



Indoor hemp cultivation solution  
solving supply chain issues & prison  
recidivism.

# About Éternel Hemp

Éternel Hemp is a minority-owned indoor hemp cultivation firm located in the great “First State”, Delaware. We are located in an Opportunity Zone and a Foreign Trade Zone in Wilmington, Delaware.

## OUR FOCUS:

- 1) Removing supply chain risk for distributors and brands requiring high quality, pesticide free hemp.
- 2) Solving the prison recidivism crisis by providing returning citizens (formerly incarcerated individuals) employment, skills training and mentorship opportunities.



ETERNELHEMP.COM

# Our Team



## MICHAEL T. BROWN

Technology executive with 18 years of experience across healthcare, management consulting, mobile, and interactive disciplines. Ten years experience in real estate acquisitions, repositioning and sales.

## ASHISH KHATANA

Investor, Developer and Investment Manager with 25-years of experience spanning multiple geographic regions and property types within the U.S. Developed and or acquired approximately \$2 Billion in real estate assets.



## AJIT GEORGE

Founder of Second Chances Farm - provides returning citizens with training, mentorship and well-paying green collar jobs in distressed communities. Veteran TEDx organizer, food & wine aficionado, philanthropist and certified Dream Builder™ Life Coach.

## MATT BREWER

Trained agronomist with 25 years experience advising brands on best practices for development of successful and scalable commercial hemp & marijuana operations. Produced 15 rare cultivars spanning across Guatemala, Colombia, Spain, Australia and the US.



# Our Team - Advisory

## **ANDREA HOLMES THOMPkins– MARKETING ADVISOR**

37-year media sales & marketing veteran, CEO of ACE Media Corp, founded in 2003, a media sales, branding and entertainment rep firm, specializes in branded content promotions & production. Clients have included American Express, Burger King, BMW, Chase, Coca Cola, Chrysler, Ford, Google, Kraft, Lincoln Mercury, Mastercard and McDonalds.

## **CHRISTOPHER WEIDLING – STRATEGIC AND FINANCIAL ADVISOR**

Involved in the cannabis industry for the last 7 years, first as the CFO of Theraplast (Connecticut) then board member at Segra, a private Vancouver-based tissue culture provider. 20 years financial services industry, including senior role in institutional equity sales at Canaccord Genuity from 2006-2012.

## **DANIEL SCHOENBAECHLER– INVESTMENT RELATIONS**

Investor and Licensed Sales Agent, started in Commercial Real Estate in 2008. Closed over \$65 million of transactions, ranging from renters and first-time home buyers to experienced investor sales.

# Current Status

## Pre-Revenue, Starting 2<sup>nd</sup> Harvest

Despite COVID-19 Éternel Hemp is on track to complete its second harvest Q1 2021. All harvested flowers and trimmings are pre-sold.



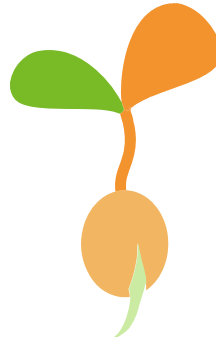
### LICENSE

Hemp license granted June 11, 2019 with 2022 renewal. License covers additional farms & interstate transport.



### OZF

Building & business are in Opportunity and Foreign Trade Zones, providing significant tax benefits.



### SALES CONTRACT

Executed off-take for 30k lbs./yr. at \$350/lb. 3 yr contract term with renewal.



### GROWING PARTNER

Established partnership to design customized growing platform with large LED manufacturer.



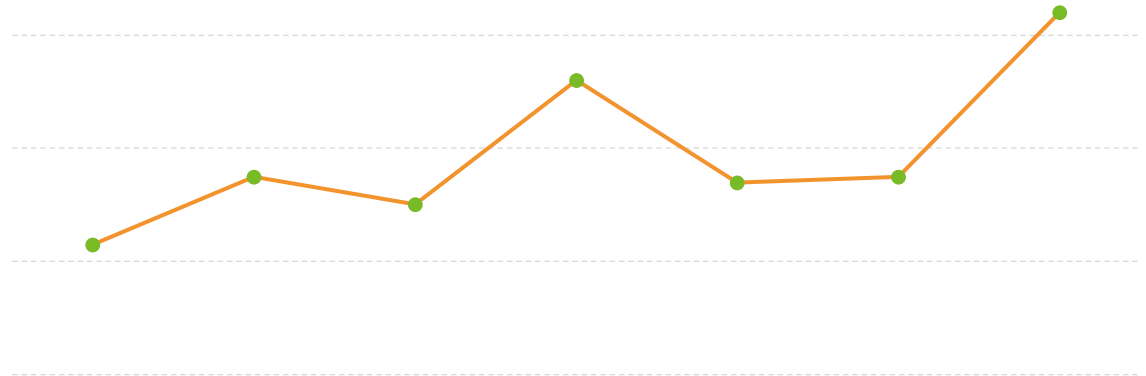
### 2<sup>ND</sup> GROW

Fulfilling first supply contract, utilizing 1k of 16K sq ft farm area. Estimated harvest Jan 2021.



# Target Customers

## Brands & Distributors Requiring High-Quality, Pesticide Free Hemp



Despite fluctuations based on economic factors, including disruption caused by the coronavirus pandemic, and lack of federal regulatory clarity around CBD; demand for hemp-derived CBD has increased during the pandemic, likely attributable in part to growing mental-health issues from pandemic-induced anxiety and other maladies.

- Hemp Industry Daily 2020

# Initial Product Offering

## Smokable Hemp

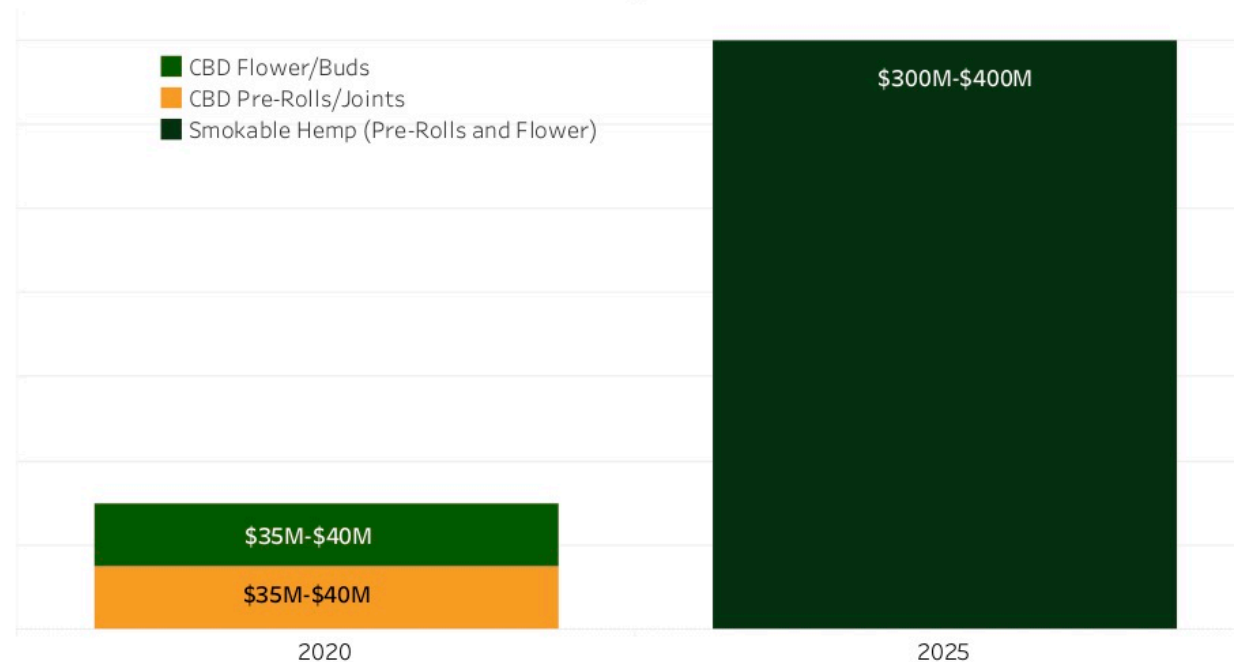
### Smokable Hemp Uses

Éternel Hemp's cultivation will primarily be used for CBD flower, hemp-CBD pre-rolls, cigars and other inhalables. Each represents a growing segment in the smokable hemp-CBD market.

### Smokable Hemp Market

By 2025, Nielsen expects the smokable-hemp market to reach \$300 million-\$400 million, representing roughly 5% of the potential \$6 - \$7 billion hemp-derived CBD consumer products category.

U.S. Market Size Estimate for Smokable Hemp: 2020 vs. 2025



Source: Nielsen

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# Industry Issues & Éternel Solutions

Issues of inconsistent quality and production volume that plague the industry

## SUPPLY ISSUES

## CONSISTENT QUALITY

Leveraging technology, strict operating procedures and extensive indoor growing experience

Production costs (growing equipment, labor & electricity) are capital intensive.

## RISING COSTS

## COST MANAGEMENT

Our technology significantly lowers the production and operating costs compared to industry benchmarks.

Economic impact on communities due to returning citizen unemployment & lack of opportunities.

## REVOLVING DOOR

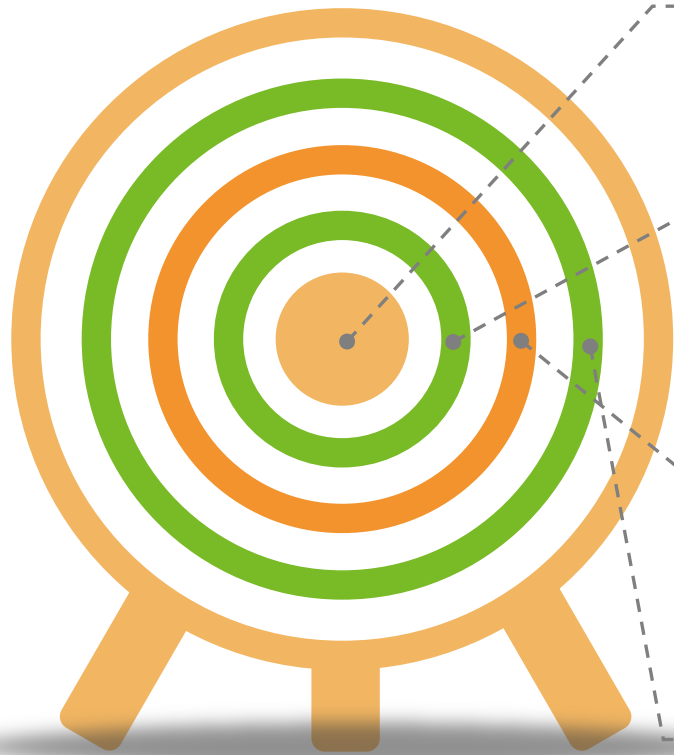
## POSITIVE MULTIPLIER

Address local recidivism issues by providing strong employment and training opportunities





# Competitive Advantages



## TECHNOLOGY

Our technology enables us to quickly adapt to changes in market demand while minimizing retooling, labor and energy costs.

## COST MANAGEMENT

Sustainable cost structure: growing system 20-40% less expensive than the competition. Farm building being acquired for \$20/square foot.

## SIGNIFICANT TAX BENEFITS

Further tax/tariff savings: We are set up as a Qualified Opportunity Fund as well as a Foreign Trade Zone which will create very significant savings in taxes and tariffs paid.

## STRONG COMMUNITY TIES

Excellent political good will and access to a unique labor pool which is cost competitive and creates a strong societal benefit.

# Social Impact Partner

## SECOND CHANCES FARMS

Second Chances Farm (SCF), an equity partner in Éternel Hemp, provides returning citizens with training, mentorship and well-paying green collar jobs in distressed communities. Éternel Hemp will provide green collar jobs for returning citizens and a two-tiered profit-sharing opportunity to all employees after 1 year of employment.



**SECOND  
CHANCES**  
FARM LLC



MENTORSHIP

TRAINING

LIFE SKILLS

EMPLOYMENT

SECOND  
CHANCES'  
mission is more  
relevant now than ever  
before.

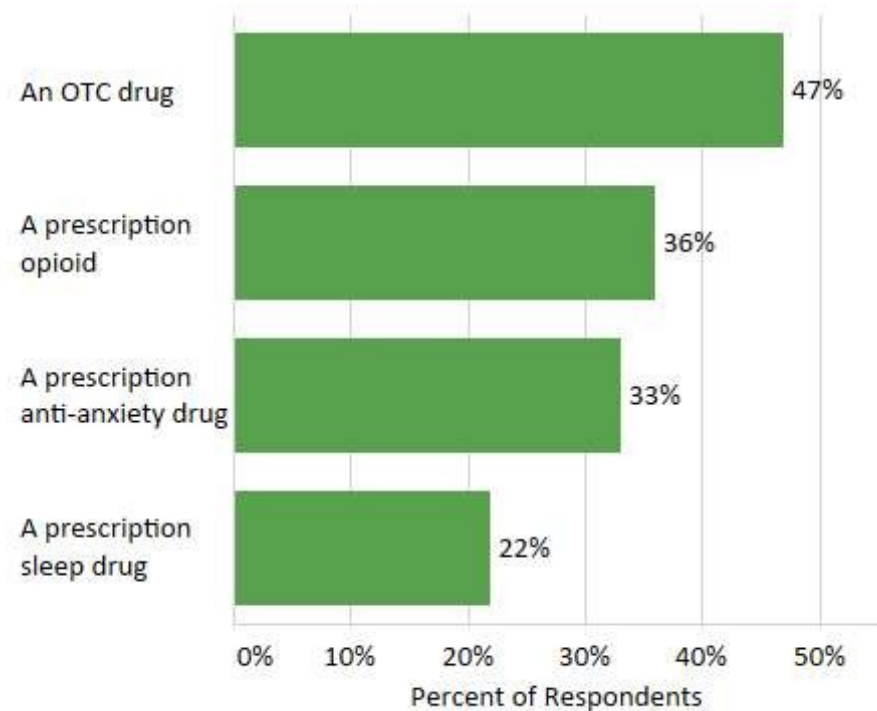
# Second Chances Farms

- ✓ Second Chances Farms' (SCF) approach is one of replacing recidivism with compassionate capitalism. SCF's goal is to turn employees into "Agripreneurs" with marketable skills and a path to financial independence.
- ✓ Impact: SCF's program creates a virtuous cycle to help decrease the "revolving door" back to prison for people who are unable to find work when released from incarceration.
- ✓ Employees will receive Annual profit sharing based on performance and capped at \$5,000 per employee and up to 10% distribution of net profits.
- ✓ ROI: Éternel Hemp provides investors and communities economic benefit + social revitalization through quality jobs and community development opportunities.

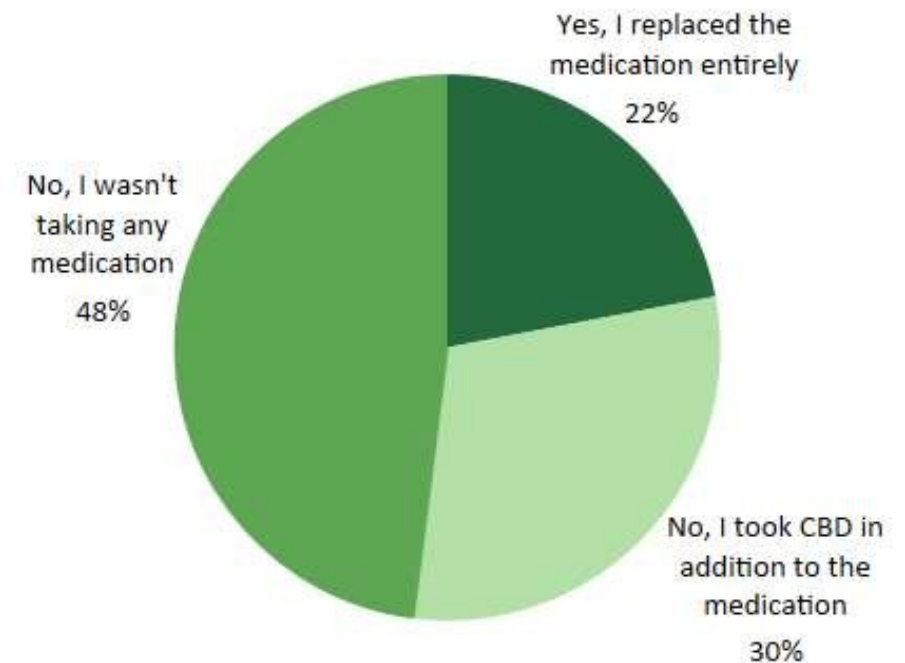
# CBD Market Trends

Recent survey (June 24, 2019) showed that 22% of consumers have replaced Over-The-Counter (OTC), prescription drugs with CBD/Hemp

*What Drug Did You Replace With CBD?*



*Did You Use CBD to Replace a Prescription or OTC Drug?*

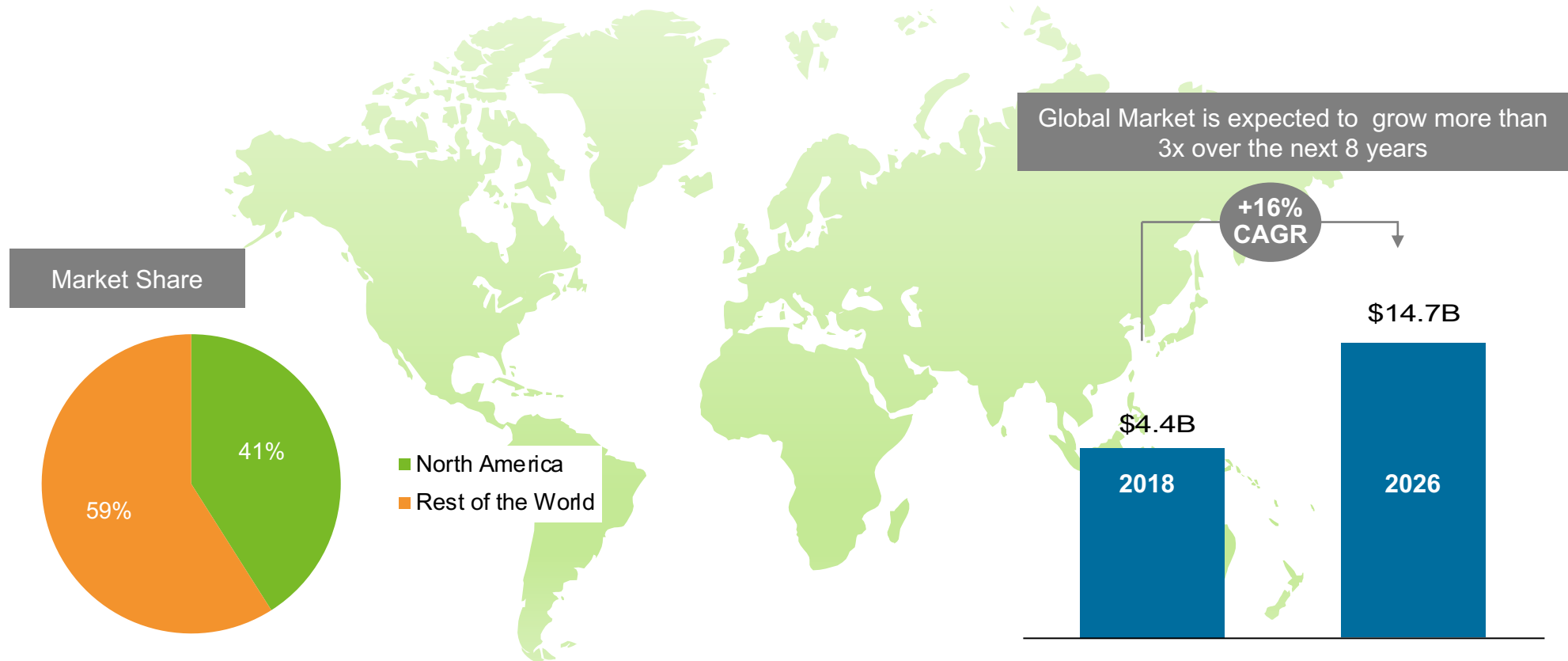


Source: Consumer Reports

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# Global CBD Demand

Legalization and a higher demand for varied uses and applications for hemp are leading drivers for its high expected growth. North America is the current leader in consumption and use of hemp.



# FDA Guideline & Éternel Hemp

FDA has stated that it is committed to sound, science-based policy on CBD.

## Stricter Guidelines

As an indoor cultivator, Éternel Hemp is in control of virtually all inputs the plant receives and its outcomes unlike outdoor farmers.



## Status-Quo

CBD is currently in food and beverages, cosmetics, and tobacco products, governed by FDA. Demand for high-quality hemp is rising due to consumer demands and health concerns.



# Why Invest Now?

## **Social Impact**

Éternel Hemp directly addresses relevant social, criminal justice reform and economic inequality issues through a private/public community-based solution.

## **Economic Impact**

Each returning citizen is provided a living wage, profit participation, benefits and transferable skills.

## **Community Impact**

Through Second Chances' partnership with Éternel Hemp, their profits will continue to fuel local services and mentorship programs.

## **Diverse Team**

Minority owned and operated business, average 25+ years experience in indoor farming, real estate and technology.



# Why Invest Now?

## **Majority of Production Pre-sold**

Executed supply contract for majority of production. Approximate annual contract value: \$10,500,000.

## **Above Market Returns**

Estimated 10 Year IRR 34.9% and 7x NET Equity multiple to investors. First cash flow distribution in Q1 2021.

## **Opportunity Zone (OZ) & Foreign Trade Zone (FTZ)**

Business & building in OZ providing significant tax savings on capital gains. Location designated a FTZ thus eliminating duties and tariffs due on items purchased from overseas manufacturers.

## **Exit Strategy**

Investment to be sold after ten years to capitalize on tax benefits. Potential acquirers: pharmaceutical, consumer goods and cultivation competitors.





# GROWING OPPORTUNITY

## NET TO INVESTORS\*

10 Yr. IRR

34.9%

10 Yr. Equity Multiple

7x

Éternel Hemp Farm I, LLC (“The Farm”), a Qualified Opportunity Zone Fund (“QOF”), is seeking interest from qualified capital sources to provide up to \$5.5M of equity for a Wilmington, Delaware Opportunity Zone investment in an indoor vertical Hemp farm (planting, cultivation and harvesting), and the underlying real estate.

\*Performance data set forth herein reflects projections of future financial performance that represent the Company’s good-faith estimates, which in all likelihood will vary, and may vary materially, from the Company’s actual performance.

# Investment Uses

## Second Harvest

Complete second harvest by end of 2020/ Q1 2021. All harvested flowers and trimmings are pre-sold.



## Customer Acquisition

Promote and emphasize Éternel Hemp's superior cultivation methods, rigorous testing and GAP cultivation standards.



## Tissue Culture/Nursery

Build out 3,500 sq ft agriculture production lab designed for housing and storage of hemp genetics for cultivation and resale.



## Farm 1 Build Out

Build out and install growing equipment in 16k sq. ft space, within SCF's building. Estimated output capacity 15-20K lbs./yr.



## Farm 2 Building Acquisition

Éternel Hemp has identified a 72K sq. ft warehouse providing an economical options for rapid expansion due to consumer demand.







# Farm 2 Expansion Opportunity into 72k sq. ft.



## Sale Price

\$1.5M (\$500K down, \$1M seller financed), Rate: 5.5%, 6 months  
Interest Only, 5 Year term, 20 Yr. amortization



## Building/Lot

72,690 SF, 14' clear height. Lot size: 3.7 acres. Multiple docks w/  
drive-in access



## Opportunity Zone

Business and building are in Opportunity Zones. Each asset is  
within separate Qualified Opportunity Funds for tax and liquidation  
advantages..



## Alternative Options

Technology can seamlessly be converted to grow produce utilizing  
same equipment. Once completed, the building's footprint and  
power requirements are well-suited for housing a datacenter.

# Contact Us

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A photograph of a small green seedling with three leaves growing out of a pile of various coins, including US quarters and pennies.

# THANK YOU

Éternel Hemp Farms