

EUROPEAN ENERGY VENTURE FAIR 2005

HydroFrio

HydroFrio A/S
Denmark

Joachim „Joe“ Paul

**The European Energy
Venture Fair 2005**

**September 27th 2005
Zurich, Switzerland**



An Innovative Product Offering

Product	Refrigeration with " WATER " as Refrigerant, in particular Chillers (called " <i>HydroFrio</i> ").
Value	Replacing CFC, H-CFC and HFC ("synthetic" fluids) - which stand for Ozone Depletion (<i>Montreal Protocol</i>) and Greenhouse Warming (<i>Kyoto Protocol</i>) - and replacing toxic or flammable fluids with the ultimate GREEN "WATER" technology (safe, robust, low energy demand, competitive)
Status	After demonstration plant and prototype plant the fully commercial prototype is ready in 2005.
Portfolio	Chillers in "Mark 1" execution (1.000 kW).
Development	Commercial prototype to market in 2006, "Mark 2" execution under development.
IPR	Patents and Tradenames (<i>more to come</i>).

A Valuable Market to Capture

Market	Global volume: approx. 1 billion EURO , which is equal to 15.000 Chillers per annum. Stable market and growing worldwide.
Competitors	Global: 2 Japanese, 1 European, 3 American. Territorial: 1 Japanese, 1 European, 1 SE-Asian. All competitors use CFC, H-.CFC, HFC, and/or Ammonia (<i>toxic</i>) or Hydrocarbons (<i>flammable</i>). HydroFrio A/S utilizes only " WATER ".
Market Strategy	Initially: "Launching Customers" (already identified), Later: Starting in Europe, followed by global sales.
Commercialization	To end users, contractors, distributors, developers; In parallel: Licensees and distributor agreements with global players (<i>already identified</i>).
Network	Cooperation agreements with manufacturer; close contact to 2 large global refrigeration companies.

Our Business and Revenue Model

Value Chain

HydroFrio A/S shall be an **assembler**, not a manufacturer. Full control of product and own sales incl. distributors. Own IPR and proprietary technology.

Revenues, Sales, EBIT(DA), Cash Flow and Staff

DELIBERATELY PESSIMISTIC SCENARIO excl. YORK, HITACHI

<i>MOST PESSIMISTIC SCENARIO</i>		2005	2006	2007	2008	2009	2010	2011	2012
Sales	TEURO	0	0	500	3.450	9.675	17.000	25.650	35.490
	Units	0	0	2	15	45	85	135	195
EBIT	TEURO	-150	-843	-1.025	-469	1.069	2.747	5.192	7.858
EBITDA	TEURO	-150	-643	-775	-179	1.391	3.105	5.378	8.067
Cash Flow	TEURO	-1.150	-893	-1.122	-1.004	-123	977	1.834	3.491
Staff	No.	6	10	16	22	32	40	49	60

Break Even

after 4 full years (2009) funding is recovered

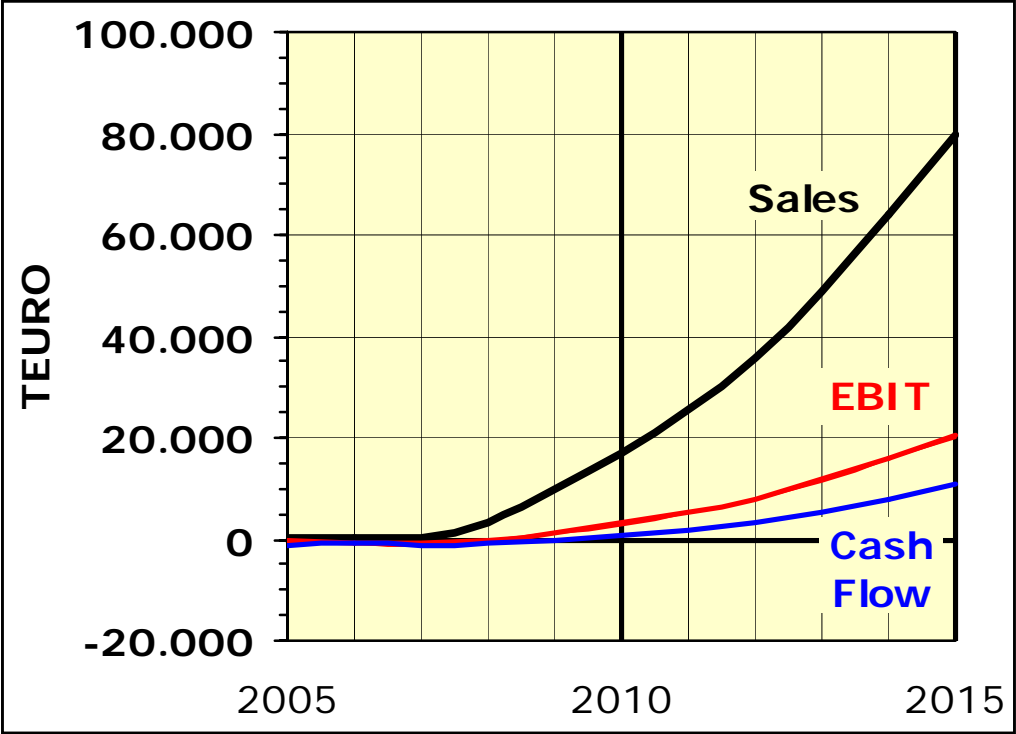
Cash Requirement

Accumulated working capital need **4.291 TEURO**

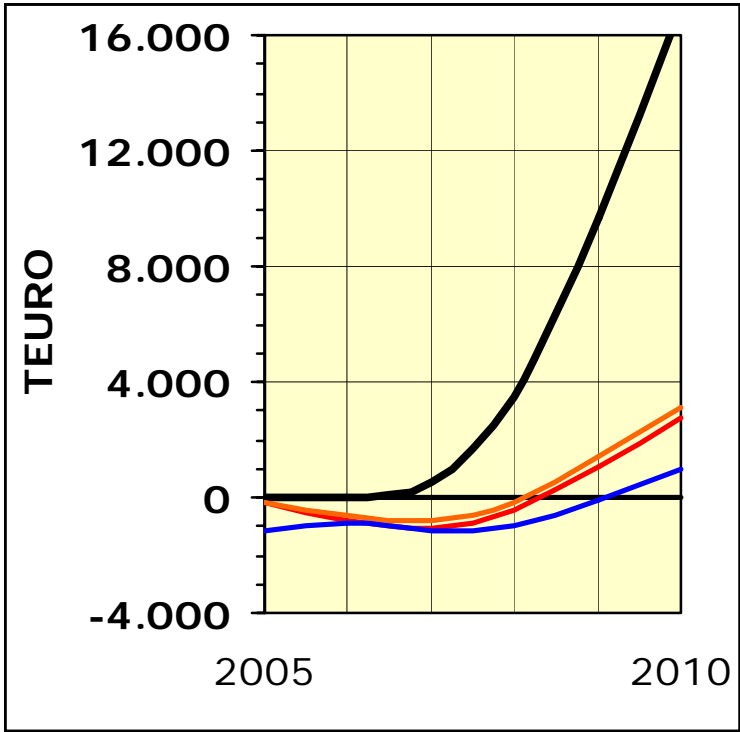
Our Business and Revenue Model

Sales, EBIT(DA) and Cash Flow

10 Years Budget



5 Years Budget ("Zoom")



A Team of Excellence

Company	presently under foundation in Denmark (Sept. 2005) with 2 financial investors from Denmark	
Management <i>(initially)</i>	Sales:	Fritz Peter Rasmussen, CEO (Danish) previously CEO of international refrigerating companies, start-up experience, sales and marketing expert. Immaculate track record.
	Technology:	Joachim "Joe" Paul, CTO (German) previously EVP and CEO of international refrigerating companies, founder of companies. today: Professor for "Refrigeration" at the Technical University of Denmark, Copenhagen.
Board of Directors	with presently 2 investors:	3 board members
	if another investor would join:	5 board members
Advisory Board	not (yet) foreseen	

Summary of fundraising offering

Existing Investors

YES, 2 financial investors (BankInvest, DK and SEED Capital, DK).

No earlier fundraising rounds.

Size of this Fundraising Round

between 1,5 and 2,5 mioEURO.
(invitation to participate in the already existing investment).

Timing of this Fundraising Round

Autumn 2005.

Use of Funds

Finalize development of the already existing commercial prototype; marketing and initial sales to "Launching Customers"; extension to commercial sales starting in Europe and thereafter world wide.

Exit Strategy

Primary: Sale of shares to existing large manufacturers (i.e. present competitors).
Secondary: Sale of shares to suppliers

Summary

Technology

- Developed over 10 years, one more year to go commercial.
- Mature and proven technology.
- Numerous and highest international awards.

Benefits for the Customer

- Only "WATER" and no hazardous or environmentally unacceptable fluids. Green technology.
- No phase-out threats.
- Robust, simple, low energy demand. Only two moving parts. No pressure vessels.
- Can even work as icemachine (storage).

Present Budget

- Deliberately very pessimistic figures.
- Does not include liaisons with global players, which will raise the market share from 3 % to 40 or even 50 % (YORK, USA; HITACHI, Japan).
- Serious interest from such global players exists already (YORK, USA and HITACHI, Japan).