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Subject: Wheel Tug

Date: Tue, 28 Aug 2018 15:32:44 +0000

Attachments: Wheel_Tug-Investor_Summary.pdf; Deloitte_Full_Summary_Jul18.pdf;
WheelTug_flydubai_Press_Release23July2018.pdf;
WheelTug_Vision_PR_2May2018finalv3.pdf; WheelTug_Economist_Dec17.pdf

Inline-Images: image001.gif; image004.jpg

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-agree 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 \$1.3Bln). 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 \$60MM 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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