

News & Updates

For Our Valued Angel Investors



EVRCOOL.COM

Hits with Mits!

Happy March EVRCool Family!

There's been a lot of activity and key events at EVRCool since our last official communication, but we certainly didn't want to bury the lead: We have a PO in hand for 2 chillers direct to Mitsubishi (MC Machinery)! This marks a significant milestone in a diligent process of working with the MC team to prove our products and business in hopes of a long-term partnership. Though they've let us know this sale doesn't mean that a full cut-over of volume is finalized, it is certainly the best-case scenario for us to continue building confidence with their team that EVRCool is the right solution for them!

"All Great Things have Small Beginnings." – Peter Senge

This opportunity was born out of the federal regulations we've been discussing, requiring that chillers use low GWP (Global Warming Potential) refrigerants. These regulations were scheduled to go into effect for the US and Canada at the beginning of this year. While the US bumped back that start date to January 2026, Canada kept firm with the timeline. MC recently sold a couple lasers to Canadian end-users, and they've been unable to build confidence that a viable solution was available with their current chiller supplier. The EVRCool units they've tested already meet the low GWP requirement, so we became the obvious choice when they needed a solution in a pinch.



The urgent need for a solution has provided a challenge and an opportunity for the EVRCool team: we need to get a chiller fully built, tested, and delivered in 2 weeks to meet the timing of the laser delivery to Canada. Once the decision was made on both sides to pursue this opportunity, EVRCool got to work planning an expedited process for prepping the units.

As we speak, the first chiller is in final testing with a plan to deliver to MC headquarters tomorrow. From there it will be packed up with the laser and sent to Canada, where we will meet it for install at the customer. A couple weeks from now, we're planning to have the second unit ready to follow a similar process as well.

There is a tentative plan to have the MC leadership team visit EVRCool HQ later this month, which will help build confidence in our ability to be their long-term chiller supplier. While we've negotiated on a cut-over strategy and have buy-in from the sales and service teams, we need to continue developing the confidence of the C-suite leadership team that EVRCool will not give them the same problems they've been having with their current supplier. We've proven our product, and next we plan to prove our processes and people to them as we continue ramping up business.

There have been many people who've helped in this latest flurry of activity, and we thank you all for your efforts!



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Sales Funnel Update

MC Machinery isn't the only sales activity happening right now, we've been working hard to expand our reach and look at what's coming next for sales opportunities. Some of note:

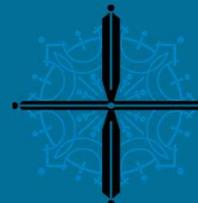
TK Elevator is an end user customer that we've quoted a package of 7 chillers for. We're expecting a PO for that business near the end of March or early April. This would mark the largest order we've processed to date!

HII is an end user customer we've quoted a single chiller for. We are confident in earning their business. They are currently working on final funding for the project, and we are expecting a PO for that business when they have a funding plan in place, which could be any time now.

We recently installed our prototype chiller from FABTECH in the field at CenMac who is an end user customer of MC Machinery's 20kW laser system. This is significant field testing for us on the largest laser system MC Machinery offers. It's also an opportunity to build a great relationship with another potential end user customer. The lead laser tech there told our team "I'd love us to commonize all our lasers under 1 chiller manufacturer!"

TJ Snow is a potential OEM customer that we just had a promising introductory meeting with, located in Chattanooga. They are interested in a quote for our 25kW machines. We're working to prepare that quote and set up a time to either host them at our facility or bring a chiller over to them for pilot testing. This would represent another opportunity for ongoing orders.

Trumpf is the worlds largest laser OEM that we've started dialogue with after FABTECH this past year. We have an in-person meeting set up with their laser division in Plymouth, MI later this week. The goal of this meeting will be to dive deeper on the product line and what their needs are. We are positioning ourselves to get an introduction to the headquarters in Connecticut, which would allow us to get added to their approved vendor list and start pilot testing on their machines. Stay tuned for more!



T. J. SNOW

TRUMPF



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Operations Update

It's hard to collect all the important work that has happened since we last were able to update you. We'll try to cover a good breadth of the progress below:

- Five EVRCool team members were in attendance for the AHR Trade Show in Florida! Not only was this a chance to keep getting our name out there, but also a chance to connect with key vendors and explore some new options for component supply. It was a success! We were able to get a couple new production suppliers spooled up, and Brian and Matthew had several face-to-face introductions to our key vendors.
- Jacob and team have been working diligently on manufacturing readiness and getting the facility ready for full production runs. One item we're working through here is a process called PFEF (Plan For Every Part), which includes supply chain, inventory strategy, assembly, testing, etc. It's strenuous work but will result in us being as efficient as possible with our manufacturing space.
- Scott Jacques came down to Knoxville again and removed excess electrical equipment from the facility to open more space for production. Thank you, Scott, for the important work!
- Jacob has our material warehouse and racking all laid out and set up.
- We have been working on a redesign of the door frame that will reduce the cost of those parts in production by about 50%. This is critical for the profitability on our products and will carry over to the other three chiller sizes in the portfolio as well.
- 90% of the parts are now set up in our NetSuite ERP system. This is a tedious process on the front end but will allow us to have inventory control at a level that most young businesses are not able to accomplish.

We couldn't do this without the amazing team we have around us. This obviously includes the folks that are full time with the company, but also the wonderful network of stakeholders that have been so willing to help. Thank you all!



Mike Bell has accepted an offer to join the EVRCool team in a sales and account management role!

Mike has decades of experience as a business owner in industrial part and equipment sales. Anyone that knows Mike would describe him as an ultimate server with a keen sense of identifying what people need. His work ethic, character, and "just do it" attitude will serve him well in his new role.

His main responsibilities will be to create activity at the top of the sales funnel, open doors to new clients, and build trusting relationships with our customers. Mike has been on-board with EVRCool since the early days as an investor, and we are very excited to have Mike on the team full time!



Rep EVRCool!

A quick reminder that the EVRCool apparel store is now live on the website! Everything should be updated with various products, colors, sizes etc. Again, we're not selling gear with the intention to make a profit, but networking EVRCool is critically important for us, and this is a great way to help you advocate! We'll copy some examples below, but please navigate to the "Shop" tab on the website to look around.

EVR COOL.COM

Mens/Unisex Styles



District Young Men's Very Important Tee
District
\$9.65



TravisMathew Bayfront Solid Polo
TRAVISMATHEW
\$85.50



Ashton Sweater-Knit Fleece Jacket
Landway
\$84.00



Brooks Brothers® Wrinkle-Free Stretch Pinpoint Shirt
Brooks Brothers
\$65.00

Ladies Styles



District Juniors Very Important Tee
District
\$10.15



TravisMathew Ladies Oceanside Solid Polo
TRAVISMATHEW
\$78.00



Ladies Ashton Sweater-Knit Fleece Jacket
Landway
\$84.00

Accessories



Nike Dri-FIT Legacy Cap
Nike
\$25.00



TravisMathew Rad Flexback Cap
TRAVISMATHEW
\$28.00



29L Gearbox Overdrive Backpack
Oakley
\$94.00

Angel Round 2 Update



As a startup business, one thing we've never lost sight of is the path the profitability. To that end, we wanted to keep you updated on what fundraising looks like for us! Regarding our Angel Round 2 that is currently open: as of today, we have \$1.2 million committed (and mostly delivered) of our \$1.5 million target. We appreciate your continued support and understand it is what has kept the doors open in our early phases of business. If you have any further interest, or know someone who might, please feel free to direct them our way.

EVRCool has also been diligently exploring other paths financially to make sure we always have options on how to move the business forward. These options will give us choices based on how fast we need to scale to meet the market. A few things we're working on:

- 3 engagements with professional angel networks
- SBA Loan Application
- Positive meetings with a large angel investor
- Evergreen Climate Innovations grant funding

We will keep our investment updated as these items progress, but we feel confident in our financial positioning for the future!

"Tell your story: Yes, tell your story. Show your example. Tell everyone it's possible, and others shall feel the courage, to climb their own mountains."

- Paulo Coelho