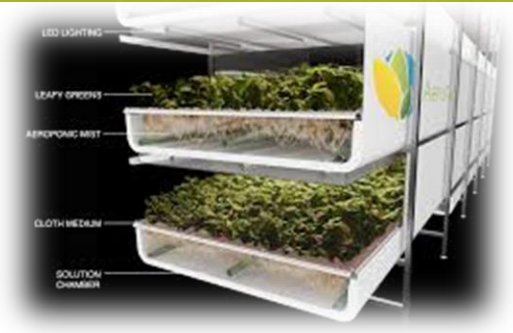
Further Materials...

- **Virtual Data Room With Market Research, Videos, etc.:**
 - <https://ws.onehub.com/folders/63hdn6mt>
- **Videos:**
 - [The Investment strategy of the LGS Baltimore Opportunity Zone:](#)
- **BISNOW article:**
 - [All about Local Grown Salads](#)
- **Podcast**
 - [1/2 hour podcast about OZs and Local Grown Salads](#)

How Big Can We Scale?



Salad Components	Acres Grown	Pounds Harvested	If We Had 100% Market How Many LGS Facilities Would Be Required
Leaf Lettuce	47,800	1,233,500,000	2,467
Romaine	84,400	2,542,100,000	5,084
Bell Peppers	43,800	1,647,800,000	3,295
Spinach – Sold Fresh	41,190	606,700,000	1,213
Spinach –Processed	7,200	150,400,000	300
Strawberries –Fresh and Processed	58,010	3,086,700,000	6,173
Snap Beans –Fresh	71,170	395,200,000	790
Snap Beans –Processed	158,920	1,529,800,000	3,059
Cucumbers –Fresh	37,980	672,500,000	1,345
Cucumbers –Processed	85,110	1,066,920,000	2,133
Green Peas –Processed	166,200	822,640,000	1,645
Tomatoes –Fresh	94,300	2,702,600,000	5,405
Tomatoes –Processed	310,600	29,508,700,000	59,017

Indoor Growing Technology



Understanding Indoor Growing

<u>Method</u> How the roots receive Nutrients.	Substrate	What does it mean?	Examples
	Aeroponic	Nutrients are delivered in a very fine spray.	Aerofarms
	Hydroponic	The roots are in water.	Plenty, Bowery
	Oxy-Fertigation	The roots are in soil.	Local Grown Salads

<u>Orientation</u> Where the lights are.	Method	What does it look like?	What's Important	Company
	Bunk Bed		Lights are above. Water flows horizontally. Scissor Lift/Mechanical for harvesting.	Aerofarms Bowery Crop1
	Tower		Lights are in front. Water is delivered by gravity. Direct access for harvesting.	Plenty Local Grown Salads

How Does LGS Technology Compare?

Company	Technology	Food Safety	Capital Per Facility	Production Facility Size	Production Per Sq. Ft (Yearly)	CapEx \$/lb. production \$/Per sf.
USDA Farm Stats	Traditional Farming	Various	20% ROI on Assets	2,600,000,000 lbs. 79,100 Acres	0.75	-0.37% ROR On Equity
BrightFarms (2)	Greenhouse NFT Hydroponic	GAP	\$10,000,000US	1,000,000 lbs. 160,000 sf.	6.25	\$10US /lb. \$62.50US/ sf.
Aerofarms (3)	CAE Aeroponics	Doesn't Say	\$39,000,000US	2,000,000 lbs. 70,000 sf.	29	\$19.50US/lb. \$557US/sf.
FreightFarms (4)	CAE Tower Hydroponic	Doesn't Say	\$85,000US	6,250 lbs. 320 sf.	19.5	13.60\$/lb. \$265US/sf.
Local Grown Salads	CAE Tower Oxyfertigation	SQF Level 3 FSMA Compliant	\$1,000,000CDN (\$750,000US)	500,000 lbs. 6,000 sf.	83	\$1.5US/lb. \$125US/sf.




Sources

- 1) USDA – [USDA 2009 Romaine, USDA Farm Income and Wealth](#)
- 2) Brightfarms – Website, [Washington Post 8/7/15 article on Rochelle](#)
- 3) Aerofarms – Website, [Business Insider 8/23/16 Newark](#)
- 4) FrieghtFarms – Website, [Based On Max Weekly Swiss Chard Production](#)

Abbreviations

GAP = Good Agricultural Practices –Contamination Prevention methodology
 SQF Level 2 = Global Food Safety Initiative (GFSI) HACCAP based methodology
 sq = Square Foot
 CAE = Controlled Agriculture Environment
 ROR = Rate Of Return

Other Indoor Technology Investments

Company	Investment Date	Amount of Investment	Valuation Assumed 2X Investment	Assumed Float	Assumed Share Value
	Jul 2017	\$200,000,000	\$400,000,000	115,250,000	\$34.07
	Jul 2016	24,500,000	50,000,000	15,250,000	3.27
	Apr 2016	1,500,000	3,000,000	3,000,000	1.00
	Jun 2017	\$20,000,000	\$40,000,000	16,750,000	\$2.39
	Feb 2017	7,500,000	15,000,000	6,750,000	2.22
	Oct 2015	3,500,000	7,000,000	3,500,000	1.00
	Dec 2016	\$8,500,000	\$17,000,000	8,570,000	\$1.98
	Mar 2013	Undisclosed	5,440,000	4,320,000	1.26
	Mar 2012	800,000	1,600,000	1,600,000	1.00