



INVESTMENT OPPORTUNITY



DENVR
dataworks

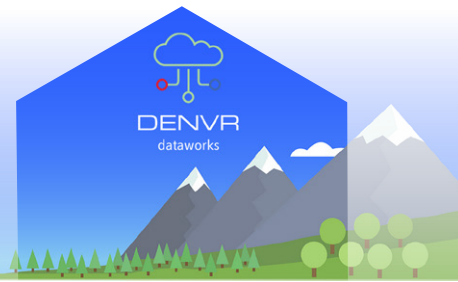
US Capital Global
Denvr A, LLC

MEMBERSHIP UNITS
\$10,650,000

INVESTMENT OVERVIEW

DENVR DATAWORKS CORP.

Liquid Cooling, Ultra Efficient Data Centers



COMPANY OVERVIEW

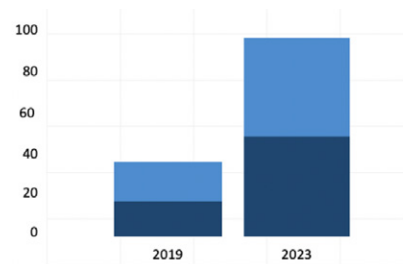
The “Company”, Denvr Dataworks Corp., was founded in 2017 to deliver High Performance Computing as a Service (“HPCaaS”) through high efficiency, Liquid Immersion Cooled (“LIC”) data centers in Alberta, Canada. Denvr’s HPCaaS is designed for Artificial Intelligence (“AI”), Machine Learning (“ML”), rendering, and related data science applications. Denvr’s combination of Liquid Immersion Cooling technology, energy-centric data center locations, high efficiency mechanical systems with optimized data center measurement and control systems allows Denvr to deliver High Performance Computing services at a price that is 40%¹ lower than their competitors while remaining profitable. The Company’s high efficiency, modular data centers operate with 16² times the compute density of an average commercial data center, 30%³ lower power pricing, 43%³ lower operating costs, 50%³ less Capital expenditure to deploy with 80%³ less real estate required, while running Power Usage Effectiveness (“PUE”) ratings of less than 1.05³.

THE OPPORTUNITY

The Company is seeking to raise \$10,650,000 through the issuance of convertible preferred stock primarily to deploy and operate an initial 5 Megawatts (“MW”) of data center infrastructure in Western Canada.

MARKET

AI and ML spending represents a decent proxy for HPC growth. Global spending on AI systems is estimated to reach \$97.9 billion in 2023, an indication that size and growth trajectory for demand for Company’s services provide great potential.



- Geography**
North America
- Customers Type**
enterprises • research institutions
- Needs**
big data analytics • AI • HPC • data Science • rendering
- Requirements**
high performance • security • easy of use • compatibility • low cost

Market Size

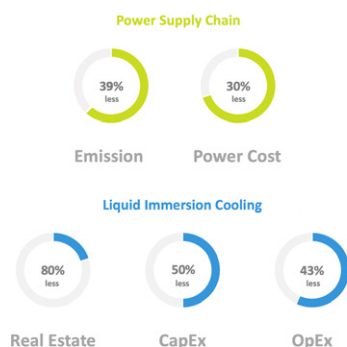
Global spending on AI systems will reach \$97.9 billion in 2023 compared to \$37.5 billion in 2019. This equals a 28.4% CAGR.

North America

North America is the biggest spender, accounting for 50% of global spending and expected to maintain its market share.

PRODUCT & SERVICES

Denvr provides high-performance computing capabilities required in the application of AI/ML. Their innovative edge data centers combine strategic locations at the source of power with liquid immersion cooling technology, creating cost synergies that allow the Company to offer competitive services at 60% of current pricing³.



MANAGEMENT TEAM

Geoff Gordon

25+ years as a serial entrepreneur. Previously founded Vogogo, a fintech services company and the first publicly listed blockchain company.

Dave King

25+ years of expertise in managing and growing computer hardware development and manufacturing as well as software companies.

Michael Smith

20+ years of capital markets and financial services industry experience. Michael also had a successful athletic career in the sport of decathlon, where he was a 3-time Olympian.

Kyle McCrindle

With 20+ years of experience, Kyle is a former Senior Director, Global Fixed Income Trading Systems at CIBC and former Director of Streaming Architecture for Scotiabank.

DEAL STRUCTURE

Company Name	Denvr Dataworks Corp.
Vertical / Segment	Cloud Computing / High-Performance Computing
Stage	Early Stage
Headquartered	Calgary, Province of Alberta, Canada
Issuing	Series A Convertible Preferred Stock
Pre-money Valuation	\$40 million
Fully diluted Shares	44,890,000
Price Per Share	\$0.90
Liquidation Preference	1x
Dividend	Pro-rata with Common, as declared by the Board
Conversion Ratio / Price	1:1 ⁴
Shares Offered	11,833,333

POOLED INVESTMENT VEHICLE

Issuer Name	US Capital Global Denvr A, LLC
Offering	Up to \$10.65 million in Membership Units (the "Offering")
Price / Minimum Purchase	\$1 Per Unit / 25,000 Units
Placement Agent	US Capital Global Securities, LLC
Placement Agent Commission	6.50% cash; 6.00% warrants
Manager	US Capital Global Investment Management, LLC

CONTACT

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Phone: +1 415-889-1039

RISKS

An investment in private securities involves a high degree of risk. You should carefully consider the risks described below, together with all the other information included in the Private Placement Memorandum, including Exhibit 3 thereto.

Risk related to financial reporting and forward-looking statements

- Financial statements are prepared by Company's management and has not been reviewed by any certified accountant or auditor. Directors and officers of the Company have limited prior work-related experience in bookkeeping and do not have formal training or hold certifications. Denvr has not employed independent auditors but intend to do so after obtaining financing. Risk concerning uncertainty around fair market value measurement of assets and compliance with general account practices may be greater than that of financial statements prepared by an accountant and reviewed by an auditor

- Company need to raise a minimum of \$3,000,000 in order to deploy the initial data center. While this offering has no minimum funding requirement for the offering to be effective, the Company and Issuer will consider not accepting investments if unsuccessful in raising more than \$3,000,000.

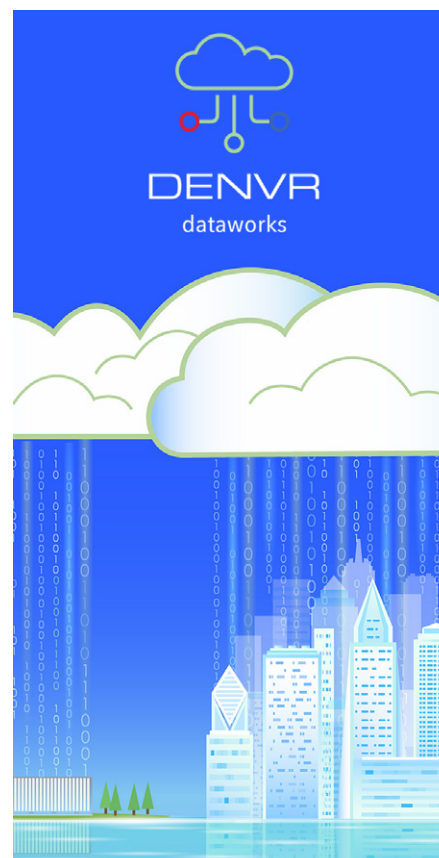
Risk due to energy source

- Data centers are susceptible to increased costs of fuel supply and power outages
- Contracts may not allow the Company to pass on increased costs of energy to customers
- Company plans to generate its own power and potentially rely on third parties to provide data centers with power sufficient to meet needs

DISCLAIMER

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- Based on Denvr on-demand hourly rate vs. AWS on-demand hourly rate of equivalent hardware as of 10/25/2020
- Source: hydroquebec.com/data/documents-donnees/pdf/comparison-electricity-prices.pdf
Source: eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a
Source: grcooling.com/air-based-cooling-vs-liquid-based-cooling/
Source: exittechnologies.com/blog/data-center/liquid-cooling-vs-air-cooling-in-data-centers/
Source: en.wikipedia.org/wiki/Immersion_cooling
Source: blog.se.com/energy-management-energy-efficiency/2013/03/25/how-big-are-power-line-losses/
Source: vantage-dc.com/wp-content/uploads/2016/06/Vantage-what-a-high-density-data-center-means-today.pdf
Source: comsoc.org/publications/tcn/2019-nov/energy-efficiency-data-centers
Source: bloomberg.com/opinion/newsletters/2019-12-13/energy-efficiency-a-hot-problem-for-big-tech-data-centers
- Based on Denvr's on demand hourly rate vs Amazon Web Services ("AWS") on demand hourly rate of equivalent hardware. Pricing as of Oct 25, 2020
- Subject to adjustments in the event shares are not converted into common stock in future equity financing rounds.



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