

Hi everyone, and thank you for coming to this year's AGM.

As I say every year - a lot has happened in the last 12 months. Last year at this time, we stood in front of you and delivered the news that we didn't think we could afford to build the project and repay the bonds in the promised timelines unless we got 1 or 2 grants. It was a difficult thing to acknowledge and difficult message to deliver. To the membership's credit, you refused to even consider the path where we wound down the project and returned the remaining bond funds. The overarching message we heard from you individually and collectively was that you wanted myself and the board to turn over every possible stone and do whatever was possible to get the project operating. These words reverberated at subsequent board meetings every time a difficult decision needed to be made, which I can assure you was more than once over the last year. And I believe it is because of these words that today we have taken possession of our combined heat and power unit, as well as the related electrical connection equipment, and are working everyday towards commissioning the CHP over the next 3-4 weeks. It wasn't easy for us to commit \$800,000 to the project when we didn't know if we would get the grants we had applied for. And it certainly wasn't easy to keep spending money on electrical work when we found out that we were denied on our 2 applications. We hummed and hawed about what was the 'right' thing to do - and every time one of us brought up that our job was to represent the membership and your interests. And so we kept marching - working to balance being cautious with being aggressive enough to not derail our chances of success. This was not a comfortable place to be, but ultimately it is our reality, and for the most part there haven't been a lot of comfortable times over the last 8 years. So you'd think we would be used to this by now...

To step back and recap the year that was -

1. We got support from Toronto City Council as part of the approval for TransformTO, to apply for a low-interest loan
2. We submitted an application to the City in early August.
3. We submitted a grant application the FCM for \$1 million at this time as well.
4. Both applications seemed to be strong, but failed to get over the final phases of approval. Both orgs specifically mentioned our lack of feedstock contract as a risk, which was frustrating to hear given Miller's commitment and the letters of support they provided.
5. Not getting these grants leaves us in the same financial position as last year - unsure of when we will be able to repay bonds given the cost of building the project. We will continue to pursue grants as they become available in the hopes of alleviating this pressure. To this end, we applied for the Green Ontario Fund and the Low Carbon Economy Challenge last month. Both received a lot of applications and will be competitive, so we will continue to hope for the best.
6. In spite of this - our partners have continued to remain engaged in the project. Miller has done an amazing job coordinating designs and vendors, navigating permit applications with TRCA and the City - and continues to do so on a pro-bono basis. The Toronto Zoo continues to give us the leeway in spite of the project getting done much later than our contracts contemplated. And Bullfrog Power continues to support our

efforts to build out our educational programming. We would not and could not build the project without these partners and are very thankful to have them in our corner

7. As a result of our collective efforts, we have now received the key electrical equipment, we have prepped the site for construction, we will be receiving our building permits any day now, we are very close to receiving a commitment for long term debt, and as I said, all of us are doing everything we can commission the CHP by July 18th.
8. Based on the current construction schedule, the whole project will reach commercial operations by this time next year. Meaning that around this time, we will start generating operating cash flows and begin to catch up on the accrued interest owing to you - our extremely patient bondholders.
9. But, do not take this to mean that we will then be in a comfortable position. If our conservative financial projections prove to be true, we will still need a grant to gain some comfort. When it comes to the projections, there has been one meaningful development that provides some optimism - on April 30th Ontario passed the Food and Organic Waste Framework, which included new regulations for the business sector requiring them to sort organics, and targets 2022 to ban organics from landfills. This means that starting in 2022, organic waste produced by the business sector, 75% of which goes to landfills today, will have to go to a biogas plant or compost facility. This is good news for us because it puts upward pressure on tipping fees, and therefore ZooShare's projected revenues.
10. While it would be easy to assume our new Premier would cancel this change like he has cancelled others in recent days, the good news is that the Conservatives are supportive of organics diversion and likely won't reverse the trend on this file. In mentioning the new provincial government, I'd like to reassure you as well that our power contract will not be arbitrarily cancelled. We are far enough along in the process that the responsibility to maintain our FIT contract is 100% on us. And as I mentioned a couple of times already, we are doing everything we can to meet our deadline.
11. Looking ahead further, there's momentum building to create more renewable natural gas in the province and ZooShare is looking to be a part of that. We have engaged with Enbridge to complete a feasibility study on expanding the project and injecting gas into pipelines - something they too are doing on a pro-bono basis - and look forward to seeing the results of their study. The organics ban only provides more support for this business case, and as I've said previously, expanding our capacity improves the economics of the entire facility. And once we have succeeded in starting the biogas plant, we can turn our minds and energy towards optimizing operations and realizing revenues from the sale of fertilizer - something we aren't currently accounting for.

The next 30 days are critical for us. All of us are focused on successfully reaching this milestone, and spending the next 12 months building and starting up the biogas plant. I doubt it will be comfortable, but that's okay. We weren't looking for comfort when we started this journey. We were looking to build the 1st co-operatively owned zoo-biogas plant, and create an awareness that changing the way we look at food and food waste could positively impact our city and our environment. It was always a crazy idea, but I'm thankful that after 8 years of

work and the effort of many dedicated people, by the time we're done, it just might be the norm.

Thanks again for your ongoing support

We'd be happy to take any of your questions now.