



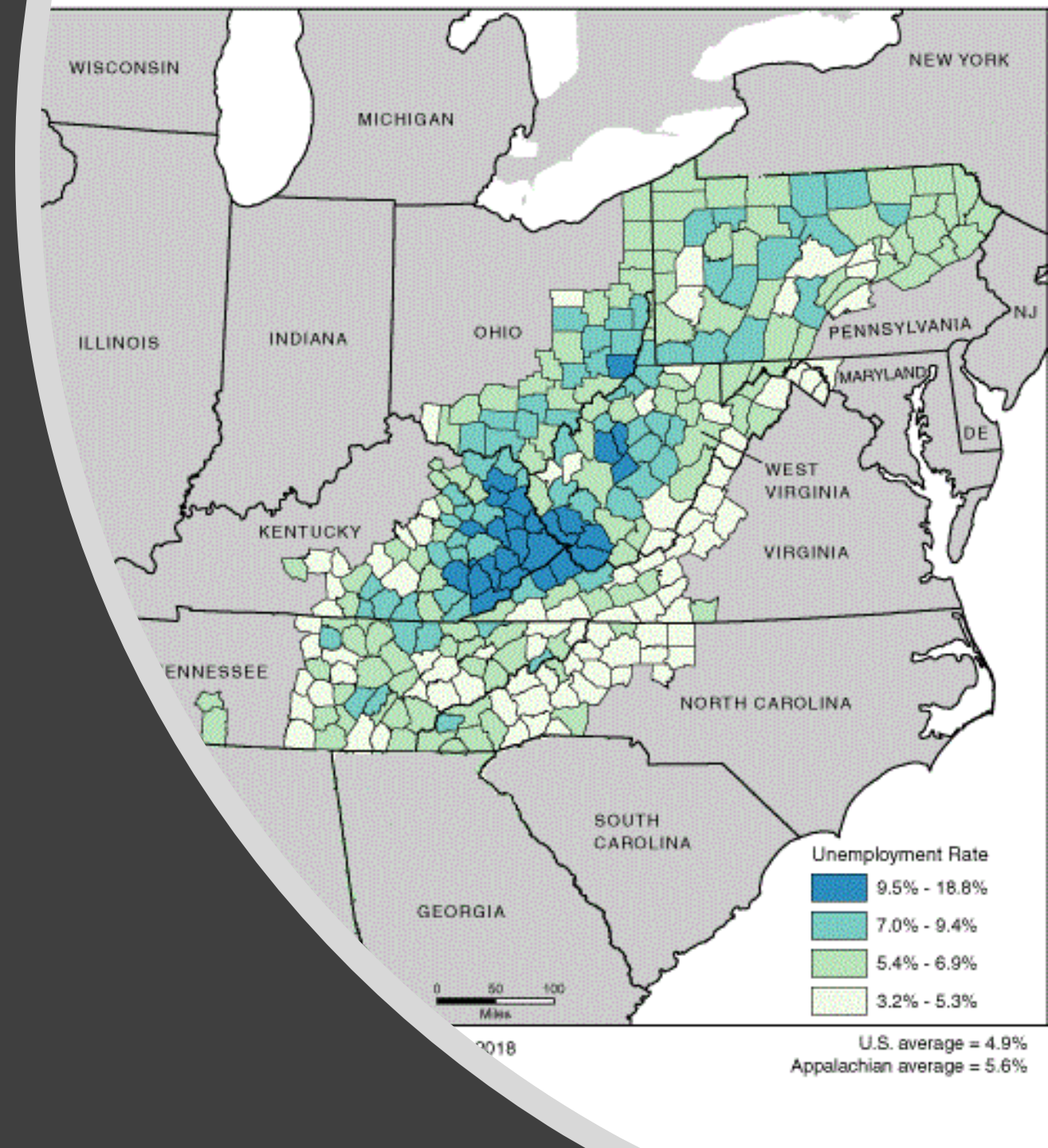
An opportunity to invest directly into Appalachia  
through a high growth investment vehicle



Strictly Private & Confidential

# Background and Mission

- Appalachian Economic Development Fund (AppEcoDev) is a diverse consortium of professionals with wide range of experience encompassing long careers in the entrepreneurial private sector, government and military.
- AppEcoDev's mission is to raise private capital that will allow us to expand prosperity in the Appalachian Region by leveraging a thoughtful combination of venture and growth equity, capital, business strategy advisory, with state and federal economic development programs.
- We realize Appalachia boasts a significant number of underutilized assets that can be redeployed into new businesses and growing industries and that its workforce is an untapped resource many businesses have overlooked.
- Appalachia is within a day's drive of 56% of the US population giving businesses here great geographic proximity to their markets.
- Our analysis shows that businesses that expand or relocate here will outperform businesses selecting other locations.





### **Appalachia is well positioned for growth**

A false perception has discounted the world's understanding of Appalachia's opportunity.

While considerable energy resources remain, there is a significantly greater untapped resource: human capital available for new sustainable, long term businesses and investment.

Appalachia is considered the leading low cost highly skilled and dedicated labor force on the planet. Ripe for Advanced Manufacturing, Technology, Agriculture and Cleantech.

Some of the most productive plants in the world are in Appalachia thanks to their dedicated workforce.



### **Significant opportunity to leverage economic development resources**

A tremendous amount of economic development capital is being put into the region available for corporate development.

Existing and new entrants are well positioned to take advantage of the economic development incentives and underutilized labor pool.

New capital investment presents a fast growth opportunity for investors willing to leverage the human capital hungry for change and new opportunities.



### **We are the team to employ this opportunity**

We are entrepreneurs and financiers who have worked hand in glove with economic development offices.

We know who to talk to in in the region and how to align business models for success here.

We know the market, where to work and how to get things done. Our team and advisors have over 100 years combined experience in Appalachia.

We know which businesses will thrive and provide good and long term returns and have the background and wisdom to ensures those businesses see success.

# Investment Thesis

# Opportunity zone – Deferred and eliminated taxes

- AppEcoDev will create special Opportunity Zone funds to solicit contributions of capital gains from investors. Under the 2017 Tax Act, capital gains invested in an OZ business can defer taxes on the gains for 5 or 7 years with 10% and 15% reductions of the cap gains tax respectively.
- Most importantly, if the investment remains in an OZ business for 10 years, all capital gains achieved from the investment are eliminated through a basis step up.
- In a unique approach, AppEcoDev will qualify its fund management LLC as an Opportunity Zone business.



## Agricultural



- Hemp derived CBD
- Farming through green house systems on AML

## Manufacturing



- Materials
- Renewable Equipment
- Specialized Equipment

## Energy



- Natural Gas/LNG
- Mid Stream pipelines
- Power Generation projects
- Renewable Energy

## Technology



- Rare earth elements
- ShaleXchange – produced fluids recycling platform
- Software
- Cybersecurity

## Work Force Dev



- National roofing contractor
- National electric contractor
- Major ED support for training facilities

# Deal Opportunity Markets



LARRY HOGAN  
GOVERNOR

STATE OF MARYLAND  
OFFICE OF THE GOVERNOR

April 4, 2019

Dear Principals of the Appalachian Economic Development Fund,

I was very pleased to learn about the establishment of the Appalachian Economic Development Fund and plans to locate the fund's headquarters in Allegany County, MD. The Appalachian Region presents expansive opportunities for economic growth, and the investment of private capital through Development Funds, like yours, assists in accelerating progress and creating more jobs for our citizens.

Since taking office, our administration has been focused on supporting businesses, providing jobs, and ensuring that our citizens have the necessary skills to fulfill the demands of an ever-evolving labor market. Working closely with regional and local partners, the Maryland Department of Commerce has recruited and retained businesses by identifying emerging industries and innovative approaches to engage existing industries. More businesses have been opened and more people are working than at any other time in Maryland history, but there continues to be a need for additional growth and early-stage capital to assist in the establishment of new businesses and expansion of existing businesses.

Avenues like the Appalachian Economic Development Fund serve an important role in maintaining momentum after state and local programs have been exhausted, and private investment becomes necessary to continue down the path toward success and profit. The unique scope of the Fund provides an important tool to help leverage and maximize the assistance currently offered by the Appalachian Regional Commission and their targeted programs, such as public infrastructure improvements and workforce development efforts.

Western Maryland is an important part of our state, and I would sincerely welcome and appreciate the Appalachian Economic Development Fund locating your headquarters in Allegany County while you endeavor to serve all of Appalachia. I share your vision of the region as a source of tremendous opportunity, and it will be a pleasure to collaborate with the Appalachian Economic Development Fund and other partners as you help cultivate investment and development in Western Maryland.

With our state's strong reputation for offering rewarding investment opportunities, I know that a Maryland headquarters will encourage your investors to get deeply involved in your good work. I am confident that through a collaborative effort, the growth potential of the Appalachian region will be realized. My team and I look forward to working with you.

Sincerely,

Larry Hogan  
Governor

cc. Secretary Kelly Schultz, Maryland Department of Commerce

STATE HOUSE, ANNAPOLIS, MARYLAND 21401  
(410) 774-3901 | 1-800-611-8336  
TTY USERS CALL VIA MD RELAY



State of West Virginia  
DEPARTMENT OF COMMERCE

March 22, 2019

Mr. Christopher Cook  
Managing Director  
Appalachian Economic Development Fund  
Via email

West Virginia is strategically located in the heart of Appalachia. We are writing to express our extreme interest and desire for you to locate your headquarters in Charleston, WV. More importantly, what follows are the strategic advantages the Appalachian Economic Development Fund will realize by locating here:

- **Strategic Access:** By locating in Charleston, WV, your office will be centrally located in the heart of the eight-state area of Appalachia where AEDF will initially focus. Also, locating in the capital city of the only state that is contained entirely within the boundaries of the Appalachian Regional Commission provides your team the access to policy and business influencers that will support your entrepreneurial and investment interests and your target customers.
- **Strategic Partnerships and Programs:** It is our commitment you will have the resources of the Department of Commerce and the West Virginia Development Office (WVDO) at your disposal. This includes our expertise and access to programs that may assist your seed-stage entrepreneurs as they grow and thrive there.
- **Impact Opportunity:** More than 25 percent of West Virginia counties were designated as economically distressed in FY2019. West Virginia has a real need for access to capital for new businesses. Your work, your knowledge and your success is needed here. And, when successful, you will have a tremendous altruistic and real economic impact on a significant portion of West Virginia, as well as, a significant portion of Appalachia.
- **Strategic Alignment:** We are on a mission to diversify and expand the economy in our state. Our administration, from the Governor, to the WVDO, to our Small Business Development Center, to the local Economic Development Area representatives, we are focused on job creation, growth and transitioning West Virginia's economy for the next century.

Provide us the opportunity to meet with you and show you potential sites for your headquarters that are located within Charleston's four opportunity zones. Let us assist you in taking advantage of the opportunities that abide here for your group and the entrepreneurs you will launch. Meet with us so we may present our case, one last time, and that we may leave no doubt how we are in lock-step with your mission, to eradicate the false perception that exists about Appalachia.

Kind regards,

Ed Gaunch, Secretary  
West Virginia Department of Commerce

Mike Graney, Executive Director  
West Virginia Development Office

Support from local leaders  
for our unique fund concept

Joe Manchin III  
WEST VIRGINIA



United States Senate  
WASHINGTON, DC

5/30/2019

Dear Managing Directors of the Appalachian Economic Development Fund,

It was a pleasure to recently meet with you to learn about the Appalachian Economic Development Fund. I was pleased to learn about your plans to provide support and capital to businesses and entrepreneurs in West Virginia and throughout the Appalachian region.

As you know, those engaged in business in the Appalachian region have experienced long-standing challenges associated with access to capital and outside investment, whether it be for growing an existing business or a new venture. It is great to know the Fund is being developed to address those challenges and more.

The opportunities in West Virginia are abundant. We have innovative entrepreneurs, dynamic small businesses, and a skilled workforce with a reputation for hard work and ingenuity. The unique mission of the Fund provides an important role in leveraging that opportunity to spur economic diversity and growth while creating new jobs.

Again, I appreciate your efforts and look forward to seeing the positive impacts that you and your collaborative partners will bring to the small business and entrepreneurial communities in my state and across Appalachia. My team and I look forward to working with you as we continue our efforts in moving West Virginia forward.

With warmest regards,

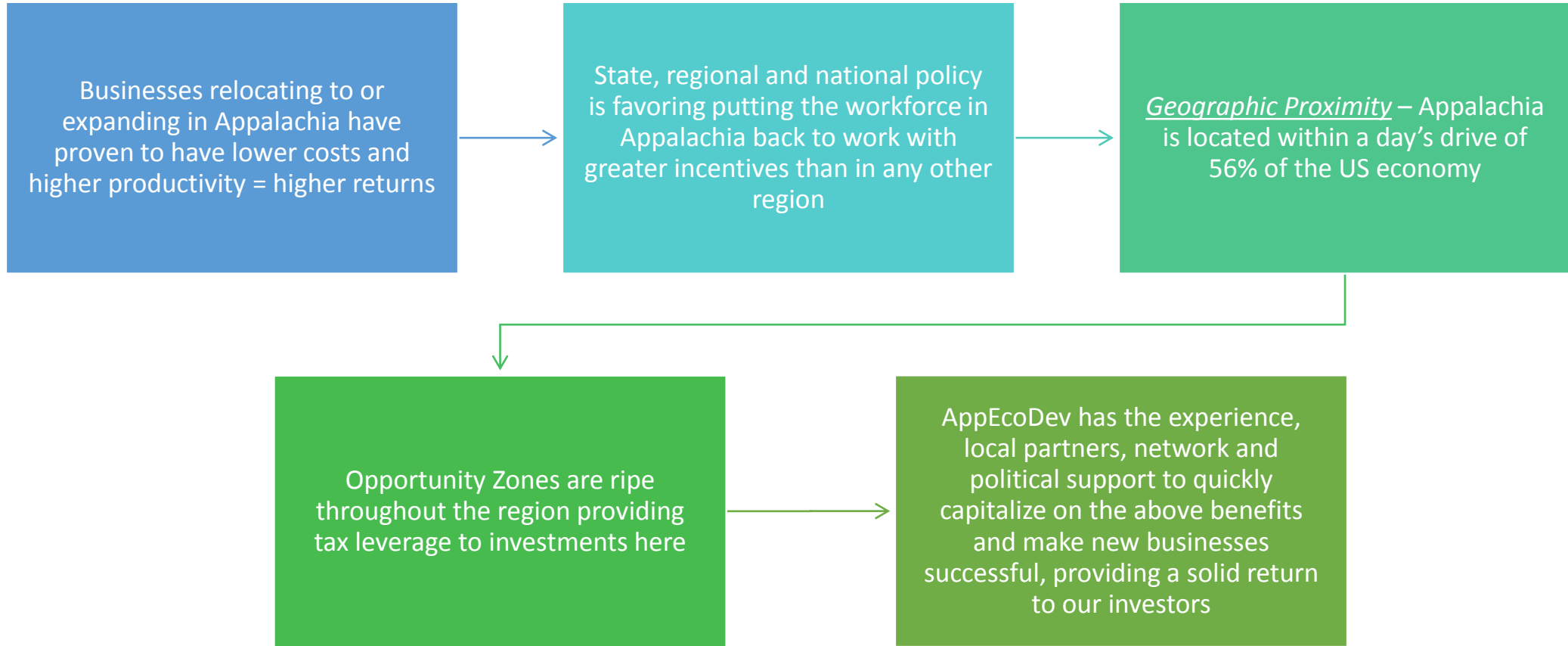


Joe Manchin III  
United States Senator

JM/rt



Support from local leaders  
for our unique fund concept



Summary: Why Invest with AEDF -- why Appalachia?



Thank you!  
Please visit us at:  
[www.appecodev.com](http://www.appecodev.com)

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Cumberland, MD 21502