



Q2Earth: New Direction for QPWR

Consolidation of Compost and Soils Industry

Initial Funding and Acquisition Pipeline in Place for Rapid Growth

Q2Earth Compost & Soil Strategy

Mission: Build the premier compost manufacturing company in North America, selling the highest quality sustainable soils to agriculture, construction and infrastructure sectors. Become a leader through strategic consolidation and smart development, and by establishing national brands, industry-wide quality standards, developing important new products, and introducing unique technologies.

Market Landscape:

- Over 3,000 commercial composters in U.S. - highly fragmented with no clear leader
- Estimated at **\$7.8 Billion** sector by 2021 (6.7% CAGR) – covers compost and soils
- Compost needed to replenish soil with needed nutrients and organics lost to overuse, chemicals and extreme climate – 33% of land globally
- Opportunity to create a **Scotts Miracle Gro (SMG)** dedicated to compost and soils

Initial Acquisition Targets (subject to change):

- Under Exclusivity: Composting company in Southeast with 20+ years' operating history converting biosolids into high-end compost and engineered soils; \$5+M annual revenue with strong 2017 growth forecasted
- In discussions: Green waste composting co. in Southeast with projected ARR of \$12+M by Q3 2017, strong management, logistics, operations
- In discussions: Leading Mid-Atlantic composting company, 4 facilities, \$15+M in annual sales
- 3 initial targets ≈\$ 30+M rev / \$6+M EBITDA
- Multiple other companies identified in pipeline
- \$75+M combined revenue targeted w/i 24 mo.

Valuation / Timing:

- Acquisitions at est. 1X revenue / 6X EBITDA
- Purchase price cash and restricted stock mix
- Initial 2-3 closings slated for Q3/Q4 2017

Investor Contact:

Jeremy Roe • Integra Consulting Group, LLC
Jeremy@integracg.net • Tel: 925-262-8305

Business of Composting and Soils

Current Industry Model:

- Most composters are established, profitable companies, but are largely undercapitalized and lacking sophisticated business practices
- Most focus on tipping fees: typically \$40/ton to receive waste (biosolids, yard, food)
- Tipping fees are often long term contracts and cover hauling and production of compost with a 10-15% margin
- Sale of end product compost often not emphasized or significantly underutilized

Transition in the Industry:

- Utilizing better composting processes and distribution strategies, Q2 can increase revenue materially from soil sales
- Agricultural buyers will pay more for consistent, quality compost (up to 2X)
- “Upgrading” compost to engineered soils opens sales to construction and infrastructure projects, and can increase revenue 2-3X with higher margins
- With broader, regional footprint Q2 can approach regional big box customers, as well as PE and REITs with expansive landholdings – creating larger, long-term sales contracts



Compost replenishes arable land with critical nutrients and organics that overuse, chemicals and extreme climate have stripped away.

Value Creation Strategy

- Provide efficiencies, operational excellence to acquired companies
- Develop nationwide marketing and sales channels for high-end branded soil products with strong distribution, and large corporate customers, gov. agencies, etc. – focus on end-product sales
- Institute processes and technology to make compost production more profitable – build efficiencies, cross-pollinate best practices
- Purchase facilities at ≈1X revenue multiple and provide public comps to achieve ≈3X (see comps)
- SEC filings estimated to be current by June with OTCQB listing
- Seek NASDAQ or NYSE listing within 12 months

“If agriculture ever realizes the significance of compost from its value as a source of organic matter for its water holding capacity and its ability to reduce chemical fertilization, there won’t be enough composting in the United States to begin to start satisfying that need.” - U.S. Composting Council (7/14)

Funding

- Completed \$1.5M bridge round to bring initial 2-3 acquisitions through definitive agreements, audits
- In discussions with several family offices and funds to provide \$10-20M in acquisition funding (Q3/4)
- Additional strategic financing and acquisition partner discussions in process

Public Comps

	P/E	P/Sales
Scotts Miracle Gro (SMG)	20	2
Monsanto (MON)	27	3.6
Syngenta (SYENF)	36	3.3
Potash Corp (POT)	35	3.1
Waste Mgmt (WM)	26	2.3

QPWR Cap Table

	Shares Out (M)
Common Stock (as of 5/1/17)	31.1
<i>Approx. float</i>	14
<i>Approx. control / affiliate</i>	6
<i>Approx. held in certificate (avg. basis \$0.24)</i>	11
Common Stock - Management (subj. to forfeiture)	15
Total Voting Common Stock Outstanding	46.1
Convertible Securities	
Convertible Note (\$165K @ \$.15)	1.1
Convertible Preferred Stock (\$600K @ \$.15)	4.0
Warrants (\$.50)	3.2
Employee Stock Options (\$.21)	6.7
Total Convertible Shares	15.0
Non-Convertible Debt	Balance
Term Note (12/31/17 maturity)	\$150,000

Experienced, Proven Leadership



Kevin Bolin
Chairman

- CEO Orege North America (WWTP Tech)
- Past Chairman and CEO of Alter NRG
- Over \$300M raised for past waste projects



Scott Whitney
Director

- CEO Liberty Tire (largest in N.A.)
- Past President of Covanta Energy (Nasdaq: CVA) European Division



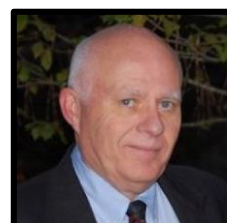
Christopher Nelson
CEO, Director

- Founder of Q2
- M&A/SEC attorney involved with roll-up of Republic Industries and AutoNation, formerly with Greenberg Traurig



Joel Mayersohn
Director

- Partner at Dickinson Wright P.A.
- Experienced M&A / SEC attorney with 30+ years advising public companies



Wayne King Sr.
Board of Advisors

- Founder of compost leading EARTH Products
- President of the US Composting Council (USCC)
- Industry thought leader