

eBridge International

Connecting the Unconnected

Executive Summary

To

Business Plan

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1 Executive Summary

1.1 Company Description

eBridge International delivers computer, communications and information technology to people who currently do not have access to them in underserved markets of the world. We connect the unconnected by deploying affordable shared access in neighborhoods or rural villages using the franchise business model.

eBridge generates income in three ways: franchise fees, franchise royalties, and residual income from third party services and advertising.

eBridge is a franchisor creating a global network of locally owned franchised eStores. A wholly owned eBridge "Host Country" Corporation will be created in each country where we do business. This will allow us to operate easily across national borders and create local companies thereby furthering economic development and providing jobs.

1.2 Market Opportunity

The internet is changing the world...but only about 22% of the world's population has access to it. Our target market is the 5 billion people without Internet access.

The growth of the internet is slowing down primarily due to economic barriers. Most people living beyond the current fringes of the internet do not have the economic means to afford it. Old telecommunications business models simply are not working well enough to expand the internet beyond its fringes.

The shared access concept combined with the efficiencies and cost-benefits of the franchise model enable eBridge to take the internet – and what the internet makes possible – beyond the current fringes in a way that is sustainable, scalable and highly profitable.

1.3 The Competition

There are competitors and they have proven that the franchise business model works in our market space and have validated the key elements of our strategy...which targets the base of the economic pyramid. Our competitors located in Sri Lanka and India have sold thousands of profitable franchises in the last few years.

1.4 eBridge versus the Competition

eBridge has extensive experience in franchising. Our most compelling, competitive edge is the proven and proprietary turn-key business model that allows the franchisee to quickly start and maintain an exciting profitable business.

We have stores at both ends of “the bridge”, in migrant communities in the US and in their home town in the developing world. The phenomenon of millions of people migrating to the United States and other developed countries has created a huge flow of communication and money between migrants and friends and families back home.

The eBridge technology solution keeps the computers reliable through remote management of the computers and virus resilient technology – in contrast to the common problems of computers breaking down at internet cafes and sitting unused waiting for costly repairs.

The eBridge Stored Value Card (SVC) will provide end users with a unique ID and the ability to conduct financial transactions in and out of the eBridge network of franchises. It allows eBridge to be involved in the transaction business and the SVC is the centerpiece of the strategy. The SVC allows access to eBridge services, remittance of funds across borders, withdrawal of cash at banks and ATMs and purchase of services and products from other suppliers.

1.5 The Ask:

We are seeking \$850,000 for this round of funding. Projections show that the entire investment, including the initial seed round of \$250,000, this round of \$850,000, and the next round of approximately \$2,500,000, can be returned to investors as dividends by the end of Year 5.

The exit strategy is to be acquired by a telecommunications company or an online content company like Google or Yahoo!. The estimated value of the company in 2014 based on discounted cash flow is \$108 million or \$108 per share.

1.6 Operational Strategy

Phase I. Pilot (November 2008 – August 2009)

The purpose of Phase I is to:

- **Identify**
 - Priority services desired
 - Price points
 - Ideal franchise owner profile
 - Expansion strategies
- **Improve**
 - Technology solutions
 - Marketing techniques
 - Management techniques
 - Business model
 - Customer satisfaction
- **Create**
 - Interest among potential franchisees
 - Brand Identity
 - Credibility of eBridge
 - Interest among additional potential investors

Seed funding has been efficiently used over the last year to specify and identify systems to initiate our Pilot Program. Our first Pilot eStore opened on November 15, 2008 in San Jose, California. Our second Pilot eStore is scheduled to open in Morelia, Michoacan, Mexico, by the end of February 2009. An additional seven Pilot, company-owned eStores will be opened by May 2009 — for a total of three in Mexico and six in California.

Generally, eBridge franchisees will operate within existing retail businesses, which already have overhead covered and established customers. eBridge will help prospective franchisees obtain startup funding if necessary. Services are accessed by the customer using a prepaid stored-value-card...which means that all transactions are digital.

Phase II. Expand in the United States & Mexico (August 2009)

During Phase I our marketing team will assemble and prequalify a list of potential franchisees in the United States and Mexico. Beginning in August 2009 we will roll out franchises to fulfill the backlog of demand and execute the marketing plan to meet rollout objectives.

Phase III. Expand in the United States & Latin America/Caribbean (June 2010)

As we roll out eStores and gain market share in the United States and Mexico we will identify potential franchisees and managers for other countries in our target regions. eBridge will begin to roll out across the United States, into the Caribbean and into Central and South America.

Phase IV. Expand in the Developed World, Africa and Southeast Asia (January 2012)

In Phase IV, employing lessons learned in earlier phases, we will hit full stride in our mission of connecting the unconnected in the underserved areas of the developing world. We will deploy in India, Africa, South East Asia, and China following the Four Phase approach.

1.7 Marketing Strategy

We will pursue three distinct marketing paths simultaneously:

- Market the eBridge Franchise directly to qualified prospects
- Market to the eStore customer, the end consumer
- Join forces with existing retail networks that exhibit excellent compatibility with the eBridge model to roll out a large number of eStores in a short amount of time

1.8 Financial Projections

Because in a franchising business, the primary income-producing assets are owned by Franchisees, not the Franchisor, the investment required to create this franchising company and take it to break-even is relatively very low—about \$3.6 million to grow eBridge to over 4,500 franchises in five years and take it to break-even by October 2010.

1.9 Management

The Team that has come together to create eBridge has a unique combination of skills and experience that includes entrepreneurial success, telecommunications and computer technology, franchising, financial controls and on-the-ground experience in the developing world and migrant communities in this country. The importance of developing-world experience cannot be underestimated.

The Team:

Dan Sieben, Founder and CEO, is an accomplished entrepreneur with extensive experience in global franchising. He founded and served as CEO of Bomanite Corporation, a highly successful franchise company with a network of franchisees around the globe. His overseas experience is particularly strong in Latin America.

Chuck Nuzum, CPA, Co-Founder and CFO, has 20+ years as CFO of Loomis Armored and 10+ years as CFO in software, Internet and pharmaceutical manufacturing companies.

Fred Dyste, Director of Technology & Operations, brings 30 years of business, technology and franchise management experience with an emphasis on innovation and operations.

1.10 Who will benefit most from the success of eBridge?

The people with the fewest advantages in life — those who live and work within the underserved communities near eBridge locations — will benefit the most. eBridge will connect the unconnected and help these people improve their lives, their communities and their future.