

Additional information

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Food is one of the world's most predictable categories of demand



Healthy & Local
are trending

**77% want a healthier diet
Americans love their local,
willing to pay more**

*McKinsey, Forbes, Research America!,
IFIC, PennState Extension*



Logistics costs
keep rising



Technology is
now available

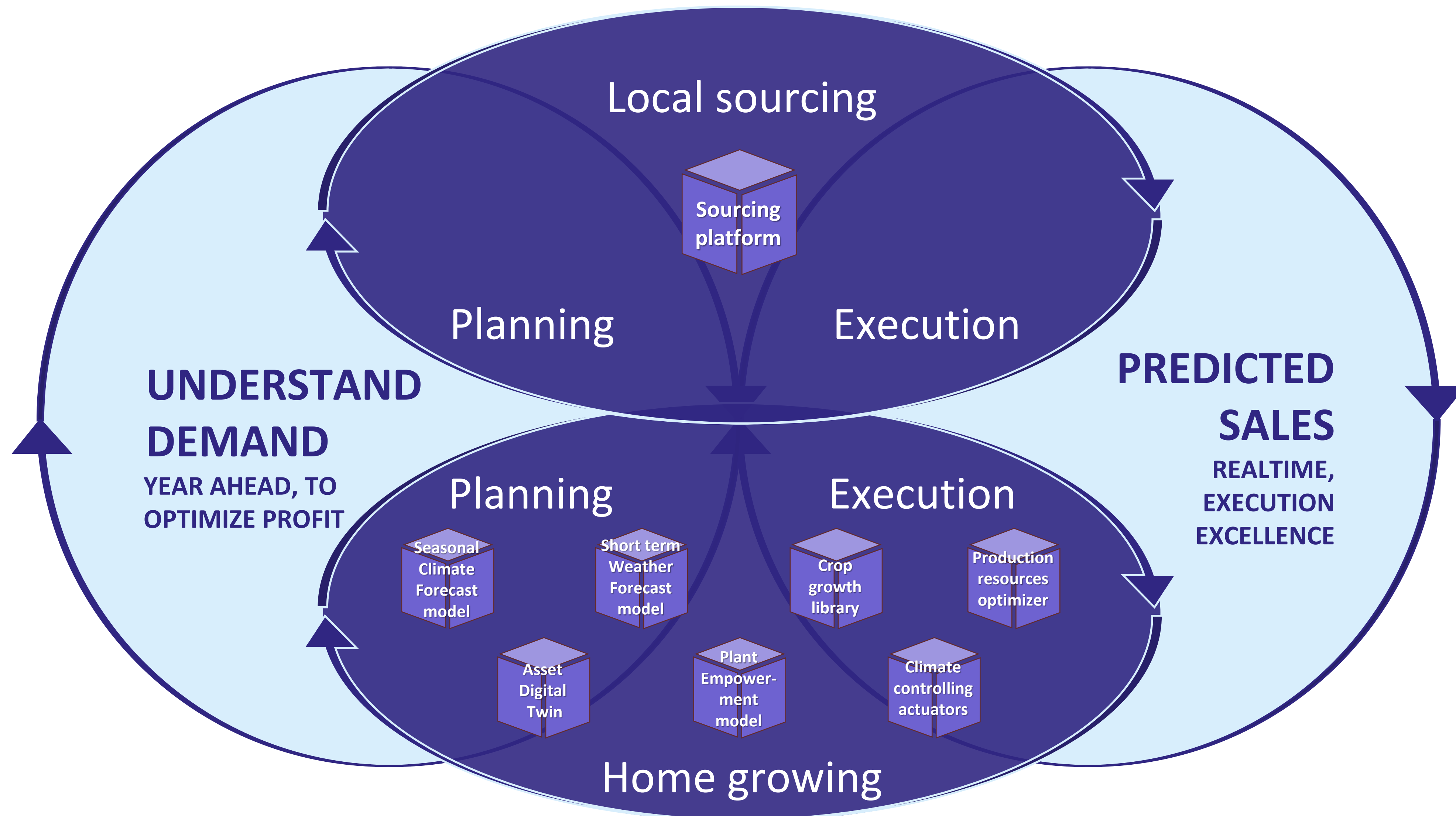


Policy tailwinds
for local4local

Local sourcing & home growing ensure 365 fresh and healthy food



Proprietary software powering LocalDutch infrastructure



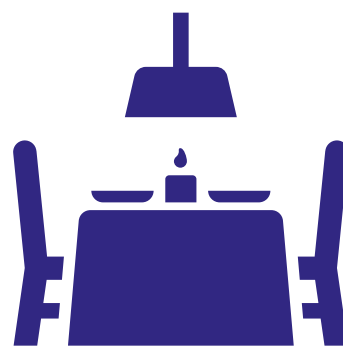
Channels to market

PREDICTIVE SALES



- Long term commitment
- Upfront payment
- Production friendly

LOCAL BUSINESSES



- Chefs' choice
- Farm2Table in hours
- Quality, grown on demand

LOCALDUTCH HUB / SHOP



- Experience & engagement
- High service level & flexibility
- Awareness & direct feedback



STANDARDIZED DESIGN

Building: 19,320 ft²

Plot: < 1 acre

PLAY

LocalDutch

Franchise Partner Model

LOCALDUTCH



- Owns the Real Estate
- Reduces franchisee CAPEX
- Asset-backed investment

FRANCHISEE



- Operates the shop / hub
- Supported by LocalDutch
- Reduces investment risk

LOCAL FARMERS/BUSINESSES

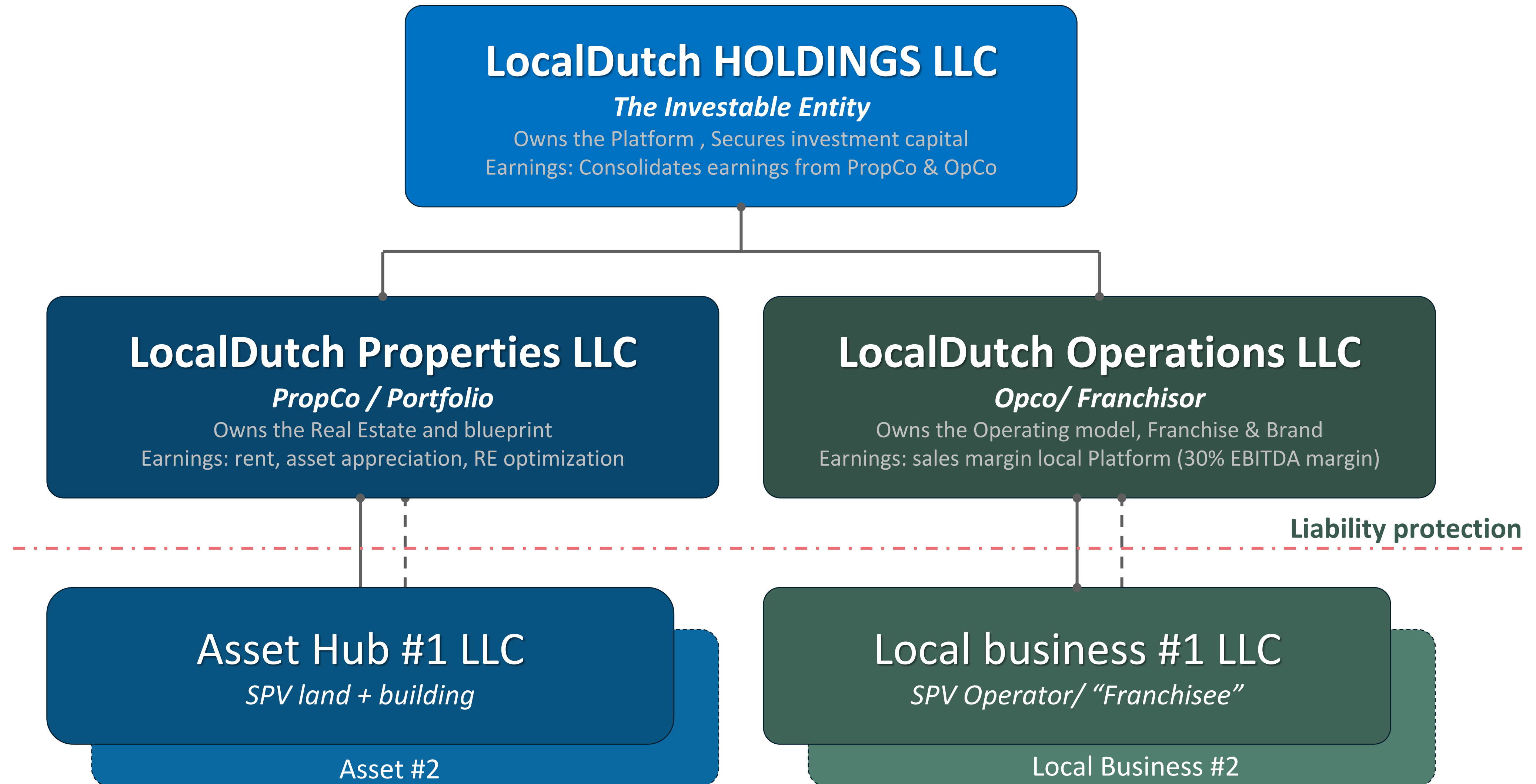


- Complement the offering
- No middleman
- Guaranteed supply/outlet

 LocalDutch



Separated asset ownership and operating risk for max value



One Hub Generates \$3M Revenue at 30% EBITDA

Business Unit Economics

\$3M

annual revenue

30%

EBITDA margin

>60%

Gross margin

<6 yrs

Payback period

Portfolio Economics

>20%

Portfolio IRR

\$1.1B

Revenue at scale

300

hubs

>70%

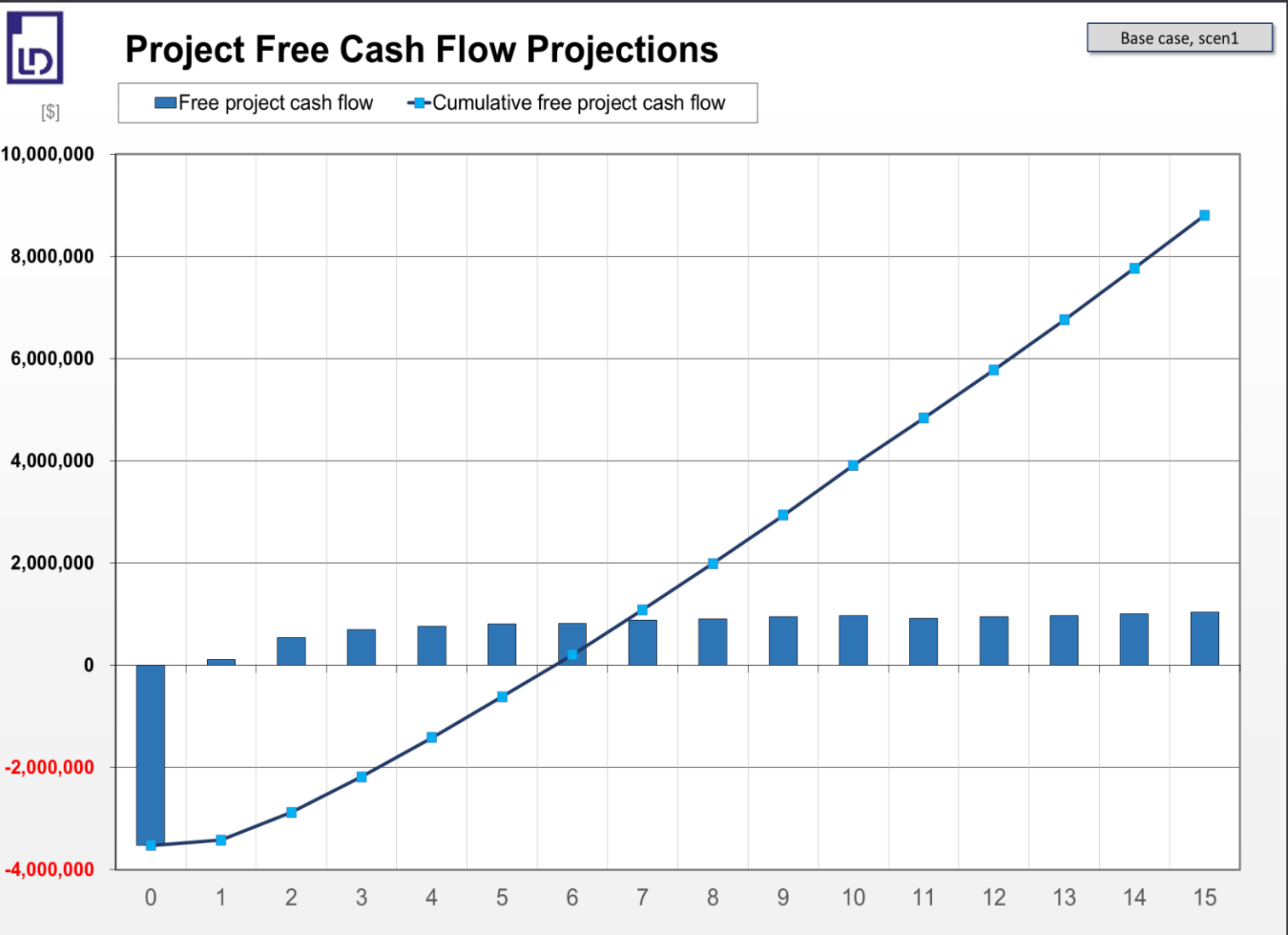
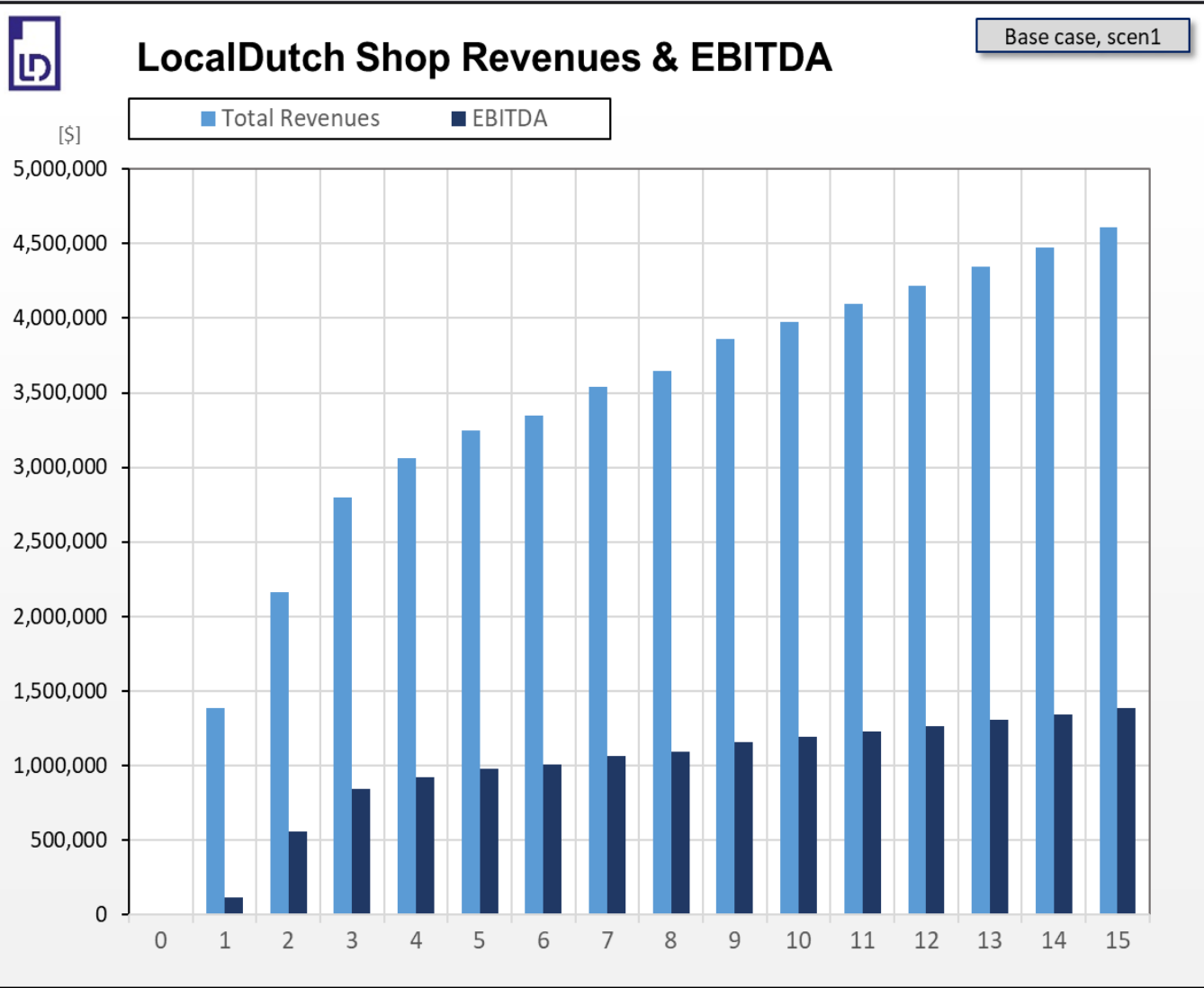
Leverage

Business Unit Economics (One Hub)

LocalDutch

COCO model - with inflation

	Base case, scen 1																
LocalDutch Shop typical P&L [\$]	yr	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Volume own produce		400,000	-	240,000	340,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Volume other products		340,000	-	96,000	170,000	240,000	280,000	300,000	300,000	320,000	320,000	340,000	340,000	340,000	340,000	340,000	340,000
Average sales price without inflation		4.00		4.12	4.24	4.37	4.50	4.64	4.78	4.92	5.07	5.22	5.38	5.54	5.70	5.87	6.05
Total Revenues		-	1,384,300	2,164,200	2,797,400	3,061,400	3,246,000	3,343,300	3,542,000	3,648,300	3,862,100	3,978,000	4,097,300	4,220,300	4,346,900	4,477,300	4,611,600
Total COGS		25,600	512,100	749,300	976,000	1,113,900	1,203,000	1,239,100	1,336,000	1,376,000	1,479,900	1,524,300	1,570,100	1,617,200	1,665,700	1,715,700	1,767,100
Gross margin		-25,600	872,200	1,414,900	1,821,400	1,947,500	2,043,000	2,104,200	2,206,000	2,272,300	2,382,200	2,453,700	2,527,200	2,603,100	2,681,200	2,761,600	2,844,500
Gross margin			63%	65%	65%	64%	63%	63%	62%	62%	62%	62%	62%	62%	62%	62%	62%
Total SG&A		-	753,800	855,500	975,500	1,025,200	1,066,500	1,098,500	1,142,700	1,176,900	1,224,100	1,260,800	1,298,700	1,337,600	1,377,800	1,419,100	1,461,700
EBITDA		-25,600	118,400	559,400	845,900	922,300	976,500	1,005,700	1,063,300	1,095,400	1,158,100	1,192,900	1,228,500	1,265,500	1,303,400	1,342,500	1,382,800
EBITDA margin		0%	9%	26%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation	10 yrs	-	317,150	317,150	317,150	317,150	317,150	317,150	317,150	317,150	317,150	317,150	-	-	-	-	-
EBIT		-25,600	-198,750	242,250	528,750	605,150	659,350	688,550	746,150	778,250	840,950	875,750	1,228,500	1,265,500	1,303,400	1,342,500	1,382,800
EBIT margin			-14%	11%	19%	20%	20%	21%	21%	21%	22%	22%	30%	30%	30%	30%	30%
Interest	7%	-	176,864	163,118	148,409	132,671	115,831	97,812	78,532	57,902	35,828	12,209	-	-	-	-	-
EBT		-25,600	-375,614	79,132	380,341	472,479	543,519	590,738	667,618	720,348	805,122	863,541	1,228,500	1,265,500	1,303,400	1,342,500	1,382,800
Taxes	25%	-	-	-	14,565	118,120	135,880	147,685	166,905	180,087	201,281	215,885	307,125	316,375	325,850	335,625	345,700
Net Profit		-25,600	-375,614	79,132	365,776	354,360	407,640	443,054	500,714	540,261	603,842	647,656	921,375	949,125	977,550	1,006,875	1,037,100
Net Profit margin			-27%	4%	13%	12%	13%	13%	14%	15%	16%	16%	22%	22%	22%	22%	22%



Key Considerations

Typical LocalDutch Hub financials @ retail benchmark prices and 70% leverage:

- CAPEX \$3.5M, excluding land & inflation
- Gross margin: >60%
- Stabilized EBITDA margin: 30%
- High Net Profit margin: >13%, increasing to 22% when debt free
- Cash flow positive in yr 2
- Pay back in <6 yrs
- Sufficient profit-sharing capacity for incentivising Franchisor to generate upside potential
- Economic life > 15 yrs



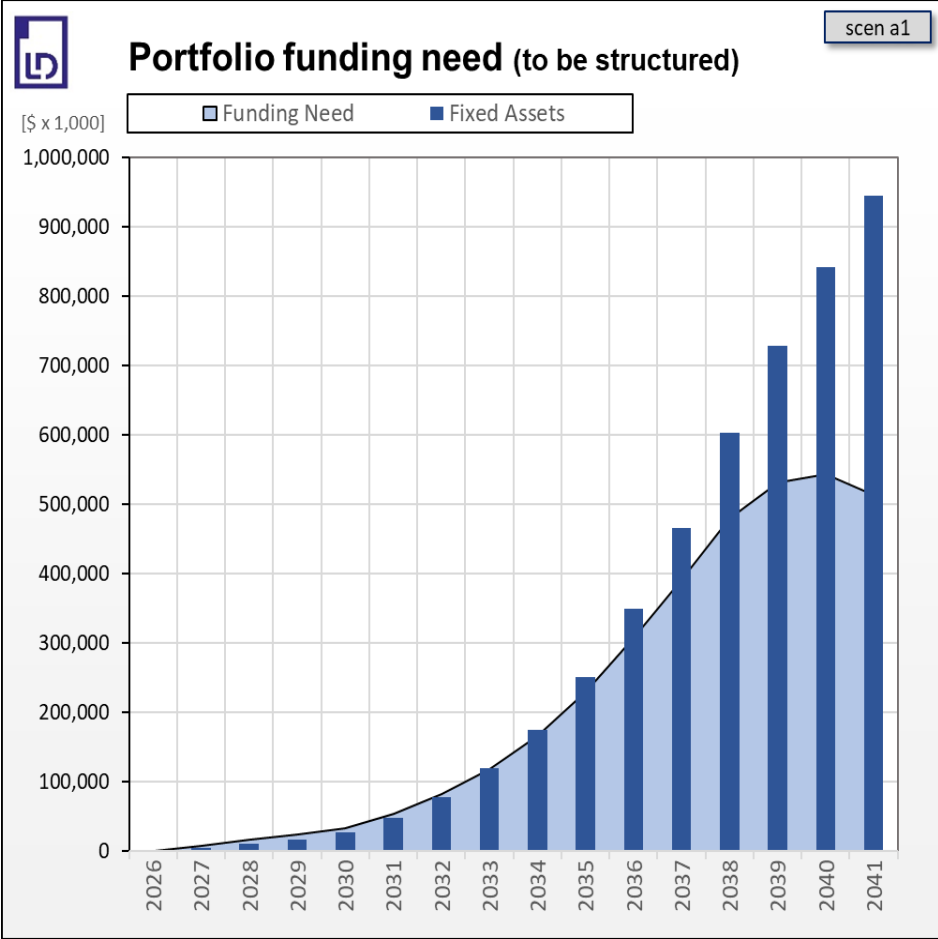
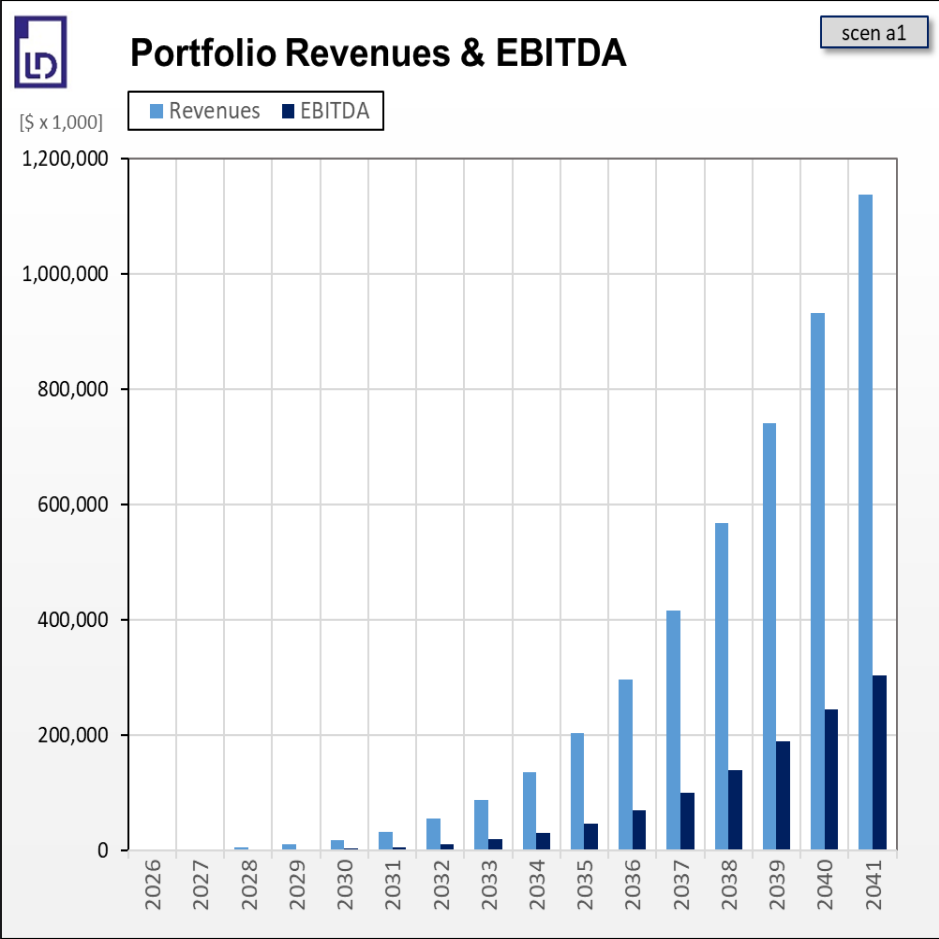
Portfolio Economics

LocalDutch

Portfolio growth	yr	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Newly erected LocalDutch Shops			1	2	2	3	6	9	12	16	22	28	34	40	40	40	40
Portfolio size			1	3	5	8	14	23	35	51	73	101	135	175	215	255	295
Growth rate				200%	67%	60%	75%	64%	52%	46%	43%	38%	34%	30%	23%	19%	16%

Base case, scen 1a

Portfolio P&L [x 1,000 \$]	yr	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Total Revenues Portfolio Shops		-	1,372	4,970	10,098	17,806	31,693	54,342	88,009	135,859	203,630	295,658	415,772	566,976	740,472	931,753	1,137,452
Total COGS		-	512	1,804	3,606	6,393	11,483	19,683	31,839	49,220	73,958	107,549	151,441	206,887	270,711	341,698	418,730
Gross margin		-	860	3,166	6,492	11,413	20,210	34,659	56,170	86,639	129,672	188,109	264,331	360,089	469,760	590,055	718,723
Gross margin			63%	64%	64%	64%	64%	64%	64%	64%	64%	64%	64%	64%	63%	63%	63%
Total SG&A consolidated		-	754	2,408	4,337	7,321	13,143	22,310	35,343	53,550	79,392	113,837	157,868	212,335	271,665	335,492	403,287
Expensed startup costs first Shops		-	1,545	1,000	500	-	-	-	-	-	-	-	-	-	-	-	-
SG&A HQ		270	918	936	1,152	1,400	1,502	1,929	2,443	3,434	4,279	5,636	7,071	8,095	9,098	10,414	11,533
EBITDA		-270	-2,358	-1,178	503	2,692	5,564	10,420	18,385	29,656	46,000	68,636	99,392	139,659	188,997	244,148	303,903
EBITDA margin			-172%	-24%	5%	15%	18%	19%	21%	22%	23%	23%	24%	25%	26%	26%	27%
Depreciation (no Amortization)		-	327	1,000	1,693	2,764	4,970	8,378	13,058	19,487	28,590	40,525	55,124	72,539	90,475	108,593	126,151
EBIT		-270	-2,684	-2,178	-1,190	-72	595	2,042	5,326	10,169	17,410	28,111	44,267	67,121	98,522	135,555	177,751
Interest	7%	-	169	502	812	1,284	2,292	3,815	5,830	8,522	12,285	17,069	22,835	29,540	35,675	41,239	46,269
EBT		-270	-2,853	-2,680	-2,002	-1,356	-1,697	-1,773	-504	1,648	5,125	11,043	21,433	37,580	62,847	94,316	131,483
Taxes	25%	-	-	-	-	-	-	-	-	-	-	1,170	5,358	9,395	15,712	23,579	32,871
Net Profit		-270	-2,853	-2,680	-2,002	-1,356	-1,697	-1,773	-504	1,648	5,125	9,873	16,074	28,185	47,135	70,737	98,612
Net Profit margin			-208%	-54%	-20%	-8%	-5%	-3%	-1%	1%	3%	3%	4%	5%	6%	8%	9%
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings		-270	-2,853	-2,680	-2,002	-1,356	-1,697	-1,773	-504	1,648	5,125	9,873	16,074	28,185	47,135	70,737	98,612



Key Considerations

Portfolio financials are based on indexed financials of typical Hub @ 70% leverage:

- Base case: continued growth to ~300 Hubs in 15 yrs
- IRR 15 yrs: >20%
- Frequent portfolio refinancing foreseen, limiting new equity need while growing fast
- Total Funding Need (to be structured, optimizing debt, mezz, equity and grants)
- Potential for:
 - accelerated depreciation (investor benefit)
 - improved financials due to standardization and predictability of cash flows
 - Real Estate equity will increase with land revaluations and collateral pooling

LocalDutch infrastructure delivers IMPACT for people

ECONOMIC

Profitable Local Business
Preventative health
Empower local producers

SOCIAL

Food Access
Community involved
Awareness & education



ENVIRONMENTAL

Deminish Food Miles
90% less water
Farmland Preservation

Critical Platform elements are in place, first Hub locations secured

Platform

**Autonomous cultivation software
MVP ready**

**Further roadmap
in execution**

Hubs

**Land secured on two locations
+ high-density consumer demand
+ short permit timing
+ low-competition for real estate**



Harrisburg PA



Carlisle PA

Partners



Traction



 LocalDutch



Food as medicine: from clinical intervention to scalable economic value

- Diet-related chronic disease has become one of the largest preventable costs in American healthcare.
- Payers and regulators are increasingly open to nutrition-linked preventive models

6 in 10

U.S. adults with chronic disease

4 in 10 live with two or more

47M+

Food-insecure Americans (2023)

Preventable chronic illness drives avoidable utilization

1 in 5

Medicare patients readmitted in 30 days

Persistent pressure on health-system economics

\$1.1T

Annual U.S. diet-related healthcare cost

On par with annual U.S. grocery spending

- Healthcare is moving Upstream
- Food as Medicine has moved from pilot rhetoric to a recognized implementation category
- Health systems need visible, community-centered innovation with measurable outcomes

Sources: Jefferson Health, UPMC, Rockefeller Foundation — Food is Medicine initiative; \$1.1T diet-related cost (USDA/health-economics estimates).

LocalDutch delivers guaranteed high nutrition fresh food

Locally sourced and home grown, Just-in-time on recipe

With proprietary AI tooling for predictive demand and fulfillment

Supporting

- Employee health plans
- Insurance bonus models
- Targeted clinical nutrition support
- Community programs

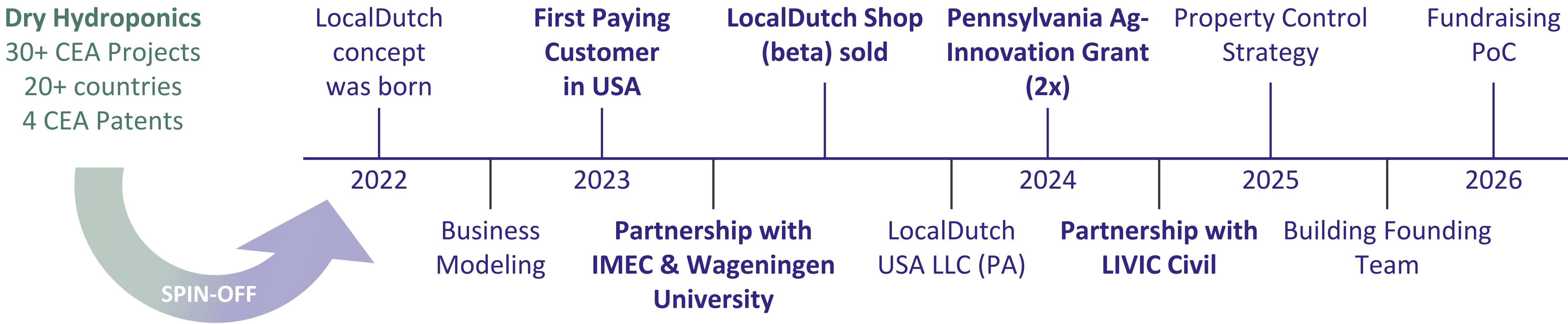
Flexible use for commercial space

- Info/education space
- Light-processing of fresh food

Our Strategy

In-house portfolio development combined with strong control over franchisees ensures **Premium Quality for our end Consumer**

Our Journey



Predictive Quality of In-House Produce



Complimented with Regional Artisan Products



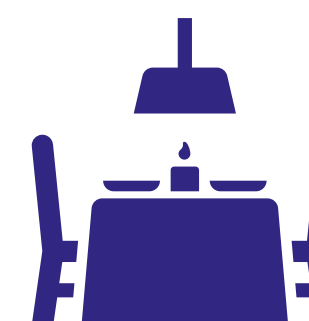
Channels to Market

PREDICTIVE SALES



- Long term Commitment
- Upfront Payment
- Production Friendly

LOCAL BUSINESSES



- Chefs' Choice
- Farm2Table in hours
- Quality, Grown on Demand

LOCALDUTCH HUB



- Experience & Engagement
- High service level & flexibility
- Awareness & Direct Feedback

 **LocalDutch**

Proven Technology – One Design

8 Months per year Carbon Neutral



HYDROPONICS, NO RUNOFFS



RAINWATER COLLECTION



COMB. HEAT & POWER UNIT



HOT & COLD BUFFERS



INTEGRATED SOLAR PV



DYNAMIC BATTERY SYSTEMS

We work with, or Purchase from same Sources as





Let's talk!

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