

EXECUTIVE SUMMARY

The Breather is a unique new ventilation system that addresses three major problems of buildings. It reduces the heating cost and ensures healthy and comfortable indoor air quality, while not wasting any valuable indoor space.

The heat recovery is achieved by use of a powerful heat exchanger, which recovers most of the heat from the vented air. The Breather cleans the air and has a flexible design making it especially suitable to maintain excellent indoor air quality. The combination of having inconspicuous (2-6 cm) flat design and high air capacity, makes this unit unique, and perhaps a leading ventilation solution for renovation projects of buildings.

The fast growing heat recovery ventilation market is currently undergoing rapid change. In Europe, this is largely due to recent building codes, which are so stringent that compliance to energy efficiency requirement is difficult without using heat recovery ventilation. With the current high cost of energy, purchase of the Breather can be very economical and would pay for itself in a relatively short time (2-5 years).

There has been a growing awareness of the importance of indoor air quality. It is one of the major environmental factors affecting our health as well as productivity and quality of life. The current market has been missing a good solution which can fit where space is limited, but can still provide the high capacity and high quality ventilation needed. The Breather is a unique solution that meets that need.

The Breather system constitutes a fundamentally new approach in ventilation. The first product line will be a single room unit, but numerous other innovative spin offs are also possible. The system can easily be expanded to become centralized, servicing a whole flat. Numerous modular air treatment additions, such as a heater, a cooler, an advanced filter, and controls can be added to the unit giving it additional value. Also as the unit is compact and flat, it is especially suitable as part of a window integrated heat recovery ventilation solution. A window frame producer may therefore be an ideal strategic partner.

The key for the unique properties of the Breather is based on patented technology which has been developed by the project team during the last decade, mainly for computer cooler purposes. A proof of concept prototype for the ventilation unit has already been built and tested.

We are currently in the phase of securing financing for the next phase; the development of a showcase prototype of a single room unit intended for trade show presentation. We need \$100.000 in order to complete the unit. As the Nordic countries will be the ideal market to start selling the Breather, we're looking for investors in Scandinavia.

After this stage, we will require around additional \$900.000 in funding to finish developing the company into production and sales. Due to the need on the market, and our strong patent protection, we project that in the long run, this funding will be sufficient for securing the company a 2-4% share of the European heat recovery ventilation market. The company will only need to sell about 3500 units to break even. The accumulated return on investment in year 5 will be 40%, and in year 6 it will reach 50%. When considering intangible value based on future sales the initial ROI may have 15 folded on the second round of funding.