

lopoco
low power systems

Summary

- Product: low power servers delivering between %50 and %80 power savings at idle and TDP
- Comparable performance to conventional servers
- No wimpy or cell phone processors, no underclocking
- No custom silicon: proprietary chips is a non-starter -- but lowers the barrier to entry. We don't want too high a barrier to entry for competitors, because having at least one competitor increases the TAM ten fold, and greatly enhances the exit strategy valuation.

Exit

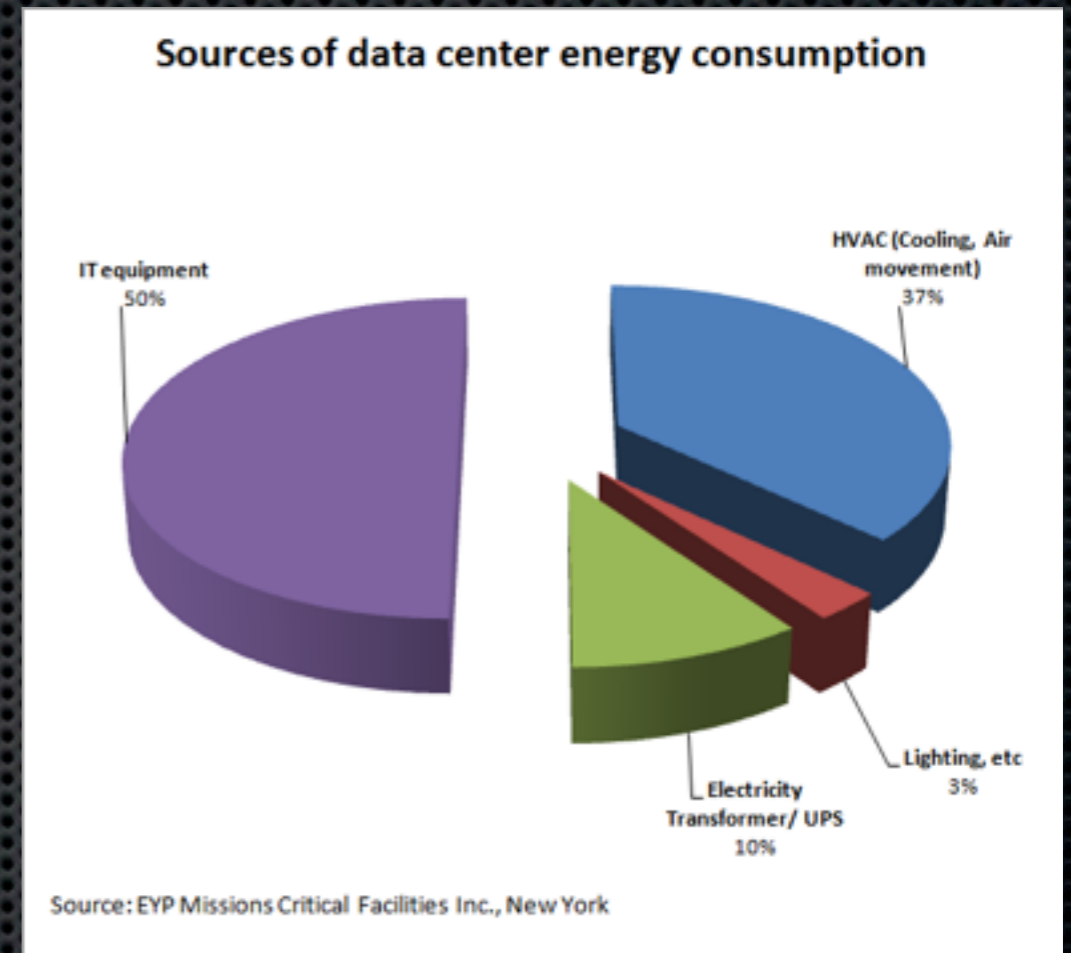
- Our business plan is very similar to 1996 startup Cobalt. They sold low power, easy-to-install servers. Over 90% of their sales were to web hosting companies.
Cobalt was purchased by Sun in 2000 for \$2bb.
- Our market share goal is %25 of the global low power server market, which is expected to be in excess of \$20bb in 5 years.
- Seamicro purchased by AMD in March for ~\$600mm, with less than \$100mm in sales.
- Wyse Technology (low power desktops) purchased by Dell in August for almost \$1 bb
- If we can reach \$100mm in sales, an aquisition valuation of \$700-800 is very possible



Irresistible Value Proposition

Our green tech servers help data centers shed their monthly consumption by more than 50% in virtually all areas. Summing those savings can realize reoccurring cost reductions greater than 90%. All while preserving business continuity and compliance with conventional form factors and options customers are accustomed to.

The graph on the right shows that, with the possible exception of lighting costs, a customer can save power costs in all areas of data center operation.



The table below shows the direct savings EMEA customers will can realize when utilizing our products. Per 100 servers/yr.

EMEA customers		Electricity	HVAC	Totals	Savings
90% avg. load	Conventional	\$52,560	\$52,560	\$105,120	\$84,096
	Lopoco	\$10,512	\$10,512	\$21,024	

Team

- **lopoco** is led by co-founder Andrew Sharp who has been in the server business in Silicon Valley since he joined Convergent Technologies in the mid-1980s, and has worked at Sun, HP and SGI, as well as a host of startups.
- Co-founder and CTO Peter Theunis has more than 10 years of experience in large scale systems architecture in Silicon Valley startups as well as with Yahoo!
- Jack Mills, V.P. of Engineering. Architect of the Pentium and Itanium processors at Intel; Director of Intel's Advanced Processor Research Lab
- Mark Brine, CFO. Started his finance career in Silicon Valley with VLSI; lately was V.P. of Finance at semi-conductor startup Discera.



Market

- More than half of total global server market in 5 years: greater than \$25bb
- Market share: aiming for %25 of that
- Immediate targets: Large data centers, cloud data centers, hosting companies. Simultaneous sales push in Europe, Asia and Americas
- EMEA distributors or direct, whatever makes the most sense
- Direct sales

Competition

Competitive Advantages:

- ✦ Superior power saving designs put us 18-24 months ahead
- ✦ One of the top tier server vendors may copy our technology after a couple years -- but one of the others will be forced to buy us to defend their market share.

Two types of competitors:

- ✦ Biggest direct competition: top tier server vendors: HP, Dell, IBM, Oracle, Lenovo
- ✦ Low power startups: SeaMicro (nee AMD), Smoothstone.
Very low threat level.



Funding

- ✦ Seeking series A funding of \$1.5 -2.0mm
- ✦ Premoney of \$4mm
- ✦ Funding use: Sales and Marketing