



Towel Tracker, LLC

Investment Teaser \$2MM Growth Capital

This is intended to be a teaser, not a full investor presentation. The following presentation is an investment teaser; if there is interest in an investment you or your company is interested in an investment, we will be happy to send the full investor presentation along with any requested information.

Thank you for your interest!

April 2, 2015

Calvin Deelah
Business Development
cdeelah@toweltracker.com
713.254.4321

Introduction

Towel Tracker was created to fulfill a need. The Grand Rapids, MI YMCA was losing over \$50,000 in towels per year. In 2009, Steve Molewyk, who laundered their towels, saw an opportunity and invented the Towel Tracker. AVI resort was losing over \$100K in towels per year.

Today, over 19 locations are benefitting from Steve's invention and seeing previously lost revenue added back into their bottom line and 60 more units are in the negotiation stage. One of our active locations is the Wyndham Hotel in Walt Disney World!

Our target market is financially aware of their lost towel revenue; they simply don't know there's a solution. It's our job to make them aware of it!



Company Team

Steven Molewyk,
COO.

Matthew Cheng
CEO.

Calvin Deelah
Business Development

John Molewyk,
Supply Chan Lead

Chris Webber
IT and Programmer

Mike Cormier
Sales Maganer, North East

Bob Solwold
Sales Manager, North
America

Jeff Wagner
Sales Associate

Board of Directors

Steven Molewyk,
A Shares

Matthew Cheng
A and B Shares

Bruce DeBoer
A and B Shares

Jack Spaans,
A and B Shares

Rolland Schmidt
B Shares

Dave Tiesma
B Shares



The Problem:

People are at liberty to take as many towels and scrubs as they'd like and often don't return them. This "honor system" costs fitness centers, resorts and hospitals millions of dollars a year!



The Solution:



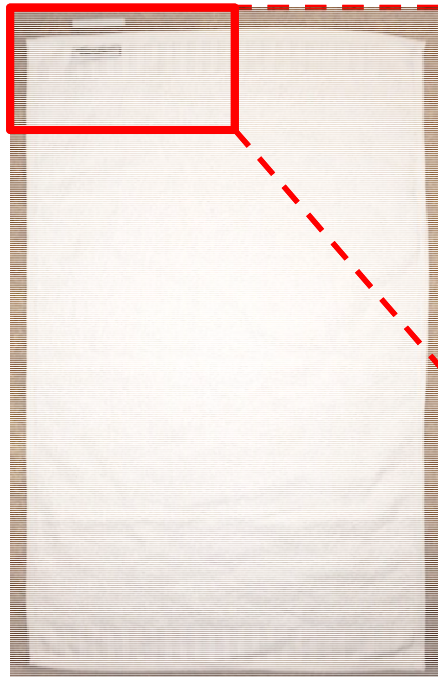
Scan key card

Take towel or scrub

Return

It's that simple!

How the towels are tracked



Towel Tracker sews an RFID tag into each towel or scrub. When they are removed from the TT for use, the RFID reader tracks the item taken, which is associated with the users id card at initial swipe, and creates a report for the company.

Benefits to our clients



1. Clients can order less towels/scrubs
2. On average, laundry is cut by 40%
3. Less man hours are spent collecting the towels
4. Pools and Gyms look neat and tidy!

Towel Tracker has 60 strong prospects in our 2015 pipeline, with several more high-potential relationships emerging weekly!

2015 Sales Pipeline – Likely to Convert Leads

Prospect	Salesman	Units
Wilderness Resort Wisconsin	Jeff	9
Caribbean Resort Myrtle Beach	Jeff	2
Trump Condominium's in Miami	Jeff	2
University of Denver	Jeff	2
Department of Energy	Steven	10
Mylum Textile (Hospital scrubs/linens)	Steven	10
Nike European HQ	Steven	4
Ocean Beach Club	Bob	3
Marriott Lakeshore Reserve Orlando	Bob	2
Hilton Grand Vacation Club Carlsbad	Bob	3
UCLA	Bob	3
Neoness Forme (France)	Bob	10
		60 Units

Emerging Relationships



We project the sale of 60 units in 2015, growing to 800 units in 2020, with a respective \$50 to \$81M valuation by 2020

Towel Tracker, LLC EBITDA & Free Cash Flow Projection

\$ Millions Except Where Noted

	2015	2016	2017	2018	2019	2020
1 Key Drivers						
Sales Reps	2	4	8	12	16	20
Total Units Sold	60	140	320	480	640	800
Installed Base	69	209	529	1,009	1,649	2,449
Unit Cost (\$)	\$ 14,000	\$ 14,000	\$ 13,300	\$ 12,600	\$ 11,900	\$ 11,200
2						
Total New Unit Revenue	1.6	3.8	8.6	13.0	17.3	21.6
Pay Per Use Revenue (Pilot)	0.1	0.3	0.4	0.4	0.4	0.4
Innovation Revenue	-	1.5	3.0	4.5	6.0	7.5
Towel Revenue	0.1	0.3	0.9	1.7	2.8	4.1
Total Revenue	1.8	5.9	13.0	19.6	26.5	33.7
Total COGS (incl. 15% warranty)	1.0	3.4	7.4	11.0	14.6	18.1
Gross Profit	0.8	2.5	5.6	8.6	11.9	15.6
Gross Profit Margin	42.8%	42.4%	42.9%	43.8%	45.0%	46.2%
Product Development	0.5	0.7	0.2	0.2	0.2	0.2
Total Sales Costs	0.3	0.8	1.7	2.6	3.5	4.3
Other Costs	0.3	1.0	1.0	1.0	1.0	1.0
	1.2	2.5	3.0	3.8	4.6	5.5
EBITDA	(0.8)	0.0	2.6	4.8	7.3	10.1
	-44.1%	0.7%	19.9%	24.5%	27.4%	29.9%
Working Capital Investment	(0.1)	(0.3)	(0.5)	(0.5)	(0.6)	(0.6)
Free Cash Flow	(0.9)	(0.2)	2.1	4.3	6.7	9.5
EBITDA Valuation Range (5-8x)			13 - 21	24 - 38	36 - 58	50 - 81
5 Projected B-Share Dividend (\$/share)	\$ -	\$ -	\$ 1.55	\$ 2.88	\$ 4.36	\$ 6.05

Projection Highlights

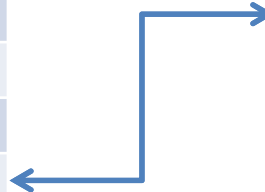
- 1 Sales reps drive unit revenue – growth will initially be controlled to ensure Towel Tracker’s market reputation
- 2 Other recurring revenue streams include pay per use, innovation, and towel revenue
- 3 Break-even EBITDA expected in 2015 – excluding product development costs
- 4 2019 projected valuation of \$40 to \$65M based on 5-8 EBITDA multiple range
- 5 Projected dividends starting in 2016

Funding Request Breakdown

Areas	Amount
Cash Flow Shortfall 2015	\$0.9M
Cash Flow Shortfall 2016	0.2M
Pilot Pay-Per-Use Program	0.3M
Debt Retirement	0.2M
Equity Administration Costs	0.1M
Safety Fund	0.3M
Total	\$2.0M

Current Debt

Debt Holder	Debt Amount
Development Costs	\$458,358
Leasing Costs	\$170,674
Deferred Expenses	\$75,074
Suppliers	\$15,000
Total Debt	\$719,106



Towel Tracker, LLC Equity Offer

Factor	Value	Notes
Present Unit Valuation	\$23.50/share	\$7.3M Pre-Money Valuation
Equity Raise	Up to \$2.0M	To be determined with investor
Equity Unit Raise	Up to 86.1K share	
Projected Ownership Stake for Investment	Up for negotiation	We anticipate this is our last round of funding since we have a fully operational product
Board Representation	1 seat	Current board size is 6 members
Stock Options	TBD	

Towel Tracker Management Team

Name	Position	Experience
Steven Molewyk	Chief Operating Officer	<ul style="list-style-type: none"> • Towel Tracker Inventor and Company Founder • Commercial Laundry Owner • Real Estate Entrepreneur
Matthew Cheng	Chief Executive Officer	<ul style="list-style-type: none"> • Management Consultant at A.T. Kearney, Inc. • Controller, General Motors • Wharton MBA, Mechanical Engineer
John Molewyk	Supply Chain	<ul style="list-style-type: none"> • Supply Chain and Quality Consultant • Maintenance Manager, Hospira • Grand Valley State BS Chemistry
Jack Spaans	Product Development	<ul style="list-style-type: none"> • Engineering Manager at RED Stamp, Inc. • R&D Principal Engineer at Siemens Logistics & Assembly Sys • System Test Technician at Lear Siegler
Bob Solwold	Sales	<ul style="list-style-type: none"> • Medical-Surgical Float Staff Manager at Genesys • RN at Genesys • Ferris State University BS Nursing Science
Bruce DeBoer	Advisor	<ul style="list-style-type: none"> • Founder and President of RED Stamp • Major Towel Tracker Investor and Advocate • Recognized Top Entrepreneur in Michigan
Calvin Deelah	Business Development	<ul style="list-style-type: none"> • Former CEO of Sage Global Capital • Ball State University – Business Administration • Texas A&M University – Marine Engineer





Calvin Deelah
Business Development
cdeelah@toweltracker.com
713.254.4321