

*carbon***LITE**[®] *pinn***PACK**



COMPANY PRESENTATION

*carbon***LITE**[®]



The World's Largest Bottle-to-Bottle Recycling Company

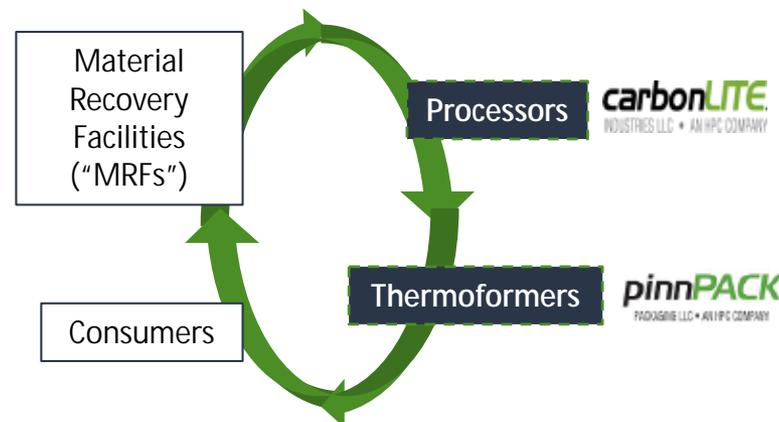
Company Snapshot

- § CarbonLITE Industries LLC is the largest producer of FDA-approved, bottle-grade post-consumer recycled polyethylene terephthalate (“PET”) resin in the world
 - q CarbonLITE provides a closed-loop, bottle-to-bottle recycling solution that leads the market in purity and material efficiency
 - q CarbonLITE was founded in 2011 by Leon Farahnik, who serves as Chairman and CEO of the Company and has a long track record of running plastics-related companies and successfully growing these businesses into significant players in the industry

- § CarbonLITE acquired Pinnpack Packaging LLC in June 2016
 - q Pinnpack is a manufacturer of high-quality food-grade PET packaging products and provides both a stable source of recurring in-house demand for CarbonLITE’s products and a platform for continued growth

Company Information	
Headquarters	Century City, CA
Production Facilities	Riverside, CA (CarbonLITE) Dallas, CA (CarbonLITE) Oxnard, CA (Pinnpack)
Ownership	Privately Held
Total Employees	~400
Year Founded	2011 – CarbonLITE 1981 – Pinnpack
Key Management	Leon Farahnik (Chairman & CEO) Ira Maroofian (President) Rick Zirkler (EVP) Gregg Milhaupt (CFO)

Vertically Integrated Operation



Strong Customer Relationships

carbonLITE

- § With the largest bottle-to-bottle recycling company in the world, CarbonLITE is one of the only such processors with the scale required to support large national customers, including leading consumer brand families such as Nestlé and Pepsi
- § As these brands prioritize the use of recycled materials in their packaging and products, the demand for the services of differentiated processors such as CarbonLITE will increase, resulting in long-term relationships.
- § These relationships offer the following advantages to CarbonLITE's customers:
 - q **Approved and trusted quality control procedures**
 - q **Stable, contracted pricing and reliable supply**
 - q **Marketing advantages as an innovative consumer products company and sustainability leader**

Nestlé



ü **Exclusive** pcrPET provider to Nestlé

Product Spotlight: Arrowhead ReBorn Bottle

- q First closed-loop mass produced bottle
- q Contains 50% recycled PET and 50% virgin
- q Drives national press for CarbonLITE



Pepsi



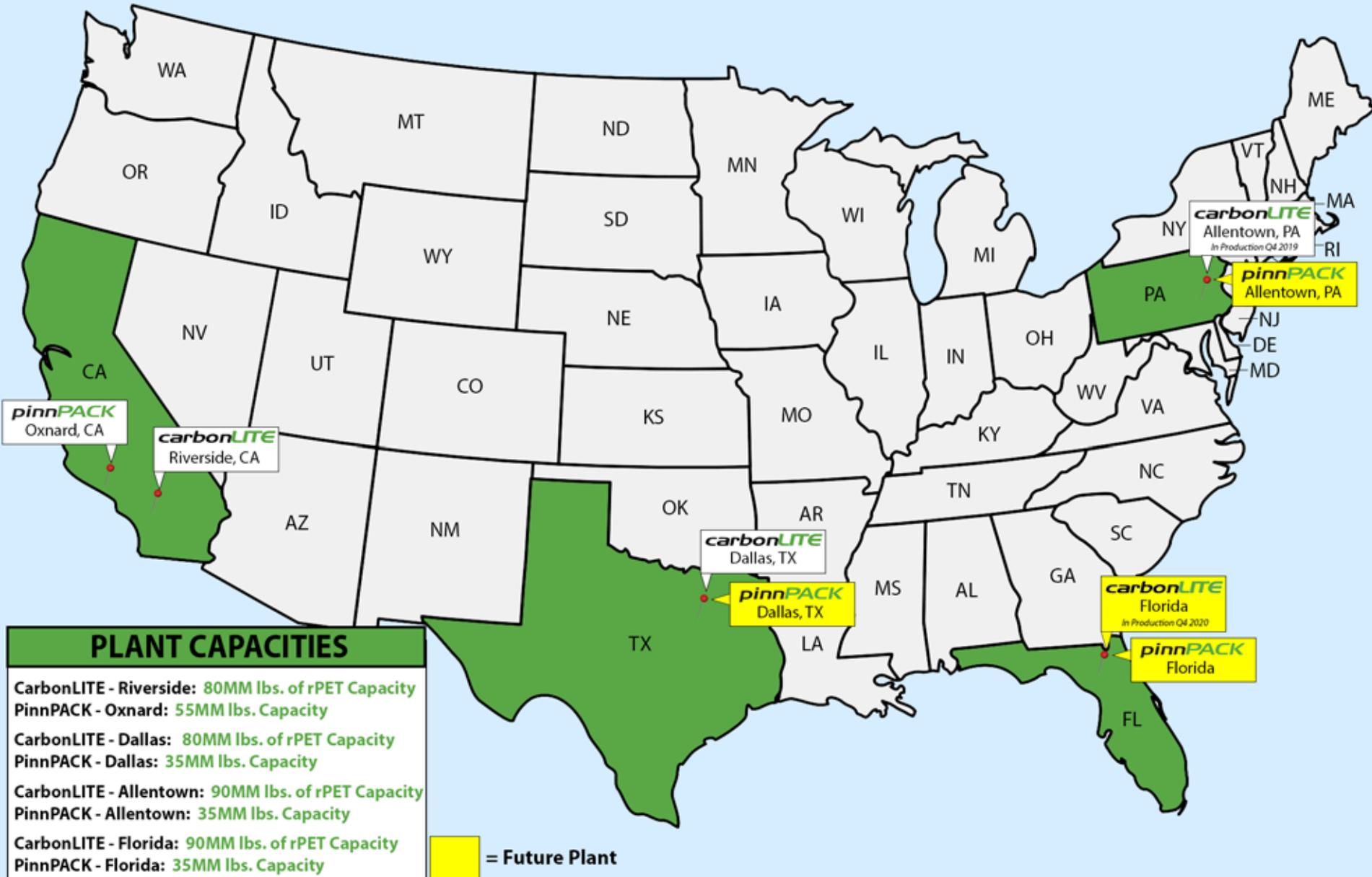
ü One of the main pcrPET providers to Pepsi

Product Spotlight: Naked Juice reNEWabottle

- q First to use 100% recycled PET bottles
- q Converted all bottles to recycled PET in 2010
- q Partnered with RecycleBank®



CarbonLITE & PinnPACK Current and Future Plant Locations



The Recycling Movement - Sustainability

- § Over the past two decades, attitudes toward sustainability have changed due to growing prioritization of environmental preservation, led by a marked increase in recycling
 - q Consumer sentiment has significantly shifted towards sustainable living with 71% of individuals taking part in some form of recycling
 - q Federal and State governments have implemented environmentally-friendly legislation such as Bottle-Bills
 - q Corporations have made commitments to recycling and waste reduction in response to evolving consumer trends

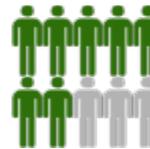
Recycling as a Growing Trend



55% of Consumers Are Willing to Pay More For Eco-Friendly Products



5.8% CAGR Through 2019 in the Plastics Recycling Industry



7 out of 10 Consumers Feel a Responsibility to Buy Sustainable Products



94% of Businesses Believe Sustainability is Important to Future Success

2014

Millennials are 12x More Agreeable to Sustainable Products than Baby Boomers



Increased Profit In Brands with Green Products vs. In Brands Without⁽¹⁾

Corporate and Government Sustainability Policies



"75 Percent Initiative" – State Aim to Achieve 75% Recycling



"Performance with a Purpose" – Currently Using 10% Recycled Materials With Aims to Increase



"Sustainability Pillars" – Increase Usage of Renewable Materials and Reduce Packaging 15% by 2015



"PRCC" – State Program Requiring Products to Contain at Least 25% Recycled Materials



"Nestlé Policy on Environmental Sustainability" – Led to Creation of "ReBorn" Bottle Which Uses 50% pcrPET



"Me, We, World" – Commitment to Achieve 25% Renewable or Recycled Materials by 2015



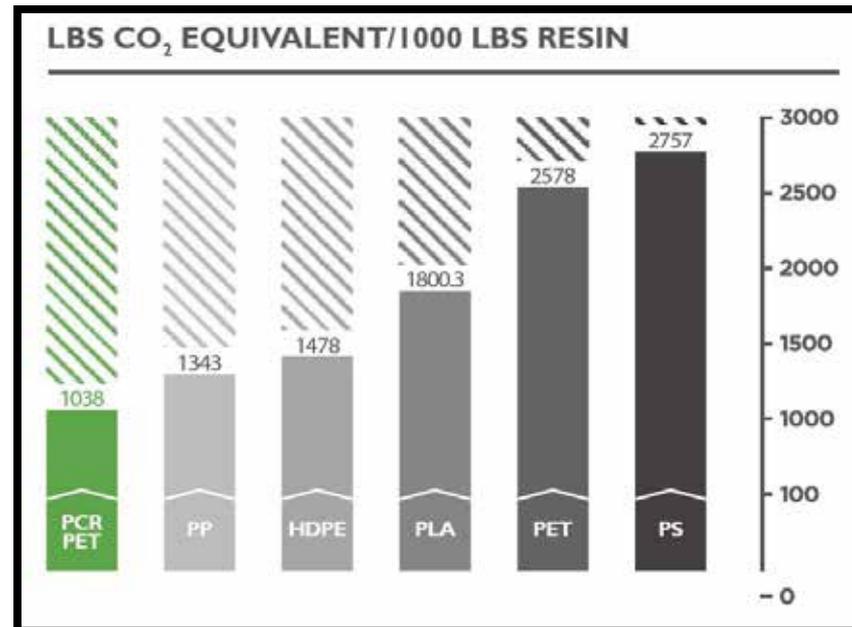
"Sustainability 360" – Goal to Generate Zero Waste by Walmart



"Global Sustainability Vision" – Goal to Replace 25% Raw Materials with Renewable Materials by 2020

RECYCLING 1 TON OF PLASTIC SAVES 1.5 TONS OF CARBON DIOXIDE

The CarbonLITE Recycling Facility saves 150,000 tons of Carbon Dioxide per year. That is the equivalent to the CO2 emissions of 100,000 flights from New York to Los Angeles. And, according to Hartman Group Research, manufacturing rPET uses 91.6% less energy and water than manufacturing Virgin PET



Polypropylene (PP)

- § PP is difficult to recycle and process
- § FDA hasn't approved Clear Recycled PP
- § PP can never be as optically appealing as PET
- § PET has better impact resistance compared to PP
- § PET has a better oxygen barrier and can preserve the taste and aroma of food and liquids better

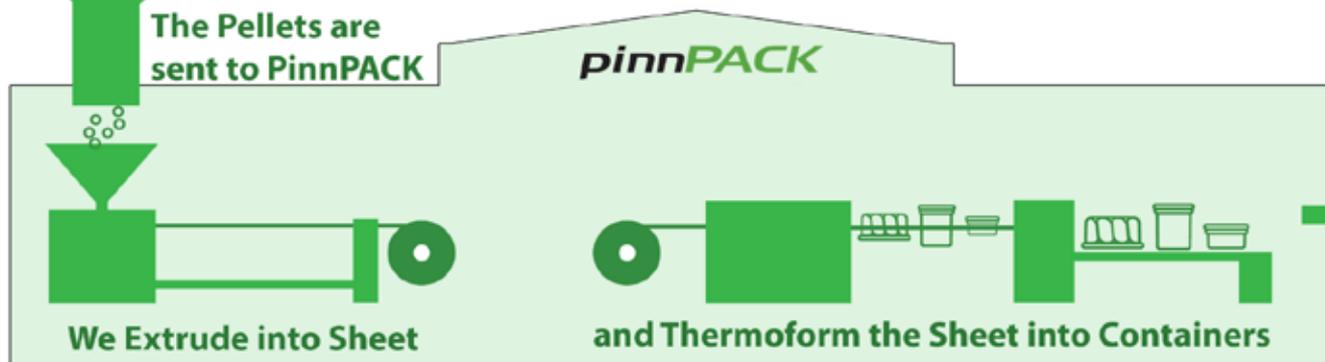
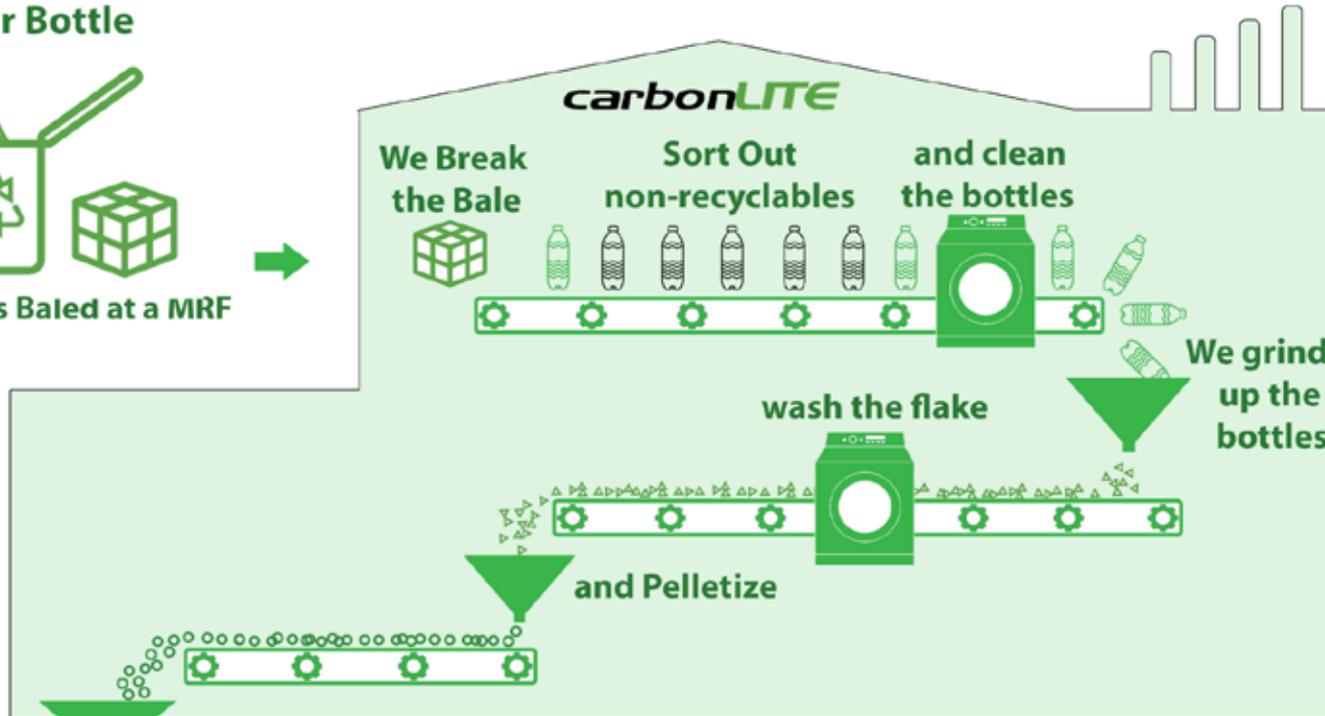
Poly-Lactic Acid (PLA)

- § PLA is NOT Recyclable
- § PLA is only compostable under highly controlled industrial composting facilities
- § PLA can take up to 1000 years to decompose
- § PLA is not collected as recyclable and causes major issues with recycling of other plastics
- § Production of PLA takes away from valuable farming resources (Corn and Sugar-cane) that provide food to millions.

THE PLASTIC RECYCLING STORY

Starts when...

You Recycle Your Bottle



Your Container
Can be Recycled again!

- § PinnPACK Packaging, LLC is a member of CarbonLITE Holdings
- § PinnPACK was established 34 years ago. Today, it is managed by packaging veterans Leon Farahnik and Ira Maroofian, who found early success with PWP Industries.
 - q “Success occurs only when your customer is happy”
- § Management is committed to environmental responsibility



PinnPACK Product Line

pinnPACK
PACKAGING LLC • AN HPC COMPANY



4" Square Tub



5.5" Square Tub



6" Square Tub



7" Square Tub



8" Square Tub



4" Round Tub



6" Round Tub



7" Round Tub



8" Round Tub



9" Round Tub



10" Round Tub



Square Cake



7" Cake



8" Cake



9" Cake



10" Cake



11" Cake



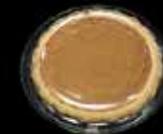
12" Cake



Rectangular Cake



7" Pie



9" Pie



10" Pie



7" Bowl



9" Bowl



10" Bowl



5x7 Tub



5x8 Tub



6x9 Tub



7x9 Tub



8.5x6.5 Tub



11x12 Tub



Herb Clamshell



Bakery Clamshell



Dell Clamshell



Specialty Items

q **Raw Material**

· Through CarbonLITE, PinnPACK has access to over 100M lbs. of PET Resin

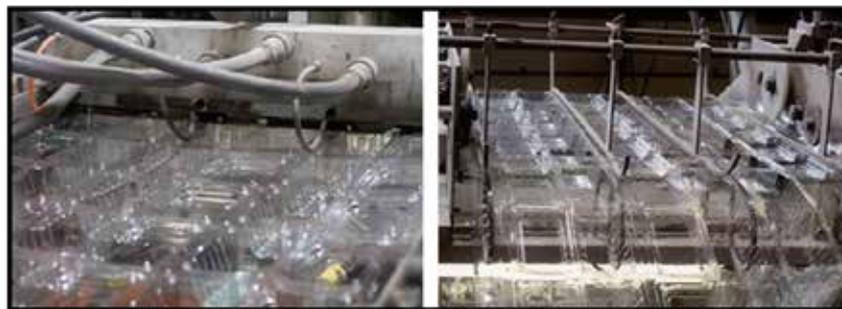
q **PET Extrusion**

Allows for total control of the raw material phase, providing excellent quality and customer response Time.



q **Thermoform Production**

Large format thermoforming equipment
Small format machines to meet the needs of lower Volume customers.



- q Design + Engineering Team in house
 - Dedicated team inspired to push the envelope and innovate towards your needs
- q Prototyping and Tool Fabrication
 - Creating live samples to test before production



		Total Cost	Loan	Diversion & Jobs	Current	Projected	Total
PinnPACK	Phase 1	\$2.7 MM	\$2 MM	Waste Diversion (TPY)	3,000	3,000	6,000
				Jobs	168	0	168
	Phase 2	\$2.6 MM	\$1 MM	Waste Diversion (TPY)	6,000	1,000	7,000
				Jobs	190	0	190
CarbonLITE		\$2.7 MM	\$2 MM	Waste Diversion (TPY)	45,000	2,000	47,000
				Jobs	130	6	136



q Silos/Day Bins



q EREMA + Reifenhauser Extruder

