GSA Testimonial
Across categories, customers have turned to subscription to find lower cost, higher quality services.

But they haven’t had the option to subscribe to building energy systems.
What would happen if we could control and then optimize all the economic decisions around energy systems and assets?

- Save energy and GHG emissions ($200B annually)
- Introduce supply-chain best-practices to this critical infrastructure
- Digitize this last-mile of the service industry
- Deploy emerging IoT solutions with real use cases ($520B by 2021)
- Select evolving renewable and storage solutions (PV < $2.00W; Storage to grow from 1GW in 2018 to 81GW by 2024)
- Fundamentally change the customer experience

Mission: Deliver lower cost, higher quality building infrastructure as-a-service.
The Sparkfund Mission

Deliver essential building energy functions and outcomes — like heat, A/C, light and resilience to storm events — without the constraints of ownership, enabling building owners to do more energy projects, faster, and with fewer resources. We strive to create positive change by deploying solutions that are good for business and good for the planet.

Founded 2013

500+ Active subscriptions

469,204,503 Pounds of CO2e reduction
$70,078,756 Total energy savings

Across 43 states
We believe there’s a better way to manage building energy infrastructure

Key Insight: 60% of HVAC in the United States was installed before 1990 (and only 57% of buildings have a regular HVAC maintenance program)

Common Challenges with the Traditional Approach to Facility Mgmt

- Capital funding difficult to get
- Implementation takes too long
- Unpredictable cost
- Run-to-fail maintenance approach
- Coordinating many participants in the process
- Lack of scale for procurement efficiencies
- Overloaded facility staff
- Limited service provider accountability for results
- Poor information for reporting and assessment

The Sparkfund Technology Subscription™ Advantage

- No capital required
- Fixed monthly opex payment, 7-10 year terms
- All maintenance, repairs and replacements included
- Fully vetted national and local vendor network
- Faster implementation of upgrades
- No emergency repair or replacement costs
- Digital asset inventory and replacement plan
- Remote monitoring, fault detection and diagnosis
- Real time visibility into system performance
- Guaranteed system performance
- Single point of accountability
- Happier occupants
Technology Subscription removes the constraints of time, capital and risk, and enables customers to get more energy infrastructure projects done faster.
Covered Technologies

- Lighting
- HVAC & Mechanical
- Electric Vehicles
- EV Charging Stations
- Refrigeration

- Monitoring & Controls
- Power Factor Correction
- Gensets
- Energy Storage
- Smart Thermostats
- Fans

CONFIDENTIAL - DO NOT DISTRIBUTE
Customers Powered by Sparkfund
We lower Total Cost of Ownership (TCO) by up to 25%

<table>
<thead>
<tr>
<th>Sparkfund Ownership of Energy Assets</th>
<th>Sparkfund has over $500M of capital available to invest in energy projects. On average using Sparkfund’s capital allows customers a 5% higher return on their money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>We use competitive bidding, vendor partnerships, and off cycle procurement to save on average 20% on equipment procurement. Customers always get the best price with Sparkfund. If they can get a better price - we’ll use that vendor.</td>
</tr>
<tr>
<td>Optimization Services</td>
<td>Sparkfund’s continued optimization strategies like HVAC retro-commissioning and controls save 7-15% on energy bills.</td>
</tr>
<tr>
<td>Technical Expertise</td>
<td>Sparkfund engineers and pre-qualified partners create cash flow positive projects and address critical infrastructure improvements. Sparkfund selects equipment that lowers the cost of utility bills. LED Lighting upgrades reduce lighting energy spend by 50%-60%. HVAC upgrades reduces HVAC energy spend by 10%-25%. Adding Building Automation and Controls reduces energy spend by 10%-20%.</td>
</tr>
<tr>
<td>Emergency Repair Avoidance</td>
<td>Sparkfund avoids costly emergency repairs since we proactively monitor systems which results in up to 20% reduction in repair spend.</td>
</tr>
<tr>
<td>Rebate Management</td>
<td>Sparkfund takes on all rebate processing and management with the utility to access all available rebates for a project. Rebates can lower project costs as much as 75%.</td>
</tr>
</tbody>
</table>
**We improve system reliability**

<table>
<thead>
<tr>
<th><strong>On-Site Surveys</strong></th>
<th>Our engineers or contractors walk sites using software to assess the condition of energy systems and look for <strong>energy conservation measures</strong> to drive savings and operational efficiencies.</th>
</tr>
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<tbody>
<tr>
<td><strong>Digital Asset Inventory</strong></td>
<td>After every survey, customers receive a digital asset inventory which <strong>shows energy consuming equipment through a secure website</strong> as well as a condition assessment of the equipment.</td>
</tr>
<tr>
<td><strong>Energy Use Analysis</strong></td>
<td>Sparkfund uses <strong>low cost energy monitoring solutions to baseline buildings</strong>, ensure no wasted energy and bills match what's happening in the building.</td>
</tr>
<tr>
<td><strong>Project Installation Management</strong></td>
<td>Sparkfund’s <strong>experienced construction managers</strong> ensure a smooth installation and ensure compliance of all subcontractors.</td>
</tr>
<tr>
<td><strong>Monitoring &amp; Controls</strong></td>
<td>Sparkfund provides <strong>peace of mind</strong> that systems are working with constant visibility into system health using a vetted ecosystem of technology solutions integrated with Sparkfund’s data lake and customer portal</td>
</tr>
<tr>
<td><strong>Functional Guarantee</strong></td>
<td>Sparkfund guarantees systems will only use a certain amount of energy. If your <strong>systems don’t work, you don’t pay.</strong></td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td>Sparkfund’s <strong>national contractor network</strong> responds to planned repairs, unplanned repairs and emergencies anywhere in the US</td>
</tr>
<tr>
<td><strong>Subscriber Services</strong></td>
<td><strong>24/7 support</strong> for energy systems. When we proactively find a problem one of Sparkfund’s representatives will troubleshoot and dispatch a technician.</td>
</tr>
</tbody>
</table>
Sparkfund’s Vision for Better Buildings

Building owners subscribe to AI-enabled optimization of their energy systems for a fixed monthly OpEx payment. Increase system reliability, resiliency, & performance. Reduce costs & GHG emissions.

How It Works

1. Discovery and Project Selection
   We work together to determine how to apply the platform to your projects.

2. Letter of Intent (if needed)
   For projects that require an audit and deployment of engineers, we both agree on the success conditions for acceptance.

3. Construction Grade Audit
   Deploy engineers to perform an audit at locations with applicable projects.

4. Proposal & Contracts
   Review audit findings and recommendations. Finalize scope and price and execute contracts.

5. Installation
   National install teams perform the work on the ground to implement the project.

6. Customer Acceptance
   Subscription payments don’t start until you’re happy with the project.

7. Ongoing Maintenance & Optimization
   We perform all maintenance and repairs, as well as, constantly looks for low cost or no cost measure to add more value to the systems.
Case study: Subscription Economics for a Private College

Subscription was cheaper than traditional approach to delivering needed energy systems

Across 254 energy systems including:
Controls, Air Handling Units, Split Condensers, Split Air Handling Units, Heaters, Fan Coils, Hot & Cold Water Pumps, Boilers, Chillers, Air Cool Chiller, Mini-Split, Package Units, Wall Mounts, PoolPak, Cooling Tower

Costs over 8 Years

| $13.5M | Traditional approach (planned energy, maintenance and mission critical capital spend over 8 years) |
| $11.5M | Subscription approach (Total energy and subscription payment over 8 years) |

Cheaper

Technology Subscription vs Traditional Capital Budgeting
Structuring flexibility gives building owner-operators financial options

Every proposal offers a build up of the offering:

- Upfront Purchase
- Service & O&M
- Pay-Over-Time
- Guarantee of Function
- Guaranteed Savings (If Applicable)

<table>
<thead>
<tr>
<th>Transaction Style</th>
<th>What it costs (Over Term):</th>
<th>Payment</th>
<th>Cumulative Monthly Payment</th>
<th>Savings / Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upfront Purchase</td>
<td>$1M to buy the equipment</td>
<td>$1M upfront</td>
<td>N/A (Cash Purchase)</td>
<td>$14,000 / month in energy savings</td>
</tr>
<tr>
<td>Add: Service &amp; O&amp;M</td>
<td>$150k in ongoing maintenance</td>
<td>+$1,250 / month</td>
<td>$1,250 / month (Service Contract)</td>
<td>$2,000 / month in avoided maintenance costs</td>
</tr>
<tr>
<td>Add: Pay-over-Time</td>
<td>$300k in finance cost</td>
<td>+$10,833 / month</td>
<td>$12,083 / month (Lease / Loan)</td>
<td>5.5% rate compares favorably to internal hurdle rate</td>
</tr>
<tr>
<td>Add: Guarantee of Function</td>
<td>$37.8k to guarantee function</td>
<td>+$315 / month</td>
<td>$12,398 / month (Subscription)</td>
<td>Needed energy outcomes / peace of mind</td>
</tr>
<tr>
<td>Add: Guaranteed Savings</td>
<td>$80k to guarantee savings + M&amp;V</td>
<td>$667 / month</td>
<td>$13,065 / month (ESA)</td>
<td>Guaranteed Cashflow</td>
</tr>
</tbody>
</table>

Sample: 10-Year BAS Subscription
Church & Dwight Co., Inc., is a major American manufacturer of household products such as baking soda, laundry detergent, cat litter, oxi clean and many other brands. They chose Sparkfund’s Subscription as a strategy to outsource lighting, heating and cooling needs. About 25% of their plants have been converted to LEDs under subscription and Church & Dwight is experiencing immediate net savings, increased safety and productivity in their plants, and freed up capital for core business investments, like acquisitions and increased marketing.

To date, across 4 plants, Church & Dwight has realized the following benefits through Subscription:

- $2.7M avoided CapEx spend
- Almost $100,000 of net annual cash flow benefit
- 45% reduction in lighting consumption
- No more piecemeal bulb purchases or maintenance efforts required of staff
- Procurement/management solution in place for other tech, such as HVAC & back up generation
Case Study
Concord University

The Problem:
The university didn’t want to take on additional debt or go through the time-intensive process of getting a bond through the state.

The Technology:
Campus-wide LED Lighting

The Results:
- $140,856.12/year in expected savings
- Hired 10 local workers, injecting $84,000 into the local economy
- 3,400,691 lbs/year of CO₂e reduction

"The fitness center has improved tremendously with the new lighting changes. Students feel safer with brighter lighting when using weights and working out."

-Ellie Thomas, student

CONCORD UNIVERSITY’S GOAL
To improve student life through proactive upgrades to its buildings.
Case Study
Regional Medical Center

The need to fund, execute and maintain new projects is a critical but costly business necessity. Those costs can be the difference between a go or no-go decision.

Being able to turn to an innovative new approach to save capital helped Thomasville Alabama unblock the groundbreaking of a new regional hospital.

Existing hurdles become new opportunities:
- Limited capital could now be used for structural costs and proactive staffing
- Vendor/contractor management handed off, allowing for time to be spent on crucial planning
- Solution treated as an off-balance sheet expense
- Credit enhancements negotiated for the city

Solution Summary

Technologies include LED lighting, HVAC, and Backup Energy Generation

0$ Upfront Costs

$3.8M of capital saved across technologies

$1M saved in maintenance cost
Customer overview
MUFG is one of the world’s leading financial groups with about $2.8 trillion in assets, 355 retail and commercial branches in the US and a global network spanning over 50 countries and regions.

Status
Signed TS, signed SOS, completed first project, executive sign-off on multi-tech portfolio rollout. Starting audits week of August 20th.

Initial opportunity TCV
$1.5M (Lighting/IOT)

Immediate expansion opportunity
7,000,000 sq ft / >400 buildings