Mosaic Power

Turning multi-family electricity loads into anytime flexible demand

November 2017
The Market for Flexible Energy Loads

• “Residential demand flexibility can avoid $9 billion per year of forecast U.S. grid investment costs—more than 10% of total national forecast needs—and avoid another $4 billion per year in annual energy production and ancillary service costs.”

  -- Rocky Mountain Institute, The Economics of Demand Flexibility: How “FlexiWatts” Create Quantifiable Value For Customers and the Grid, August 2015

• Untapped potential in multi-family, particularly low income
  – Most demand response devices rely on home owners’ internet
  – Internet service not always available in low income
  – Mosaic’s mesh network technology is valuable to other vendors/technologies
Why Mosaic

- Mosaic created a 14,000+ controller “trial” in the mid-Atlantic illustrating:
  - Sales and installation scalability
  - Property management company rapid adoption
  - Verifiable, 2-second increment electricity management
  - Minimal impact to tenants
  - No negative effects to distribution systems

- Large scale, real time data mesh networks are uncommon yet necessary for affordable apartment data networks
- Mosaic Power is the only company managing electric water real-time heaters at true scale
Mosaic’s Milestones

2013 – First PJM market operations
2014 – SBA Loan; First multi-family installations
2015 – Clean Feet Investments – $2M in project financing
   4,000 controllers over 1 ½ years
2016 – IGS Energy agreement = $1M income + 10,000 controllers
   First utility proposal submitted, accepted
   CLEAResult agreement

Controllers Installed

Connect to a Smarter Grid
Summary Terms of the Offering

- Amount sought: $2M equity
- Reliable high-volume hardware
- Technology expansion to include thermostats
- Multiple region operational expansion

<table>
<thead>
<tr>
<th>, in thousands</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,602,935</td>
<td>$2,451,930</td>
<td>$3,028,176</td>
<td>$4,213,434</td>
<td>$4,522,305</td>
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<tr>
<td>EBIT</td>
<td>$415,165</td>
<td>$43,736</td>
<td>$457,074</td>
<td>$1,174,459</td>
<td>$1,406,392</td>
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<tr>
<td>Funding Needs</td>
<td>$500,000</td>
<td>$2M**</td>
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<td>0</td>
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</tbody>
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** There will be a 2018 Equity Raise for new market and custom hardware development. 2018 EBIT does not reflect either potential investment.
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