

Term Sheet

Spire Capital Series – Spire Aero Aggregates Fund (AUD) (the "Series")

This document should be read in conjunction with the Spire Capital Master Fund Information Memorandum (**IM**) issued by Spire Capital Pty Limited (available at spirecapital.com.au) and considered carefully before making a decision to invest in this Series.

This term sheet (including its Annexures) (**Term Sheet**) and the application form accompanying the Term Sheet (**Application Form**), together with the trust deed for the Master Fund (**Trust Deed**) and the IM (together, the **Transaction Documents**) contain the complete terms applicable to the Series.

It is only after the point in time when you agree to the Transaction Documents, we receive cleared funds into our nominated account, and the Trustee, in its absolute discretion, accepts your offer to invest, that the Trustee will issue units in the Series to you.

By completing the Application Form and clicking "I agree" you are investing in the Series and agree to be bound by the Transaction Documents and meet all obligations in those documents in a timely manner.

General Terms

Investment Form	Spire Aero Aggregates Fund (AUD) Class Units (Units)
Series	Spire Aero Aggregates Fund (AUD) (the Fund)
Master Fund	Spire Capital Master Fund <i>Australian unregistered unit trust</i>
Underlying Investment Entity	Valterra Aero Holdings, LLC (Underlying Investment Entity) <i>Limited Liability Company domiciled in Delaware, USA</i>
Underlying Investment Manager	Valterra Partners, LLC (Underlying Investment Manager) <i>Limited Liability Company domiciled in Delaware, USA</i>
Investors	Wholesale Clients Only
APIR Code	SPI8236AU
Trustee	Spire Capital Pty Limited
Custodian	One Managed Investment Funds Limited
Currency	AUD
Applications	Daily during the Offer Period, which shall be determined by the Trustee, but is anticipated to close on Wednesday 13 th November 2019. It is not anticipated that the Series will re-open for investment following the completion of the Offer Period.

Series Size	The Series size capital commitment target is AUD 12,250,000. The Trustee may accept a higher or lower amount in its absolute discretion.
Scale back	In the event that demand for the Units is greater than the Series size, applicants may be subject to having their application scaled back on an equal proportionate basis.
Term of the Series	It is anticipated that the term of the Series will be 5-7 years.
Series Application Price	Investors will be issued Units at an Application price of AUD 1.00 per Unit, with the initial payment payable within 5 business days of receipt of Capital Call Notice to be issued shortly after acceptance of Applications. This initial Capital Call is anticipated to be for AUD 90 cents per Unit. The Units will be issued on a partly paid basis.
Use of initial Funds	Funds raised via the initial Capital Call will be applied as follows: <ul style="list-style-type: none"> • Acquisition of 28% member interest in the Underlying Investment Entity (which in turn will own a 40.7% member interest in Aero Aggregates of North America LLC (Aero)), for USD12,190,000. • Associated establishment expenses and reserves for fund working capital and fund and underlying management fees.
Future Capital Calls	It is anticipated the Trustee may issue “Capital Calls” with respect to an unpaid proportion on each Units to meet fees and expenses associated with the Series and the Underlying Entity (e.g. Management Fees and expenses) on and from year 3 of the Series’ life.
Unit Pricing	Monthly
Distributions	Distributions are expected from the Underlying Investment Entity on an annual basis following the conclusion of the US financial year ending 31 December. Distributions received in the first instance will be used to meet any US tax liabilities of the Fund (any US taxes paid are expected to generate a Foreign Income Tax Offset, or FITO, for Fund investors), followed by Fund expenses and reserves. Any Distributions from the Fund to investors will be made annually as at 30 June.
Distribution Re-investment	Investors may elect to re-invest distributions into another Spire series class unit that is open-for investment.
Minimum Investment	AUD 250,000, however the Trustee may accept lower amounts at its discretion.
Minimum Additional Investment	Not applicable

<p>About the Master Fund</p>	<p>The Master Fund is an unregistered unit trust that invests in a range of assets through segregated unit trusts.</p> <p>There will be multiple classes of units in the Master Fund (each a series) and each series will provide investors exposure to the assets held by an interposed unit trust (each a Sub-Trust) where the Master Fund makes an investment in the relevant series Sub-Trust.</p> <p>You obtain exposure to the assets held by relevant Sub-Trust by investing into the corresponding class of unit for the series in the Master Fund.</p>
<p>New series</p>	<p>The Trustee reserves the right to establish new classes of units (i.e. a new series) from time to time. Where established, each new series will be issued to investors in accordance with the terms of that series, as found in the term sheet for that series.</p>
<p>Series Sub-Trust Units</p>	<p>The Sub-Trust for this Series (Series Sub-Trust), is a unit trust and 100% of these Series Sub-Trust Units will be held by the Master Fund. Spire Investments Pty Limited (a wholly owned subsidiary of the Trustee) will be the trustee for the Series Sub-Trust.</p> <p>The Series Sub-Trust will hold 100% of another unregistered Australian unit trust, Spire Aero Holdings Trust (Holdings Trust). Spire Aero Holdings Manager Pty Ltd a wholly owned subsidiary of the Trustee, will be the trustee for the Holdings Trust.</p> <p>A “Transaction Structure” diagram is included as an Annexure A to this Term Sheet.</p>
<p>Series Strategy</p>	<p>The Series Sub-Trust will, via the Holdings Trust, acquire non-voting shares (representing approximately 28% of the shares currently on issue) in the Underlying Investment Entity as an access vehicle for Aero. The Underlying Investment Entity will hold 40.7% of the shares on issue in Aero with the balance being held by members of Aero management.</p> <p>The Underlying Investment Entity is entitled to appoint one director of Aero.</p> <p>The terms of issue of the shares in the Underlying Investment Entity and Aero are set out in the Limited Liability Company Agreements for the Underlying Investment Entity and Aero. Copies of the Limited Liability Company Agreements are available on request.</p> <p>For further details regarding the Aero investment opportunity please refer to the “Aero Aggregates, LLC – Investment Opportunity Investor Presentation and Investor Update” (Valterra Investor Presentations) and “Term Sheet – Follow-on Investment in Aero Aggregates LLC” (Underlying Term Sheet) prepared by the Underlying Investment Manager.</p> <p>The Valterra Investor Presentations are included at Annexure B.</p> <p>The Underlying Term Sheet is included at Annexure C.</p>

Series Sub-Trust Assets	An interest in non-voting shares in the Underlying Investment Entity.
Liquidity, Access to Funds and cooling-off	The Series will not be “liquid” (as that term is defined in the <i>Corporations Act 2001</i> (Cth)), no cooling-off period applies to applications for units, and investors do not have any redemption or withdrawal rights. However, based on the Aero business plan which is expected to be implemented in the 5 years following financial close, it is anticipated that, the Series will receive returns of capital via the sale of shares. A return of capital may also result from a refinancing of Aero over the life of the Fund.
Secondary Market	There is no secondary market in the Units. The Trustee may identify secondary purchasers of units on a reasonable endeavours basis and resultant liquidity may be provided by these investors who may be interested in buying your Units.
Currency Hedging	The Series will be unhedged. However, the Trustee reserves the right to implement a hedging strategy in the future if it believes it is in the best interests of unit holders to do so.
Conditions	Investment is subject to: <ul style="list-style-type: none"> (a) the investor meeting eligibility criteria as determined by the Trustee; (b) receipt of cleared funds into application account bank account; (c) this Term Sheet and relevant documentation being accepted; and (d) the Trustee accepting your offer to invest in this Series, in its absolute discretion.

Series Sub-Trust Asset Terms

This is a summary of the terms of the Underlying Investment Entity held in the Series Sub-Trust. A copy of the Valterra Investor Presentations for the Underlying Investment Entity is included as Annexure B and the Underlying Term Sheet is included as Annexure C and you should read them in full before investing.

Sub-Trustee	Spire Investments Pty Ltd
Custodian	One Managed Investment Funds Limited
Asset	An interest in non-voting shares in the Underlying Investment Entity The terms of issue of the shares in the Underlying Investment Entity and Aero are set out in the Term Sheet included as Annexure C.
Asset Structure	The Underlying Investment Entity is a Delaware domiciled Limited Liability Company.

Investment Manager	The Underlying Investment Manager
Investment Objective	<p>The Underlying Investment Manager is seeking to deliver a 39% Internal Rate of Return (IRR) and 4.09x Multiple of Invested Capital before all fees outlined in this Term Sheet and the Valterra Investor Presentations at Annexure B.</p> <p>Any returns will be US dollar denominated and may be affected by foreign exchange movements, as the Series Sub-Trust is not expected to be hedged against currency movements.</p>

Investment Terms

Investment Amount	The Series Sub-Trust will issue Units to the Master Fund at a Price of AUD 1.00 per Unit.
--------------------------	---

Fees

Management Fee	0.5% p.a. x Net Asset Value (NAV) of the Series Sub-Trust (paid monthly) excluding GST, payable to the Trustee at the Master Fund level.
Underlying Management Fee	<p>2% p.a. x capital that the Series Sub-Trust has committed to the Underlying Investment Entity, payable to the Underlying Investment Manager.</p> <p>Further details regarding the Underlying Management Fee can be found in the Valterra Investor Presentations which are included as Annexure B.</p>
Underlying Performance Fee (Carried Interest)	<p>At the Underlying Investment Entity level, 20% of profits, (subject to the Fund receiving the Preferred Return of 8% IRR), payable to the Underlying Investment Manager.</p> <p>Further details regarding the Underlying Performance Fee are set out in the Valterra Investor Presentations included as Annexure B.</p> <p>No Performance Fee at the Series Sub-Trust level.</p>
Underlying Sourcing and Structuring Fee	<p>At the Underlying Investment Entity Level, Sourcing and Structuring Fee of 2% of the total capital commitments made by the Master Fund into the Underlying Investment Entity. This fee is a one-off fee, and becomes payable when the capital commitment is made to the Underlying Investment Entity. The Sourcing and Structuring Fee is payable out of the assets of Underlying Investment Entity and is payable to the Underlying Investment Manager.</p> <p>Further details regarding the Underlying Sourcing and Structuring Fee are set out in the Valterra Investor Presentation included as Annexure B.</p>
Sourcing & Structuring Fee	The Trustee is entitled to a Sourcing and Structuring Fee of 0.5% of the total capital commitments made by the Master Fund into the Underlying Investment Entity. This fee is a one-off fee, and becomes payable when

	the capital commitment is made to the Underlying Investment Entity. The Sourcing and Structuring Fee is payable out of the assets of the Master Fund and is payable to the Trustee.
Other Operating Expenses	The Trustee estimates direct operating costs and expenses to be 0.27% per annum based on the NAV of the Master Fund. These costs and expenses are payable from the Fund’s assets to the relevant person when incurred or, where initially paid by the Trustee, will be reimbursed to the Trustee at the end of each month.
Payment of Fees	It is expected that all fees will be satisfied by “Capital Calls” and otherwise out of the assets of the Series Sub-Trust and Underlying Investment Entity in accordance with the relevant trust deeds.

Risks

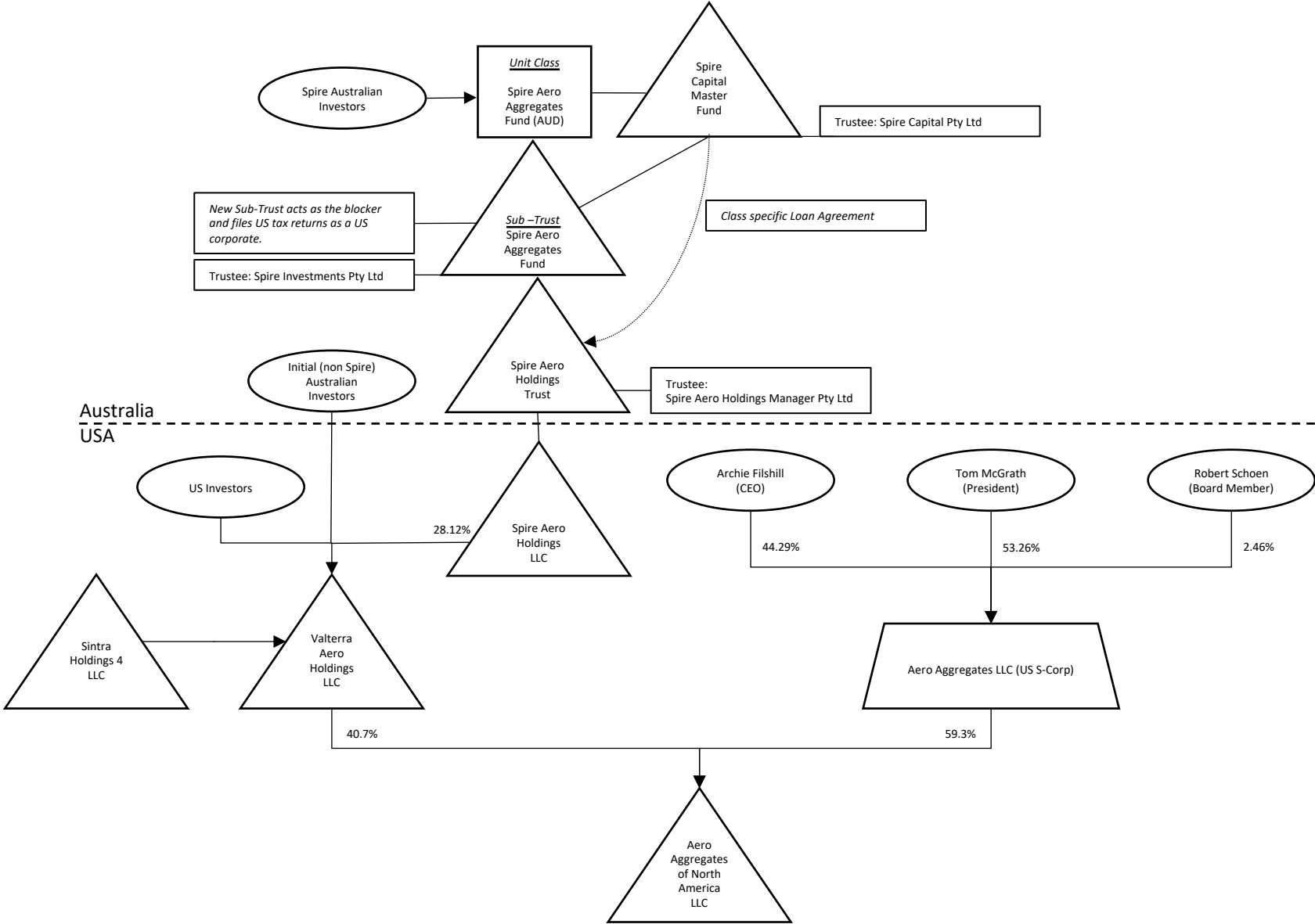
All Investments have risks. The Trustee has attempted to identify the key risks below. Investors should also read all documentation in the Data Room including all documents relating to the Reference Asset prior to investing and consider whether to consult professional advisers.

Summary	<p>An investment in the Master Fund and each respective Series involves a degree of investment risk. Investors should carefully consider the risks of investing before making a decision to invest. The key risks that apply to an investment in the Underlying Investment Entity are set out in the Valterra Investor Presentations.</p> <p>In addition to the risks set out in this document, investors should also consider that risks will also apply with respect to an investment in the Series and seek professional advice before making any decision to invest in the Series.</p>
Foreign Exchange Risk	<p>The Fees are levied by the Investment Manager and are payable in US Dollars. This means that fluctuations in foreign exchange markets, namely movements between the Australian Dollar and US Dollar, may affect the amount of Fees that are payable by an Investor.</p> <p>In addition, the investments that are held by the Underlying Investment Entity will be located in the United States. This means that the Series will have indirect exposure to changes in the exchange rate between the US Dollar and the Australian Dollar. The Series may not enter into any hedging transactions in relation to the foreign exchange risk of the Series. As such, market movements between the Australian Dollar and US Dollar may affect the value of any returns generated by the Series.</p>
Legal and Regulatory Change Risk	<p>The Master Fund is domiciled in Australia, and subject to Australian law. The Underlying Investment Entity is domiciled in Delaware, USA, and the investments are domiciled in the USA. A change in law or the regulatory environment in any of these jurisdictions may impact upon an investor’s investment in the Master Fund, the operations of the Master Fund and the returns generated by the Series. No assurance can be given as to the impact of any possible changes such laws and regulations which could have a negative impact on an Investor’s return.</p>

Counterparty Risk	<p>The value of an investment in the Series is dependent upon the ability of the Investment Manager to perform its obligations in connection with the Series, including to facilitate the investment into the Underlying Investment Entity. There is a risk that the Master Fund or Series could terminate, that fees and expenses could change or that Spire could be replaced as Trustee of the Master Fund and/or Series Sub-Trust. Operational risks also apply to the activities of Spire and the Investment Manager.</p>
Taxation Risk	<p>None of Spire, the Sub-Advisor or any other party in connection with the Series provides tax advice to investors, and does not take any responsibility for the taxation implications in respect of an investment in the Series. Investors should seek their own taxation advice from a professional adviser before making any decision to invest.</p>
Other Risks	<p>Various risks exist in illiquid investments, please consult with professional advisers as appropriate to consider other factors which may impact your Units.</p>

Annexure A - Transaction Structure

Spire Aero Aggregates Fund (AUD) - Transaction Structure



Annexure B – Valterra Investor Presentations

Project Rockaway II

Investment Opportunity

October 2019

Valterra Partners

STRICTLY PRIVATE AND CONFIDENTIAL

VALTERRA
PARTNERS

Valterra Partners Overview

Partnership Capital for Growth with Emphasis on Capital Preservation

VALTERRA
P A R T N E R S

Valterra Partners (“Valterra”) is a private equity firm that provides partnership capital to lower-middle market companies with compelling growth prospects in four industry sectors

- Experienced US-based investment team investing together since 2006
- Seeking growth capital investments of up to \$20 million with an expected 20%+ return threshold

Valterra targets equity investments in operating businesses that possess visible growth potential, with an emphasis on capital preservation

- Investment funds a defined need that acts as a catalyst for growth (as opposed to ‘Series’-style investing that provides an equity infusion to fund the cash-burn of a business over time)
- Investments structured to preserve investors’ capital through i) preferred structuring/first-out rights ii) underwriting value of asset base and iii) developing capital deployment schedule to manage exposure over time
- Focused on sectors with strong macro trends and under-writable asset base: a) needs based healthcare, b) communications assets, c) food and beverage, and d) travel and transportation

Core to Valterra’s investment philosophy is that its capital and involvement is viewed as a partnership to facilitate growth rather than as a buyout or silent investment

- Valterra typically seeks partnership governance structure to align incentives and drive value creation alongside management teams

Drew Reid

Co-founder / Managing Partner
drew.reid@valterrapartners.com
+1 (646) 717-3606

Scott Macintosh

Co-founder / Managing Partner
scott.macintosh@valterrapartners.com
+1 (646) 469-6465

Kevin Reed

Principal
kevin.reed@valterrapartners.com
+1 (770) 826-7692

Valterra traces its roots to 2006 when the partners began investing together as part of Macquarie Bank's (ASX:MQG) US-based merchant banking division

- Specialized in investing in structured equity and equity-like growth capital investments across several sectors including niche infrastructure and operating real estate
- Partners invested over \$500 million of capital

While at Macquarie, the partners recognized an underserved need in the market for growth capital investments in the lower middle-market to fund operating businesses in need of a catalyst for growth

- In 2015, the partners left Macquarie and founded Valterra Partners to pursue this underserved market opportunity
- Since then, Valterra has successfully deployed ~\$45 million across three deals under this strategy

Valterra approaches investing with an emphasis on capital preservation and looks to partner with best-in-class management teams to execute on business-changing growth plans

Our Team

Cohesive investment team supported by advisory board with extensive experience in founding, operating and growing businesses

Deal Leads



Drew Reid
*Co-founder/
Managing Partner*

Prior: Macquarie
Principal
Transactions Group



Scott Macintosh
*Co-founder/
Managing Partner*

Prior: Macquarie
Principal
Transactions Group



Kevin Reed
Principal

Prior: Wellspring
Capital, Macquarie
Principal
Transactions Group

Advisory Board and Operating Partners



James Coughlin
Advisory Board

Co-founder and CEO
of the Northbridge
Companies



Wendy Nowokunski
Advisory Board

Co-founder and
President of the
Northbridge
Companies















Clint Lohman
Advisory Board

Founder and CEO of
20+ companies in
gaming, software and
energy industries

Managing Partners and Advisory Board members have a longstanding relationship, investing together since 2010

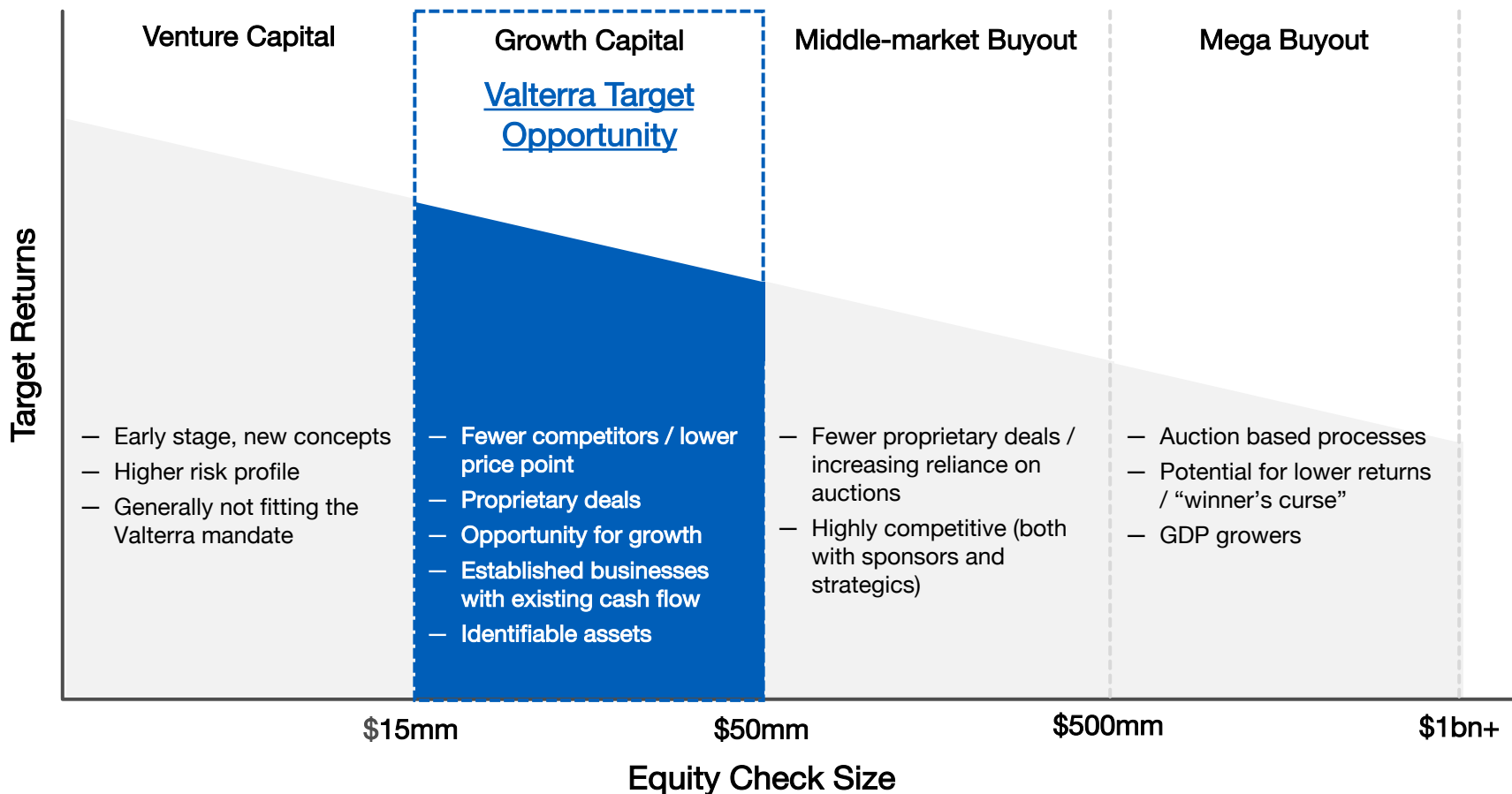
Valterra Track Record

Investment Firm	Company	Description	Capital Invested	Multiple of Cost	Gross IRR
Unrealized Investments					
VALTERRA PARTNERS		AeroAggregates of North America is a Philadelphia-based manufacturer of foamed glass aggregate and other lightweight materials used across a variety of industries including infrastructure construction, building materials and horticulture applications	\$13.3m	1.00x	--
VALTERRA PARTNERS	LORD HOBO BREWING CO	Lord Hobo Brewing Company is a Boston-based brewer of premium craft beer specializing in New England-style IPAs and other craft varieties. Since inception, Lord Hobo has been be one of the fastest growing beer brands in the country.	\$12.6m	2.50x	71.3%
VALTERRA PARTNERS		Lumen Eight Media is a developer and operator of a multi-location digital billboard network in the Washington, D.C. area.	\$18.2m	1.00x	--
Prior Investments					
 MACQUARIE		MST Global was a global market leader in the design, manufacture, installation and maintenance of critical, high quality communication and data network solutions for underground and surface mines and adjacent market verticals	\$20.0m	1.80x	9.1%
 MACQUARIE		American Express Global Business Travel is the world's largest corporate travel company providing end-to-end travel and meeting program solutions for its global client base.	\$50.0m	2.50x*	18.7%
 MACQUARIE		Smarte Carte was the world's largest concessionaire of airport baggage carts at over 175 airports globally. Smarte Carte was also a concessionaire of rental lockers at 500 locations globally and stroller rental at 300 locations in North America.	\$142.8m	1.13x	18.1%
 MACQUARIE		Icon Parking was the operator of 182 parking garages in the premier Manhattan market, with a then 182 parking facilities consisting of 24,000 parking spaces.	\$124.7m	2.14x	60.7%
 MACQUARIE		Modern Luxury Media was a joint venture with a family-owned media company that acquired the largest portfolio of luxury, city-focused magazines in the US. The company was acquired while heavily loss-making and subsequently turned around to profitability.	\$10.0m	2.42x*	22.6%

*Unrealized

Unique Market Opportunity

Valterra believes that its target market segment has uniquely attractive attributes relative to other, more competitive investment strategies



**The above information is based on general market observations of Valterra personnel. There can be no assurance all above criteria, including business characteristics or target returns, will be consistent across all potential investments in a given market segment or strategy.*

What Differentiates Valterra?

Valterra's unique investment process, proprietary sourcing model and partnership approach significantly differentiates it from other sponsors in its universe

Partnership Approach

- Provide industry knowledge, strategic direction and institutional discipline to emerging businesses through governance structure and/or Board representation
- Focus on ensuring investment structure aligns incentives with management
- Work closely with management to develop strategic and capital deployment plans
- Management teams appreciate Valterra's differentiated style versus most private equity firms

Off-market / Proprietary Model

- Proprietary sourcing and deep institutional relationships provide bespoke opportunities at attractive investment valuations
- All transactions to-date and in the current pipeline are sourced on a proprietary basis
- Significant contribution from Valterra's Advisory Board comprised of industry veterans with 60+ years of experience

Rigorous Diligence Process

- Rigorous due diligence process applied to new opportunities developed from combined prior experience of investment team working at large institutions
- Themes and learnings developed during diligence become roadmap for strategic plan and capital deployment strategy

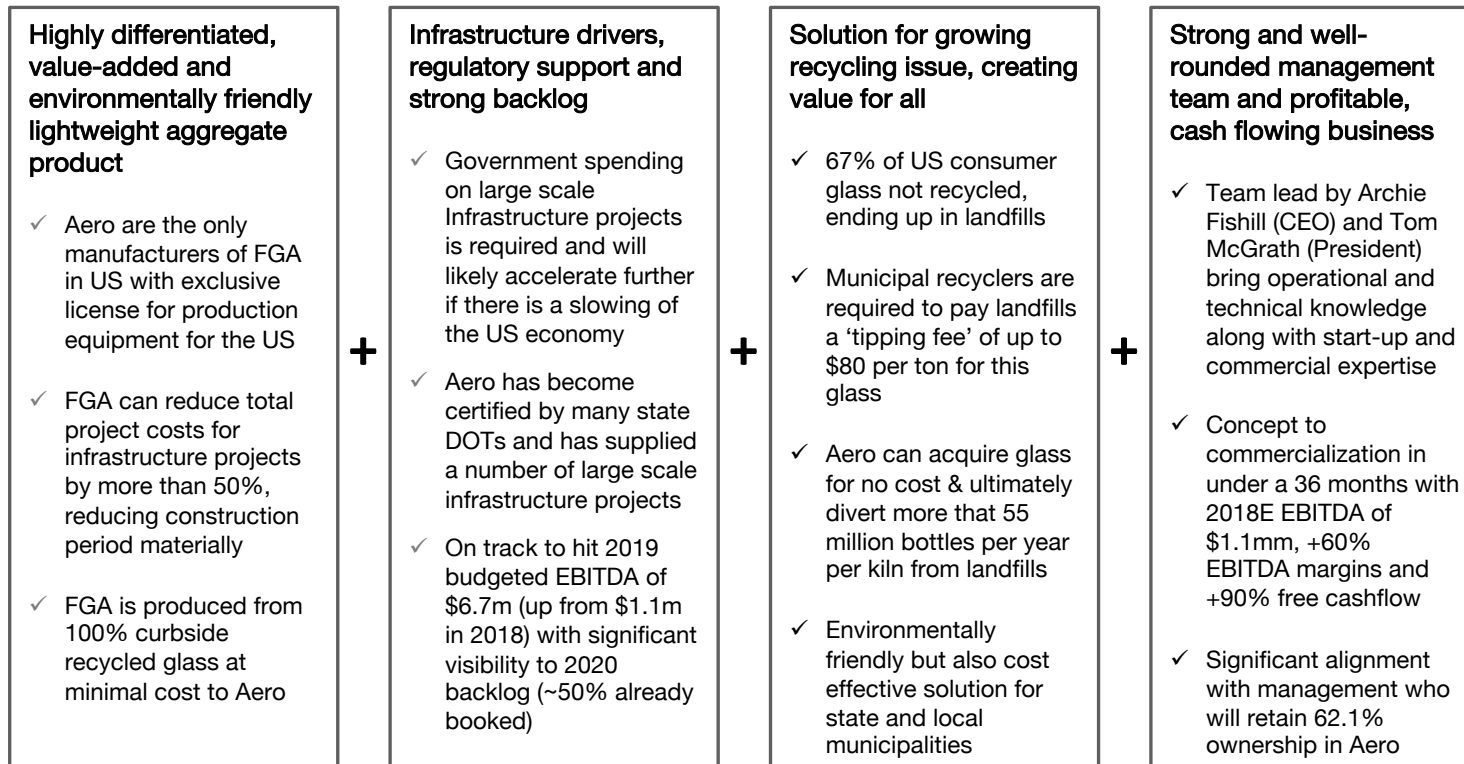
Opportunity Overview

STRICTLY PRIVATE AND CONFIDENTIAL

VALTERRA
PARTNERS

Project Rockaway

Exclusive opportunity to invest up to \$12.2mm in Aero Aggregates of North America, LLC (“Aero”), a manufacturer of lightweight, foamed glass aggregates (“FGA”) primarily utilized in infrastructure projects, produced from 100% curbside recycled glass



Opportunity to provide partnership capital and accelerate the growth of a proven management team with a compelling product, supported by macro drivers to provide strong adjusted returns

Executive Summary (1 of 2)

\$12.2mm investment opportunity in Aero, a manufacturer of lightweight, foamed glass aggregates utilized primarily in infrastructure projects, produced from 100% curbside recycled glass

Company Overview

- Aero manufactures foamed glass aggregate (“FGA”), a lightweight alternative to traditional aggregate (e.g. gravel) that is up to 80-90% lighter (while maintaining the same tensile strength) and significantly cheaper on a total project cost basis
 - Launched in 2016 by Archie Fishill (after acquiring rights to technology in 2014), with production commencing in early 2017
 - Currently operating at a 97,000 sq ft production facility located in Eddystone, PA
 - Aero FGA is manufactured from 100% recycled curbside glass which can be acquired from municipal recyclers at negligible cost
 - To date, Aero has provided material to several large state DOTs across a variety of different projects in the US Mid-Atlantic region (e.g. I-95, JFK Blvd, etc)
- Production process
 - Recycled glass is cleaned, crushed and milled into a fine glass powder and combined with a foaming agent and other additives; combined powder is spread on a steel conveyor belt which takes it through a high temperature kiln
 - The elevated temperature of the kiln activates the foaming agents to produce fine bubbles which expands the glass 7-8 times its volume, creating a lightweight, rock-like aggregate material with comparable compressive strength
- Compelling product
 - FGA is the least expensive and lowest weight unit of any other lightweight aggregates, offering significant savings to developers in comparison to both traditional aggregates as well as to other light weight alternatives
- First-mover advantage
 - Aero is the first manufacturer of FGA in the US after obtaining an exclusive license from SGGC for the entire US (only provider in the world)
- Profitable business with robust pipeline
 - Aero operates at +60% EBITDA margins with ~95% free cash flow conversion
 - On track to hit 2019 budgeted EBITDA of \$6.7m (up from \$1.1m in 2018) with significant visibility to 2020 backlog (~50% already booked)
- Environmentally friendly solution
 - Made from 100% recycled glass which is not only environmentally friendly but also an excellent cost effective solution for state and local municipalities

Investment Opportunity Background

- In August 2018, Valterra was introduced to the team at Aero through a close, +12 year relationship of the firm
- In late December 2018, after meeting the team and conducting preliminary due diligence, Valterra entered into a term sheet with the Company for a \$13.25mm growth equity investment at a pre-money valuation of \$45mm
- In April 2019, Valterra closed on the \$13.25mm investment into the Company; the proceeds of this investment were used to purchase new kilns to expand capacity, fund working capital, refi a small bridge loan and to put additional cash on balance sheet for further expansion
- As part of this transaction, the current CEO Archie Filshill negotiated the right to sell 25% of his stake after a 6 month period for personal liquidity reasons (Archie poured a huge portion of his net worth into this business and is looking to take some money off the table to fund his kids’ college tuition etc)
- Archie has elected to exercise this option and Valterra, as the sole investor, has the first right to purchase these shares at market value
 - Archie has agreed to do the deal at the original pre-money valuation despite significant improvement in the underlying business; providing new investors with an opportunity to come on in on favorable terms
- Aero is seeking a total of \$12.2mm to fund the following
 - Secondary Purchase: 8.0mm¹
 - Transaction Fees: 0.7mm²
 - Cash to Balance Sheets: \$3.5mm

Investment Summary

Investment Amount:	Up to \$12.2mm ²
Type of Investment:	Preferred Equity
Capital Structure:	Conservatively levered with equipment loans
Expected Gross IRR:	39% ³
Expected MOIC:	4.09x ⁴

1. \$6.0m to Archie & \$2.0m to Tom, 2. Includes \$690k of upfront deal expenses 3&4. Gross IRR/MOIC pre-Valterra management and performance fees outlined in Transaction Terms section

Executive Summary (2 of 2)

\$12.2mm investment opportunity in Aero, a manufacturer of lightweight, foamed glass aggregates utilized primarily in infrastructure projects, produced from 100% curbside recycled glass

Commentary

- Valterra 'Round I' growth equity investment of \$13.25mm completed in April at a \$45mm pre-money valuation
- Current Valterra 'Round II' investment will be completed at the same valuation as the Round I investment completed in April (agreed to by the Company)
- \$11.5mm net Round II investment (\$12.2mm including transaction expenses) results in a post-money equity valuation of \$59.0mm and a total Enterprise Value of \$60.1mm
 - Valuation represents a 8.95x multiple on 2019E EBITDA of \$6.7mm (or a 18.5x valuation multiple on LTM PF EBITDA of \$3.25m)
 - Valterra attachment point of \$25.4m or 3.78x 2019E EBITDA (see cash flow waterfall [for more detail](#))
 - \$11.5mm investment increases Valterra's ownership stake from 22.5% to 40.7%

Sources and Uses

- As part of this transaction, Archie is exercising his right to sell 25% of his stake for personal liquidity reasons; Valterra is seeking to purchase this stake as part of the Round II financing rather than have these shares purchased by a third party; post transaction, Archie will still own 24.0% worth ~\$14m at the current valuation
- The proceeds from the \$10mm Round II financing will be used as follows:
 - \$6.0mm to repurchase shares from CEO Archie Filshill
 - \$2.0mm to repurchase shares from President Tom McGrath
 - \$3.5mm cash to balance sheet
 - \$0.7m transaction Expenses

Sources		
	Amt \$	% of Total
New Debt	-	0.0%
Valterra Equity Funding	\$12,190,000	100.0%
Total Sources	\$12,190,000	100.0%

Uses		
	Amt \$	% of Total
Secondary Share Purchase	\$8,000,000	65.6%
Cash to Balance Sheet	3,500,000	28.7%
Transaction Expenses	690,000	5.7%
Total Uses	\$12,190,000	100.0%

Post-Money Valuation and Capitalization

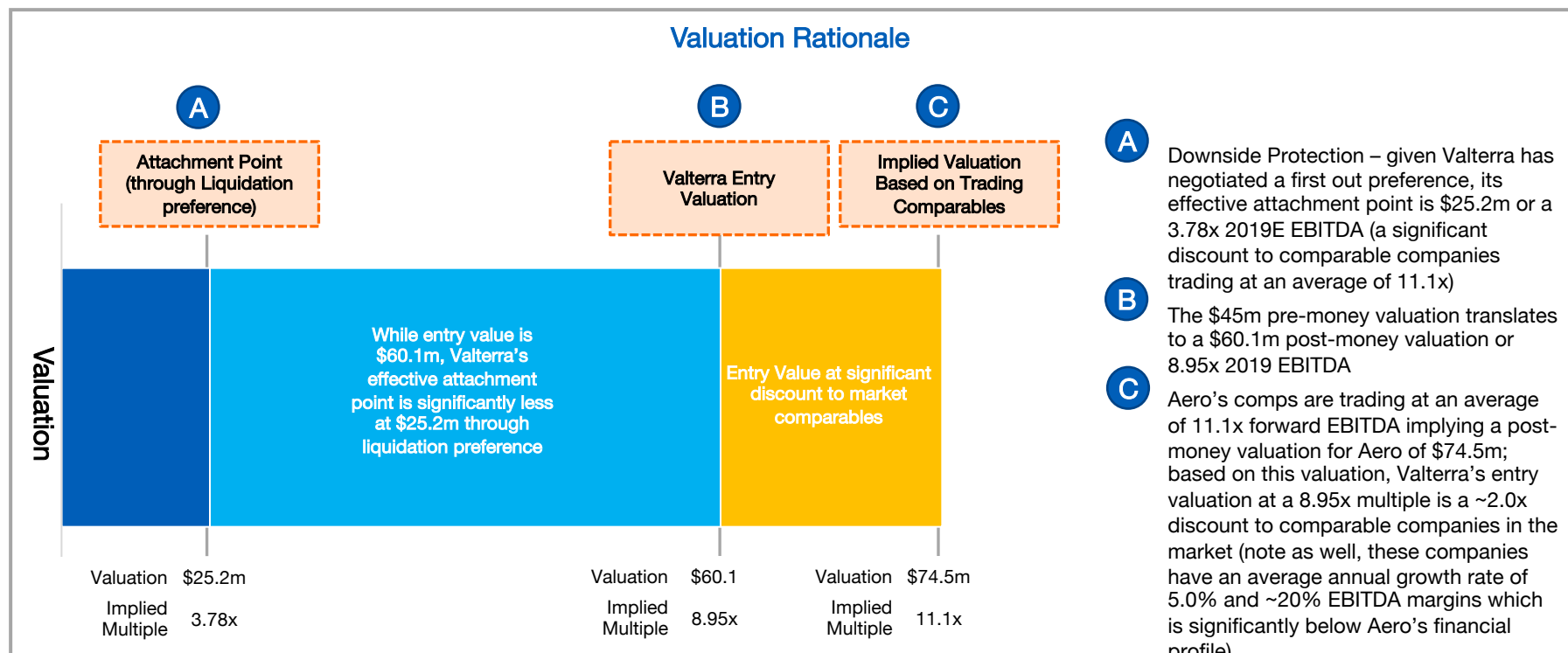
Valuation	
	Forward
Pre-Money Equity Value	\$45,000,000
Plus: Valterra Round I Investment (ex. Fees)	12,500,000
Less: Round I Secondary Share Purchase	(2,000,000)
Post Money Round I	\$55,500,000
Plus: Valterra Round II Investment (ex. Fees)	11,500,000
Less: Round II Secondary Share Purchase	(8,000,000)
Post-Money Equity Value	\$59,000,000

Capitalization				
	Original Pre-Money \$	Post Money Round I	Post Money Round II	Fwd. Mult.
Line of Credit	\$1,598,519	\$1,135,000	\$1,135,000	0.17x
Term Debt	6,575,642	2,898,764	2,898,764	0.60x
Closed Loop Fund	2,781,841	2,727,273	2,727,273	1.01x
Total Debt	10,956,002	6,761,037	6,761,037	1.01x
Less: Cash	(144,968)	(2,148,324)	(5,648,324)	0.17x
Total Net Debt	\$10,811,034	\$4,612,713	\$1,112,713	0.17x
Equity	45,000,000	55,500,000	59,000,000	8.95x
TEV	\$55,811,034	\$60,112,713	\$60,112,713	8.95x

2019E Adj. EBITDA	\$6,712,791
-------------------	-------------

Valuation & Downside Protection Detail

- In looking at valuation and downside protection, Valterra has placed emphasis on the 2019E EBITDA of \$6.7m
 - At initial investment, LTM PF EBITDA was \$1.1m – since then LTM PF EBITDA has increased to \$3.2mm
 - The Company is on track and has sufficient visibility to hit its 2019E EBITDA target of \$6.7m
- Therefore, the 2019 EBITDA budget of \$6.7m has sufficient visibility to be utilized in valuing the Company
- Based on 2019 EBITDA, Valterra looked at the following valuation metrics to get comfortable with its entry valuation:



Investment Highlights

STRICTLY PRIVATE AND CONFIDENTIAL

VALTERRA
PARTNERS

Key Investment Highlights

1	Differentiated Product	<ul style="list-style-type: none"> ▪ Foamed glass aggregate (“FGA”) offers a compelling alternative to both traditional and light weight aggregates over a wide range of key metrics, resulting in significant project level cost savings ▪ Easiest to ship, shortest installation time, highest peak friction angle, easiest to work with, environmentally friendly, etc.
2	Compelling Value Proposition	<ul style="list-style-type: none"> ▪ FGA is the least expensive and lowest weight unit of any other lightweight aggregates and offers significant savings to customers, both in comparison to traditional heavy aggregates as well as to light weight alternatives ▪ FGA is significantly cheaper than aggregate alternatives on a total project cost basis as it significantly reduces other costs to developers (less volume require, smaller retaining walls, fewer h-piles, smaller embankment sizes, accelerated construction period, etc)
3	Highly Experienced Management Team	<ul style="list-style-type: none"> ▪ Aero management team brings together operational & technical knowledge along with start-up & commercial expertise ▪ CEO Archie Filshill & COO Herb Northrup have each started & successfully sold companies in the geotechnical industry ▪ Archie along with Technical Manager Theresa Loux both hold Ph.D.s and are professors at top-tier universities
4	First Mover Advantage	<ul style="list-style-type: none"> ▪ Aero is the first manufacturer of FGA in the US and through exclusive licensing and a growing IP portfolio, has set up a strong defensive position as the first mover in the market ▪ Early-on, CEO Archie Filshill obtained an exclusive license for the FGA kiln technology from SGGC for the entire US; currently, SGGC is the only supplier of these specialized kilns in the world ▪ In addition, Archie and Theresa have continued to research and refine the FGA manufacturing process; the Company has filed 2 patents with plans to file several more in an effort to build an IP moat to discourage new entrants into the market
5	High Margin / Cash Flowing Business	<ul style="list-style-type: none"> ▪ From Day 1, Aero will be a high margin, cash flowing business which significantly de-risks Valterra’s investment ▪ The Company operates at 60%+ EBITDA margins and 50%+ EBIT margins with ~95% free cash flow conversion ▪ <u>Key to high margin profile is receiving recycled glass from recyclers for negligible cost; in fact, the Company may have the opportunity to charge recyclers up to \$25 per ton to offtake their glass, turning the materials cost line into a source of revenue (not modeled in)</u> ▪ 1.50 year payback on a 2 kiln facility assuming 75% utilization
6	Significant Momentum Since Initial Investment	<ul style="list-style-type: none"> ▪ Since April, LTM PF EBITDA for Aero has increased from \$1.1mm to \$3.2mm and the Company remains on track to hit its budgeted 2019 EBITDA of \$6.7mm
7	Environmentally Friendly	<ul style="list-style-type: none"> ▪ FGA made from 100% recycled glass has tremendous benefits to the environment as well as to state and local municipalities and recyclers ▪ 50% less CO2 / 50% less energy / 55 million bottles diverted from landfill per year per kiln
8	Significant Macro Tailwinds	<ul style="list-style-type: none"> ▪ Since 2012, infrastructure spending in the US has expanded with significant runway through 2020 driven a record high backlog of projects and a significant increase federal infrastructure funding and programs for new projects

Differentiated Product

FGA offers significant savings to contractors and developers, both on a per CY basis as well as a total project cost basis

Table below compares the cost to install three types of aggregate along a 200 yard long x 40 yard wide stretch of roadway

(lbs per cubic foot)	Gravel (100pcf)	Shale (65pcf)	FGA (20pcf)
Depth to Excavate	13 ft	8 ft	3 ft
Cubic Yards Required	34,667	22,533	6,933
Cost of Material per CY	\$20.00	\$80.00	\$80.00
Total Cost of Material	\$693,333	\$1,802,667	\$554,667
Shipping Costs	\$1,155,556	\$488,222	\$46,222
Cost to Remove Historic Fill	\$2,426,667	\$1,577,333	\$485,333
Installation Costs	\$4,520,000	\$3,538,000	\$2,504,000
Total Costs	\$8,795,556	\$7,406,222	\$3,590,222
Project Days Saved	-	36 days	88 days

Illustrative Cost Savings

- **Depth to Excavate** – during construction, existing soil is excavated so that the weight of the aggregate being placed on top is equal to the weight of soil removed (which prevents settling over time)
 - Because of its lightweight, FGA required significantly less soil excavation to achieve the same result
- **Material Cost** – while FGA is more expensive on a per CY basis, the amount of CYs required for FGA is *significantly less*; on a total project basis, the material cost for FGA is much less
- **Shipping Costs** – FGA can fit 5-6x the amount of CY on a truckload compared to gravel, reducing the amount of truckload deliveries to the site by 80%; in addition, the project requires fewer CYs than gravel, further reducing the cost to ship
- **Cost to Remove Historic Fill** – significantly cheaper for FGA as on 6,933 CYs need to be excavated and removed compared to 34,667 for gravel
- **Installation Costs** – Again, the total volume of material that needs to be placed is significantly less; in addition, FGA offers various savings on structural costs to contractors in the form of things like fewer h-piles, smaller retaining walls, less land usage, etc)

FGA provides \$5.2 million of savings compared to gravel and \$3.8 million of savings over expanded shale, its primary competitor

In addition, FGA saves up to 88 days of construction time; dollar savings are difficult to quantify but the Federal Highway Administration estimates cost reductions up to \$100k per day

Compelling Value Proposition

The properties of FGA offer significant value to customers, both in comparison to traditional heavy aggregates as well as light weight alternatives

Customer Value Proposition

- **No environmental restrictions** – Because FGA is 100% inert, it is totally exempt from environmental oversight (a huge advantage over alternatives like expanded shale, slag and geofoam)
- **Lowest unit weight of any aggregate** – with the exception of geofoam, foamed glass is has the lowest unit weight of any aggregate with the same compressive strength (note: geofoam is rarely an ideal solution for infrastructure contractors given its high flammability and requirement for costly protective membrane, drainage and specialty contractor)
- **Least expensive lightweight aggregate** – foamed glass is the cheapest lightweight alternative for contractors; furthermore, while gravel may be less expensive per cubic yard, FGA is cheaper on a total project basis as it allows contractors to achieve significant savings on other project costs (i.e. smaller retained walls, less steel, smaller embankment size, etc)
- **Accelerated construction period** – compared to other lightweight alternatives, FGA can significantly reduce construction time; foamed shale cannot be laid in wet conditions and foamed concrete can only lay one layer per day
- **Consistent Price and Quality** – because gravel and other heavy aggregates are difficult to transport, they are often sourced locally at market price; Aero products can be shipped cost competitively in a 250 mile radius around each facility, providing a consistent product and price
 - One truckload of FGA can deliver 8 times the volume of material than traditional aggregate providing significant savings on transportation
- **25 year track record in Europe** – long track record and proven longevity in Europe allows contractors to expedite approval process from state DOTs

PADOT/I-95 Case Study (completed project)

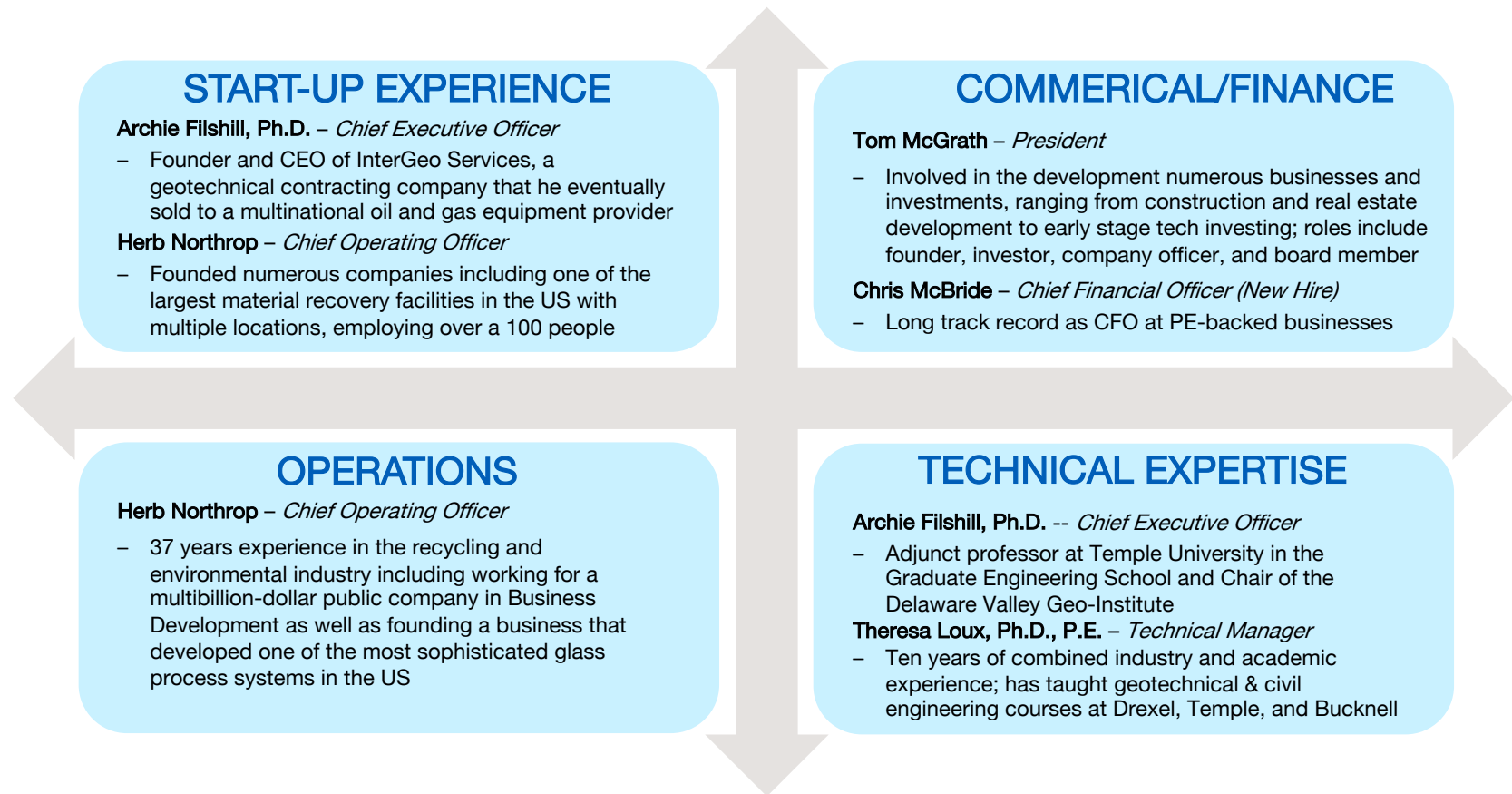
- Reconstruction along I-95 required a 20 ft high embankment to be built against temporary MSE wall
- Embankment required steepened slope and/or retaining wall to maintain right-of-way
- PADOT required no additional weight surcharge on existing 100 year-old brick sewer 15ft below embankment
 - **Original design required 13ft of excavation, sheeting/shoring and backfill with expanded shale aggregates**
 - Project redesigned with foamed glass aggregate (FGA) as embankment fill
- FGA reduced excavation from 13ft to 3ft and eliminated sheeting/shoring
- FGA reduced the amount of soil excavation and disposal off site
- Slope was steepened from 2H:1V to 1H:1V slope increasing right-of-way
- Project diverted the equivalent of 7.8 million glass bottles from landfill
- Cost savings to Department exceeded \$3.4 million
- Embankment construction reduced by at least 100 days
 - According to the Federal Highway Administration, each additional day of constructions costs approx. \$100k – \$3.4m of cost savings calculated below does not include up to \$10m from accelerated project time

	Expanded Shale			Foamed Glass Aggregate		
	Req. Units	Total Cost	Days	Req. Units	Total Cost	Days
Excavation	11,766 CY	\$411,810	23	1,417 CY	\$49,595	3
Remove of Historic Fill	11,766 CY	411,810		1,417 CY	49,595	
Install Steel Sheeting	11,050 SF	1,215,500	30	- SF	-	
Install Tie-Backs	34 EA	255,000		- EA	-	
Place Aggregate / Grade	6,139 CY	92,085	43	1,417 CY	7,085	19
Place Buttress	15,741 CY	236,115	54	9,444 CY	47,220	
Purchase Material	19,200 CY	1,920,000		10,861 CY	1,086,100	
		\$4,542,320	150		\$1,239,595	22

Cost Saved	\$3,302,725
Days Saved	128

Highly Experienced Management Team

The Aero management team brings together operational and technical knowledge along with start-up and commercial expertise



The wide skill range of the Aero team has allowed the Company to bring a product from concept to commercialization and positive cash flow in under a [36] months with expected 2019 LTM PF EBITDA of \$[3.2]m

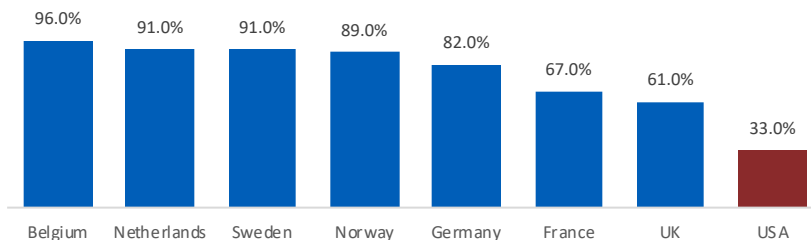
First Mover Advantage

Aero is the first manufacturer of FGA in the US and through exclusive licensing and a growing IP portfolio, has set up a strong defensive position as the first mover in the market

Key Question: Why is FGA popular in Europe but unavailable in US?

- In 1977, the US EPA released a report outlining the potential applications of foamed glass using recycled materials
 - Despite this report, the technology did not gain any traction as there was an unrecognized need for a new type a lightweight aggregate as well as a lack of investment to develop the technology
- In fact, when FGA was first commercially developed in Germany in the early 1980s, it was not originally used for its lightweight properties
 - In Northern Europe and Scandinavia, a key challenge for infrastructure developers is to prevent damage from soil 'heave' caused by the seasonal ground freezing/thawing
 - Because of its insulating properties, FGA is able to significantly mitigate the amount of 'heave' and related damage to roadways with the added benefit of being a cheap and environmentally friendly solution
- Only after being developed and used as an insulator did developers realize the potential benefit of using FGA as a lightweight aggregate
- Additionally, unlike the United States, Scandinavian countries have the world's best glass recycling programs which provided a cheap and consistent raw material supply for foamed glass providers

Glass Recycling Rate by Various Countries (% Recycled)



Aero has developed an early defensive position in the North American market

- In 2013, Aero founder and CEO Archie Filshill identified the foamed glass technology at a conference in the United Kingdom
- As a professor of geoscience and with a 25+ year career working in the geo-technical industry, Archie quickly realized the value and potential applications of the technology
- After the conference, Archie quickly moved to obtain **an exclusive license of the manufacturing technology for the entire US**;
 - Note, SGGC is currently the world's only provider requisite kiln technology used to produce foamed glass
- After some early success with PADOT, NJDOT and others, developers have begun to 'spec-in' FGA aggregate into their RFPs, with Aero being the only provider in North America

901.12 FOAMED GLASS AGGREGATE

Obtain foamed glass aggregate from the following manufacturer:

AeroAggregates
1500 Chester Pike
Eddystone, PA 19022
(833) 261-8499
www.aeroaggregates.com

The picture to the right shows an RFP that specifically provides contractors with Aero's contact information

- As Aero has started to get spec'd in, they have started to receive calls from contractors they have never contacted who need a quote for FGA from Aero so that they can submit their own proposals for a job
- In addition, Archie along with Technical Manager Theresa Loux, Ph.D. have continued to research and refine the FGA formula and process
- Aero current has two patents pending (EFS ID: 29191900 & 30599097) with several more in the works with the goal of building an IP moat around their space and making it difficult for incumbents to compete

High Margin / Cash Flowing Business

From Day 1, Aero will be a high margin, cash flowing business which significantly de-risk Valterra's investment into the Company

High Margin Business

- Aero is able to manufacture FGA at \$31 per CY and sell at \$80 per CY
- At \$80 per CY, Aero is still the low cost option among lightweight alternatives
- 60%+ EBITDA margins and 50%+ EBIT margins with ~95% FCF

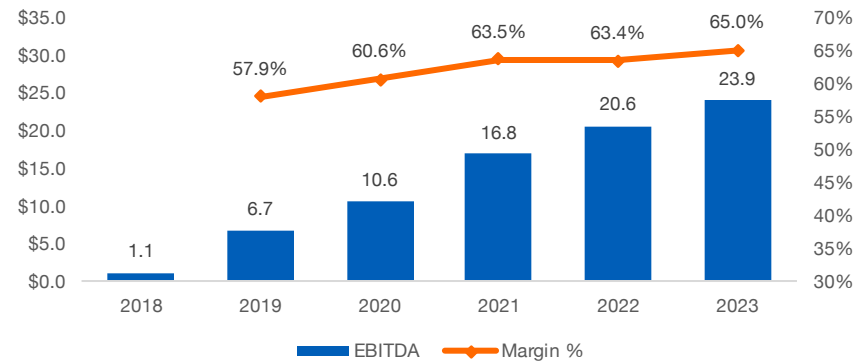
Tipping Fee

- Currently, glass recyclers (who typically can only recycle 20% of the glass they receive) are forced to dispose of their mixed color waste glass at landfills who charge a tipping fee of up to \$80 per ton
 - To-date Aero has taken this mixed color waste glass from the glass recyclers at no cost, saving the recyclers from paying the tipping fee to landfill to offtake their waste glass
 - In the future, Aero believes it can charge up to \$25 per ton to offtake the mixed color waste from certain recyclers, effectively turning its materials costs into a source of revenue (not modeled in)
 - The Company believes that recyclers would be happy to pay this fee as it is still substantially cheaper than sending to landfill

Downside Protection

- 1.0x liquidation preference and 10%/90% catch-up provision de-risks Valterra capital recovery
 - Valterra equity attachment point of \$25.2 or 3.78x 2019E EBITDA
- On Day 1, Aero will be cash flow positive with an LTM PF EBITDA of \$3.2m, with significant visibility over 2019/2020 EBITDA forecast
- Low risk of liquidity crunch given high cash generation and low debt
- Growing, positive EBITDA allows for increasing debt capacity at the business providing near term opportunity for a recap / capital return
- Post-Valterra investment, Aero's growth will be self funding, limiting the risk to Valterra of future dilution

EBITDA and Margin Profile



Payback Period

Facility Payback Analysis

1 Facility with 1 Kiln Operating

		Utilization %				
		45.0%	55.0%	65.0%	75.0%	88.9%
Payback		12.25 yrs	6.75 yrs	4.75 yrs	3.50 yrs	2.75 yrs

1 Facility with 2 Kiln Operating

		Utilization %				
		45.0%	55.0%	65.0%	75.0%	88.9%
Payback		3.50 yrs	2.50 yrs	2.00 yrs	1.50 yrs	1.25 yrs

1 Facility with 3 Kiln Operating

		Utilization %				
		45.0%	55.0%	65.0%	75.0%	88.9%
Payback		2.50 yrs	1.75 yrs	1.50 yrs	1.25 yrs	1.00 yrs

1 Facility with 4 Kiln Operating

		Utilization %				
		45.0%	55.0%	65.0%	75.0%	88.9%
Payback		2.00 yrs	1.50 yrs	1.25 yrs	1.00 yrs	0.75 yrs

* Assumes max utilization of 89% with no ramp-up period

Significant Momentum Since Initial Investment

Since the close of Round I in April, the Company has executed on its plan and won a number of large projects that are huge step change for the business

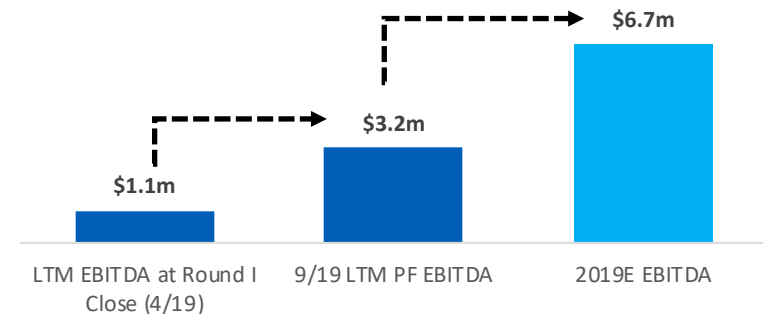
2019 Progress Since Initial Investment

- As of the end of August, Aero remains on track to hit its 2019 targeted volume of 145k cubic yards (“CY”)
 - Through September, the Company has shipped or is shipping 77k CY of material with the remaining 65-70k scheduled to ship before the end of the year
- As of September the Company is generating \$3.2m of LTM PF EBITDA which is up from \$1.1m of LTM PF EBITDA in April (\$2.1m increase in approximately 6 months)
- The Company remains on track to hit its 2019E EBITDA target of \$6.7m (600% increase since the Close of Round I)
- In addition to top-line growth, Valterra has continued to execute on its 100-day plan for the business:
 - Hired Chris McBride as the new CFO
 - Hired Rick Smith as new sales lead
 - Implemented \$500k of annual cost savings
 - Diversified supply base from one to four glass suppliers

2020 Pipeline Development

- Philadelphia Airport – the team has recently won a job at Philly Airport for delivery in 2020 that is a total of 80-120k CY (\$10m Revenue/\$5m EBITDA) which is approx. 45% of next year's budget and a huge win for the guys (for context, our entire budget this year is 145k CY).
- Gordie Howe Bridge – Currently, Aero has provisional approval from Michigan DOT and is designed in for a 65k CY section of wall back-fill scheduled for delivery in 2020 on the Gordie Howe bridge project.
- The Company is in advanced conversations with a New Jersey contractor for a 180k CY job at a new LNG facility in Paulsboro, New Jersey. The plant is being constructed on soft soil and will be required to raise the grade on the site to meet the State's flood elevation regulations.

EBITDA Increase Since Initial Investment

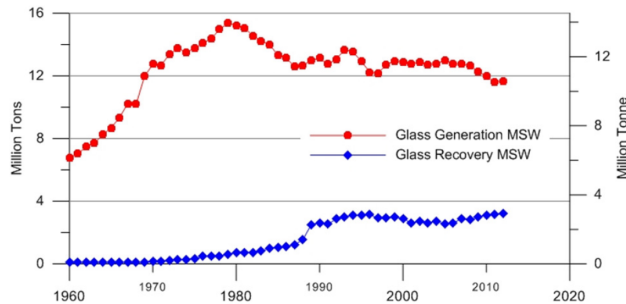


Illustrative Projects Shipped This Year



Aero's foamed glass aggregated made from 100% recycled glass has tremendous benefits to the environment as well as to state and local municipalities and recyclers

Current State of Glass Recycling in US



- Currently, only approx. 30% of the glass in the United States get recycled
- Of the 30% that is recycled, only 20% of the glass that can be color sorted is sold to re-manufacturers (glass bottle, fiber glass, etc)
 - Although the total amount of glass recovered may be high, only a fraction of this amount may be remanufactured
 - Traditionally, glass needs to be collected and sorted into different colors; glass that cannot be sorted is broken or mixed during the collection phase
 - Mixed glass cannot be reused due to chemical incompatibility and problems that arise from the differences in the melting temperatures of each type of glass, as only 5g of non-recyclable glass is enough to contaminate a ton of recyclable glass
- As a result, states like Massachusetts are forced to either stockpile glass or pay landfills up to 80\$ per ton to accept their unrecycled glass while also risking potential public outcry that 'recyclables' are actually going to landfill

Benefits of FGA to Glass Recyclers

- Rather than paying landfills up \$80 per ton to accept their crushed, mixed/glass ('glass cullet'), recyclers can deliver their glass to Aero for free
 - Note – in the future, Aero is considering charging recyclers up to \$25/ton to accept their glass which would still be a huge savings but would effectively turns Aero's raw materials cost line into a source of revenue
- For Municipal recyclers, the ability to dispose of glass more cheaply than landfill is significantly beneficial as it allows them to improve their bid to the city (and chances of winning) when recycling contracts come due
- The ability to recycle glass cullet is so unique and so valuable that states like Massachusetts are offering huge tax incentives and financing packages for Aero to locate one of their facilities in their jurisdictions

Other Environmental Benefits of FGA

50% less CO2 than other lightweight materials

50% less energy consumed than other lightweight options

Inert, inorganic product which does not decompose – US EPA testing shows it is non-toxic and does not leach

55 million bottles diverted per year *per kiln*

Supports municipal recycling programs

Significant Macro Tailwinds

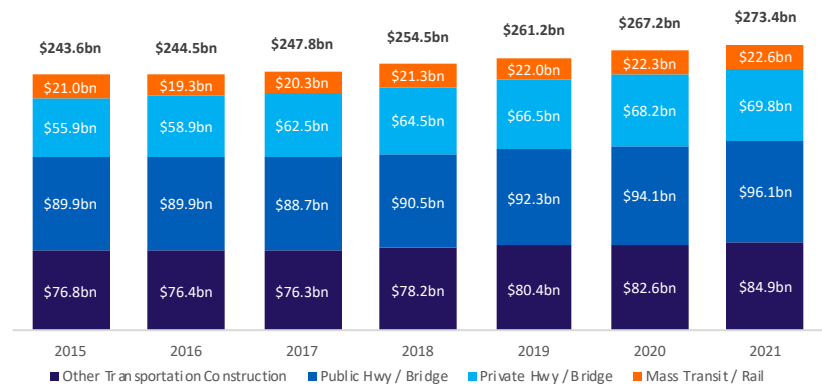
Since 2012, infrastructure spending in the US has expanded with significant runway through 2020 driven a strong backlog of projects and increase federal funding for new projects

Key Infrastructure Drivers

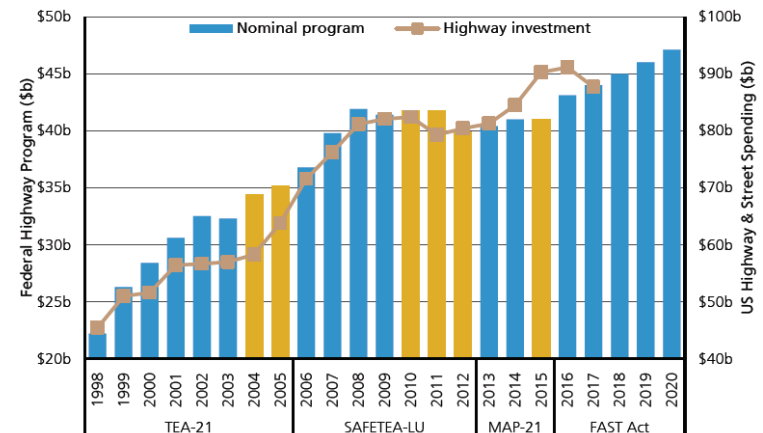
- There is mounting evidence that the upturn in US infrastructure volumes is imminent
 - As of June 2018, Associated Builders & Contractors construction backlog index at a record high of 9.9 months with infrastructure category at 10.06 months¹
 - 18% increase in the American Road & Transportation Builders Association (ARTBA) project awards in the three months to Jan-18²
- HSBC projects robust cement/aggregates volume growth in the US in 2018 at 4%, accelerating to 4.5% per year in 2019-2020 should be driven by an upturn in infrastructure spending and combine with buoyant private sector demand for residential and commercial development³
- The FAST Act was passed in December 2015 and is the first multi-year highway program enacted at the Federal level since the financial crisis; authorizing federal highway investment through July 31, 2020⁴
- President Trump's \$1.5tn infrastructure plan offers long-term potential to prolong the upturn in the infrastructure cycle (not included in forecast)
 - \$1.5tn infrastructure plan, calling for \$200bn in federal spending (over 10 years) to leverage \$1.3b in state, local, and private spending³
 - Of the \$200b, \$100b would be grants to states upon reaching identified milestones, \$20b would be for "transformative projects", \$50b would be for rural grants, and the rest is to support existing programs like TIFIA³
 - While the a final bill has yet to be passed, it is encouraging that the administration continues to include infrastructure in its agenda, presenting substantial upside to industry forecasts

1. Associated Builders and Contractors, Inc. "ABC's Construction Backlog Indicator". June 2018.
 2. American Road & Transportation Builders Association. "US Transportation Construction Market Forecast 2017"
 3. HSBC Global Research. "US Plays' Infrastructure Upturn Imminent". March 2018.
 4. UBS Global Research. "US Non-Res Construction Outlook". March 2018.

ARTBA forecast of real major transportation construction market (excludes potential impact of proposed \$1.5tn infrastructure bill)²



FAST Act (in place through 2020) provides visibility to DOTs to plan larger and expansionary projects that are more cement and aggregates intensive⁴



Company Overview

STRICTLY PRIVATE AND CONFIDENTIAL

VALTERRA
PARTNERS

AeroAggregates LLC, is a manufacturer of lightweight, foamed glass aggregate, which are produced from 100% curbside recycled glass

- Manufacturing process is based on the technology that transforms finely milled glass powder mixed with an activator such as silicon carbide into a foamed glass product
 - The powder is spread on a steel conveyor belt which takes it through a high temperature kiln (800-1,000°C)
 - The elevated temperature of the kiln activates the foaming agents to produce fine bubbles which expands the glass 7-8 times its volume
 - The glass leaves the kiln as a solid “cake” of material up to 70mm thick; once the product leaves the kiln, the change in temperature creates thermal stresses in the foam cake which cause it to crack and separate into smaller aggregates sized pieces
- Aero was established to fill the increased need for lightweight aggregates on construction projects
 - Soils used for backfilling or building embankments come from quarries or are excavated from other sites
 - These soils have unit weights in the range of 100pcf (pounds per cubic foot) to 120pcf; the sheer weight of these aggregates present unique and expensive engineering issues for developers
 - Aero produces aggregates with a unit of 15pcf to 20pcf (up to a 85% reduction in weight while retaining the same tensile strength)
 - Competing lightweight aggregates (expanded shale, geofoam) available in the US market vary from 50-60pcf and have their own set of issues (environmentally hazardous, potentially flammable, etc)
 - This weight reduction allows for construction over areas that would otherwise require additional costly ground improvements or deep foundations
- The company is now established as a key supplier of lightweight aggregates in the Mid-Atlantic region and a valuable resource for engineers, owners and developers offering cost effective solutions while providing a sustainable recycled product

Recycled Glass / Glass Cullet Raw Material



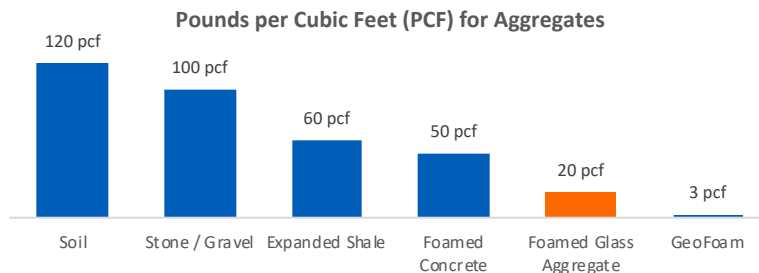
Finished Lightweight Aggregate Product



Company Overview (cont'd)

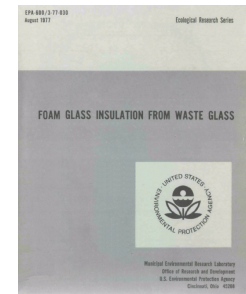
Product Overview

- AeroAggregates produces two main products for foamed glass aggregates, AeroG15 and AeroLite. These are both closed cell materials and differ only by unit weight and compressive strength. Capabilities exist within existing equipment to produce open cell products for specialty applications as required
 - Aero G15 is the standard product used for geotechnical and structural engineering applications, accounting for most of the production to date; unit weights range from 15-20 pcf with tensile strength of at least 15,000 psf at 20% compression
 - AeroLite is the lightest foamed glass product with bulk densities ranging from 8-12pcf; this material is used in applications requiring lightweight fill but not high compressive strength
- Both products offer a differentiated solution with a significant value proposition to all stakeholders
 - Manufactured from 100% post-consumer glass
 - Good insulator / totally inert / exempt from environmental oversight
 - Lowest unit weight of any aggregate
 - Less expensive than other lightweight alternatives
 - 25+ year track record and proven reliability in Europe
 - Delivers 8 times more material per truck than traditional aggregate
 - 50% less CO2 / 50% less energy consumed



History of Lightweight Aggregate

- In 1977, the US EPA released a report entitled Foam Glass Insulation from Waste Glass outlining the chemical prosperities and potential applications of foamed glass using recycled materials
- For a variety of reasons, foamed glass aggregate did not gain any transaction in the US, chief among them the lack recycling infrastructure and requisite investment in technology
- The technology was initially commercially developed in Germany in 1980s and later taken to Norway and Sweden in 1990s
 - The technology gained significant traction in Scandinavian countries initially due to its thermal insulating properties
 - Seasonal freezing/thawing of the top soil in the Scandinavian region is significantly damaging to roadways and presented a unique challenge to Nordic engineers
 - Lightweight aggregate with its thermal insulating properties offered a cheap, viable solution that was also environmentally friendly
- Eventually, developers in Scandinavia began using foamed glass for its lightweight applications as well
- Because of huge success of Norway and Sweden's recycling programs, foamed glass manufacturers were able to operate with a consistent and reliable source of inexpensive raw material
- Today, there are several producers of foamed glass aggregate in Europe; however, there continues to be not a single producer in North America with the exception of Aero
- Furthermore, there is only one manufacturer of the customized kilns required to produce foamed glass
- Aero has acquired a license from this manufacturer (SGGC) to be the sole user of this equipment for the entire US



Waste Glass Supply Chain

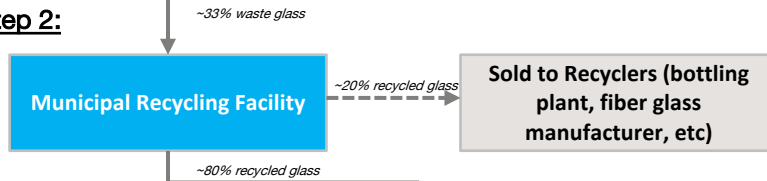
Foamed Glass Aggregate offers significant savings to all stakeholders across the waste glass supply chain

Illustrative Waste Glass Supply Chain

Step 1:



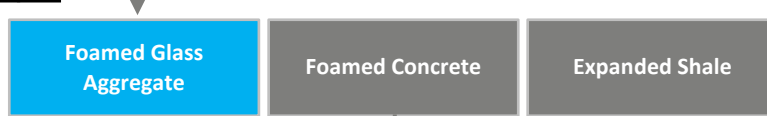
Step 2:



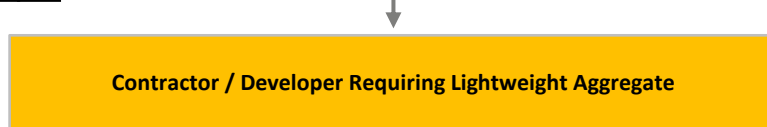
Step 3:



Step 4:



Step 5:



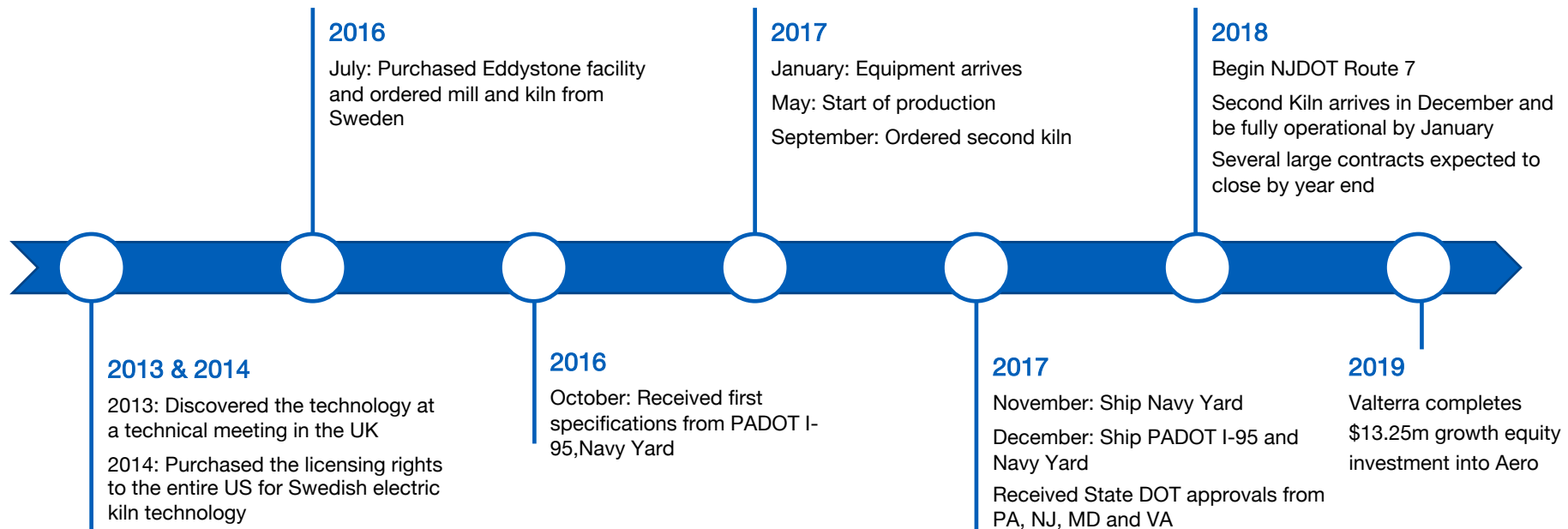
Commentary

- **Step 1** – 67% of US consumer glass not recycled, ending up in landfills via waste management companies
- **Step 2** – Municipal recyclers receive 33% of consumer waste glass
 - Recyclers crush glass containers into large pieces so that they can be cleaned and color sorted
 - 20% of waste glass received by recyclers able to be color sorted and is sold to manufacturers (bottling plants, fiber glass manufacturers, etc)
 - 80% of waste glass cannot be color sorted and ends up being sent to landfill (non-color sorted glass has no alternate use)
 - Aero offers the only alternative use for unsorted glass, diverting more than 55 million bottles per year per kiln from landfills
- **Step 3** – To dispose of their non-color sorted waste glass, municipal recyclers are required to pay landfills a ‘tipping fee’ of up to \$80 per ton
 - Aero offers a compelling alternative as it allows municipal recyclers to dispose of their waste glass at a zero cost
 - As a result, municipal recyclers have lower operating costs and are able to improve their bids (and success rates) with municipalities
- **Step 4** – Because Aero is the only commercial application for unsorted glass, it is able to acquire it from recyclers at zero costs (allowing Aero to produce product at 60-70% gross margins)
 - Aero’s long term plan is to charge up to \$25 per ton as a tipping fee which is still significantly less than the \$80 per ton landfill tipping fee
- **Step 5** – Foamed glass aggregate is cheapest, lightest-weight option of any lightweight aggregate, saving contractors on not only material costs but also on other related products costs
 - While not cheaper than heavy aggregate on \$/CY basis, FGA is often the lowest cost option for contractors on a total project basis as it allows contractors to reduce other project costs (shipping, steel, land, etc)

Over the period of 36 months management has created a new Company and turned it into a viable, cash-flowing, high-growth business with a LTM PF EBITDA of \$[3.2]m

- The genesis of Aero came in 2013 when founder and CEO Archie Filshill came across the foamed glass technology at a conference in the United Kingdom
- Archie realized the value and potential applications of the technology and quickly moved to obtain an exclusive license of the manufacturing technology for the entire United States; SGGC is currently the only provider requisite kiln technology used to produce foamed glass
- After ordering the first kiln, Aero received specs from PADOT to lay foamed glass aggregate on I-95 (one of the most important corridors in the US);
 - Among state DOT's, PADOT is notoriously difficult to get spec'd for a new product; the approval process that ordinarily can take more than a year, Aero achieved in a couple months

Key Event Timelines



AeroAggregates promotes to State DOT's, Owners, Developers, Contractors, Highway, Geotechnical and Structural Engineers

Customer Overview

- Aero is marketed to consulting civil and geotechnical engineers, structural engineers, State highway departments, landscape architects, developers, concrete producers and earthwork contractors
- The majority of 2017 to 2019 revenue originated from contractors working on State Department of Transportation (DOT) projects
- In addition, 100% of the 2019 sales budget is either shipped, shipping or backed by a PO or specifically required foamed glass aggregate as the only alternative
- To date, Aero has acquired customers through bidding on existing contracts that already have a requirement for lightweight aggregate
 - Tom and Archie have been the primary driver behind the 2017 to 2019 sales as the Company as not had the resources to hire a dedicated sales person (recently hired Rick Smith as new sales lead)
 - Going forward, the Aero plans to hire a sales team to reach out to the engineering community and prospective customers to drive additional demand for spec'd in projects

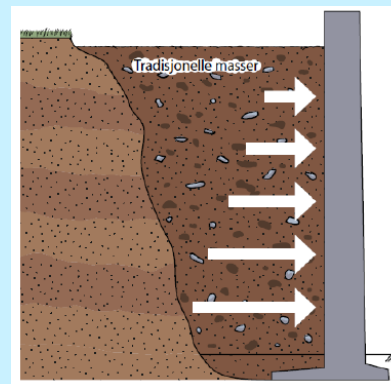
Selected Aero Customers to Date



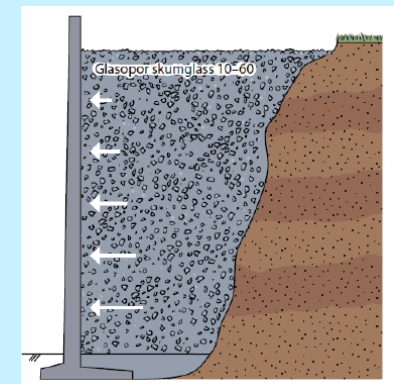
JFK Boulevard Case Study

- PADOT awarded the reconstruction of JFK Blvd in Philadelphia
- During construction PADOT discovered a 100 foot section of an existing concrete retaining wall had started to settle and rotate/lean under the weight of the backfill
- Potential solutions included reconstruction of the 24ft high wall to be thicker to handle the lateral pressure of the heavy aggregate or installation for soil nails to support the wall from moving
- Reconstruction was ruled out due to cost & time required to keep JFK Blvd. closed and Access was limited for soil nails due to proximity of substation next to wall
- PADOT promoted the use of FGA as a replacement for the existing soil; the contractor excavated 8ft of soil behind wall and replaced with FGA
- The fix was completed within 1 day without disruption to existing contract work
- Savings for the State are unknown but estimated over \$200,000 on material cost alone; furthermore, Aero estimates that the time saved from not having to rebuild that well were enormous; the Federal Highway Administration estimates that each additional day of construction can cost upwards of \$100,000

Lateral Pressure with Heavy Aggregate



Lateral Pressure with Foamed Glass Aggregate



Customer Overview (Cont'd)

Aero works closely with both the state DOTs spec'ing new projects as well as with the large General/Prime contractors responsible for job execution

DOT / Contractor Relationship

- In most cases, Aero's customers are large state DOTs or other government organizations (NJDOT, PADOT, SEPTA etc) who are putting out the RFPs for a particular job
 - These organizations are responsible for spec'ing the jobs and determining if FGA can be used in construction
 - Aero maintains a close relationship with these organizations, having already obtained approval in PA, NJ, MD and VA
- Ultimately though, Aero is invoicing this General/Prime contractor that wins the RFP (See Sales Cycle for additional detail)
 - Aero works closely with these contractors, both before and after the project is awarded, to develop a project plan that incorporates FGA
- While Aero is invoicing the contractor, the ultimate credit risk resides the government organization funding the job
 - i.e. the risk of not being paid for material provided is low
 - Aero invoices contractors for material at the end of each week of shipment
 - Payment terms are typically net 30 days; however, in some cases, Aero has negotiated for net 10 days or payment for stored materials
- For some smaller jobs, mostly landscaping or green roofs, the end customer can be a subcontractor or the larger GC

Top 5 Contractors for 2018

Contractor	2018 Revenue
George Harms Construction Company, Inc	\$537k
C. Abbonizio Contractors	\$335k
General Contracting, Inc	\$273k
Anthony Biddle Contractors, Inc	110k
Riggs Distler	25K

Freight Dynamics

- Aero currently ships material in bulk via large walking floor trucks that can hold 90-100CY per truck compared to traditional dump trucks that haul 14 CY of gravel or 28 CY of shale.

Distance (mi)	1-20mi	20-100mi	100-300	500+
Cost per CY	\$2.00	\$2.00-9.00	\$19.00-18.00	\$36.00+

- Aero's price point of \$80/CY is quoted FOB Eddystone with the customers paying a markup per CY for any freight expense
- **Because customers bear the cost of freight, Aero is able to maintain its project margins, despite the distance of the project**

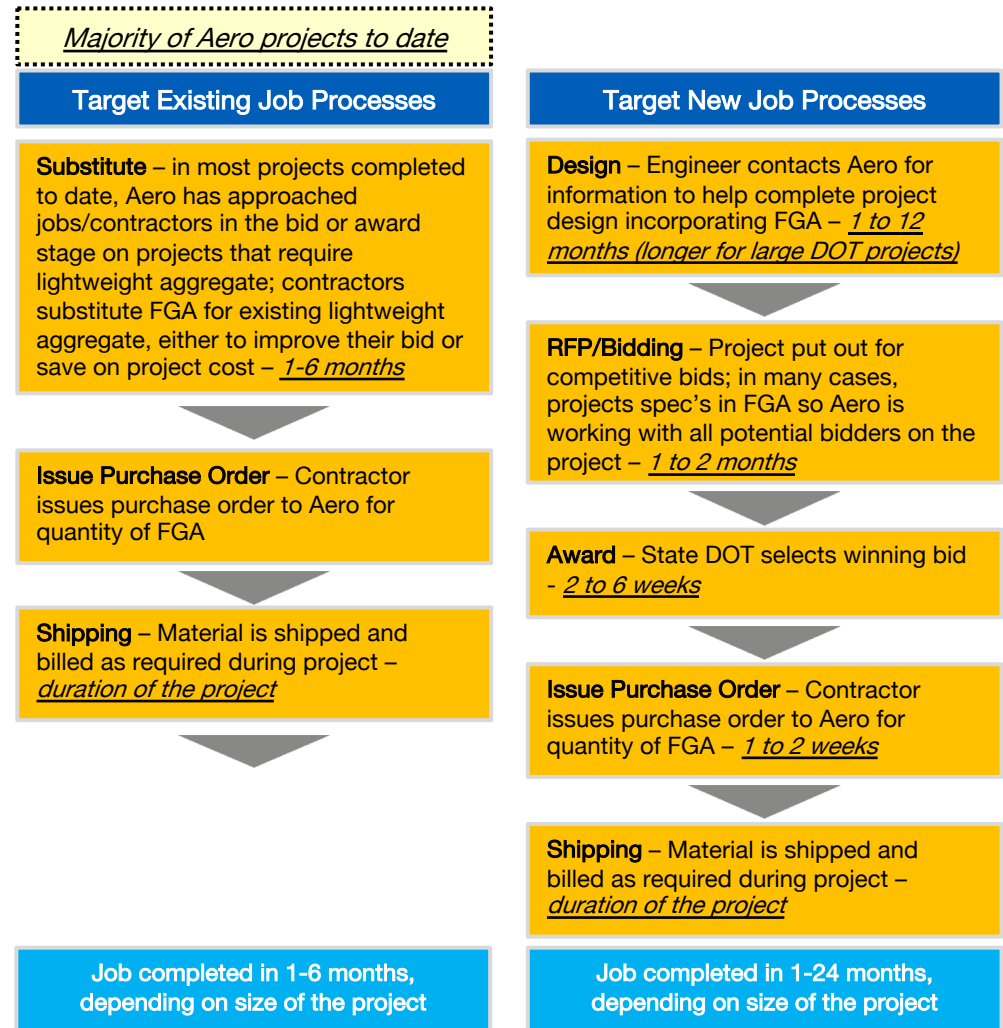
Aero Sales Cycle

Two Pronged Strategy

Aero's go-to-market strategy uses a two pronged approach to Target Customers

- **Target Existing Job Processes** – Aero works closely with large state DOTs to identify existing RFP processes that require lightweight aggregate
 - Often, these jobs have progressed through the design phase and are either in the RFP stage or have already awarded the contract
 - Aero approaches the contractors in the process with a proposal to substitute the existing lightweight aggregate in the design (with prior approval from the DOT bidding the job)
 - To date, contractors have been highly receptive to FGA as it allows them to either improve their bid (and chances of winning) or if the bid is won, provide significant savings over their total project cost
- **Target New Job Processes** – promotional efforts are focused on state DOTs, major engineering firms, design/build contractors as well as regional engineering conferences
 - For state DOTs, Aero's goal is to get FGA 'spec'd' into the RFP so that, as the only provider of FGA in US, Aero is guaranteed to supply the project material, despite which contractor wins the bid
 - Targeting engineering firms and design/build contractors is a targeted strategy not only to win business on a prospective job, but also to gain acceptance within the engineering community and become the preferred material for job requiring lightweight aggregate

Sales Cycle Timeline



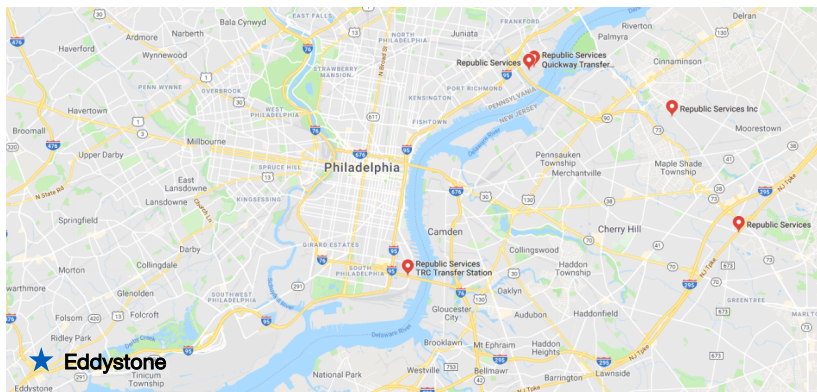
Existing Supplier Overview

Aero has contracted a source of glass cullet, its primary raw material, from Republic Industries, the second largest Material Waste Facility (“MRF”) operator in the country

Republic Overview

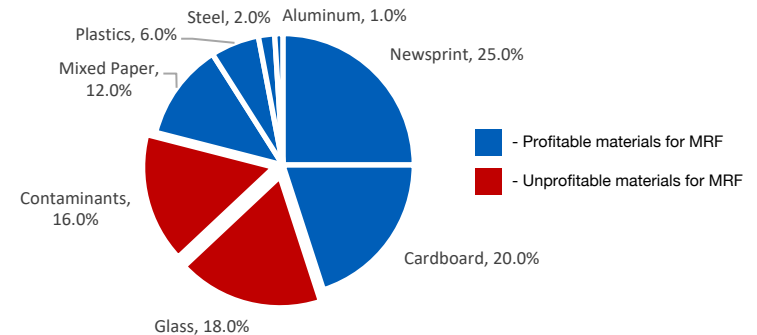
- Republic Industries (“Republic”) is the second largest waste and recycling company in the US with over 90 MRFs nationwide
- Currently sourcing all glass cullet from Republic at \$0/ton including shipping costs
 - Glass recycling is not a profit center for Republic as it requires substantial cleaning to recycle with a significant portion of unused glass that it must pay a tipping fee to dispose of in landfills
 - Additionally, tipping fees to landfills in the Northeast are the highest in the country and are continuing to increase
 - Aero offers Republic a significantly cheaper alternative to dispose of its waste glass for \$0/ton vs. landfill at a cost of ~\$80/ton
- Currently getting glass from their Camden, NJ facility but they have 3 other large MRF’s in the area that can provide material to Eddystone
- The total volume of recycled glass processed through Republics facilities in the Philadelphia area is approximately 100,000 tons/year (equivalent to 530k cubic yards per year)

Republic Facilities in the Philadelphia Area



MRF Profitability

Composition of Materials Entering Single Stream MRFs



18% of inbound recyclables are glass and 16% are contaminants; 34% of MRF inbound materials have a net cost not revenue.

Source: Waste Management

Tipping Fees

Average Price to Landfill a Ton of Municipal Solid Waste by Region

	2013	2014	2015	2016	2017
Northeast	\$74.90	\$76.10	\$77.00	\$77.80	\$79.30
Southeast	\$39.80	\$40.20	\$40.40	\$40.90	\$43.60
Midwest	\$46.20	\$47.20	\$47.60	\$48.40	\$52.70
Western	\$34.00	\$34.40	\$34.40	\$34.80	\$35.70
Pacific	\$55.30	\$56.70	\$56.80	\$57.20	\$57.90
Entire US	\$46.80	\$47.60	\$48.10	\$48.80	\$50.60

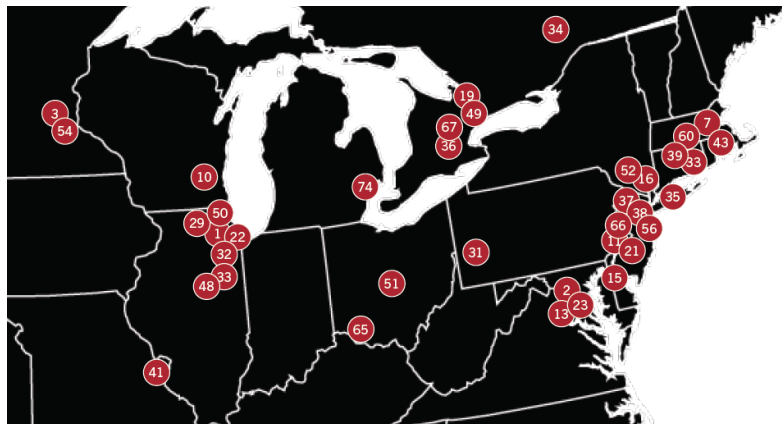
Landfills in the Northeast have the highest tipping fees for Municipal Solid Waste in the country and have steadily increased each year since 2013

Source: Waste Business Journal

Aero has access to large supply base for waste glass which continues to increase due to increasing demand for recycling programs and alternate uses for recycled glass

Large Supply Base in the Tri-State Area

- 10 of the top 75 largest MRFs in the US are located in the tri-state area
- Aero currently sources glass from Republic which has the capacity to provide 100,000 tons/year (equivalent to 530k CY of FGA per year)
- There 5 large MRFs in Philadelphia alone that can provide material to Eddystone
 - While Aero currently sources exclusively from Republic, it plans to engage other MRFs for alternate sources of supply as its volumes increase
- In addition, New Jersey is in the process of building the largest glass recycling plant in the world, located 2 hours outside Philadelphia
 - Valterra estimates that this facility alone will be able to provide 120,000 tons per year of waste glass to Aero (equivalent to 610k CY of FGA per year)



Source: Recycling Today

Favorable Industry Dynamics

- Municipal solid waste recycling has continued to trend upwards from 31.4% in 2005, to 34% in 2010, to 34.7% in 2015
- According to the Glass Recycling Coalition (“GRC”), 81% of U.S. recycling programs include glass options for residents
- While there have been some instances where MRFs have dropped their glass recycling programs due to the high cost of disposal, the prevailing trend has been an increase in glass recycling overall due to public demand
 - A 2017 study by the GRC found that 96 percent of consumers and residents want and expect to be able to recycle their glass
- Although MRFs continue to operate glass recycling operations, they continue to be cost centers due to the expense of the glass recycling and as well as the lack of alternate uses for the majority of recycled product
 - Due to public demand, MRFs are often required to include a glass recycling program in the bid to municipalities in order to win contract
- Aero offers MRFs cost effective solution for MRFs to dispose of their waste glass compared to other alternatives

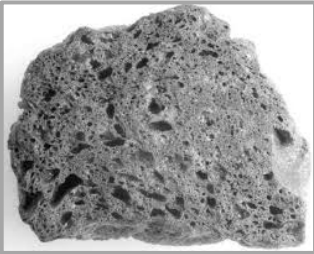


Percent of Public Sector Respondents Facing Specific Glass Recycling Challenges

Glass Recycling Challenges	% Facing Challenge	Aero Provides Solution?
End markets (e.g. few options)	82%	✓
Contamination issues	60%	✓
Cost-effectiveness	45%	✓
Processing capability	22%	✓
Hauler raised price to keep glass program	16%	✗

Source: Glass Recycling Coalition

Competing Lightweight Aggregate Products

Among lightweight alternatives, foamed glass aggregate is the least expensive, easiest to work with and most environmentally friendly solution currently available on the market

Product	Example	Description	Drawbacks vs. Foamed Glass
Expanded Shale		<ul style="list-style-type: none"> Expanded shale has been used since the 1930's as lightweight fill and as aggregate for lightweight concrete Material is produced by mining shale and processing it through a rotary kiln at 1,600°C to expand the aggregate Bulk density is approximately 50PCF and has a compacted density of 60-65PCF 	<ul style="list-style-type: none"> Supply of expanded shale is limited to location of the quarry producing the shale and shipping becomes expensive based on limited volume per truckload due to weight restrictions Absorbs and retains water, significantly increasing its weight resulting in additional cost to ship Cannot be laid in wet weather conditions
Foamed Concrete		<ul style="list-style-type: none"> Foamed concrete uses additives in ready-mix concrete to add air bubbles to concrete These air bubbles can produce material from 30 to 42 PCF Foamed concrete has been used on several DOT projects as lightweight fill 	<ul style="list-style-type: none"> Limitations of foamed concrete include maximum lift thickness per day, maximum amount able to be placed in a day, requires additional drainage to prevent pore water pressure behind the fill Susceptible to freeze-thaw damage over time
Geofoam		<ul style="list-style-type: none"> Geofoam is the generic name for expanded polystyrene (EPS) It is lightest of all lightweight materials and has had limited use in the US market since the 1970's The density of geofoam ranges from 1.4 – 2.4 pounds per cubic foot (PCF) 	<ul style="list-style-type: none"> Expensive on a cubic yard basis and requires specialty contractors Significant amount of waste from shaping Requires additional installation to protective membrane and drainage system EPS is HIGHLY flammable and as such has been banned by many state DOT's due to the risk of ignition in the event of a roadway accident

FGA Overview vs. Substitutes

Foamed Glass Aggregate offers a compelling alternative to both traditional and lightweight aggregates over a wide range of key metrics

Commentary

- **Lbs per CY** – FGA is the lightest aggregate alternative with the exception of geofoam; geofoam is not considered to be a viable alternative for a variety of reasons including flammability, cost, rigid shape, and structural membrane & drainage requirements
- **Price per CY** – while FGA is comparable in price to expanded shale and foamed concrete on CY basis, it is the cheapest lightweight alternative on a total cost basis
 - FGA can ship 3-4x more cubic yards per truckload compared to expanded shale, significantly reducing shipping costs
 - FGA has a maximum lift thickness of 24 inches allowing it to be laid significantly faster and for lower cost
- Note, foamed concrete has a max lift thickness of 24-36in; however, only one layer can be laid per day (and only in dry, non-freezing weather) which can significantly increase project times and costs
- Compared to traditional gravel, FGA is more expensive on a CY basis; however, given its lighter weight, contractors are able to achieve significant savings not only on shipping, but also on structural design requirements (h-piles, soil nails, retaining walls, project time, etc)
- **Friction Angle** – FGA has the highest peak friction angle than any other alternatives
 - Significant benefits in project engineering as higher friction angle significantly reduces lateral loads and space requirements

	Traditional Gravel	Expanded Shale	Expanded Polystyrene (Geofoam)	Foamed Concrete	Foamed Glass Aggregate
Lbs per Cubic Yard (pcf)	100 pcf	65 pcf	1.35-2.4 pcf	30-42 pcf*	15-20 pcf
Price per Cubic Yard (\$)	\$20-30	\$80-100	\$90-130	\$80-100	\$80-100
Cubic Yards per Truckload	14 CY	28 CY	90-100 CY	n/a	90-100 CY
Maximum Lift Thickness (in)	8in	8in	36in	24-36in *(one layer / day)	24in
Peak Friction Angle	40°	40-45°	n/a	n/a	54°
Comments	<ul style="list-style-type: none"> – Expensive to transport – High density – Weight requires additional structural support 	<ul style="list-style-type: none"> – 3x heavier than FGA – Absorbs water, increasing weight (dry weight quoted above) – Cannot be laid in wet conditions 	<ul style="list-style-type: none"> – Flammable / melts on exposure to hydrocarbons – Expensive – Pricing does not include membranes, drainage systems or waste from shaping blocks 	<ul style="list-style-type: none"> – Can only be installed in small lifts per day (b/c of drying) – Cannot be installed in rain / freezing temps – Absorbs water making susceptible to thaw damage – *Lower densities significantly weaker compressive strength 	

While Aero will initially target the infrastructure market, it has already received a high volume of inquiries for other applications of foamed glass providing significant room for expansion

Markets Served

- Aero started with a specific focus on developing the infrastructure market by working with Federal Highway Administration (FHWA), local DOTs and design/build contractors.
- Infrastructure applications of Aero products have included:
 - Embankment of Soft Soil
 - Retaining Walls for Bridges
 - Roadway Widening
 - Tunnels and Culverts
 - Utility Trenches
 - Load Distribution Platforms
 - Foundations and backfill
- While the initial focus of Aero was on lightweight fill applications where the material is used by itself in place of other lightweight fills, the Company has been approached by multiple engineers, owners and contractors to further develop the foamed glass for expanded applications including:
 - Thermal protection for landfills – Patent Pending
 - Floating Covers for odor and evaporation control – Patent Pending
 - Lightweight and insulated precast concrete
 - Lightweight insulating concrete pavers
 - Insulation for foundations – LEEDS credits
 - Wastewater treatment
 - Stormwater treatment
 - Odor control

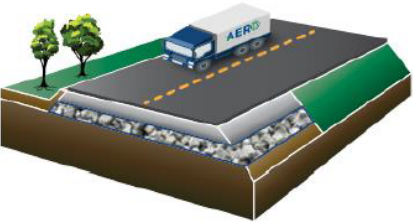

Geographies Served

- Due to the lightweight properties of Aero material, the Company can competitively supply material throughout the Mid-Atlantic area with its existing facility
 - While Mid-Atlantic is the primary region served, the Company has received specifications and potential projects as far as Canada and Texas
- The 250-miles radius around each facility offers a distinct advantage over traditional aggregate which, due to its weight, must be sourced locally
 - Aero can fit 8-times the volume of foamed glass per truckload compared to traditional aggregate (due to weight limited on interstates) significantly reducing the cost of transportation



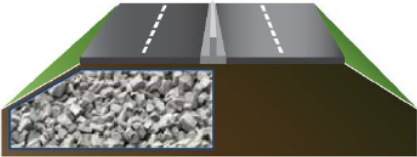
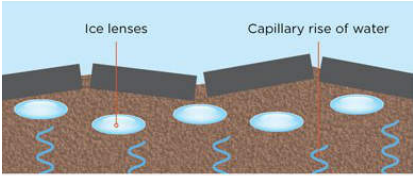
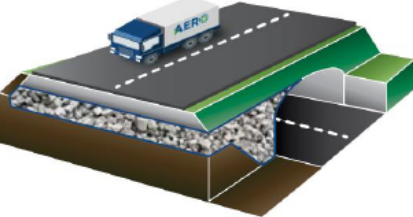

- Aero's long term plan is to strategically construct additional facilities across the country in order to cost-effectively serve all major markets in the United States

Primary infrastructure applications of Aero's foamed glass aggregate include:

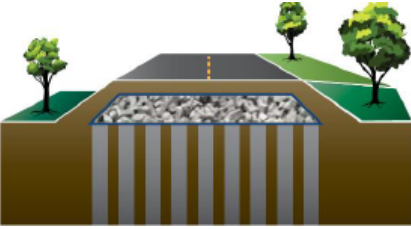
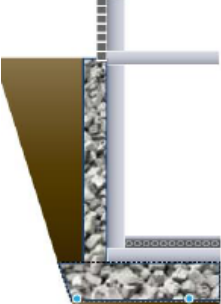
Example	Primary Application
	<p>Embankments on Soft Soil</p> <ul style="list-style-type: none"> - Creating new embankments or elevating existing grades over soft soils is a typical and challenging application for geotechnical engineers; when building embankments or raising grades over soft soils the additional weight of the new soil will increase the load on the soft soil and create unacceptable amounts of settlement <ul style="list-style-type: none"> - This settlement can be seen most coastal areas through current resiliency projects - The idea is to build higher elevations of soil to prevent storm surge and prevent flooding; most areas along the coast have soft soils due to their proximity to water - There are several methods used to prevent settlement due to these additional loads <ul style="list-style-type: none"> - The least expensive method is to surcharge these areas with additional soil but are required to be left to settle for 6 -24 months - Another option is to install expensive foundations such as steel or concrete piles - Foamed glass aggregate provides a very cost-effective alternative to expensive ground improvements; With the low unit weight of foamed glass aggregate engineers can excavate 2ft of soil and replace with 12ft of foamed glass without increasing any load on the existing soft soil <ul style="list-style-type: none"> - This benefit is especially important in areas with contaminated soils as it reduces the removal and expensive disposal
	<p>Retaining Walls and Bridge Abutments</p> <ul style="list-style-type: none"> - The lightweight combined with high friction properties make foamed glass aggregates an ideal choice for backfill behind walls and bridge abutments <ul style="list-style-type: none"> - Compared to traditional soil, foamed glass can reduce the lateral pressure against these structures by at least 80% which allows engineers the ability design more cost-effective structures - Most bridge abutments are placed on deep foundations with soil embankments leading to and from the bridge. As the height of these embankment increase so does the weight of the embankment; Over time these creates settlement which is why most people experience the "bridge bump" coming on and off a bridge <ul style="list-style-type: none"> - Foamed glass aggregates can reduce if not eliminate that settlement while taking stress off the bridge abutment

Product Overview: Primary Applications

Primary infrastructure applications of Aero's foamed glass aggregate include:

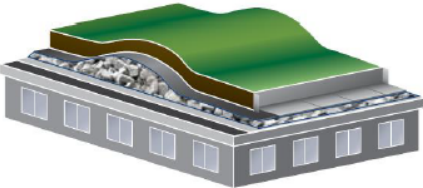



Example	Primary Application
	<p>Roadway Widening</p> <ul style="list-style-type: none">- Widening of existing roadway embankments will often require lightweight fill; the existing roadway has usually been in place for many years and widening can create settlements especially in areas with soft soils- The high frictional properties of foamed glass aggregates allow for steep slopes up to 45° which is much steeper than traditional soils that are usually placed at 18° to 27°; this is a major benefit to owners and State DOT's as they are usually restricted with property lines and right of ways
	<p>Frost Heave and Insulation</p> <ul style="list-style-type: none">- Using foamed glass aggregates as an insulator was one of the earliest applications in Norway- Due to the closed cell structure, the material has very good insulating properties; in cold climate with frost susceptible soils, insulations prevent soils from freezing and prevents frost heave of the roadway.<ul style="list-style-type: none">- This is a major issue throughout Scandinavia and most of the northern states in the USA; soil freeze and expand in the winter and thaw and collapse in the Spring which creates a lot of damage to the roadway surface
	<p>Tunnels and Culverts</p> <ul style="list-style-type: none">- Tunnels and culverts are designed to support the soil placed above them and this soil can vary in depth.- The deeper the tunnel/culvert the more concrete & steel are required to ensure the structure can support the overburden soil- The use of foamed glass aggregates can reduce this load by 80% and provide drainage and insulation for the same structure
	<p>Utility Trenches</p> <ul style="list-style-type: none">- Foamed glass aggregates are suitable for many projects where utilities are being placed or additional fill is required over an existing utility.<ul style="list-style-type: none">- In many cases, placing fill over existing utilities requires replacement of the utility as it was not designed to support the new loads; lightweight fill allows the existing utility to remain in place- In most applications, utilities such as water lines are required to be placed below the frost depth level to prevent freezing of the line; where utilities are close to the frost depth, insulating fill increase the factor of safety to prevent these lines from freezing

Primary infrastructure applications of Aero's foamed glass aggregate include:

Example	Primary Applications
	<p>Load Distribution Platforms</p> <ul style="list-style-type: none">- A common method of bridging over soft soils is the use of deep foundations (H-piles, timber piles, grout columns) with a load distribution platform placed above the foundation for the purpose of spreading the overlying load onto the piles- Foamed glass aggregates provide much lighter platform that spreads the load much faster, so designers can optimize the number of piles required<ul style="list-style-type: none">- In some cases, foamed glass aggregates have been used to completely replace piles.
	<p>Foundations Backfill</p> <ul style="list-style-type: none">- Foundations for commercial and residential buildings require insulation, drainage and in some cases, lightweight backfill- Foamed glass aggregates are used extensively throughout Europe for this application; in these applications, the foamed glass aggregates provide both insulation and drainage<ul style="list-style-type: none">- For deeper foundations used in commercial construction, foamed glass provides an alternate backfill that can be placed earlier than traditional backfill due to the low unit weight- These foundations would normally require substantial bracing to support walls in order to backfill

Product Overview: Secondary Applications

Aero has been approached by several contractors looking to use foamed glass aggregate for the following applications beyond infrastructure construction

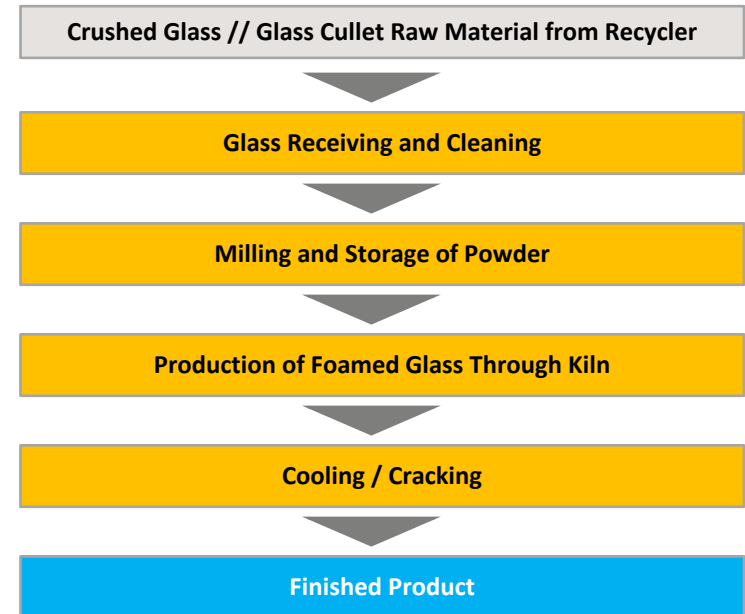
Product	Example
	<p>Horticulture – Greenroofs and Plaza Decks</p> <ul style="list-style-type: none">- Foamed glass aggregates provide an ultra-lightweight drainage aggregate, that insulates the roof while adding very little load.<ul style="list-style-type: none">- This is ideal for existing roofs that are being converted to a greenroof- The high surface area of the aggregates also allows for water to collect on the surface of the particles; this is an added benefit for greenroofs as it adds to the level of moisture retention to support plant growth- The high frictional properties allow designers to contour the surface which is difficult with traditional material Plaza decks are similar in the fact that their design usually requires materials to be lightweight and have adequate drainage capabilities- Foamed glass aggregates have very high flow rates even after compaction due to the void space between particle
	<p>EMAS for Runways</p> <ul style="list-style-type: none">- Engineered Material Arresting Systems (EMAS) are used as energy dissipaters at the end of runways; the design requires foamed glass aggregates to be placed to a designed thickness with a thin coating over the material- The EMAS system is used to safely bring planes to a stop in case they overshoot a runway- This is a patented application, but Federal purchasing regulations require material to be manufactured in the USA
	<p>Lightweight Precast Concrete Blocks and Pavers</p> <ul style="list-style-type: none">- Foamed glass aggregates can also be used as a replacement for quarried aggregates in precast concrete panels and pavers- The benefit for their use is that the precast element is 2.5 times lighter and has high insulation values; These pavers are used for plaza decks to maintain temperature and absorb noise
	<p>Floating Covers for Evaporation</p> <ul style="list-style-type: none">- Closed cell foamed glass aggregates are buoyant when submerged in water. The material can be applied on open water bodies and lagoons to reduce and/or eliminate evaporation and odors- This allows the material to be used as a floating cover in multiple applications
	<p>Water and Air Filtration</p> <ul style="list-style-type: none">- Open cell foamed glass aggregates are porous and can clean water and filter odor from the air by allowing biological activity to grow within the open pore structure

Manufacturing Process Overview

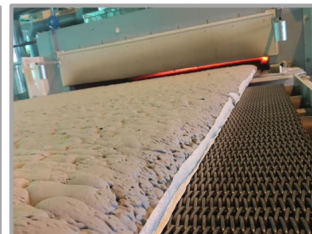
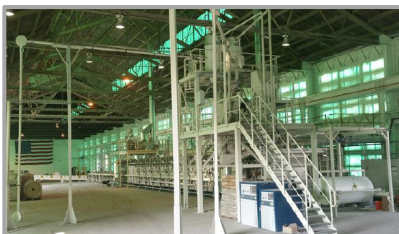
Description

- **Crushed Glass Cullet (“CGC”)** – CGC received from glass recycling facility (either for free or Aero receives a 0\$ to 25\$ tipping fee)
- **Glass Receiving and Cleaning** – currently receiving glass cullet with plans to develop cleaning and crushing infrastructure in-house
- **Milling and Storage of Powder** – cleaned glass cullet is crushed to powder in custom mill and moved to storage silo
 - Ball mills achieve same result (vs custom machine); however, ball mills are louder, use more energy and consumer significant amounts of water
 - One milling machine can support 4 kilns (and storage silo can hold four days of capacity for one kiln)
- **Production of Foamed Glass** – The powder along with foaming agent (silicon carbide) and other additives is spread on a steel conveyor belt which takes it through a high temperature kiln (800-1,000°C).
 - The elevated temperature of the kiln activates the foaming agents to produce fine bubbles which expands the glass 7-8 times its volume
 - The glass leaves the kiln as a solid “cake” of material up to 70mm; while cooling, the change in temperature creates thermal stresses in the foam cake which cause it to crack and separate into smaller aggregates sized pieces
- **Finished Product** – sent via conveyor belt to outdoor storage lot; no need to store inside or even covered as finished product is completely inert and weather resistant

Process Overview

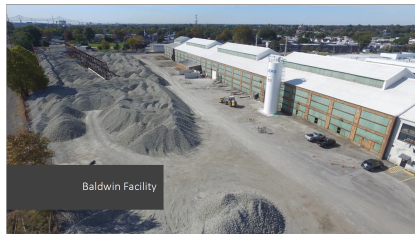


Illustrative Process

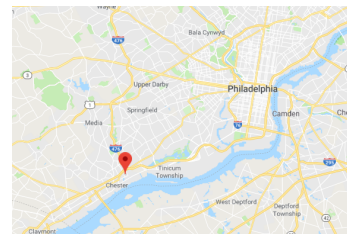


Existing Facility

- Aero owns a 10 acres site with 97,000 square feet of building on the former Baldwin Locomotive site in Eddystone, PA which is 5 miles south of the Philadelphia International Airport.
- The site is zoned industrial and has the capacity and infrastructure capable of supporting 4 kilns within the existing building.
- Currently, there are two kilns in production with a third kiln scheduled for February 2020
- The capacity of one kiln is approximately 80,000 cubic yards per year (allowing for downtime) making the total capacity of the Baldwin facility 320,000 cubic yards annually with the ability to service almost all of the Northeast



Baldwin Facility



1500 Chester Pike, Eddystone, PA

Facility Model

- Each facility requires a glass cleaner, milling machine, storage silo & slab and four kilns with conveyor belts
 - Kilns #3, and #4 do not need to be purchased upfront and can be staged over time as the capacity of each facility increases
- Each Kiln can produce 90,000 cubic yards of foamed glass aggregate per year assuming 100% utilization (24/7/365)
 - Valterra has modeled a maximum of 80,000 cubic yards per year per kiln to allow for maintenance, shut downs and cleanings
- Finished product can be stored in piles on lots adjacent to the facility; given the nature of Aero's products, outdoor storage has no impact on the finished goods
 - Additionally, foamed glass aggregate is completely inert, significantly mitigating any potential environmental concerns

New Facility Capex Model

Capital Expenditure Item	Amount \$
Plant Fit Out / Site Work	500,000
Equipment	
<i>Kiln #1 Set-up</i>	3,500,000
<i>Mill & Set-up</i>	4,100,000
<i>Cleaning System</i>	1,000,000
<i>Silo & Slab</i>	100,000
<i>Misc. Plant Equipment</i>	450,000
Office Equipment	25,000
Vehicle	25,000
Capitalized Wages – Set-up	200,000
Total Start-up Costs	\$9,900,000

Kiln #2	2,200,000
Kiln #3	2,500,000
Kiln #4	2,500,000
Total Cost	17,100,000

* Kiln #3 includes 300k for batch plant and Kiln four includes 300k for mill modification

- New facility capex model based on costs incurred to set-up Eddystone/Baldwin facility
- Management plans to model all future facilities based on the current facility set up

Management Team Bios

Aero has brought together a world-class management team with the requisite technical, commercial and industry knowledge to grow the Aero platform into a national organization

Executive Management Team

Archie Filshill, Ph.D. -- *Chief Executive Officer*

Archie has over 25 years of international experience in the geotechnical market, encompassing a vast range of experience in executive management, engineering, project management, construction, and manufacturing. He started his career as a regional manager for an environmental products company and went on to become Managing Director of European operations for a global manufacturing company. After returning to the states, he started an international contracting company focused on solid waste and industrial landfills, soft soil stabilization, coal ash, shale gas development, sediment remediation, reinforced earth structures and lightweight fill. This experience guided him to establish AeroAggregates.

He is an adjunct professor at Temple University in the Graduate Engineering School and Chair of the Delaware Valley Geo-Institute.

Archie earned a Bachelor of Science degree from Temple University and a Master of Science and Ph.D. from Drexel University in Philadelphia.

Tom McGrath – *President*

Tom serves as the President of AeroAggregates where he oversees several key functions as well as guides the strategic direction of the company. He brings decades of business leadership experience to the Aero team from a diversity of endeavors. Tom has been involved in the development, growth, and management of numerous businesses and investments, ranging from construction and real estate development to early stage tech investing. His roles have included founder and sole shareholder, investor, company officer, and board member.

Over the span of his professional career, Tom has donated his time to various charities and community service projects. He has served and continues to serve on several corporate and philanthropic boards.

Chris McBride – *Chief Financial Officer*

In July 2019, Valterra engaged Beacon Hill, a national executive staffing agency to execute a search for potential CFO candidates for Aero. The existing CFO Bob Schoen (who is also an investor) will continue to serve the company as a board member, but is now looking to retire and take a less active role in the day-to-day business.

In September, after a month-long search, the Company made an offer, subsequently accepted, to Chris McBride. Chris has a long track record working in both accounting and financial advisory, with prior roles at leading firms including Deloitte, Crowe Horwath and KPMG. For the past 5 years, Chris has served as the CFO of Markel Corporation, a PE-backed specialty materials manufacturer where he led the Company's finance department and strategic planning initiatives. We are very excited to welcome Chris and believe the company will benefit immensely from his experience in the coming years.

Management Team Bios (cont'd)

Aero has brought together a world-class management team with the requisite technical, commercial and industry knowledge to grow the Aero platform into a national organization

Executive Management Team

Herb Northrop – Chief Operating Officer

Herb is a recycling and environmental industry veteran with a career spanning over 37 years. At the beginning of his career, Herb worked for a multibillion-dollar public company in Business Development. He then went on to found numerous companies as an independent entrepreneur including one of the largest Material Recovery Facilities in the United States with multiple locations, employing over a 100 people and a sophisticated glass processing system. Herb's experience spans all aspects and levels of the processing and recycling industry as well as business startup, management, and growth.

Theresa Loux, Ph.D., P.E. – Technical Manager

Theresa is the Technical Manager for AeroAggregates where her primary responsibilities are overseeing technical documentation efforts as well as the current research, testing, and quality control programs. Theresa brings to AeroAggregates over ten years of combined industry and academic experience. In the past, Theresa has been involved in and managed a variety of civil, geotechnical, and geoenvironmental consulting and construction projects. She has completed design and management tasks for projects that involve data collection, interpretation, and analysis; geosynthetic design; slope stability analyses; mechanically stabilized earth (MSE) design; subsurface investigation programs; geotechnical instrumentation and monitoring; stormwater and erosion control design; environmental site remediation; cost estimating; construction quality assurance; and constructability evaluations.

Theresa has taught geotechnical and other civil engineering courses at Drexel, Temple, and Bucknell Universities and is an active board member of the Delaware Valley Geo-Institute.

Aero products have a \$1.84bn addressable market based on the current uses of FGA; this estimate excludes new applications as well as current projects using heavy aggregate where FGA is a viable alternative

Market Sizing Methodology

- Given FGA has been newly introduced to the US, Aero has used the combined US markets for expanded shale and geofoam (the two most commonly used lightweight aggregates in the US) as a proxy for Aero’s addressable market
- The available data on the size of the expanded shale and geofoam markets is limited; while some of the data used below is dated, Valterra believes it gives an approximate estimate of the current market size
 - Furthermore, Valterra believes that this estimate is conservative as it does not take into account projects that use heavy aggregate where FGA is a viable alternative

Geofoam Market Size

- The Geosynthetic Institute (Folsom, PA) estimates the current market for geofoam at 5.0 million cubic yards annually.
- This is in line with the expanded polystyrene market consultants Tim Stark and Kyle Wheeler (Geomembrane Technical Specialist with XR Geomembranes) who estimate the geofoam market will reach \$570 million (5.7million cubic yards) by 2020.
 - <https://www.xrgeomembranes.com/blog/benefits-of-using-eps-geofoam-for-highway-construction>

Lightweight Aggregate Market Size

- Table 4 from “Lightweight Aggregates” by Alfred L. Bush, Dennis P. Bryan, and Daniel R. Hack quotes reports from the United State Geological Survey (USGS) converted to CYs using avg. weight of 50pcf

Domestic Production of Lightweight Aggregate 1998-2002 (Cys, millions)

Type of LW Aggregate	1998	1999	2000	2001	2002
Shale - USBM-USGS	6.2	5.8	5.7	5.7	5.9
Shale - ESCSI	7.5	7.9	7.8	7.5	6.9
Slag - Air-cooled	15.3	13.2	13.2	12.0	11.0
Slag - Expanded	2.8	2.8	3.4	3.4	5.5
Volcanic Cinders	3.7	3.1	2.7	3.2	2.8
Pumice and Pumicite	1.3	1.5	1.6	1.4	1.4
Perlite	1.0	1.1	1.0	0.9	0.8
Vermiculite	0.2	0.2	0.2	0.2	0.2

***Slag excluded as has fallen out of favor due to concerns about heavy metals & arsenic leaching*

- Total of 18 million CYs of lightweight aggregate produced in the US (excluding slag)

The domestic production for geofoam and lightweight aggregates combined for over 23 million cubic yards annually; this implies an addressable market of \$1.84 billion based on an average selling price of \$80.00/CY.

Business Plan

STRICTLY PRIVATE AND CONFIDENTIAL

VALTERRA
PARTNERS

Commentary

- Total Round II investment size \$11.5mm (excl. transaction fees)
- Note – in April 2019 Valterra completed its Round I investment of \$13.25m with the proceeds of that round used to purchase equipment, fund working capital and provide additional cash to balance sheet
- Round II investment of \$11.5mm will bring the total Valterra investment size to \$25.2mm
- Use of proceeds:
 - Filshill Shares Repurchase - \$6.0mm
 - McGrath Share Repurchase - \$2.0mm
 - Cash to Balance Sheet - \$3.5mm
 - Transaction Expenses - \$0.7mm
- Under the terms of the Round I investment, Archie has the right to sell 25% of his stake after a 6 month waiting period for personal liquidity reasons; Archie has elected to exercise that right and Valterra, as the lead investor, will exercise its first right to purchase those shares rather than have them sold to a third party
 - As part of this transaction, Tom has also elected to sell a \$2.0m block of shares
- Given the strong recent performance of the business, we anticipate the purchase of kiln #4 will be accelerated and as such, we are putting an additional \$3.5m of cash on balance sheet to appropriately capitalize the business

Sources and Uses

Sources and Uses		
Sources		
	Amt \$	% of Total
New Debt	-	0.0%
Valterra Equity Funding	\$12,190,000	100.0%
Total Sources	\$12,190,000	100.0%
Uses		
	Amt \$	% of Total
Secondary Share Purchase	\$8,000,000	65.6%
Repay Outstanding Loan	-	0.0%
Cash to Balance Sheet	3,500,000	28.7%
Transaction Expenses	690,000	5.7%
Total Uses	\$12,190,000	100.0%

Valuation & Capitalization

- \$11.5m Round II investment at a \$45mm pre-money valuation (same valuation as Round I investment of \$13.25m)
- Round II investment will increase Valterra's ownership from 22.5% to 40.7%
- Valuation enterprise value for the business of \$60.1m represents a 8.95x multiple 2019E EBITDA of \$6.7m (or an 18.5x multiple of LTM EBITDA if \$3.2m)

PF Ownership Summary

Existing Ownership %	Amt \$	% Ownership
Archie Filshill	\$ 20,164,644	36.3%
Tom McGrath	21,759,983	39.2%
Robert Schoen	1,075,372	1.9%
Valterra Equity Funding	12,500,000	22.5%
Additional Class A Equity	-	0.0%
Total	\$ 55,500,000	100.0%

Share Repurchase	Amt \$	Split %
Archie Filshill	6,000,000	785.0%
Tom McGrath	2,000,000	25.0%
Total	\$ 7,000,000	100.0%

Valterra Round II Equity Funding \$ 11,500,000

PF Equity Ownership

	Amt \$	% Ownership
Archie Filshill	\$ 14,164,644	24.0%
Tom McGrath	19,759,983	33.5%
Robert Schoen	1,075,372	1.8%
Valterra Equity Funding	24,000,000	40.7%
Additional Class A Equity	-	0.0%
Total	\$59,000,000	100.0%

Post Money Valuation and Capitalization

Valuation	Forward
Pre-Money Equity Value	\$45,000,000
Plus: Valterra Round I Investment (ex. Fees)	12,500,000
Less: Round I Secondary Share Purchase	(2,000,000)
Post Money Round I	\$55,500,000
Plus: Valterra Round II Investment (ex. Fees)	11,500,000
Less: Round II Secondary Share Purchase	(8,000,000)
Post-Money Equity Value	\$59,000,000

Capitalization

	Original Pre-Money \$	Post Money Round I	Post Money Round II	Fwd. Mult.
Line of Credit	\$1,598,519	\$1,135,000	\$1,135,000	0.17x
Term Debt	6,575,642	2,898,764	2,898,764	0.60x
Closed Loop Fund	2,781,841	2,727,273	2,727,273	1.01x
Total Debt	10,956,002	6,761,037	6,761,037	1.01x
Less: Cash	(144,968)	(2,148,324)	(5,648,324)	0.17x
Total Net Debt	\$10,811,034	\$4,612,713	\$1,112,713	0.17x
Equity	45,000,000	55,500,000	59,000,000	8.95x
TEV	\$55,811,034	\$60,112,713	\$60,112,713	8.95x

2019E Adj. EBITDA \$6,712,791

Key Model Drivers

The following assumptions are the key driver for Valterra's BASE CASE

Key Drivers	Due Diligence
Revenue: Kilns	<ul style="list-style-type: none"> The Company currently has 2 kilns operational in Eddystone; total capacity of 160k cubic yards which is sufficient to hit the 2019 projected volume of 145k Valterra's Round I investment went to fund the build-out two new kilns in Eddystone, scheduled for delivery in September of 2019 and September of 2020, respectively Beyond these four kilns, Valterra's Base Case model assumes the addition of one new facility with two additional kilns; one to be delivered in Q3 2021 and one to be delivered in Q3 2022
Revenue: Utilization / Ramp	<ul style="list-style-type: none"> Kiln #3, & #4 in Eddystone and Kilns #1 and #2 in new facility all subject to one year ramp up period, increasingly utilization quarterly based on a 22%/44%/66%/89% ramp up schedule All kilns in Eddystone and Kilns #1 in new facility assumed to ramp to maximum 88% utilization to allow time for maintenance and repairs; Kiln #2 in new facility assumed to reach 71% for conservatism
Revenue: Sale Price	<ul style="list-style-type: none"> Assumed sale price is \$80.00 per ton which is the price the Company currently sells at and still allows Aero's product to be the cheapest light weight aggregate alternative
COGS: Materials Cost	<ul style="list-style-type: none"> Recycled Glass – currently assumed to have no cost to Aero in line with what Aero has achieved to date; in the future, Aero is considering charging recyclers up to \$25 per ton to offtake their glass but this has not been modeled into the Base Case Silicon Carbide (foaming agent) – Company currently paying \$4.50 per CY however model assumes \$6.00 per CY Other Materials – Kaolin / fleece / other materials assumed to cost \$1.50 per CY
COGS: Direct Labor	<ul style="list-style-type: none"> Each facility requires one plant manager and 10 hourly workers in order to operate one kiln Each additional kiln will only require one additional hourly worker which the Company is proving out with Kiln #2
COGS: Facilities Cost	<ul style="list-style-type: none"> Utilities / Maintenance / Insurance – have fixed component by facility and variable component by kiln Rent – currently the Company pays \$20k per in rent per month; however, the Company believes this rate is below market so has assumed 40k rent expense per for new facilities
Margin %	<ul style="list-style-type: none"> Facility gross margins ramping from 60% to 75% over 5 year hold period; each additional kiln per facility delivers significant operating leverage In 2018, the Company had 50% gross margin with a single kiln; given the operating leverage of an additional kiln over the direct labor, margins will expand as incremental kilns are added to each facility

Key Model Drivers

The following assumptions are the key driver for Valterra's BASE CASE

Key Drivers	Due Diligence
SG&A	<ul style="list-style-type: none"> ▪ Sales – one sale person hired for every 2 kilns in operating ▪ Administration – one admin person per facility ▪ Corporate – corporate executive compensation
Capex	<ul style="list-style-type: none"> ▪ Growth Capex – Each facility (one kiln to start) expected to cost \$9.9m and each additional kiln expected to cost between \$2.3m and \$2.5m depending incremental modifications to the existing equipment; equipment expected to have 15 year life at a minimum ▪ Maintenance Capex – \$200k fixed maintenance cost per annum with additional \$50k expense per kiln ▪ Financing – as it has done with Kiln #1 and #2, Aero expects to obtain 60% equipment financing on each new facility and kiln
Exit	<ul style="list-style-type: none"> ▪ At exit, Valterra has assumed a 10.0x exit multiple which is a discount to the median forward TEV/EVBITDA multiple for publicly traded comparable companies at 11.1x; given the high growth, high margin nature of Aero's business relative to its competitors, Valterra believes the Company will trade at a significant premium to these comps but has assumed a 10.0x exit multiple for conservatism ▪ While Aero will be a very attractive acquisition candidate to large strategics (particularly as Aero starts taking market share), Valterra believes Aero will also be a highly attractive acquisition target for a large financial buyer given the highly cash generative nature of the business <ul style="list-style-type: none"> – Specifically, Aero will be a prime LBO candidate for large sponsors like Blackstone, KKR and American Securities who already have investments in and are familiar with the construction materials space

Summary P&L and Assumptions

BASE CASE

Summary P&L

Summary P&L	Stub	Projected			
	9/30-12/31	2020E	2021E	2022E	2023E
KPIs					
Kilns Active	2	4	5	6	6
Cubic Yards / Kiln	30,000	62,500	73,750	74,333	76,667
Cubic Yards Produced	60,000	220,000	330,000	407,000	460,000
Location 1	4,800,000	17,600,000	25,200,000	25,600,000	25,600,000
Location 2	-	-	1,200,000	6,960,000	11,200,000
Total Revenue	4,800,000	17,600,000	26,400,000	32,560,000	36,800,000
Growth %	-	266.7%	50.0%	23.3%	13.0%
Location 1	3,791,595	13,118,900	19,807,240	20,169,740	20,169,740
Location 2	-	-	58,025	4,049,390	7,692,730
Facility Level EBITDA	3,791,595	13,118,900	19,865,265	24,219,130	27,862,470
Margin %	79.0%	74.5%	75.2%	74.4%	75.7%
Sales & Marketing	184,650	853,200	1,117,200	1,302,000	1,429,200
Other G&A	156,310	577,240	841,240	1,026,040	1,153,240
Corporate	234,066	1,029,892	1,132,881	1,246,169	1,370,786
Consolidated EBITDA	3,216,569	10,658,569	16,773,944	20,644,921	23,909,244
Margin %	67.0%	60.6%	63.5%	63.4%	65.0%
Less: Depreciation	640,000	2,952,813	3,608,125	4,264,688	4,433,750
Consolidated EBIT	2,576,569	7,705,756	13,165,819	16,380,234	19,475,494
Margin %	53.7%	43.8%	49.9%	50.3%	52.9%
Growth Capex	-	(5,000,000)	(9,900,000)	(2,200,000)	-
Maintenance Capex	(62,500)	(325,000)	(450,000)	(575,000)	(600,000)
Total Capex	(62,500)	(5,325,000)	(10,350,000)	(2,775,000)	(600,000)

Key Assumptions

Universal Assumption					
	2019	2020	2020	2020	2020
Price per CY	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00
Glass Price/Ton	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Location Level Assumptions					
Location 1					
Facility On?	Kiln On?	Start	Cost	Financing	Max. Utilization
Yes	Yes	Installed	NA	NA	88.89%
	Yes	Installed	NA	NA	88.89%
	Yes	Mar-20	2,500,000	60.00%	88.89%
	Yes	Sep-20	2,500,000	60.00%	88.89%
Location 2					
Facility On?	Kiln On?	Start	Cost	Financing	Max. Utilization
Yes	Yes	Sep-21	9,900,000	60.00%	88.89%
	Yes	Sep-22	2,200,000	60.00%	71.11%

Cash Flow Waterfall and Returns

BASE CASE

Summary Cash Flow

Summary Cash Flow	Stub	Projected			
	9/30-12/31	2020E	2021E	2022E	2023E
Beginning Cash	5,648,324	5,784,324	7,432,792	10,781,405	20,719,883
EBITDA	3,216,569	10,658,569	16,773,944	20,644,921	23,909,244
Less: Tax Distributions	(612,064)	(1,811,731)	(3,144,695)	(3,896,492)	(4,679,411)
Less: Change in Working Capital	(957,714)	(3,541,033)	(4,119,132)	(2,892,576)	(1,186,453)
Less: Capex	(62,500)	(5,325,000)	(10,350,000)	(2,775,000)	(600,000)
Less: Cash Interest	(128,314)	(458,834)	(587,037)	(794,265)	(757,849)
Less: Mandatory Amortization	(184,977)	(873,503)	(1,164,466)	(1,668,110)	(1,638,843)
Cash Available for Debt Service	6,919,324	4,432,792	4,841,405	19,399,883	35,766,570
Location 1 - New Debt Issuance	-	3,000,000	-	-	-
Location 2 - New Debt Issuance	-	-	5,940,000	1,320,000	-
CF Available for Corp. Debt Service	6,919,324	7,432,792	10,781,405	20,719,883	35,766,570
RCF Drawdown / (Repayment)	(1,135,000)	-	-	-	-
Ending Cash	5,784,324	7,432,792	10,781,405	20,719,883	35,766,570
Change in Cash	136,000	1,648,468	3,348,613	9,938,478	15,046,687
Ending Cash	5,784,324	7,432,792	10,781,405	20,719,883	35,766,570

Summary Credit Metrics	Stub	Projected			
	9/30-12/31	2020E	2021E	2022E	2023E
Debt - Beginning of Period	6,761,037	5,441,060	7,567,557	12,343,090	11,994,980
Debt - End of Period	5,441,060	7,567,557	12,343,090	11,994,980	10,356,137
New Det Issued	-	3,000,000	5,940,000	1,320,000	-
Paydown	(1,319,977)	(873,503)	(1,164,466)	(1,668,110)	(1,638,843)
Cash Interest	(128,314)	(458,834)	(587,037)	(794,265)	(757,849)

Credit Metrics					
Net Debt / EBITDA	0.30x	-0.19x	-0.19x	-0.41x	-0.99x
FCCR	3.41x	3.29x	3.33x	3.16x	3.29x
Interest Coverage Ratio	25.07x	23.23x	28.57x	25.99x	31.55x

Summary Returns

	Stub	Projected			
	9/30-12/31	2020E	2021E	2022E	2023E
EBITDA	3,216,569	10,658,569	16,773,944	20,644,921	23,909,244
Exit Multiple	10.00x	10.00x	10.00x	10.00x	10.00x
TEV	32,165,688	106,585,685	167,739,444	206,449,213	239,092,444
Less: Debt	(5,441,060)	(7,567,557)	(12,343,090)	(11,994,980)	(10,356,137)
Plus: Cash	5,784,324	7,432,792	10,781,405	20,719,883	35,766,570
Equity Value	32,508,952	106,450,920	166,177,758	215,174,115	264,502,877
Plus: Options Proceeds	-	2,185,185	4,370,370	6,555,556	6,555,556
Distributable Equity Value	32,508,952	108,636,105	170,548,129	221,729,671	271,058,433
Total Proceeds to Valterra	25,993,122	47,123,606	68,946,340	85,385,778	103,445,121
Total MIP	-	4,290,575	12,555,043	23,322,967	28,255,843
Total Proceeds to Mgmt/Class A (excl. MIP)	18,015,830	68,721,925	100,546,745	124,520,926	150,857,468
Total Equity Value	44,008,952	120,136,105	182,048,129	233,229,671	282,558,433
Valterra Effective Ownership	59.06%	39.23%	37.87%	36.61%	36.61%
Management Effective Ownership	40.94%	60.77%	62.13%	63.39%	63.39%

Returns Summary							
Exit	IRR	MOIC	Sep-19	Dec-19	Dec-20	Dec-21	Dec-22
2019E	8.9%	1.02x	(25,440,000)	25,993,122	-	-	-
2020E	63.4%	1.85x	(25,440,000)	-	47,123,606	-	-
2021E	55.6%	2.71x	(25,440,000)	-	-	68,946,340	-
2022E	45.1%	3.36x	(25,440,000)	-	-	-	85,385,778
2023E	39.1%	4.07x	(25,440,000)	-	-	-	103,445,121

Returns Waterfall and Sensitivities

Returns Waterfall Detail

	Stub	Projected			
	9/30-12/31	2020E	2021E	2022E	2023E
EBITDA	3,216,569	10,658,569	16,773,944	20,644,921	23,909,244
Exit Multiple	10.00x	10.00x	10.00x	10.00x	10.00x
TEV	32,165,688	106,585,685	167,739,444	206,449,213	239,092,444
Less: Debt	(5,441,060)	(7,567,557)	(12,343,090)	(11,994,980)	(10,356,137)
Plus: Cash	5,784,324	7,432,792	10,781,405	20,719,883	35,766,570
Equity Value	32,508,952	106,450,920	166,177,758	215,174,115	264,502,877
Plus: Options Proceeds	-	2,185,185	4,370,370	6,555,556	6,555,556
Distributable Equity Value	32,508,952	108,636,105	170,548,129	221,729,671	271,058,433
Ownership (Shares)					
Valterra	24,000	24,000	24,000	24,000	24,000
Archie Filshill	14,165	14,165	14,165	14,165	14,165
Tom McGrath	19,760	19,760	19,760	19,760	19,760
Robert Schoen	1,075	1,075	1,075	1,075	1,075
Management Plan	-	2,185	4,370	6,556	6,556
Total Shares	59,000	61,185	63,370	65,556	65,556
Total Invested Capital					
Valterra (Round I)	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Valterra (Round II)	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Management	77,733	77,733	77,733	77,733	77,733
Cash Flow Waterfall					
Valterra Preference (Round I)	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Valterra Preference (Round II)	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Management Preference	77,733	77,733	77,733	77,733	77,733
Residual for Catch-Up	19,931,219	96,058,373	157,970,396	209,151,938	258,480,700
Valterra Catch-Up	1,993,122	4,980,453	5,338,987	5,706,503	5,706,503
Management Catch-up	17,938,097	44,824,081	48,050,883	51,358,527	51,358,527
Residual for Pro Rata Split	-	46,253,838	104,580,525	152,086,908	201,415,670
Pro Rata to Valterra	-	18,143,152	39,607,353	55,679,275	73,738,618
Pro Rata to Management	-	28,110,686	64,973,173	96,407,633	127,677,052
Residual	-	-	-	-	-
Total Proceeds to Valterra	25,993,122	47,123,606	68,946,340	85,385,778	103,445,121
Total MIP	-	4,290,575	12,555,043	23,322,967	28,255,843
Total Proceeds to Mgmt/Class A (excl. MIP)	18,015,830	68,721,925	100,546,745	124,520,926	150,857,468
Total Equity Value	44,008,952	120,136,105	182,048,129	233,229,671	282,558,433
Valterra Effective Ownership	59.06%	39.23%	37.87%	36.61%	36.61%
Management Effective Ownership	40.94%	60.77%	62.13%	63.39%	63.39%

Waterfall Commentary

- Step 1 – 50/50 split between Class A and Class B until \$1.4mm returned annually
- Step 2 – 1.0x return of \$24.0m Round I Valterra Investment
- Step 3 – 1.0x return of \$77k management investment
- Step 4 – **Catch Up** – Valterra receives 10% of all distributions after the return of capital until the Class A receives its unreturned capital
 - Note – this is an important return feature to Valterra as it allows Valterra to begin receive a return on its investment immediately after capital has been returned (increasing Valterra's effective ownership during catch up)
- Step 5 – Post catch-up, management incentive units are entitled to a portion of the waterfall based on Valterra's return, the balance is distributed pro rata among the Class A and Class B members according to their ownership percentages

Returns Sensitivities

		IRR Sensitivity Table						
Implied Fwd EBITDA Mult.		Exit Multiple						
		9.25x	9.50x	9.75x	10.00x	10.25x	10.50x	
Pre Money	8.27x	55,500,000	36.9%	37.6%	38.4%	39.1%	39.7%	40.4%

		MOIC Sensitivity Table						
Implied Fwd EBITDA Mult.		Exit Multiple						
		9.25x	9.50x	9.75x	10.00x	10.25x	10.50x	
Pre Money	8.27x	55,500,000	3.81x	3.89x	3.98x	4.07x	4.15x	4.24x

Industry Comparables

Valterra has assumed a 10.0x exit multiple in-line with building materials comps; however, given Aero's growth and margin profile, Valterra believes the Company will trade at significant premium

Commentary

- Given Aero's growth and margin profile, there are no exact comparable companies available currently traded on the market
 - Aero's 60%+ EBITDA margins and 50%+ EBIT margins are well in excess of its comparables margins of at or below 25% and 20%, respectively
- Valterra has selected large building materials companies as Aero's comp set; while the financial profiles of these comps are different, the underlying macroeconomic drivers are the same (construction, infrastructure spending)
- Aero's compset currently trades at a median LTM TEV/EBITDA multiple of 9.1x and a forward TEV/EBITDA multiple of 11.3x
- As such, Valterra has assumed an exit multiple for Aero of 10.0x although, given the high growth, high margin nature of the business, expects the Company to ultimately trade at a significant premium to this assumption

Key Investors in the Building Materials Industry



COMPARABLE COMPANY ANALYSIS

(In USD millions, except per share data)

Ticker	Name	TEV - Basic	Financial Metrics						Trading Multiples						
			EBITDA			EBIT			TEV/EBITDA - Basic			TEV/EBIT - Basic			
			FY	LTM	CY+1	FY	LTM	CY+1	FY	LTM	CY+1	FY	LTM	CY+1	
Building Materials															
NYSE:VMC	Vulcan Materials Company	17,090.4	951.3	1,041.8	1,128.3	645.3	707.3	768.3	20.1x	16.4x	15.1x	29.4x	24.2x	22.2x	
NYSE:USG	USG Corporation	6,644.0	499.0	468.0	555.9	367.0	321.0	357.6	11.7x	12.8x	12.0x	15.6x	17.9x	18.6x	
NYSE:TRN	Trinity Industries, Inc.	6,376.9	757.9	702.7	565.4	462.5	394.0	303.2	10.2x	9.1x	11.3x	15.8x	16.2x	21.0x	
NYSE:EXP	Eagle Materials Inc.	4,077.2	411.6	422.8	474.4	297.6	305.9	349.1	12.0x	8.8x	8.6x	15.9x	11.8x	11.7x	
NYSE:SUM	Summit Materials, Inc.	3,379.3	421.7	401.6	405.7	228.6	196.3	173.6	12.5x	8.4x	8.3x	22.9x	17.2x	19.5x	
Max			951.3	1,041.8	1,128.3	645.3	707.3	768.3	20.1x	16.4x	15.1x	29.4x	24.2x	22.2x	
Median			499.0	468.0	555.9	367.0	321.0	349.1	12.0	9.1	11.3	15.9	17.2	19.5	
Min			411.6	401.6	405.7	228.6	196.3	173.6	10.2	8.4	8.3	15.6	11.8	11.7	
Mean			608.3	607.4	625.9	400.2	384.9	390.4	13.3	11.1	11.1	19.9	17.4	18.6	

Project Rockaway Exit Strategy

Based on Aero's financial profile, differentiated product and acquisition offers/interest received to-date, Valterra believes that at exit the Company will have a broad universe of prospective buyers

Exit Rights for Valterra Investment

- Key to Valterra's investment philosophy is maintaining the ability to exit its positions in a timely manner so that its investors can be returned their capital and realize the proceeds of their investment
 - With many family- and multi- office clients, Valterra avoids situations where its capital can be tied up for indefinite periods of time
- In every transaction, Valterra negotiates the ability to exit its position at a series of different time hurdles. For the Aero transaction, Valterra has negotiated the following:
 - 3-Year Hurdle – after three years, Valterra has the right to sell its equity position to a third party if the Company is underperforming its business plan (defined as 30% below projections)
 - 5-Year Hurdle – after five years, Valterra conducts a strategic review with the Company to evaluate a sale. If the Company does not want to pursue a sale process, Valterra has the right to sell its own equity position to a third party free and clear.
 - 7-Year Hurdle – after seven years, Valterra has the right to drag the management team into a sale of the entire business. **The ability to force a sale of the Company as a minority shareholder is right that Valterra fought hard to win and one that is rarely given to a shareholder with less than 50% of the equity.**
- Valterra's business plan anticipates a sale after 5 years but, given the drag right Valterra has negotiated with the Company, the absolute maximum hold period for this investment will be 7 years at which point Valterra can force a sale of the whole Company if it chooses.

Universe of Potential Buyers

Financial Buyers

- With over \$20m of EBITDA at exit, Aero will fit squarely into the target range of middle market private equity buyers.
 - Furthermore, with 60%+ margins, low capex, double digit growth rates and non-cyclical end markets, Aero's financial profile makes it an ideal candidate for a leveraged buyout
 - Potential buyers include middle market buyout shops like LittleJohn, Oakhill, Snow Phipps, Arsenal, Wellspring Capital, Sentinel, etc.

Strategic Buyers

- Building Materials Companies – because Aero's products are sold primarily into the infrastructure construction market, it would be a natural fit as an acquisition target for the large building materials companies (e.g. Vulcan Materials, USG, Martin Mariotta, Trinity Industries, etc.). These Companies are already in the business of supplying aggregate, concrete, stone, sand etc. and would have the ability to push FGA to existing customers through established channels (at 60% margins)
- Glass Recycler Firms – Aero has already had several inbounds from large glass recycling firms about a potential acquisition (e.g. Strategic Materials Inc or "SMI"). Companies like SMI are limited in what types of glass they can recycle (typically large, color sorted). Aero is the first large scale, profitable process that can actually recycle 'dirty glass' making it a highly attractive acquisition to large glass recyclers.
- Expanded Shale / Geofoam Providers – because Aero will be replacing current lightweight alternatives like expanded shale and geofoam, it will naturally become a target as a defensive acquisition (Aero has already been approached by a large Geofoam provider about a potential JV).

Summary of Key Terms

STRICTLY PRIVATE AND CONFIDENTIAL

VALTERRA
PARTNERS

Project Rockaway II- Summary Term Sheet

Valterra Aero Holdings LLC

Item	Description
Entity	Valterra Aero Holdings LLC (“VAH”)
Managing Member	Valterra Partners, LLC (“Valterra”)
Investment Size	\$12.2mm (“Equity”)
Uses	<ul style="list-style-type: none"> • \$11.5mm investment into Aero Aggregates LLC as per Sources and Uses • \$0.69mm in Transaction Expenses and Valterra Fees
Transaction Fees	<ul style="list-style-type: none"> • Due Diligence Budget (Legal, Accounting and Tax): US\$230k
Governance	<ul style="list-style-type: none"> • Managing member responsible for management of VAH and has authority to make all related decisions • Valterra may not sell its interest in VAH while ever it is the Managing Member
Aero Manager Appointees	<ul style="list-style-type: none"> • One appointee to Aero, which shall be Scott Macintosh
Distributions	<p>Net cash flow to be distributed as follows:</p> <ul style="list-style-type: none"> • First, until the Class A Members and Class C Members have their capital returned and an 8% rolling IRR has been achieved, 100% to the Class A and Class C Members pro-rata based on their percentage interest • Second, to the Class C Members in an amount equal to their aggregate percentage interest and to Class B in an amount equal to 100% minus the Class C Aggregate percentage interest until Class B Members have received 20% of the cumulative distributions made to both Class A and Class B Members • Thereafter, for all amounts distributed to the Class A Members, Class B Members and Class C Members based on their sharing percentages
Valterra Fees	<ul style="list-style-type: none"> • Structuring fee: \$230k (2%) • Annual management fee of 2% of Equity (\$230k p.a.), 12 months prepaid at financial close
Pre-Emptive Rights	<ul style="list-style-type: none"> • All members to possess a right to participate pro-rata in all future capital calls by VAH • Valterra to possess the right to provide small short-term loans to VAH for unfunded operating expenses

Disclaimer

THE INFORMATION CONTAINED HEREIN IS PROVIDED FOR INFORMATIONAL AND DISCUSSION PURPOSES ONLY AND IS NOT, AND MAY NOT BE RELIED ON IN ANY MANNER AS, LEGAL, TAX OR INVESTMENT ADVICE OR AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY AN INTEREST IN ANY VALTERRA PARTNERS LLC ("VALTERRA") OR ANY OF VALTERRA'S AFFILIATES OR ACCOUNTS (EACH, A "FUND"). A PRIVATE OFFERING OF INTERESTS IN THE FUND WILL ONLY BE MADE PURSUANT TO THE CONFIDENTIAL SUBSCRIPTION DOCUMENTS (AS AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THE "SUBSCRIPTION DOCUMENTS"), WHICH WILL BE FURNISHED TO QUALIFIED INVESTORS ON A CONFIDENTIAL BASIS AT THEIR REQUEST FOR THEIR CONSIDERATION IN CONNECTION WITH SUCH OFFERING. THE INFORMATION CONTAINED HEREIN WILL BE SUPERSEDED BY, AND IS QUALIFIED IN ITS ENTIRETY BY, REFERENCE TO THE LIMITED LIABILITY COMPANY AGREEMENT OF THE FUND, AS MAY BE AMENDED AND / OR MODIFIED FROM TIME TO TIME, AND THE SUBSCRIPTION DOCUMENTS. IN CASE OF ANY INCONSISTENCY BETWEEN THE DESCRIPTIONS OR TERMS IN THIS DOCUMENT AND THE SUBSCRIPTION DOCUMENTS AND LIMITED LIABILITY COMPANY AGREEMENTS, THE SUBSCRIPTION DOCUMENTS AND THE LIMITED LIABILITY COMPANY AGREEMENTS SHALL CONTROL. ANY INDICATION OF INTEREST FROM PROSPECTIVE INVESTORS IN RESPONSE TO THIS PRESENTATION INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY STATEMENT CONCERNING THE FUND OTHER THAN AS SET FORTH IN THIS DOCUMENT AND THE SUBSCRIPTION DOCUMENTS AND ANY SUCH STATEMENTS, IF MADE, MAY NOT BE RELIED UPON. THE INFORMATION CONTAINED HEREIN MUST BE KEPT STRICTLY CONFIDENTIAL AND MAY NOT BE REPRODUCED OR REDISTRIBUTED IN ANY FORMAT WITHOUT THE EXPRESS WRITTEN APPROVAL OF THE FUND. THIS SUMMARY DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO SELL OR AN OFFER TO BUY ANY SECURITIES AND MAY NOT BE USED OR RELIED UPON IN CONNECTION WITH ANY OFFER OR SALE OF SECURITIES. THE INFORMATION SET FORTH HEREIN DOES NOT PURPORT TO BE COMPLETE. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INVESTIGATIONS AND EVALUATIONS OF THE INFORMATION CONTAINED HEREIN AND SHOULD CONSULT THEIR OWN ATTORNEYS, BUSINESS ADVISORS AND TAX ADVISORS AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE INFORMATION CONTAINED HEREIN. THIS PRESENTATION WILL ONLY BE MADE AVAILABLE TO PERSONS OR ENTITIES WHO ARE 'ACCREDITED INVESTORS' UNDER THE SECURITIES ACT OF 1933, AS AMENDED. AN INVESTMENT IN THE FUND IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS AND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISKS INHERENT IN SUCH AN INVESTMENT.

IN CONSIDERING ANY PERFORMANCE DATA CONTAINED HEREIN, YOU SHOULD BEAR IN MIND THAT PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE COMPARABLE RESULTS. IN ADDITION, THERE CAN BE NO ASSURANCE THAT UNREALIZED INVESTMENTS WILL BE REALIZED AT THE VALUATIONS SHOWN AS ACTUAL REALIZED RETURNS WILL DEPEND ON, AMONG OTHER FACTORS, FUTURE OPERATING RESULTS, THE VALUE OF THE ASSETS, MARKET CONDITIONS AT THE TIME OF DISPOSITION, ANY RELATED TRANSACTION COSTS AND THE TIMING AND MANNER OF SALE, ALL OF WHICH MAY DIFFER FROM THE ASSUMPTIONS ON WHICH THE VALUATIONS CONTAINED HEREIN ARE BASED. THE IRRS PRESENTED ON A 'GROSS' BASIS DO NOT REFLECT ANY MANAGEMENT FEES, CARRIED INTEREST, TAXES AND ALLOCABLE EXPENSES BORNE BY INVESTORS, WHICH IN THE AGGREGATE MAY BE SUBSTANTIAL. ALL IRRS PRESENTED ARE ANNUALIZED AND CALCULATED ON THE BASIS OF DAILY OR MONTHLY INVESTMENT INFLOWS AND OUTFLOWS. NOTHING CONTAINED HEREIN SHOULD BE DEEMED TO BE A PREDICTION OR PROJECTION OF FUTURE PERFORMANCE OF THE FUND. NET IRRS AND NET ROIS, WHICH ARE CALCULATED AFTER SUCH FEES, EXPENSES, MANAGEMENT FEES, ORGANIZATIONAL EXPENSES, PARTNERSHIP EXPENSES, TAXES AND THE GENERAL PARTNER'S ALLOCATION OF PROFIT (BUT BEFORE WITHHOLDINGS INCURRED BY THE LIMITED PARTNERS DIRECTLY OR INDIRECTLY THROUGH WITHHOLDINGS BY A FUND), WILL BE MATERIALLY LOWER. INTERESTS IN THE FUND MAY BE ILLIQUID, AS THERE IS NO SECONDARY MARKET FOR INTERESTS IN THE FUND AND NONE IS EXPECTED TO DEVELOP. THERE ARE RESTRICTIONS ON TRANSFERRING INTERESTS IN THE FUND. INVESTMENTS MAY BE LEVERAGED AND THE INVESTMENT PERFORMANCE MAY BE VOLATILE. BEFORE DECIDING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD READ AND PAY PARTICULAR ATTENTION TO THE RISK FACTORS CONTAINED HEREIN. THE FEES AND EXPENSES CHARGED IN CONNECTION WITH AN INVESTMENT IN THE FUND MAY BE HIGHER THAN THE FEES AND EXPENSES OF OTHER INVESTMENT ALTERNATIVES AND MAY OFFSET PROFITS. INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISK CHARACTERISTICS OF THE FUND. EXCEPT WHERE OTHERWISE INDICATED HEREIN, THE INFORMATION PROVIDED HEREIN IS BASED ON MATTERS AS THEY EXIST AS OF THE DATE OF PREPARATION, AND WILL NOT BE UPDATED OR OTHERWISE REVISED TO REFLECT INFORMATION THAT SUBSEQUENTLY BECOMES AVAILABLE, OR CIRCUMSTANCES EXISTING OR CHANGES OCCURRING AFTER THE DATE OF PREPARATION OF THIS PRESENTATION. CERTAIN INFORMATION CONTAINED IN THIS PRESENTATION HAS BEEN OBTAINED FROM THIRD PARTY SOURCES OUTSIDE OF VALTERRA. WHILE SUCH INFORMATION IS BELIEVED TO BE RELIABLE FOR THE PURPOSES USED HEREIN, IT HAS NOT BEEN INDEPENDENTLY VERIFIED AND NEITHER VALTERRA, NOR ANY OF ITS AFFILIATES OR PARTNERS, MEMBERS OR EMPLOYEES, ASSUME ANY RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION.

CERTAIN INFORMATION CONTAINED IN THIS PRESENTATION CONSTITUTES 'FORWARD-LOOKING STATEMENTS,' WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS 'MAY,' 'WILL,' 'SHOULD,' 'EXPECT,' 'ANTICIPATE,' 'TARGET,' 'PROJECT,' 'ESTIMATE,' 'INTEND,' 'CONTINUE' OR 'BELIEVE,' OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THESE STATEMENTS ARE ONLY PREDICTIONS BASED ON CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. DUE TO VARIOUS RISKS AND UNCERTAINTIES, ACTUAL EVENTS OR RESULTS OR THE ACTUAL PERFORMANCE OF THE FUND MAY DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. ALTHOUGH WE BELIEVE THE EXPECTATIONS REFLECTED IN THE FORWARD-LOOKING STATEMENTS ARE REASONABLE, WE CANNOT GUARANTEE FUTURE RESULTS, LEVEL OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS. MOREOVER, NEITHER WE NOR ANY OTHER PERSON ASSUME RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF ANY OF THESE FORWARD-LOOKING STATEMENTS OR HAVE ANY DUTY TO UPDATE SUCH FORWARD-LOOKING STATEMENTS. INVESTORS SHOULD NOT RELY ON FORWARD-LOOKING STATEMENTS IN MAKING THEIR INVESTMENT DECISIONS.

AN INVESTMENT IN THE FUND HAS NOT BEEN RECOMMENDED OR APPROVED BY ANY U.S. FEDERAL OR STATE OR ANY NON-U.S. SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PRESENTATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE DISTRIBUTION OF THIS PRESENTATION IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. THIS PRESENTATION IS ONLY DIRECTED AT PERSONS TO WHOM IT MAY BE LAWFULLY DISTRIBUTED, AND ANY INVESTMENT ACTIVITY TO WHICH THIS PRESENTATION RELATES WILL ONLY BE AVAILABLE TO SUCH PERSONS. IT IS THE RESPONSIBILITY OF ANY POTENTIAL INVESTOR TO SATISFY ITSELF AS TO THE FULL COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION, INCLUDING OBTAINING ANY GOVERNMENTAL OR OTHER CONSENT AND OBSERVING ANY OTHER FORMALITY PRESCRIBED IN SUCH JURISDICTION. ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

THESE MATERIALS ARE BEING PROVIDED ON THE EXPRESS BASIS THAT THEY AND ANY RELATED COMMUNICATIONS (WHETHER WRITTEN OR ORAL) WILL NOT CAUSE A FUND TO BECOME AN INVESTMENT ADVICE FIDUCIARY UNDER ERISA OR THE INTERNAL REVENUE CODE WITH RESPECT TO ANY RETIREMENT PLAN OR IRA INVESTOR. AS THE RECIPIENTS ARE FULLY AWARE THAT THE MANUFACTURER (I) IS NOT UNDERTAKING TO PROVIDE IMPARTIAL INVESTMENT ADVICE, MAKE A RECOMMENDATION REGARDING THE ACQUISITION, HOLDING OR DISPOSAL OF AN INVESTMENT, ACT AS AN IMPARTIAL ADVISER, OR GIVE ADVICE IN A FIDUCIARY CAPACITY, AND (II) HAS A FINANCIAL INTEREST IN THE OFFERING AND SALE OF ONE OR MORE PRODUCTS AND SERVICES, WHICH MAY DEPEND ON A NUMBER OF FACTORS RELATING TO THE FUND'S INTERNAL BUSINESS OBJECTIVES, AND WHICH HAS BEEN DISCLOSED TO THE RECIPIENT. NOTHING SET FORTH HEREIN OR ANY INFORMATION CONVEYED (IN WRITING OR ORALLY) IN CONNECTION WITH THESE MATERIALS IS INTENDED TO CONSTITUTE A RECOMMENDATION THAT ANY PERSON TAKE OR REFRAIN FROM TAKING ANY COURSE OF ACTION WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION §2510.3-21(B)(1), INCLUDING WITHOUT LIMITATION BUYING, SELLING OR CONTINUING TO HOLD ANY SECURITY. NO INFORMATION CONTAINED HEREIN SHOULD BE REGARDED AS A SUGGESTION TO ENGAGE IN OR REFRAIN FROM ANY INVESTMENT-RELATED COURSE OF ACTION AS NONE OF VALTERRA PARTNERS LLC NOR ANY OF ITS AFFILIATES IS UNDERTAKING TO PROVIDE INVESTMENT ADVICE. ACT AS AN ADVISER TO ANY PLAN OR ENTITY SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, INDIVIDUAL RETIREMENT ACCOUNT OR INDIVIDUAL RETIREMENT ANNUITY, OR GIVE ADVICE IN A FIDUCIARY CAPACITY WITH RESPECT TO THE MATERIALS PRESENTED HEREIN. YOU ARE ADVISED TO CONTACT YOUR OWN FINANCIAL ADVISOR OR OTHER FIDUCIARY UNRELATED TO FUND ABOUT WHETHER ANY GIVEN COURSE OF ACTION MAY BE APPROPRIATE FOR YOUR CIRCUMSTANCES. THE INFORMATION PROVIDED HEREIN IS INTENDED TO BE USED SOLELY BY THE RECIPIENT IN CONSIDERING THE PRODUCTS OR SERVICES DESCRIBED HEREIN AND MAY NOT BE USED FOR ANY OTHER REASON, PERSONAL OR OTHERWISE.

ALL RIGHTS TO THE TRADEMARKS LISTED HEREIN BELONG TO THEIR RESPECTIVE OWNERS AND VALTERRA'S USE HEREOF DOES NOT IMPLY ANY AFFILIATION WITH, OR ENDORSEMENT BY, THE OWNERS OF THESE TRADEMARKS.

DRAFT – STRICTLY PRIVATE AND CONFIDENTIAL

Valterra Aero Holdings, LLC

Investor Update

October 2019

VALTERRA
PARTNERS

VAH Investor Update



Aero Aggregates of North America has experienced strong growth to date which has significantly de-risked the Valterra Aero Holdings investment

- As part of the proposed capital raising process, Valterra wanted to update Valterra Aero Holdings, LLC (“VAH”) investors regarding the current operating performance at Aero Aggregates of North America, LLC (“Aero”)
- Overall, Aero has experienced very strong growth in 2019, validating our investment thesis, and continues to build into an even stronger 2020
- Operating performance at Aero have been in line with the projections, reflecting significant growth as expected
 - Expected volume for 2019 projects forecast to be ~134,000 CY, vs. 145,000 CY in the original projections
 - Compares to 18,500 CY in 2018 and reflects the significant momentum built by the company over the course of the year
 - 105,000 CY of this volume expected to be purchased and shipped in calendar 2019, remainder is contracted and scheduled for Jan/Feb 2020 shipment, all related to jobs where shipping has already commenced in 2019
 - For example, for Rhode Island Routes 6/10 the first 10,000 CY are installed and the second 10,000 are purchased and scheduled for installation, however the construction firm changed plans to build a bridge before building the second approach, pushing the FGA product into 2020 for shipping
 - Actual volume shortfall of 11,000 CY in large part due to engineering adjustments on certain projects reducing the final total of FGA required
 - EBITDA for 2019 (based on 130,000 CY volume) estimated to be \$5.3mm. vs. \$6.7mm in the projection
 - Represents significant de-risking of VAH’s investment from a downside perspective (\$1.1mm LTM EBITDA at time of close)
 - Variance to projection driven by: a) lower volume than plan as described above, b) small variance in price per cubic yard impacted by freight charges to long-distance projects, c) a delay in the start-up of kiln #2 in 2019
- The 2020 pipeline is strong and will require capacity growth in the near term aided by the capital raising
 - Current gross pipeline of 390,000 CY in 2020, 1.6x the 250,000 CY forecast in the original projections (excludes the 28,800 CY in early 2020 attributed to 2019)
 - Philadelphia Airport, Paulsboro LNG and NYC pier projects all represent large projects requiring significant volume and certainty over Aero’s ability to supply
 - Gordie Howe scheduled for first tranche in 2020 with Michigan DOT approval process well underway
- We at Valterra are pleased with the results six month into our actual hold period and are looking forward to continued growth in 2020
 - Solidly EBITDA and cash flow positive, a great position for a company at this stage
 - Numerous high profile projects completed in 2019 adding to a growing and formidable track record: I-95 (PA), Route 6/10 connector (RI), Nassau Expressway (NY), Logan Airport (MA), Route 7 (NJ) just to name a few
 - Visible growth trajectory through a growing project pipeline, requiring VAH’s support on the capacity front
 - Growing awareness and increasing repeat usage by contractors and engineering firms
- The following slides provide further detail on volume and earnings bridges

2019 Volume Bridge

Due to the nature of infrastructure projects, 28,800 CYs of the volume that was budgeted for 2019 will move into early 2020; All of these projects have already started shipping in 2019, however part of the volume will move to the following year

Commentary

Shipped or Shipping in 2019 – 60,000 CY

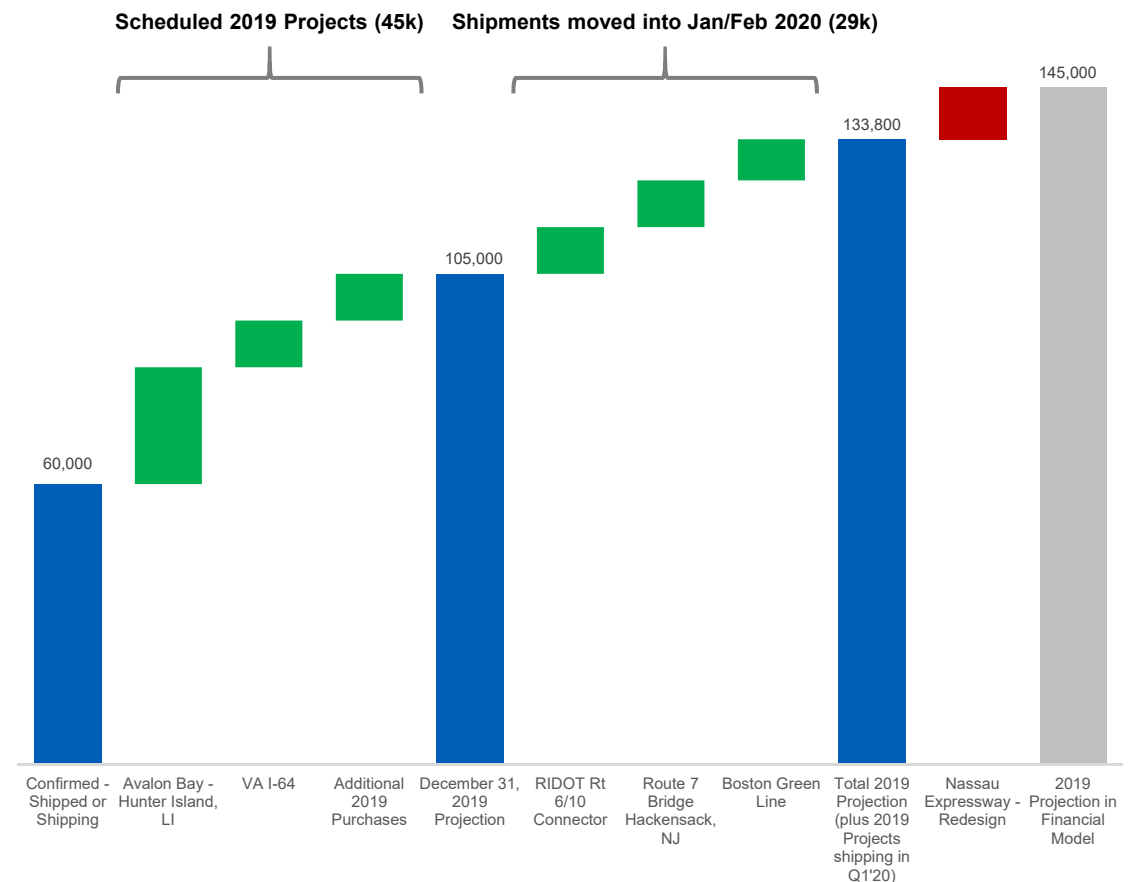
Scheduled 2019 Projects (Year-to-Go) – 45,000 cubic yards

- Avalon Bay / Hunter Island, NY – 25,000 CY
- Virginia Interstate 64, VA – 10,000 CY
- Airport and/or New Jersey Storage project – 10,000 CY

Shipments moved into January/February 2020 – 28,800 cubic yards

- All of these projects have moved the shipment date of a portion of their total volume into early 2020 to align with their updated construction schedule. This is typical for large scale infrastructure projects. This is purely a delay in timing and does not present a risk to the volume of FGA
- Rhode Island – 6/10 Connector – 10,000 CY
 - The total purchase order in hand for this project is over 20,000 CYs of which 10,000 CY has shipped in 2019. This first shipment was for the first of two on-ramps.
 - The second 10,000 CY will ship in early 2020 for the second on-ramp. The contractor is currently completing the steel work for this second on-ramp.
- Route 7 Bridge – Hackensack, NJ – 10,000 cubic yards
 - The project began shipping in 2019, however the remainder of this project will ship in early 2020 to align with the updated construction schedule
- Boston Green Line – 8,800 CY
 - Major infrastructure project in Boston; portion has already shipped in 2019 with the remainder shipping in early 2020.
- Nassau Expressway
 - Project redesign reduced order from 27,000 CY to 13,000 CY for 2019 (NY State DOT redesigned project so that FGA was only needed under on-ramps)
 - That said, there will be an incremental 7,000CY from Nassau coming later in 2020 when contractor begins construction on the second on-ramp (not shown)

Bridge to 2019 Volume Target



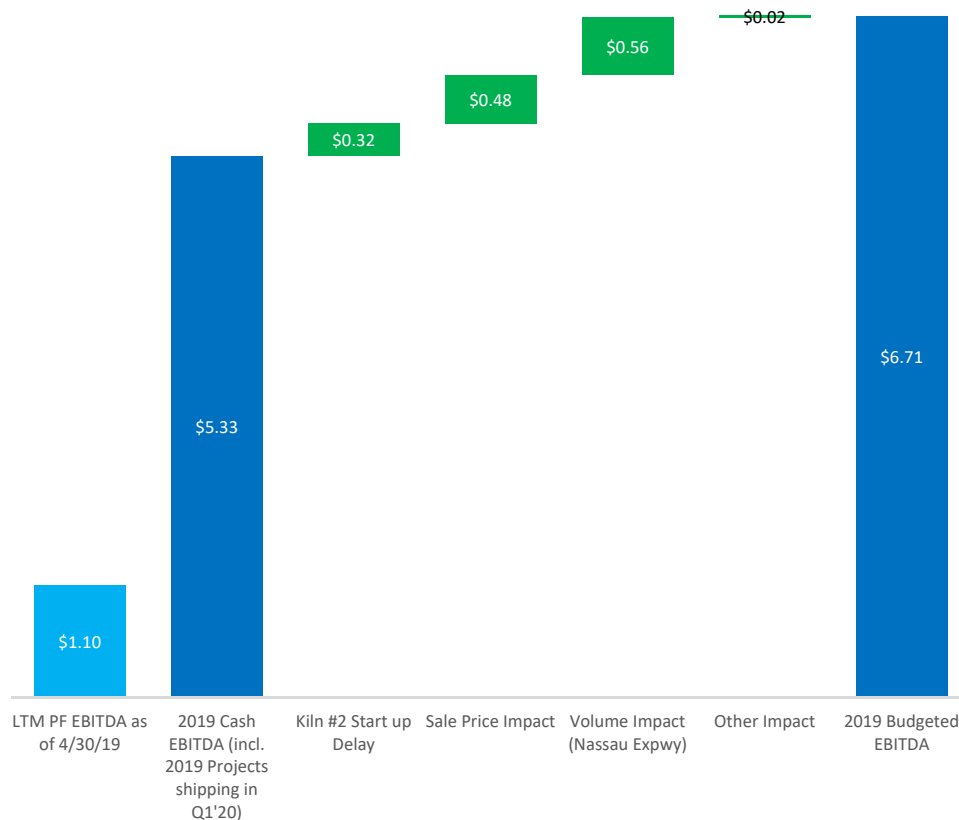
Reforecast EBITDA Bridge

While the Company has not lost any major projects, a handful have pushed out from Q4 2019 to Q1 2020; the chart below reconciles new reforecast to original budget

Commentary

- 2019 Cash EBITDA (Incl. 2019 Projects Pushing in Q1)** – \$5.33mm represents projected EBITDA for all projects where the Company has shipping dates and includes 2019 projects that have pushed out in early 2020; although this is \$1.4m below our projected EBITDA of \$6.7m for the first 12 months, it still represents a ~5x increase from LTM EBITDA at close
- Kiln #2 Start up Delay** – due to a back-end weighted project schedule and delay in second close to July, Company had to delay kiln #2 start-up increasing cost per CY from \$27.7/CY to \$40.00/CY (results from overhead being spread over one kiln of volume rather than two)
- Sale Price Impact** – average sale price of \$77.20/CY versus projected \$80.00/CY. Note average actual sale price was \$86.50, however freight costs were higher given the distance of certain projects, which was not always able to be 100% passed on to customers, resulting in a slightly lower net price
- Volume Impact** – Company has shipping dates for ~134k CY of projects through Q1 compared to first 12 months budget of 145k CY; variance driven by primarily by Nassau Expressway redesign
- Budgeted EBITDA** – **\$6.71mm original budget for first 12 months post investment (note, original model budgets \$6.71m of EBITDA as of December 2019; however, the model also assumed an investment date of 12/31/2018. Given the first close was not completed until April 2018, we believe the Company is still tracking to plan)**

Projected vs. Budgeted EBITDA Bridge



Annexure C – Underlying Term Sheet

TERM SHEET
FOLLOW-ON INVESTMENT IN AERO AGGREGATES OF NORTH AMERICA, LLC

This is a non-binding and indicative term sheet for discussion purposes only. This term sheet is not intended to be legally binding on Valterra Aero Holdings, LLC (“Valterra”) and Aero Aggregates of North America, LLC (“Aero”) or any of its shareholders or to give rise to legal rights of obligations, except as specified in the Exclusivity and Confidentiality clauses below, which are binding commitments. This term sheet does not constitute a binding undertaking or representation concerning the subject matter of the term sheet, even if the parties subsequently work together and take action or refrain from taking action on the assumption or in the expectation that any documents in connection with a possible transaction concerning the subject matter of the term sheet will be executed.

Conditions required for Valterra to undertake an investment include, without limitation, completion of satisfactory due diligence, execution of satisfactory documentation and receipt of all necessary external, internal and regulatory approvals. It should be noted that this term sheet contains a summary of the indicative key commercial terms and conditions and remains subject to review.

Company	AeroAggregates of North America, LLC (“Aero” or the “Company”)
Current Company Capitalization	<ul style="list-style-type: none"> • Class A membership interests (“Class A”), held exclusively by Archie Filshill (“Filshill”), Tom McGrath (“McGrath”) and Robert Schoen (“Schoen”) through AeroAggregates, LLC representing 77.5% of pre-Transaction membership interests (together, “Existing Shareholder Group” or “Executive Management Team”); • Class B membership interests (“Class B”), held exclusively by Valterra Aero Holdings, LLC representing 22.5% of the pre-Transaction membership interests; and • Class C membership interests to be issued in conjunction with the MIP (as outlined below).
Valterra Investment	\$11.5mm in newly created additional Class B membership interests in the Company (“Class B”) (the “Transaction”).
Uses of Valterra Investment	<p>The Valterra Investment will be utilized by the Company as follows:</p> <ul style="list-style-type: none"> • \$6.0mm distribution to Filshill in consideration of the purchase of Class A membership interests; • \$2.0mm distribution to McGrath in consideration of the purchase of Class A membership interests; and • \$3.5mm cash to provide funding for a) either an expansion of the Eddystone plant and/or the establishment of a second facility in either Massachusetts, the Detroit area or the Gulf Coast or as determined by the Board of Managers; and b) ongoing working capital requirements of the Company; investment subject to mutually agreed upon Disbursement Schedule (defined below) to be developed jointly by Valterra and Class A members
Pre-Money Equity Valuation	Valterra’s pre-money equity valuation for the Company is \$45.0mm, unchanged

	<p>from the transaction in which Valterra’s original Class B units were acquired.</p>
<p>Post Valterra Investment, Post Conversion Equity Ownership (“Equity Ownership”)</p>	<ul style="list-style-type: none"> • Class A members: 59.3% • Valterra as Class B members: 40.7% <p>Ownership interests outlined above do not account for any dilution from the Management Incentive Plan (defined below).</p> <p>As a condition precedent to the Transaction, the Existing Shareholder Group will consent to the requisite number of Class A and Class B shares being issued to effect the above membership interest splits immediately post the Transaction.</p>
<p>Aero Board of Directors (“Board”)</p>	<p>The Aero Board of Managers shall consist of:</p> <ul style="list-style-type: none"> • Archie Filshill • Tom McGrath • Class A Member Nominee (currently Schoen) • Class B Member (Valterra) Nominee (currently Scott Macintosh) • Class A and Class B (Valterra) Members can each appoint two (2) observers to the Board of Managers
<p>Management Incentive Plan (“MIP”)</p>	<ul style="list-style-type: none"> • The Company has currently put in place a MIP (which shall be a profits interests for income tax purposes) which will provide certain Company employees (both current and future) with a future profits interest. • The MIP is structured as a tiered profits interest plan providing management with a percentage of the equity upside. The thresholds of the plan are based upon a multiple-of-money (“MoM”) received by Valterra during its investment hold period. For the avoidance of doubt, the MoM to Valterra shall be calculated as the sum of all dividends, tax distributions, interest, proceeds and/or other payments to Valterra <i>divided by</i> the Valterra Investment amount. • The thresholds and vesting schedule for the MIP are as follows: <ul style="list-style-type: none"> • 3.33% of profits above 1.0x MoM, time vesting annually over a 5 year period and fully vesting at exit • 3.33% of profits above 2.0x MoM, fully vesting at exit • 3.33% of profits above 3.0x MoM, fully vesting at exit • Each threshold represents an incremental percentage of profits for a total potential profits interest plan of 10% • Profit is calculated as the amount paid to all classes of shareholders after all shareholders have been returned their initial investment • At exit, the then value of the MIP will be paid to Management as part of the Cash Flow Waterfall (defined below) applied to the proceeds of the sale of substantially all of the assets of or membership interests in the Company. • The MIP has been allocated among magement of the existing management group [Filshill, McGrath, Schoen, etc]. If new participants in the MIP are added, all existing participants in the MIP will be diluted on a pro rata basis. • The Company will provide a market-based 401k Plan for Aero employees

Governance

- The Board shall hold regular meetings to address the Company business. Such meetings shall be attended by all Board members (or their nominated alternate) and shall occur as often as necessary in order to manage the business; provided that such meetings shall occur not less than quarterly unless agreed otherwise. Board meetings shall be held in Philadelphia (Aero Aggregates headquarters or at another location in Philadelphia at the choosing of the Executive Management Team) unless an alternate site is agreed in advance.
- Unanimous consent of the Board of those present at any meeting, it being agreed that a minimum of two (2) board members shall be required to constitute a quorum, at least one (1) of which must be from management and at least one (1) of which must be from the Valterra Group, shall be required for certain “Major Decisions”; including, without limitation:
 - Annual budget approval (including capex) and material deviations from budget as determined in quarterly reviews (to the extent that the members cannot agree on a budget line item in a proposed budget, that line item will be increased by 10% over the prior year’s budget amount) and a provision shall be made for the opening of operating plants as per the applicable year in the Aero Business Plan if there is adequate funds in the business to support it;
 - Material Contracts in excess of \$250,000;
 - Incur any indebtedness, pledge or grant liens on any assets or guarantee, assume, endorse or otherwise become responsible for the obligations of any other person in excess of \$200,000 in a single transaction or in excess of \$400,000 in the aggregate annually;
 - Making distributions, annual or special, to members (other than tax distributions) that are not issued pro rata to all members and accordance with Cash Flow Waterfall;
 - Raising of new third-party capital through equity and/or hybrid issuance and/or the creation of any new class of equity;
 - The purchase, redemption or other acquisition of Class A and / or Class B units;
 - Allocate, grant, expand or modify the incentive unit pool as defined in the Management Incentive Plan or the creation of any new profit sharing, option, incentive or equity-like program, and the issuance of any profit share or equity interests in the Company, whether under such program or otherwise;
 - Make a loan to or advance to, or a capital contribution or investment in, any person, that is outside the scope of Aero’s core business except senior management may agree to a maximum \$15,000 loan per employee with repayment plan for select employees as determined by senior management;
 - Engage in activities or business outside of the ordinary course of lightweight aggregate business which shall include affiliated activities using foam glass aggregate in other markets such as foam blocks, foam glass concrete, filtration and landscaping activities, or activities related to glass pozzolan;
 - Purchase or acquire any assets or securities outside the ordinary course of business (except for treasury management of cash accounts)
 - Decisions with respect to the bringing of actions by the Company or

	<p>the settlement of litigation by or against the Company if more than \$20,000;</p> <ul style="list-style-type: none"> • Changes in accounting policies that are not consistent with United States Generally Accepted Accounting Principles (GAAP); • Engage in a merger, consolidation or sale, lease or exchange of all or substantially all of the assets of Aero (whether in a single transaction or series of related transactions); and • Engage in a sale, lease or exchange of the assets of the Aero outside the ordinary course of business. • Any bankruptcy, insolvency, receivership or any similar proceeds • Amend, modify or waive any provision of a mutually agreed upon operating agreements to be signed at closing of the Transaction; • Any amendment, revision, addition or waiver of the terms of any of these Major decisions <ul style="list-style-type: none"> • Reporting and access rights to include, without limitation: <ul style="list-style-type: none"> • Access to Aero management accounting system; • Monthly management accounts with MD&A (Valterra and senior management to agree on streamlined form) and cash reconciliation; • Quarterly financial statements; • Draft and final annual financial statements (audited if completed for lenders, regulators or other third parties); • All pipeline, revenue, contracts and other reports on a monthly basis; and • Full access to Aero staff, offices and any related facilities.
<p>Pre-Emptive Rights</p>	<ul style="list-style-type: none"> • Valterra shall possess the first right to all future equity, equity-like or hybrid capital raised by the Company on a pro-rata basis; • Class A and Class B members agree that any additional equity, equity-like or hybrid capital raised on or before the 18 month anniversary of Valterra Investment will be completed at a valuation that is equal to the Equity Valuation, unless additional capital is to be utilized for plant expansion purposes outside of the Aero Business Plan due to outperformance of the Company and a requirement for additional production capacity within the Company. In this circumstance, the additional capital investment will be completed at Fair Market Value (mechanism for determination to be agreed in full documentation). • The Executive Management Team, as Class A Members reserve the right to sell up to 25% of their individual shares in the future. Class B Member (Valterra) will have the right to acquire these shares at Fair Market Value (as above, mechanism for determination to be agreed in full documentation). If the Class B Member does not take up this right, then the Class A Members can sell these shares to a third party, however the shares that are sold to the third party will be converted to a separate class of non-voting share so as not to interfere with any of the governance provisions. The sale will also not alter the regulatory reporting requirements of the Company (SEC or the like).
<p>Exit</p>	<ul style="list-style-type: none"> • Right of first offer: At any time on or after the third anniversary of the close of the Valterra Investment, and where the Company has experienced material underperformance relative to the Aero Business Plan or 2) after

	<p>the 5th anniversary of the Valterra Investment (the “ROFO Trigger”), Valterra may seek to sell all or any portion of its membership interests in the Company, provided that Existing Shareholder Group or the Company are provided a 30-day period in which they shall have the exclusive option to enter a letter of intent to acquire such membership interests from Valterra, followed by a 90-day period of exclusivity to close on the agreed transaction (to be extended by Valterra based upon demonstration of progress). Should Valterra and the Existing Shareholder Group not enter a LOI or should the Existing Shareholder Group not close on a transaction, any subsequent transaction may not be offered to or agreed with any third party purchaser on terms more favorable to such third party purchaser than offered by the member that exercised its right of first offer (the “ROFO”). After the fifth anniversary of the Valterra Investment, the ROFO Triggers will no longer apply.</p> <ul style="list-style-type: none"> • Mutual Exit: After the fifth anniversary of the close of the Valterra Investment, Valterra and the Existing Shareholder Group agree to jointly conduct a strategic review process, including a valuation of the Company. At the conclusion of the strategic review: a) the parties may agree to jointly market the Company for an outright sale of 100% of the equity interests, b) either of the Existing Shareholder Group or Valterra may enact a buy-sell provision at not less than the valuation calculated in the strategic review process, or c) the parties may jointly agree to take no action based upon the strategic review outcomes. • Drag Right: After the seventh anniversary of the close of the Valterra Investment, and following the offer of a ROFO to the other party, either Valterra or the Existing Shareholder Group may, subject to mutually agreed valuation thresholds, drag the other party’s equity interest into an outright sale of 100% of the equity interests in the Company
<p>Cash Flow Waterfall</p>	<ul style="list-style-type: none"> • Standard tax distribution requirement requiring available cash to be distributed to cover income and capital gains tax amounts in each fiscal year; • For all distributions declared under the Governance provisions above from annual cash flow, from an Exit, liquidation / winding-up or a special dividend, cash flow shall be distributed as follows: <ul style="list-style-type: none"> • 50% to Class A Members and 50% to Valterra Class B members for the first \$1.4mm in distributions annually, then: • 100% to Valterra as Class B members until such time as the Valterra investment has been repaid in full; then • 100% to Class A members until such time as the Class A members’ investment has been repaid in full; then • 90% to Class A members and 10% to Class B members until such time as Class A members have caught up to their pro rata percentage of the total distributions. • All additional amounts to be distributed to Class A, Class B and MIP investors according to their respective pro-rata Equity Ownership.
<p>Management Non-Compete</p>	<p>For as long as Valterra is a shareholder, Management and other staff as agreed by Aero and Valterra agree until the later of April 26, 2021 or 12 months after their service to the Company has ceased to (i) non-compete arrangement for North America; (ii) a non-solicitation agreement with respect to employees,</p>

	lessors and customers of the Company, and (iii) a non-disparagement agreement with respect to the Company, Valterra and its directors and officers.
Annual Audit	The accounts of Valterra shall be audited annually beginning with the year ended December 31, 2019.

CONFIDENTIALITY: Each party shall maintain in strict confidence this non-binding Term Sheet, the fact that the parties are discussing a possible transaction, and all business information, trade secrets, and other confidential information which is disclosed by the other party (all "Confidential Information"). Confidential Information may be shared only with those employees and advisors who reasonably need to receive the information and may be used only for the purposes contemplated by this Term Sheet. In the event that the parties do not proceed to engage in a transaction, the parties agree to return and/or destroy the Confidential Information received from the other party.

**VALTERRA PARTNERS, LLC as Manager of
VALTERRA AERO HOLDINGS, LLC**

By: 

Name: Scott Macintosh

Title: Managing Partner

Date: October 31, 2019

By: 

Name: Drew Reid

Title: Managing Partner

Date: October 31, 2019

Appendix A

Transaction Overview

Sources and Uses

Sources	Amt. \$	LTM Mult.
New Debt	-	3.75x
Valterra Equity Funding	12,190,000	3.75x
Additional Class A Equity	-	3.75x
	-	3.75x
Rolled Equity	-	3.75x
Archie Filshill	-	-
Tom McGrath	-	-
Robert Schoen	-	-
Total Sources	12,190,000	3.75x
LTM PF Adj. EBITDA	3,249,381	

Memo: Total Equity Funding to Company
Memo: Round | Valterra Fundings

Pre Money Valuation and Capitalization

Valuation	LTM	Forward
EBITDA	3,249,381	6,712,791
Multiple	18.50x	8.95x
TEV	60,112,713	60,112,713

Less: Net Debt (4,612,713) (4,612,713)
Equity Value 55,500,000 55,500,000

Capitalization

	LTM	
	Amt. \$	Mult.
Line of Credit	1,135,000	0.35x
QNB Bank Loan	2,898,764	1.24x
Closed Loop Fund	2,727,273	2.08x
Total Debt	6,761,037	2.08x
Less: Cash (2,149,324)		
Total Net Debt	4,612,713	1.42x
Equity	55,500,000	18.50x
TEV	60,112,713	18.50x
LTM PF Adj. EBITDA	3,249,381	

Uses	Amt. \$	LTM Mult.
Secondary Share Purchase	8,000,000	2.46x
Archie Filshill	6,000,000	-
Tom McGrath	2,000,000	-
Robert Schoen	-	-
Repay Outstanding Loan	-	2.46x
Cash to Balance Sheet	3,500,000	3.54x
Transaction Expenses	690,000	3.75x
Total Uses	12,190,000	3.54x
LTM PF Adj. EBITDA	3,249,381	

Post Money Valuation and Capitalization

Valuation	LTM	Forward
PF EBITDA	3,249,381	6,712,791
Multiple	18.50x	8.95x
TEV	60,112,713	60,112,713

Less: Net Debt (1,112,713) (1,112,713)
Equity Value 59,000,000 59,000,000

Capitalization

	LTM	
	Amt. \$	Mult.
Line of Credit	1,135,000	0.35x
QNB Bank Loan	2,898,764	1.24x
Closed Loop Fund	2,727,273	2.08x
Total Debt	6,761,037	2.08x
Less: Cash (5,648,324)		
Total Net Debt	1,112,713	0.34x
Equity	59,000,000	18.50x
TEV	60,112,713	18.50x
LTM PF Adj. EBITDA	3,249,381	

PF Ownership Summary

Existing Ownership %	Amt. \$	% Ownership	Capital Accounts
Archie Filshill	20,164,644	36.3%	20,164,644
Tom McGrath	21,759,983	39.2%	21,759,983
Robert Schoen	1,075,372	1.9%	1,075,372
Valterra Equity Funding	12,500,000	22.5%	12,500,000
Additional Class A Equity	-	0.0%	-
Total	55,500,000	100.0%	55,500,000
Equity Repayment (Pre-Roll)	Amt. \$	Split %	Post Transaction
Archie Filshill	6,000,000	75.0%	14,164,644
Tom McGrath	2,000,000	25.0%	19,759,983
Robert Schoen	-	0.0%	1,075,372
Valterra Equity Funding	-	0.0%	12,500,000
Additional Class A Equity	-	0.0%	-
Total	8,000,000	100.0%	47,500,000

Equity Rolled

	Amt. \$	% Rolled
Archie Filshill	-	-
Tom McGrath	-	-
Robert Schoen	-	-
Valterra Equity Funding	-	-
Additional Class A Equity	-	-
Total	-	-

Valterra Equity Funding

Total	11,500,000
--------------	-------------------

PF Equity Ownership

	Amt. \$	% Ownership
Archie Filshill	14,164,644	24.0%
Tom McGrath	19,759,983	33.5%
Robert Schoen	1,075,372	1.8%
Valterra Equity Funding	24,000,000	40.7%
Additional Class A Equity	-	0.0%
Total	59,000,000	100.0%

Memo: Cash Proceeds

	Amt. \$	% Total
Archie Filshill	6,000,000	75.0%
Tom McGrath	2,000,000	25.0%
Robert Schoen	-	0.0%
Robert Schoen	-	0.0%
Robert Schoen	-	0.0%
Total	8,000,000	100.0%

PF Equity Ownership w/ Mgmt Plan

	Amt. \$	FD Ownership	Basic Ownership
Archie Filshill	14,164,644	21.6%	24.0%
Tom McGrath	19,759,983	30.1%	33.5%
Robert Schoen	1,075,372	1.6%	1.8%
Valterra Equity Funding	24,000,000	36.6%	40.7%
Additional Class A Equity	-	0.0%	0.0%
Management Plan	6,555,556	10.0%	-
Total	65,555,556	100.0%	100.0%
Total Management Ownership	41,555,556	63.4%	

Annexure D – Valtterra Aero Aggregates – Risk Mitigants Addendum

Risks Factors

Risk Category	Description	DD / Strategy to Address
<p>Product Track Record and Acceptance</p>	<ul style="list-style-type: none"> ▪ FGA has been in use in Europe since the late 1980's and it is highly developed market; however its use has not been widespread in the US with Aero currently the only manufacturer of the product. Aero is faced with the challenge of this not being a widely adopted product and are reliant on market adoption of a product that many contractors have not used. This could impact the pace of growth ▪ Regular aggregate is readily available by mining the product. FGA creates a form of aggregate which transforms recycled glass cullet into a lightweight aggregate product. 	<ul style="list-style-type: none"> ▪ In 1977, the US EPA reported on the potential applications of foamed glass using recycled materials <ul style="list-style-type: none"> ▪ Despite this, the technology did not gain traction as there was an unrecognized need for a new type of lightweight aggregate as well as the lack of recycling programs in the US to support the technology. At the time the US was only recycling 5% of its waste glass ▪ Foamed glass was however commercially developed in Europe in the early 1980s and was originally used for its thermal properties <ul style="list-style-type: none"> ▪ In Northern Europe and Scandinavia, a key challenge for infrastructure developers is to prevent damage from soil 'heave' caused by the seasonal ground freezing/thawing ▪ Because of its insulating properties, FGA is able to mitigate the amount of 'heave' and related damage to roadways with the added benefit of being a cheap and environmentally friendly solution ▪ Additionally, unlike the United States at the time, Scandinavian countries have the world's best glass recycling programs which provided a cheap and consistent raw material supply for foamed glass providers ▪ After being used as an insulator, developers realize the potential benefit of using FGA as a lightweight aggregate ▪ FGA is now widely used across Europe for infrastructure projects with numerous providers and significant capacity. Between Norway, Sweden and Finland there is the equivalent of 12 kilns of production capacity

Risk Factors

Risk Category	Description	DD / Strategy to Address
Product Track Record and Acceptance (Continued)		<ul style="list-style-type: none"> ▪ In only 28 months, Aero has gain significant traction in the market due to the compelling value proposition to customers (State DOTs and contractors) and glass recyclers alike <ul style="list-style-type: none"> ▪ FGA is the least expensive and lowest weight unit of any other lightweight aggregates, offering significant savings to developers in comparison to both traditional aggregates as well as to other light weight alternatives ▪ FGA can reduce total project costs for infrastructure projects by more than 50% and reducing construction time materially ▪ To date, Aero have not marketed the environmental benefits of FGA to customers, the market traction to date has been due to the value proposition ▪ Aero have developed excellent relationships, passed rigorous reviews and ultimately were approved by a number of large state DOTs (NJDOT, PADOT, Maryland DOT, Virginia DOT) and other government organizations (SEPTA) across the Mid-Atlantic <ul style="list-style-type: none"> ▪ PADOT is notoriously difficult to get approval from, with the typical approval period lasting more than a year; Aero was able to obtain approval within months ▪ Many RFPs now specifically call for the use of FGA and Aero is currently the only producer in North America. In many cases, the RFP lists Aero as the supplier ▪ To date, Aero has provided material to several large state DOTs across a variety of different projects in the Mid-Atlantic region (e.g. I-95, JFK Blvd, etc) ▪ Aero has a pipeline of 321k CY where FGA/Aero are written into the RFP as the only complying aggregate – this is 3x Valterra’s 145k CY budget for 2019 providing strong confidence and visibility on the market adoption of the product and the business plan

Risk Category	Description	DD / Strategy to Address
Competition / New Entrants	<ul style="list-style-type: none"> ▪ AeroAggregates is the only producer of FGA in North America and thus, does not currently face any competitive threats in its market for jobs requiring FGA ▪ Risk of competitors entering the FGA market and taking market share and/or driving pricing pressure/margin erosion for Aero's products 	<ul style="list-style-type: none"> ▪ Aero has obtained an exclusive license for the whole US from SGGC for the kiln technology and processes used in the production of FGA; SGGC is a Sweden-based firm and is the only provider of this equipment in the world ▪ Large building materials Company's may attempt to develop their own equipment and processes; however, this process will take years of development and require significant investment <ul style="list-style-type: none"> – Even with SGGC's proprietary technology and a research team led by two professors PhDs in geoscience, Aero took ~2 years to bring its product to commercialization ▪ Aero's current production volume makes up a minute portion of the total Aggregate market; Valterra believes that the Company has significant runway before it produces enough volume for large competitors to notice an impact and be able to justify an investment into R&D for FGA ▪ Aero has filed two patents for FGA production processes and is working with Valterra to develop a robust IP strategy to build a defensive moat around its technology, making it more difficult for competitors to enter the market ▪ In addition, as part of being the first mover, Aero has worked with the large state DOTs to define their 'spec' for FGA so that it would be difficult for any other FGA to meet the states' specifications (i.e. even if a competitor developed their own FGA production process, their end product may not be identical to Aero's product and thus, would be unlikely to meet the specifications for FGA from the DOTs)

Risk Category	Description	DD / Strategy to Address
Existing Aggregates Competition	<ul style="list-style-type: none"> ▪ Aero competes in the lightweight aggregates market which include several other types of material including expanded shale, foamed concrete and geofoam ▪ Aero faces competition risk from these competing products, particularly as it relates being adopted by contractors and developers who may favor incumbent alternatives 	<ul style="list-style-type: none"> ▪ FGA is the least expensive and lowest weight unit of any other lightweight aggregates and offers significant savings to customers, both in comparison to traditional heavy aggregates as well as to light weight alternatives ▪ FGA offers a range of other benefits compared to alternatives including ease to ship, installation time, peak friction angle, ease of use and environmentally friendly (See Compelling Value Proposition for more detail) ▪ Furthermore, FGA does not have many of the downsides of existing alternatives (e.g. water absorption, flammability, maximum lift thickness, availability, etc.) (See Competing Lightweight Aggregate Products for more detail) ▪ The adoption by DOTs and contractors in the past 24 months has extraordinarily favorable; 6 large state DOTs (including PADOT) have approved Aero and many have begun to spec Aero's products into its products ▪ Aero has also been well received by contractors, many of whom have replaced alternatives like expanded shale with FGA mid-construction on existing projects
Project Timing	<ul style="list-style-type: none"> ▪ Any delay to a project in Aero's pipeline could have a material impact on sales 	<ul style="list-style-type: none"> ▪ Aero has already booked 63k cubic yards or 44% of its budgeted sales for 2019 ▪ In addition, it has more than 176k additional cubic yards in its pipeline of specified FGA projects and 39k cubic yards of contracts submitted for approval in 2019 ▪ In total, Aero has a pipeline or 321k cubic yards across ~35 different for 2019 (as of Jan 1) compared to a budget of 145k cubic yards ▪ While some projects may be delayed, Valterra believes that the 2019 is well covered by the opportunities in the Company's pipeline (See Significant Near Term Opportunity Slide for more detail)

Risk Factors

Risk Category	Description	DD / Strategy to Address																																								
Feedstock Supply / COGs Impact	<ul style="list-style-type: none"> ▪ Aero currently has contract in place with Republic Services to receive its raw glass cullet for \$0/ton ▪ Given supplier concentration, Aero faces risk of disruption to its feedstock ▪ In the medium term, Aero faces risk of raw material price increases and potential margin erosion 	<ul style="list-style-type: none"> ▪ Aero has contracted with Republic to supply glass cullet for kiln #1 at \$0/ton; currently only sourcing from Camden NJ facility <ul style="list-style-type: none"> – Republic has 3 additional facility in the Philadelphia area with the capacity to supply up to 530k cubic yards of material – Aero in the process of renegotiating contract with Republic for additional kilns at the same terms – Republic Services is a \$10bn+ Company and one of the top 5 largest MRFs in the country; current Net Debt to EBITDA ratio of sub 3x ▪ Aero is the process of negotiating agreements with other MRFs <ul style="list-style-type: none"> – 10 of the top 75 MRFs in the country are located in the tri-state area with 5 of those located in Philadelphia, all with the ability to provide all of Aero’s supply requirements ▪ The Northeast has an average tipping fees in for municipal solid waste (glass included) of \$80/ton; the ability to dispose of waste glass for \$0/ton provides significant savings to MRFs <ul style="list-style-type: none"> – Additionally, the material sourced by Aero has extremely limited alternate use – Given this dynamic and Aero’s plans to diversify its supply base, Valterra believes there is low risk of any material price increases ▪ In the event that prices for glass cullet do move, the impact to Valterra’s total return is small (~250bps assuming prices move up to \$25 per ton which is equivalent to today’s spot prices) <table border="1" data-bbox="1155 1206 1750 1329"> <thead> <tr> <th colspan="8">Returns Sensitivities</th> </tr> <tr> <th colspan="2"></th> <th colspan="6">Glass Cullet Price per Ton</th> </tr> <tr> <th colspan="2"></th> <th>\$0.00</th> <th>\$5.00</th> <th>\$10.00</th> <th>\$15.00</th> <th>\$20.00</th> <th>\$25.00</th> </tr> </thead> <tbody> <tr> <td>IRR</td> <td>34.7%</td> <td>34.7%</td> <td>34.2%</td> <td>33.7%</td> <td>33.2%</td> <td>32.6%</td> <td>32.1%</td> </tr> <tr> <td>MoM</td> <td>4.44x</td> <td>4.44x</td> <td>4.36x</td> <td>4.28x</td> <td>4.19x</td> <td>4.11x</td> <td>4.02x</td> </tr> </tbody> </table>	Returns Sensitivities										Glass Cullet Price per Ton								\$0.00	\$5.00	\$10.00	\$15.00	\$20.00	\$25.00	IRR	34.7%	34.7%	34.2%	33.7%	33.2%	32.6%	32.1%	MoM	4.44x	4.44x	4.36x	4.28x	4.19x	4.11x	4.02x
Returns Sensitivities																																										
		Glass Cullet Price per Ton																																								
		\$0.00	\$5.00	\$10.00	\$15.00	\$20.00	\$25.00																																			
IRR	34.7%	34.7%	34.2%	33.7%	33.2%	32.6%	32.1%																																			
MoM	4.44x	4.44x	4.36x	4.28x	4.19x	4.11x	4.02x																																			

Risk Category	Description	DD / Strategy to Address																																																														
Economic Cycle / Recession Risk	<ul style="list-style-type: none"> Like other companies, Aero has the potential to be impacted by broader economic developments outside of its control Risk of Aero sales being adversely effected during a recession or economic downturn 	<ul style="list-style-type: none"> Because Aero’s sales are tied to projects that are planned far in advance, decreases in highway and street spending are significantly less volatile than the broader market <ul style="list-style-type: none"> For example, from December 2007 to June 2009, LTM Totally Highway and Street Construction spend was flat to up, going from \$969bn to \$979bn While the industry did experience some lagged declines, LTM Total Highway and Street Construction decreased only 3.8% from \$986bn to \$950bn <div data-bbox="1122 648 1798 1035"> <p style="text-align: center;">Total Highway and Street Construction, Seasonally Adjusted (USD millions)</p> <table border="1"> <caption>Approximate data points from the chart</caption> <thead> <tr> <th>Date</th> <th>Value (USD millions)</th> </tr> </thead> <tbody> <tr><td>Dec-02</td><td>680,000</td></tr> <tr><td>Apr-04</td><td>700,000</td></tr> <tr><td>Dec-04</td><td>750,000</td></tr> <tr><td>Apr-05</td><td>800,000</td></tr> <tr><td>Dec-05</td><td>850,000</td></tr> <tr><td>Apr-06</td><td>900,000</td></tr> <tr><td>Dec-06</td><td>950,000</td></tr> <tr><td>Apr-07</td><td>980,000</td></tr> <tr><td>Dec-07</td><td>1,000,000</td></tr> <tr><td>Apr-08</td><td>1,000,000</td></tr> <tr><td>Dec-08</td><td>980,000</td></tr> <tr><td>Apr-09</td><td>950,000</td></tr> <tr><td>Dec-09</td><td>950,000</td></tr> <tr><td>Apr-10</td><td>980,000</td></tr> <tr><td>Dec-10</td><td>950,000</td></tr> <tr><td>Apr-11</td><td>980,000</td></tr> <tr><td>Dec-11</td><td>950,000</td></tr> <tr><td>Apr-12</td><td>980,000</td></tr> <tr><td>Dec-12</td><td>950,000</td></tr> <tr><td>Apr-13</td><td>980,000</td></tr> <tr><td>Dec-13</td><td>1,000,000</td></tr> <tr><td>Apr-14</td><td>1,050,000</td></tr> <tr><td>Dec-14</td><td>1,100,000</td></tr> <tr><td>Apr-15</td><td>1,150,000</td></tr> <tr><td>Dec-15</td><td>1,100,000</td></tr> <tr><td>Apr-16</td><td>1,100,000</td></tr> <tr><td>Dec-16</td><td>1,100,000</td></tr> <tr><td>Apr-17</td><td>1,100,000</td></tr> <tr><td>Dec-17</td><td>1,100,000</td></tr> <tr><td>Apr-18</td><td>1,150,000</td></tr> </tbody> </table> </div> <p style="text-align: center;">Source: Federal Reserve Economic Data (FRED)</p> <ul style="list-style-type: none"> In addition, while nothing has been passed yet, both parties have communicated plans for significant federal infrastructure investment programs which would only further bolster Aero against a potential recession While Valterra believes it unlikely, if Aero’s sales are impacted by a recession, the combination of low debt and high free cash flow generation position Aero well to withstand a downturn while maintaining sufficient liquidity 	Date	Value (USD millions)	Dec-02	680,000	Apr-04	700,000	Dec-04	750,000	Apr-05	800,000	Dec-05	850,000	Apr-06	900,000	Dec-06	950,000	Apr-07	980,000	Dec-07	1,000,000	Apr-08	1,000,000	Dec-08	980,000	Apr-09	950,000	Dec-09	950,000	Apr-10	980,000	Dec-10	950,000	Apr-11	980,000	Dec-11	950,000	Apr-12	980,000	Dec-12	950,000	Apr-13	980,000	Dec-13	1,000,000	Apr-14	1,050,000	Dec-14	1,100,000	Apr-15	1,150,000	Dec-15	1,100,000	Apr-16	1,100,000	Dec-16	1,100,000	Apr-17	1,100,000	Dec-17	1,100,000	Apr-18	1,150,000
Date	Value (USD millions)																																																															
Dec-02	680,000																																																															
Apr-04	700,000																																																															
Dec-04	750,000																																																															
Apr-05	800,000																																																															
Dec-05	850,000																																																															
Apr-06	900,000																																																															
Dec-06	950,000																																																															
Apr-07	980,000																																																															
Dec-07	1,000,000																																																															
Apr-08	1,000,000																																																															
Dec-08	980,000																																																															
Apr-09	950,000																																																															
Dec-09	950,000																																																															
Apr-10	980,000																																																															
Dec-10	950,000																																																															
Apr-11	980,000																																																															
Dec-11	950,000																																																															
Apr-12	980,000																																																															
Dec-12	950,000																																																															
Apr-13	980,000																																																															
Dec-13	1,000,000																																																															
Apr-14	1,050,000																																																															
Dec-14	1,100,000																																																															
Apr-15	1,150,000																																																															
Dec-15	1,100,000																																																															
Apr-16	1,100,000																																																															
Dec-16	1,100,000																																																															
Apr-17	1,100,000																																																															
Dec-17	1,100,000																																																															
Apr-18	1,150,000																																																															

Risk Category	Description	DD / Strategy to Address
Credit Risk	<ul style="list-style-type: none"> ▪ While Aero’s customers are large state DOTs and other government organizations, ultimately Aero will be selling their FGA product to contractors who are completing the work for these organizations which could leave Aero dependent on the credit profile of these contractors for payment on invoices. 	<ul style="list-style-type: none"> ▪ Nearly all of Aero’s ultimate customers are large state DOTs (NJDOT, PADOT, Maryland DOT, Virginia DOT) and other government organizations (SEPTA) where Aero is providing FGA to infrastructure projects that have been awarded via an RFP <ul style="list-style-type: none"> ▪ These government organizations are responsible for the RFP and outlining the requirements of the project and ultimately determining if FGA can be utilized ▪ Aero maintains close relationships with these organizations and works directly with them on many RFPs ▪ However Aero is supplying FGA and directly invoicing the General / Prime Contractor (“GC”) that wins the RFP for the specific project. Typically in these large infrastructure projects the GC is self-performing most of the earthwork / foundational work and will purchase the FGA themselves. This means that Aero is rarely invoicing subcontractors underneath the GC which greatly improves the credit risk on payment <ul style="list-style-type: none"> ▪ For some smaller jobs (landscaping or green roofs), the end customer can be a subcontractor. This represents a small portion of current revenue ▪ The credit risk that Aero takes on with the GC is low. Aero invoices contractors for material at the end of each week of shipment. Payment terms are typically net 30 days; however in some cases Aero has negotiated for net 10 days or payment for stored materials ▪ In 2018 the top 5 customers (representing 95% of revenue) were all large GCs. Aero’s largest customer was George Harms Construction Company which is a NJ based, large scale infrastructure focused GC (who self-perform most work) that has been in operation since 1960 and completes in excess of \$100mm of projects annually. The company also has bonding capacity in excess of \$400mm. The company has completed projects including Interstate 280/Rt. 21, NJ Turnpike, Long Beach Boardwalk replacement and the New Jersey American Water Barrier Island water main replacement.

Risk Category	Description	DD / Strategy to Address
<p>Environmental and safety of FGA</p>	<ul style="list-style-type: none"> FGA is developed via the use of a foaming agent (Silicon Carbide) in combination with glass cullet to make a product that will remain underground for the long-term which could present potential environmental and safety concerns 	<p>Product components</p> <ul style="list-style-type: none"> The ingredients for Aero FGA are glass cullet and Silicon Carbide (as the foaming agent). During the production of FGA, the Silicon Carbide when heated breaks into its components (Silicon and Carbon). The Carbon combines with Oxygen to make Carbon Dioxide and the Silicon combines with the glass cullet with the final product only being Silica glass and Carbon Dioxide bubbles. Aero have performed detailed chemical analysis on the finished FGA product as well as creating a material safety data sheet (MSDS) for the finished product. The MSDS is available on request which shows that the material does not present any risk or hazard Aero have also completed a Explosion Severity Test on the glass powder (crushed glass cullet) per ASTM E1226, "Standard Test Method for Explosibility of Dust Clouds". The results of this test showed the glass powder non-explosible in dust cloud form. <p>Environmental and human health concerns</p> <ul style="list-style-type: none"> The final Aero FGA product is Silica glass which has no known environmental impacts. Silica is a natural substance in vast abundance. The mass of the Earth's crust is 59% Silica and it is the main constituent of more than 95% of the Earth's known rocks. The results of both industry testing and Aero's own testing show that glass cullet/foamed glass is amorphous silica and exposure to crystalline silica dust does not pose a threat to human health. The US EPA uses TCLP (Toxicity Characteristic Leaching Procedure) testing to evaluate a material for toxicity and leaching potential. FGA has been tested to show that it is not toxic and does not leach.

Risk Category	Description	DD / Strategy to Address
Environmental and safety of FGA (continued)		<p>Durability</p> <ul style="list-style-type: none"> As the finished FGA product is Silica glass and due to its prevalence across the Earth, this also provides strong evidence of the durability of the product in addition to being supported by test data. FGA does not contain organics so it does not decompose. The additional test data shows it is not effected by freeze-thaw cycles or other chemicals / minerals in the soil. It demonstrates the same durability and characteristics of that of regular gravel aggregate <p>DOT Approvals</p> <ul style="list-style-type: none"> Aero FGA has undergone rigorous testing and reviews and ultimately has received approval by each US state government DOT where Aero products have been utilized. Each separate state DOT has different requirements, however Aero submittals for DOT approvals include its detailed technical data sheet with independent test reports to provide support.

Risk Category	Description	DD / Strategy to Address
<p>Legal / Product / Environmental Liability</p>	<ul style="list-style-type: none"> ▪ Aero produces an FGA product that is utilized in major infrastructure projects where failure of the product would result in significant cost and potentially loss of life. ▪ In addition, Aero FGA product will remain underground for the long term which could create potential liability if found that the product has an adverse impact on the environment 	<ul style="list-style-type: none"> ▪ Extensive accredited third party testing has been completed on the Aero FGA product with regards to both the composition of the product (to elevate any environmental concerns) and the technical specifications of the product for its application (engineering concerns). Aero FGA provided these product test results and ultimate passed all applicable reviews by numerous US state DOTs and other government agencies for usage in these large scale infrastructure projects. ▪ With regards to product liability Aero uses industry standard indemnification language for product liability “The information contained herein is believed to be accurate and reliable. AeroAggregates, LLC accepts no responsibility for the results obtained through application of this product. AeroAggregates reserves the right to update information without notice. For most current information see our website aeroaggregates.com” ▪ Aero’s product liability coverage is a component of its general liability and excess liability policies. These policies provide coverage when your product provides both bodily injury and property damage, subject to the policy terms and conditions. ▪ The Policy Limits are as follows: <ul style="list-style-type: none"> ▪ General Liability: <ul style="list-style-type: none"> \$1,000,000 Bodily Injury and Property Damage – Each Occurrence \$2,000,000 Products / Completed Operations Aggregate \$2,000,000 General Aggregate ▪ Excess Liability: <ul style="list-style-type: none"> \$5,000,000 Per Occurrence/Policy Aggregate Limit

Risk Category	Description	DD / Strategy to Address
Occupational Health and Safety	<ul style="list-style-type: none"> ▪ Aero operates a significant manufacturing operation to produce the FGA that involves heavy machinery and equipment and a high temperature kiln. In addition the operation handles glass cullet as the feedstock and Silicon Carbide as the foaming agent for the FGA production. ▪ Finished FGA is stored in the lot outside the production facility in large piles prior to shipping to customers ▪ The operation has numerous workers who handle and operate the production equipment, glass cullet feedstock, Silicon Carbide powder and ultimately the finished FGA which could present potential occupational health and safety issues 	<ul style="list-style-type: none"> ▪ To date Aero has never had any serious injuries at its Eddystone, PA production facility and has had zero loss time injuries during 2018 ▪ Aero has a dedicated safety manager who provides mandatory safety training to all of its employees via one-on-one instruction. This includes emergency action plan response, wheel loader training, lock-out-tag-out, etc. Aero also have safety training/meetings at their monthly operator meetings attended by all employees. Graham Company, Aero’s insurance provider, has assisted Aero with establishing and maintaining its safety program. ▪ No OSHA audits have been completed on the business, however post close of the transaction, Valterra will work with the Aero management team to engage a third party provider to complete a full audit and review of Aero’s OSHA procedures and fully implement any recommendations from that review. In the future, Valterra will request that this is completed on an as needed basis or at the very least annually. Valterra have worked with parties before who complete these reviews

Disclaimer

Spire Capital Pty Limited (the **Trustee**) is the issuer of units in the Spire Capital Master Fund (**Master Fund**). This Term Sheet, in conjunction with the other Transaction Documents, forms the terms of your investment in the Series.

This Term Sheet has been prepared for Wholesale Clients (as that term is defined in the Corporations Act) (**Wholesale Clients**) only, is not, and is not required to be a disclosure document or product disclosure statement within the meaning of the Corporations Act. This Term Sheet may not contain the same level of disclosure as those documents and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission (**ASIC**).

Investment in the Master Fund is available to Wholesale Clients only.

This Term Sheet is intended solely for the use of the person to whom it has been delivered (**Recipient**) for the purposes of a possible investment in the Series. It is not intended to be reproduced or distributed to any person (other than the Recipient's professional advisers) without the Trustee's prior written consent.

The Trustee is an Australian Financial Services Licensee (AFSL No. 344365) and is authorised to provide advisory, dealing and custodial services in connection with the Master Fund to Wholesale Clients only.

This document is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this document outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions.

Investment Decision

A person must consider each of the Transaction Documents prior to deciding whether to invest in the Series.

Terms which are capitalised but not defined in this Term Sheet, have the meaning given in the Trust Deed for the Master Fund and the IM.

This material may not be reproduced, distributed or transmitted to any other person or incorporated in any way.

The information contained in this Term Sheet (including for the avoidance of doubt the Valterra Investor Presentations) is general information only. This Term Sheet does not (and is not intended to) contain any recommendations, statements of opinion or advice. In any event, the information in this Term Sheet does not consider any individual person's objectives, financial situation or particular needs.

No person guarantees any specific rate of return; that you will make a positive return on your investment; or the return of any amount invested.

Forward Looking Statements

This Term Sheet contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements.

While the Trustee believes that the expectations reflected in the forward looking statements in this Term Sheet are reasonable, no assurance can be given that such expectations will prove to be correct. The risk

factors set out in “Risks” section, as well as other matters as yet not known to the Trustee or not currently considered material by the Trustee, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this Term Sheet is qualified by this cautionary statement.