



NeoCrumb, LLC

The Making Of  POLYCRUMB™

February 2018

Forward-Looking Statements

The information in this document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often include words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes," and words and terms of similar substance in connection with discussions of future operating or financial performance.

The Company's forward-looking statements are based on management's current expectations and assumptions regarding the Company's business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. The Company's actual results may vary materially from those expressed or implied in its forward-looking statements. Important factors that could cause the Company's actual results to differ materially from those in its forward-looking statements include government regulation, economic, strategic, political and social conditions and the following factors:

- recent and future changes in technology, services and standards;
- changes in consumer behavior;
- the popularity of the Company's products;
- changes in the Company's plans, initiatives and strategies, and consumer acceptance thereof;
- changes in the plans, initiatives and strategies of the third parties that distribute, license and/or sell the Company's products;
- the Company's ability to deal effectively with economic slowdowns or other economic or market difficulties;
- changes in advertising market conditions or advertising expenditures due to, among other things, economic conditions, changes in consumer behavior, pressure from public interest groups, changes in laws and regulations and other societal or political developments;
- the Company's ability to exploit and protect its intellectual property rights in and to its products;
- lower than expected valuations associated with the cash flows and revenues, which could result in the Company's inability to realize the value recorded for intangible assets and goodwill at those reporting units;
- increased volatility or decreased liquidity in the capital markets, including any limitation on the Company's ability to access the capital markets for debt securities, refinance its outstanding indebtedness or obtain bank financings on acceptable terms;
- the effects of any significant acquisitions, dispositions and other similar transactions by the Company;
- the failure to meet earnings expectations;
- the adequacy of the Company's risk management framework;
- changes in U.S. GAAP or other applicable accounting policies;
- the impact of terrorist acts, hostilities, natural disasters (including extreme weather) and pandemic viruses;
- a disruption or failure of the Company's or its vendors' network and information systems or other technology relied on by the Company;
- the effect of union or labor disputes or player lockouts affecting the professional sports leagues whose programming is shown on the Company's networks;
- changes in tax, federal communication and other laws and regulations; and
- changes in foreign exchange rates.

Any forward-looking statement made by the Company speaks only as of the date on which it is made. The Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise.

February 2018

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Our Innovative Product

Using a proprietary mechanical process, we have been able to bind polymers and crumb rubber on a molecular level to create an entirely new composite thermoplastic compound.

We call this product **PolyCrumb**.

PolyCrumb is a replacement for polypropylenes and thermoplastic elastomers used in the plastic extrusion and injection molding industries.

Key advantages of using **PolyCrumb**:

- » Injection mold at lower temperatures
- » Increase throughput
- » Reduce lead times
- » Create stronger and less brittle products

PolyCrumb can be made from 100% recycled materials.

How PolyCrumb is Made

Old tires are first cut into smaller pieces called *chips* using a piece of machinery called a *shredder*.



The chips are further processed to remove impurities such as fibres and steel. They are also cut to size, depending on the required specifications. The new product is called *crumb rubber*.



The final step involves using our proprietary process to mix the crumb rubber with either virgin resin or recycled plastic to create our innovative new product, *PolyCrumb*.

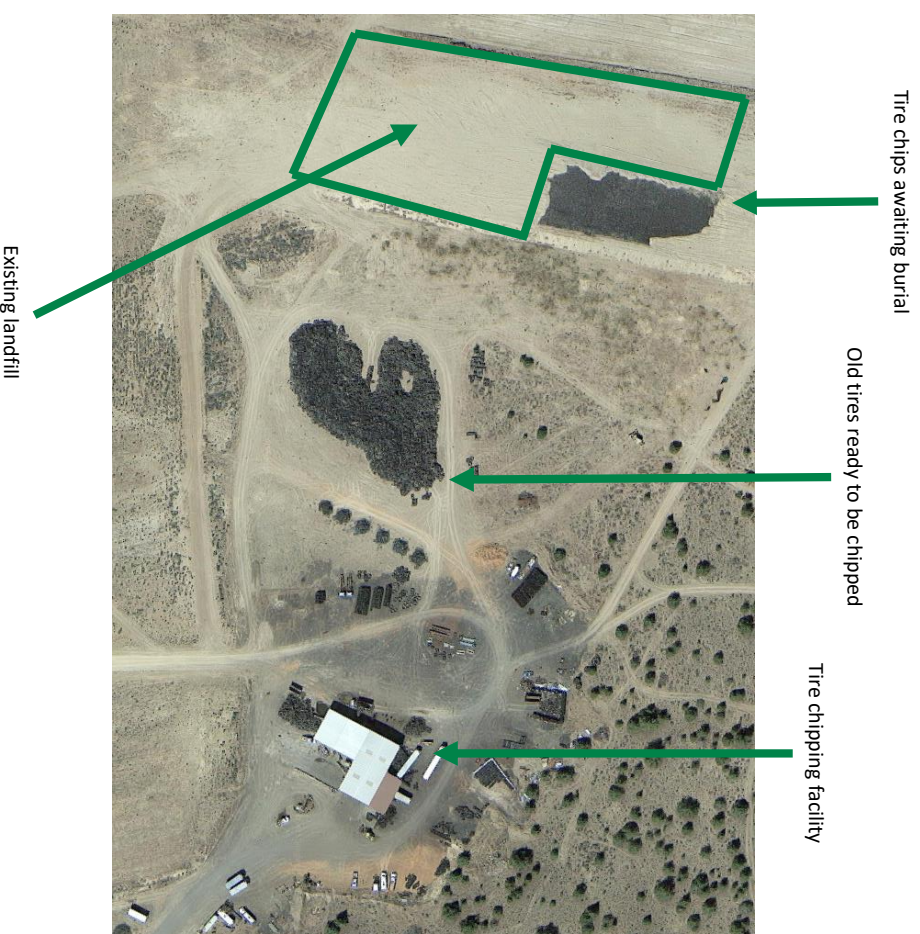


Background on Tire Recycling

Generally speaking, when new tires are purchased, some sort of excise tax is paid to cover the cost of collecting and recycling old tires.

A recycling company collects old tires and cuts them into smaller pieces, usually around five square inches. These are known as *chips*.

There are very few uses for chips: mostly they are put into lined landfills where they await further use. Some countries send their chips to China to be burned for energy, but this is very inefficient and bad for the environment.



Background on Tire Recycling

To make use of chips, they have to be further processed to remove fibers and steel from the rubber. The resulting product is called *crumb rubber*.

Crumb rubber has limited applications:

- Used as a filler to make asphalt
- Sprinkled across gardens to help retain water and deter pests
- Other minor industrial applications

Our proprietary process, which uses crumb rubber as a core ingredient, offers a unique opportunity to consume the huge quantities of old tires currently sitting in landfills.

Characteristics of PolyCrumb

PolyCrumb is made by crumb rubber from recycled tires with various polymers, whether virgin or recycled, to create an entirely new family of composite thermoplastic compounds. **PolyCrumb** possesses the characteristics of virgin resin, but with far broader application and versatility.

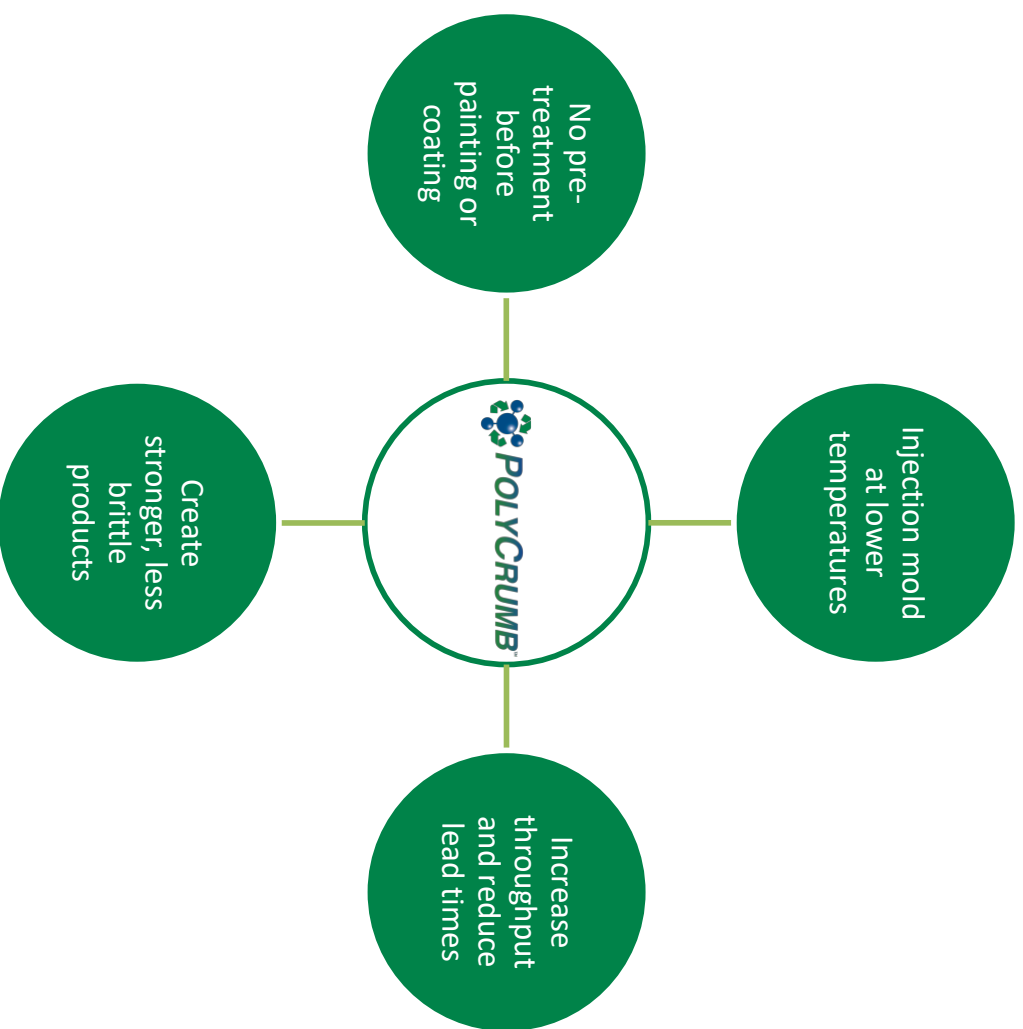
- Injection mold at lower temperatures
This helps reduce overall energy consumption in the manufacturing process (we believe by up to 20%), thereby providing a significant boost to profit margins.

- Increase throughput and reduce lead times
*Products made from **PolyCrumb** shrink less and cool quicker during the manufacturing process. This allows the manufacturer to significantly increase throughput and reduce overall lead times.*

- Create stronger, less brittle products
*Multiple ASTM tests consistently demonstrate that **PolyCrumb** products are strong, less brittle, and highly resistant to external environmental changes.*

- No pre-treatment before painting or coating
*The nature of products made from **PolyCrumb** is such that they do not need to be processed before being painted or coated. This means that an entire step can be eliminated from the manufacturing process.*

- Can be made from 100% recycled materials



Potential Uses of PolyCrumb

We have received early indications of interest from manufacturers of the following products:

- Automotive parts
- Garden furniture and garden buildings such as tool sheds
- Building materials
- Sewage and water drainage systems



Where We Are Today

Test production runs ✓

Proof of industrial-scale manufacturing ✓

Pre-marketing ✓

Product range

Tens of ASTM-
standard products
developed with
market input

Full sales and marketing

Launched in mid-2017,
now ready for major
ramp-up



Enterprise Cash Flow Projections

	YEAR 1	YEAR 2	YEAR 3
Sales			
Volume (lbs)	9,600,000	41,043,200	104,768,000
Trucks	240	1,026	2,619
Total Gross Revenue	\$7,043,200	\$34,083,808	\$87,852,720

Cost of Goods Sold			
Total Cost of Goods Sold	\$5,986,720	\$29,056,446	\$70,282,176
Gross Profit	\$1,056,480	\$5,027,362	\$17,570,544
Gross Margin	15.00%	14.75%	20.00%

Operating Cost			
Business Development and Marketing	\$339,795	\$654,293	\$895,080
Research and Product Development	\$143,000	\$198,000	\$306,000
General and Administrative	\$448,206	\$811,409	\$1,141,460
Interest Payments	\$160,000	\$53,333	\$0
Total Operating Cost	\$1,091,002	\$1,717,035	\$2,342,530

Cash Flow			
Cumulative Cash Flow (Less Dividends)	\$ (34,522)	\$ 3,310,326	\$ 15,228,014
Net Operating Margin	15.00%	14.75%	20.00%

Business Valuation Assumptions

	Multiple			
Projected Valuation at Annual Implied P/E Ratio	7	\$7,123,127	\$41,071,858	\$132,402,592
Projected Valuation as % of Gross Revenue	1.5	\$22,752,000	\$78,681,600	\$161,640,000
Projected Average Valuation Using Both Methods		\$14,937,564	\$59,876,729	\$147,021,296
Projected Implied Valuation on a Per Pound (lbs) Basis		\$0.13	\$0.12	\$0.12

Per Share Valuation of Enterprise

	Shares			
Projected Per Share Valuation	2,165,268	\$6.90	\$27.65	\$67.90

Dividends

	Per Share	% of Cash Flow		
Projected Dividends Per Share	\$0.00	52%	\$0.07	\$0.30
Projected Total Dividends	\$0		\$1,721,370	\$7,918,567



Next Steps

We are currently raising \$2,000,000 from accredited investors to finance a ramp-up in sales and buy out existing Members whose personal circumstances have changed.

For further information, please contact us at:

info@neocrumb.com