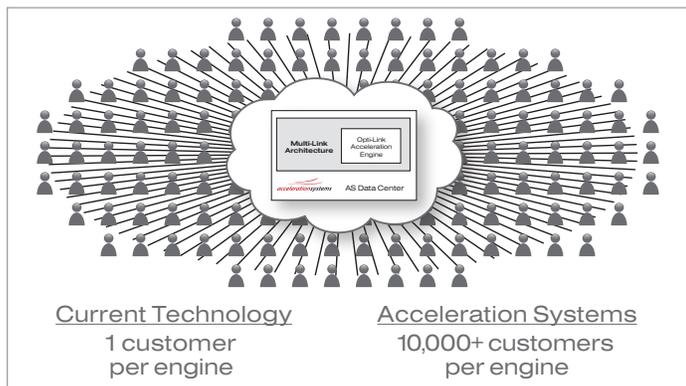


## Overview

Acceleration Systems provides cloud-based WAN Optimization (Internet acceleration) and encryption. Fundamentally, these technologies make the Internet operate faster, more efficiently, and more securely. WAN Optimization has been adopted by 95% of the Fortune 1000. Market leaders in this industry are Riverbed and Cisco. Competitors in the industry implement their solutions by placing one WAN optimization appliance per customer location. These competitive products are many tens - and in some cases hundreds - of thousands of dollars, with additional ongoing maintenance and support costs. Acceleration Systems has developed a novel approach by which we place one of these WAN optimization appliances in the cloud and share the resource amongst many users on a monthly subscription basis. Patents have been filed on this technology. Our patent-pending methodology makes WAN optimization available to the broad mid-tier market. We believe that this technology can be sold through ISPs to tens of millions of businesses around the world.



## Sales and Distribution Strategy

Acceleration Systems will go to market primarily through Channel Partners and resellers such as regional and specialty Internet Service Providers and technology resellers and distributors, leveraging the customer relationships of our partners.

## Sales Pipeline

Acceleration Systems has a significant sales pipeline. We have established relationships with 175 well-qualified prospects within our target vertical markets, representing \$5m/yr in recurring revenue.

## Agreement with Spacenet

Spacenet is a satellite and terrestrial provider of managed network services. They provide Internet services to over 160,000 locations for clients such as Goodyear, Sunoco, Dollar General, and Wells Fargo. In July 2013, we entered into a Letter of Intent to cooperate in the commercialization of our cloud-based Multi-Link Architecture. In January 2014, we formalized this LOI into a contract, with field trials to commence in May 2014 and customer rollout in September 2014. Contract value in 2014 is \$423,000.

## Patents

Acceleration Systems has four patents now pending before the USPTO filed by the Lexington, KY office of Dinsmore &

Shohl. These patents will act as a barrier to entry against any competitive response to our solution. Essentially, our patent-pending technology enables sharing of a cloud-based resource (in our case, WAN Optimization) within an encrypted environment.

## Financial Forecast

Yearly Free Cash Flow (USD)	2014	2015	2016	2017	2018
Revenue	\$670,373	\$7,197,408	\$29,714,871	\$87,292,339	\$194,689,669
Cost of Sales	\$535,000	\$2,582,158	\$8,260,779	\$19,627,247	\$35,031,058
Gross Margin	\$135,373	\$4,623,477	\$21,454,092	\$67,665,092	\$159,658,611
Platform Cost	\$320,410	Included in CoS			
Product Dev v2014	\$240,000	-	-	-	-
Product Dev v2015 + Ongoing	\$1,490,000	\$785,000	\$792,000	\$864,000	\$960,000
SG&A	\$1,465,687	\$3,922,301	\$5,875,649	\$9,547,938	\$17,219,512
Add Back: Depreciation	-	\$632,078	\$785,494	-	-
<b>FREE CASH FLOW</b>	<b>\$(3,380,724)</b>	<b>\$548,255</b>	<b>\$15,544,938</b>	<b>\$57,253,154</b>	<b>\$141,479,098</b>

## Progress to Date

Company Founded:	2011
Investment to Date:	\$1.02 million
Patents Filed:	January 2013
Prototype Complete:	July 2013
Alpha Product:	December 2013
Pilot:	April 2014
Commercial Launch (revenue):	May 2014
Projected Profitability:	June 2015

## Financial Overview/Investor ROI

As of June of 2012, Acceleration Systems required total capital of \$5.44 million over 36 months to bring our solution to market and achieve profitability.

At the 18-month mark in that development effort, \$1.02 million has been invested in developing the technology platform, filing patents, launching alpha product, and building our sales pipeline. Half of the investment to-date is cash and vendor financing. The remainder is paid-in-kind services and deferred salaries.

We are seeking \$550,000 in bridge financing to complete product development, begin marketing, and enter the revenue phase. Achieving these milestones will trigger closing on pre-negotiated Series A funding of \$3 million. The \$870,000 balance will be funded by a subsequent Series B round.

Due to our unique value proposition and market position, we anticipate a strategic acquisition from an established WAN Optimization provider such as Riverbed, Cisco or Blue Coat. We are projecting a post-dilution return of 10x for our bridge round investors.

## Contact:

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