
From: Paul Barrett [REDACTED]
Sent: Tuesday, September 4, 2018 1:18 AM
To: jeffrey E.
Cc: Richard Kahn
Subject: RE: Wheel Tug

Jeffrey

Let me know how you would like to proceed.

Paul

Paul Barrett

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[REDACTED] <=p>

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From: Paul Barrett
Sent: Tuesday, August 28, 2018 11:33 AM
To: jeffrey E. <jeevacation@gmail.com>
Cc: Richard Kahn [REDACTED]
Subject: Wheel Tug

Hi Jeffrey

I did a preliminary call with the CEO (Isaiah Cox).

- * Company looking to raise \$12MM which should get them through final FAA certification and enable the first commercial aircraft installation in 2019.
- * The company will provide the equipment free of charge (including installation) to the airlines. Cost to the company of \$200K. In return they take half of the savings generated by having the device installed.
- * Installation takes 8-12 hours per plane. Teams will travel around the world for installations.
- * See big demand from Middle East airlines (not needing to keep the engines running and therefore less damage from dust). Currently order book over 1000.
- * Savings determined by:
 - * Push back fee – agreed and known
 - * Pre-agreed fuel savings
 - * Time saved on ground by turning around the plane more quickly and getting back into the air – measured as \$/minute saved

- * Wheel Tug would keep half these savings
- * Deloitte study (attached) gave a wide range of \$440 - \$3300 savings per flight per plane
- * They offered a deal where you get 10% of revenue until you get a multiple of your investment. How about asking for 10% of revenue until we get 5x our investment back plus warrants at today's valuation (currently at \$1.3Bn). Also would ask for liquidation priority over all existing equity holders.
- * They assume 1720 flights per year per plane and targeting an installed base of 1700 planes by 2022.
- * Based on a Deloitte study of potential savings combined with the company's installation projections, below is a table showing the 10% of Wheel Tug's revenue that would be payable to you. For example in a Low Savings environment you would get ~\$11MM back by 2020 and then an additional \$31.5MM by 2021. Total 5x payout of \$60M would be complete in 2022.

Investor

2019

2020

2021

2022

Low Savings

\$ 2,389,338.00

\$ = 8,685,054.00 \$ = 31,516,506.00

\$ = 66,635,982.00

Medium Savings

\$ 5,959,800.00

\$ = 21,663,400.00

\$ = 78,612,600.00

\$ = 166,212,200.00

High Savings

\$ 17,879,400.00

\$ = 64,990,200.00

\$ = 235,837,800.00

\$ = 498,636,600.00

* Chart below is a breakdown of how they could save an airline \$2550 per flight (optimistic in my opinion as most U.S airports don't have dual loading capacity).

Any chance we can get your pilot on a call with the CEO to verify these assumptions?

Summary: The WheelTug incorporates the elements of an electric motor, such as the stator and the rotor, inside the hub of each of the 737's twin nose wheels. Instead of a battery, these motors draw current directly from the auxiliary power-unit, a small generator in the rear of an airliner that is used on the ground to run its electrical services. For a long taxi, they can also take power from the generators driven by the aircraft's jet engines

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