

ECYCLE, INC.

Advanced Brushless
Motors & Hybrid
Technology

<http://ecycle.com>

Industry:

Manufacturer of
electric motors and
generators;
Cleantech; Energy
efficiency

Management:

Dan Sodomsky, CEO
Tom Tessier, CFO
Mike Sharer, VP Mktg

Board of Advisors:

Andrew Serbinki
John Artman
Phil Cowett
Lee High
George Stauffer
Glenn Gosnell

Revenue

2007: \$400,000

2008 (est): \$500,000

Current Debt:

Officers, Directors,
shareholders: \$360K
Line Of Credit: 120K
Equipment leases:
\$250K

Previous Investment:

Founders \$400K
Directors, Officers,
Friends & family \$613K

Financing Sought:

\$1.2 Million for 30%
equity share in carve-
out company

Use of Proceeds:

Expansion
Working capital
Marketing; advertising
Product development

Business Description:

eCycle is a manufacturer of battery air-conditioning systems (BACs) and auxiliary power units (APUs) for vehicles. These products reduce diesel idling, thereby saving fuel, reducing cost and pollution by using eCycle's high efficiency, three-phase brushless motor-generator that delivers very high performance and runs directly from a battery. It helps enable environmentally responsible transportation.

Unique Value Proposition: Unlike conventional motors and generators used in vehicles that require high voltage, eCycle's motor-generator runs directly from low voltage battery power (12-24VDC). Combining three-phase high performance with a low voltage source represents a major improvement in efficiency, simplicity and ease of use.

Key Success Factors:

- Hire LVPC General Manager – factory expansion
- Additional customer testimonials – aggressive marketing
- Increasing price of fuel
- Increasing governmental environmental regulation

Key Risk Factors

- Key management dependence on CEO
- Failure to raise enough capital

Status: LoVo Power Corp (LVPC) will be a wholly-owned subsidiary of eCycle, Inc., carved-out as a separate company. eCycle will be the majority owner and strategic partner of LVPC. The new company is expected to be launched in late 2008. Until then, eCycle will be performing start-up tasks, including initial sales of the LoVo Power branded products. eCycle will be the supplier of the key enabling component, its brushless motor/generator.

Funding structure preferred: 30% LVPC equity partner for \$1,200,000. Optionally, some eCycle shareholders are willing to make a portion of their equity available, maximum \$800,000, to investors in LVPC.

Exit Strategy: We support an exit strategy in which LVPC will be acquired by another investor within five years. Potential acquirers include customers, suppliers and competitors, including motor/generator and/or application manufactures/distributors.

Documents Available: Private Placement Memorandum, Power Point, Articles, business plan

LVPC Financial Projections (\$1,000):

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue | 4,573 | 13,719 | 22,865 | 32,011 | 45,730 |
| CGS | 3,045 | 8,632 | 15,228 | 21,694 | 31,137 |
| Gross margin | 1,528 | 5,087 | 7,637 | 10,317 | 14,592 |
| Gross margin % | 33% | 37% | 33% | 32% | 32% |
| Sales & Marketing | 686 | 1,921 | 2,972 | 3,841 | 5,030 |
| R&D | 86 | 219 | 330 | 430 | 556 |
| G&A | 674 | 1,950 | 1,960 | 2,082 | 2,180 |
| EBITDA | 83 | 997 | 2,374 | 3,963 | 6,826 |
| EBITDA % | 2% | 7% | 10% | 12% | 15% |

eCycle, Inc.



High efficiency, low voltage, SolidSlot brushless motor-generator
Now shipping



Auxiliary power unit (APU) using eCycle generator
Now shipping



Battery-powered air-conditioning drive using eCycle motor
Now shipping