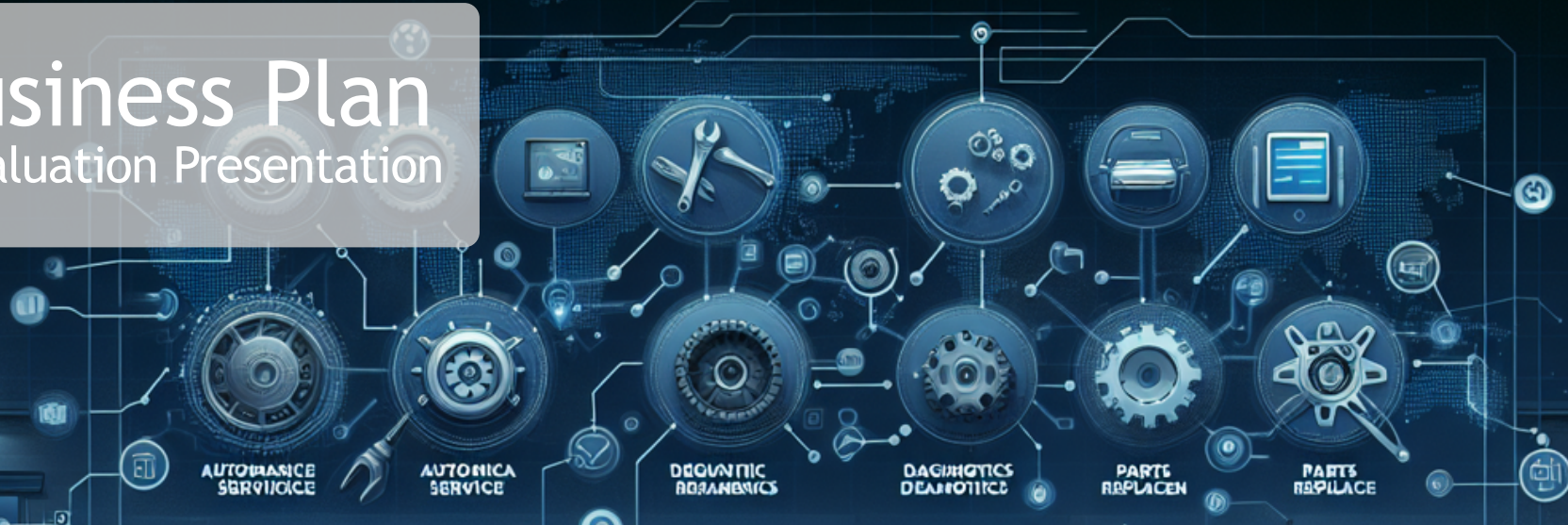


Business Plan & Valuation Presentation



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OUR VISION & MISSION

Our Mission

MasterMechanic Garage is dedicated to providing high-quality, reliable automotive services for all makes and models. Our skilled technicians offer a comprehensive range of services, including routine maintenance, diagnostics, repairs, and parts replacement, all performed with precision and care. We prioritize customer satisfaction through transparent communication, timely service, and a commitment to using the latest technology and highest-quality parts. Our goal is to ensure that every vehicle operates safely and efficiently, offering peace of mind and exceptional value to our clients.

Our Vision

MasterMechanic Garage aspires to be the leading name in automotive maintenance and repair, recognized for our unparalleled service quality and commitment to customer satisfaction. By continuously embracing innovation and advancing our technical expertise, we aim to set new standards in the industry. In twenty years, we envision a future where MasterMechanic Garage is synonymous with trust and excellence, providing comprehensive automotive solutions that ensure the safety, efficiency, and longevity of every vehicle. Our ultimate goal is to create lasting relationships with our clients and become their preferred partner in automotive care.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 460k

Revenue

\$ 100k

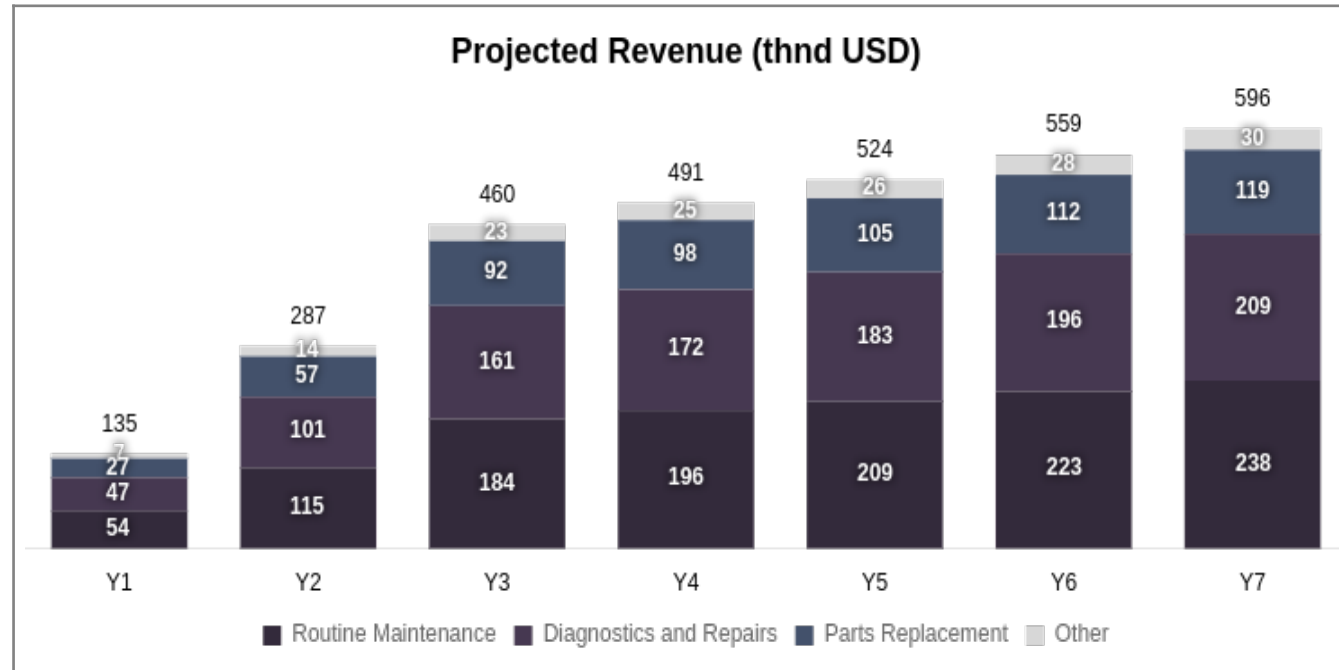
Gross Profit

\$ 24k

EBITDA

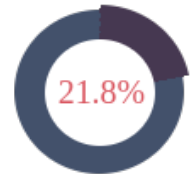
0.06%

Target Market Share



Margins
(Stabilized by Y3)

GP Margin



EBITDA Margin



PbT Margin



Project Phases



Funding round is aimed to accelerate the development of Phases and create core infrastructure for operations.

Investment will be used to finance CAPEX, WC buffers, etc.



About the Company: **General Overview**



MasterMechanic Garage is a trusted auto repair shop dedicated to providing high-quality, reliable automotive services for all makes and models. Specializing in the maintenance and repair of motor vehicles, MasterMechanic Garage operates within the wholesale and retail trade; repair of motor vehicles and motorcycles sector. The team of skilled technicians at MasterMechanic Garage offers a comprehensive range of services, including routine maintenance, diagnostics, repairs, and parts replacement, all performed with precision and care. Customer satisfaction is a top priority, achieved through transparent communication, timely service, and a commitment to using the latest technology and highest-quality parts. With a focus on ensuring that every vehicle operates safely and efficiently, MasterMechanic Garage aims to provide peace of mind and exceptional value to all its clients.



The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers	<ol style="list-style-type: none"> 1. Reliable and high-quality maintenance services ensure peace of mind and vehicle safety. 2. Access to advanced diagnostics and comprehensive repairs for improved vehicle performance. 3. Diverse service offerings and premium packages provide customizable options to suit different needs.
Employees	<ol style="list-style-type: none"> 1. Opportunities for professional growth through training on cutting-edge automotive technologies. 2. Stable employment in a growing and innovative company. 3. A supportive work environment that prioritizes skill development and job satisfaction.
Suppliers	<ol style="list-style-type: none"> 1. Steady demand for high-quality parts, ensuring consistent business relationships. 2. Opportunities for collaboration on specialized parts replacement and advanced diagnostic tools. 3. Increased revenue from long-term partnerships.
Investors	<ol style="list-style-type: none"> 1. Attractive returns from diversified revenue streams and innovative service offerings. 2. Enhanced market resilience and growth potential through strategic expansions and partnerships. 3. Strong brand reputation contributing to long-term financial stability.
Local Community	<ol style="list-style-type: none"> 1. Access to reliable and high-quality automotive services locally. 2. Job creation and economic stimulation through the business's operations. 3. Support for local businesses through partnerships and service networks.
Regulatory Bodies	<ol style="list-style-type: none"> 1. Assurance of compliance with industry standards and regulations to ensure safety and quality. 2. Collaboration on initiatives to promote sustainable and safe automotive practices. 3. Contribution to community safety through properly maintained vehicles.
Business Partners	<ol style="list-style-type: none"> 1. Mutually beneficial collaborations with automotive innovation and technology firms. 2. Opportunities for joint ventures in emerging markets such as electric vehicle servicing. 3. Shared growth and market expansion through complementary services and retail offerings.



Key Performance Components

Competitive Advantage

Skilled Technicians

MasterMechanic Garage boasts a team of highly skilled technicians adept at diagnosing and repairing all vehicle makes and models, ensuring precision and care in every service.

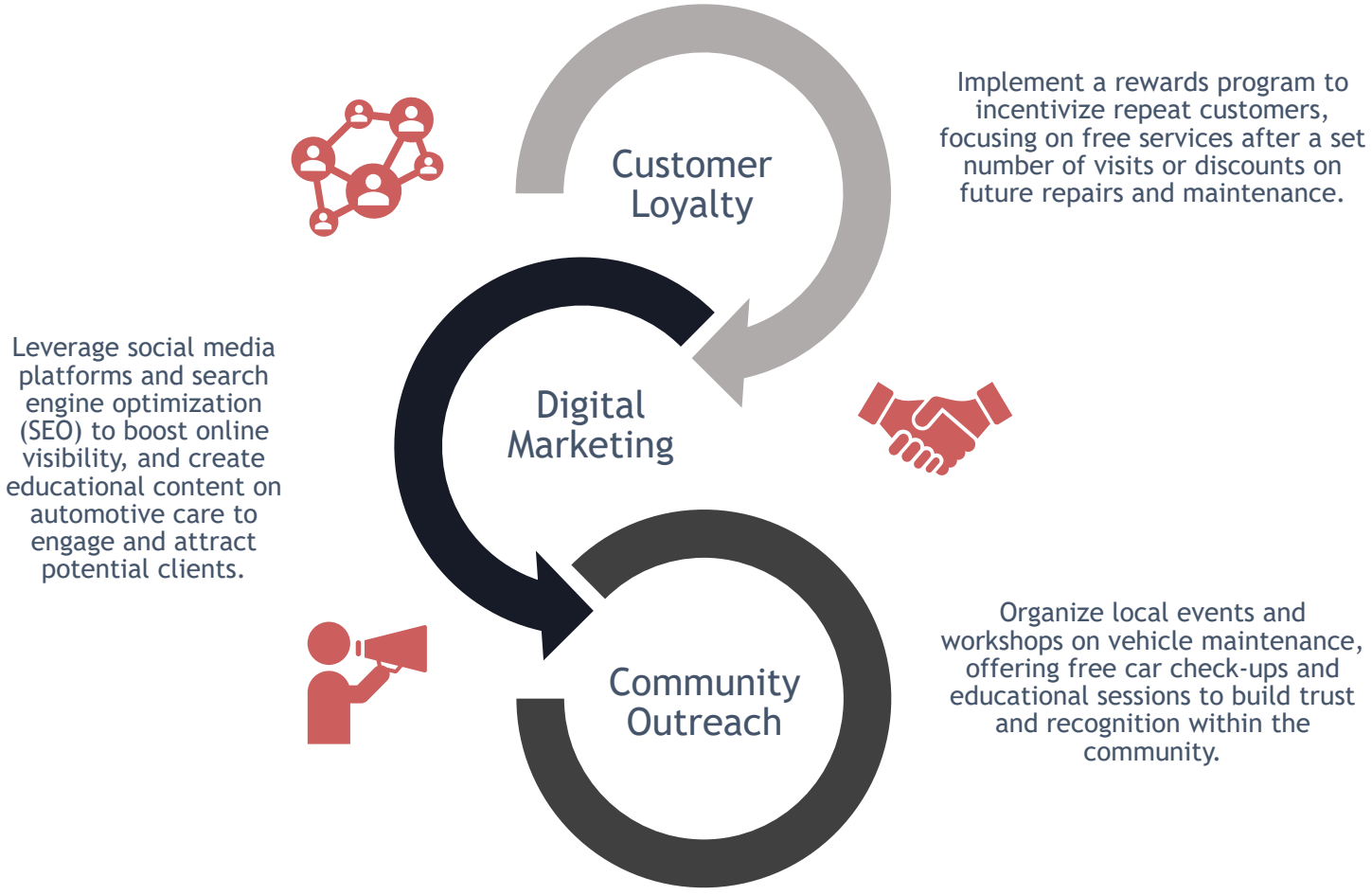
Customer Satisfaction

The company prioritizes transparent communication and timely service, delivering exceptional customer satisfaction and peace of mind with every interaction.








Cutting-Edge Technology

MasterMechanic Garage utilizes the latest technology and highest-quality parts to provide reliable and efficient automotive services, ensuring each vehicle's optimal performance and safety.

Marketing and Growth Strategy

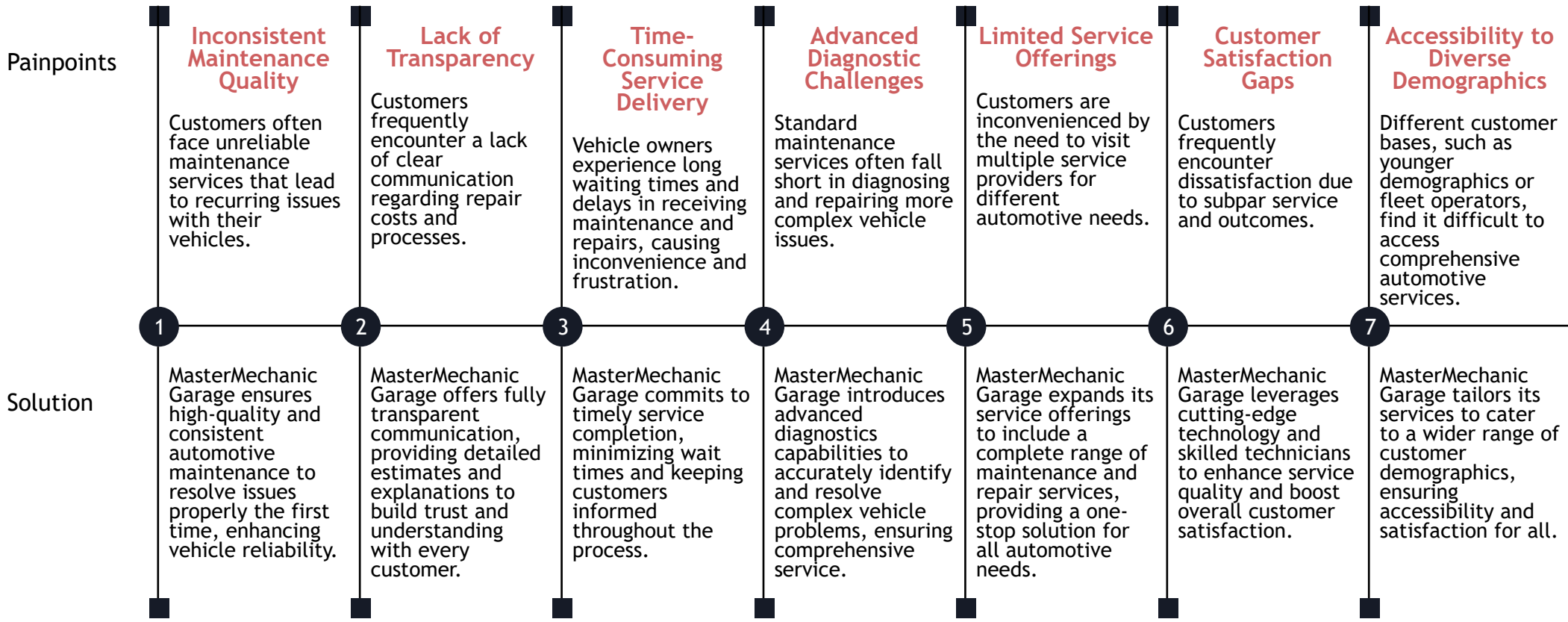


Target Groups

Industries		Description
I	 Individual Vehicle Owners	Car owners seeking reliable and high-quality maintenance and repair services for their personal vehicles.
II	 Fleet Managers	Businesses that manage a fleet of vehicles requiring regular maintenance, comprehensive repairs, and specialized parts replacement to ensure operational efficiency.
III	 Luxury Car Owners	Owners of high-end and exotic vehicles who require premium maintenance services and advanced diagnostics to keep their cars in top condition.
IV	 Rideshare Drivers	Rideshare and delivery drivers needing frequent, reliable maintenance services to ensure their vehicles meet high usage demands.
V	 Automotive Enthusiasts	Car enthusiasts interested in performance upgrades, specialized parts, and routine maintenance for their prized vehicles.
VI	 Small Businesses	Local businesses that rely on company-owned vehicles for daily operations and need efficient, trustworthy automotive services for their fleet.
VII	 New Car Dealerships	Dealerships looking for a partnering garage to handle overflow maintenance and repair tasks, ensuring timely service for their clients.




Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




High-quality, reliable automotive services for all makes and models. Skilled technicians with comprehensive expertise in maintenance and repairs. Commitment to customer satisfaction through transparent communication. Use of the latest technology and highest-quality parts. Strong reputation for precision and care in service delivery.

Weaknesses




Dependence on skilled technicians may limit scalability. Potential high cost of advanced technology and high-quality parts. Limited brand recognition outside local area. Highly competitive market with numerous alternatives. Potential for service delays during peak periods.

Opportunities



Expansion into new geographic markets. Increasing demand for EV and hybrid vehicle services. Partnerships with local dealerships for outsourced maintenance. Development of loyalty programs to enhance customer retention. Utilization of digital platforms for booking and promotions.

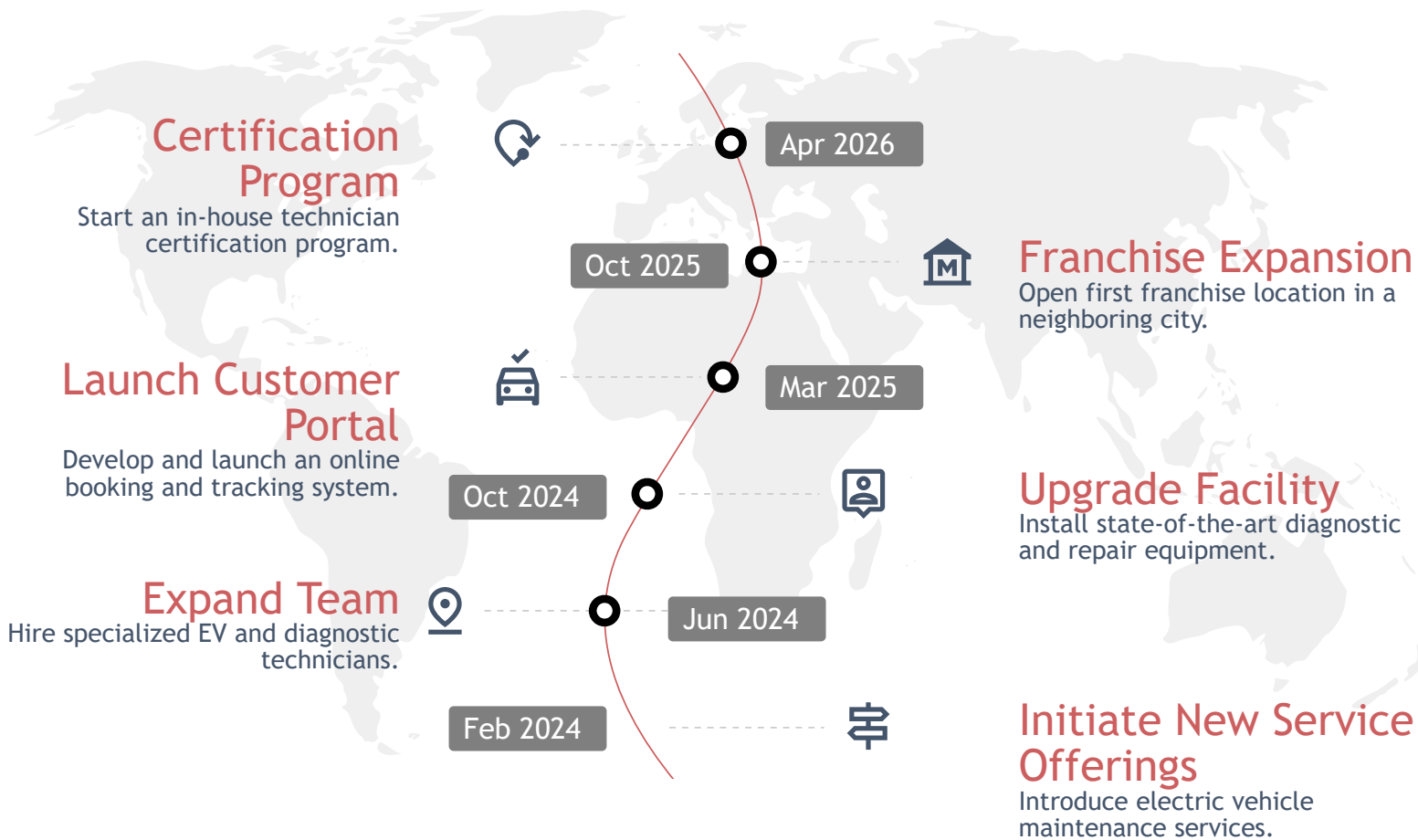
Threats



Economic downturns reducing customer spending on repairs. Rising costs of parts and technology. Regulatory changes impacting the automotive repair sector. Competition from new and existing auto repair shops. Rapid advancements in vehicle technology requiring continuous training.



History & Roadmap



Current Status.

MasterMechanic Garage is set to considerably evolve its operations in stages. By February 2024, they aim to introduce electric vehicle maintenance services. By June 2024, they plan to expand their team by hiring specialized EV technicians. A facility upgrade is scheduled for October 2024, followed by the launch of an online customer portal in March 2025. In October 2025, the company will embark on franchise expansion, opening its first franchise location. Finally, by April 2026, they will develop an in-house technician certification program to maintain top-tier service standards. This roadmap is designed to ensure sustainable growth and enhanced customer satisfaction.



Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Develop Business Plan	●	Not Started	High	CEO 2 weeks
2	Secure Initial Funding	●	Not Started	High	CFO 1 month
3	Legal Business Registration	●	Not Started	High	COO 1 month
4	Identify and Lease a Garage Location	●	Not Started	High	COO 2 months
5	Purchase Initial Equipment and Tools	●	Not Started	Medium	CPO 3 months
6	Hire Key Staff and Technicians	●	Not Started	High	COO 2 months
7	Develop Operations and Service Protocols	●	Not Started	Medium	COO 1 month
8	Implement Financial Management System	●	Not Started	Medium	CFO 1 month
Marketing					
1	Develop Branding Strategy	●	Not Started	High	CMO 1 month
2	Launch Initial Marketing Campaign	●	Not Started	High	CMO 2 months
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Create Customer Referral Program	●	Not Started	Medium	CMO 3 months
5	Develop Content Marketing Plan	●	Not Started	Medium	CMO 2 months
6	Optimize Website for SEO	●	Not Started	High	CMO 1 month
7	Engage in Local Community Events	●	Not Started	Low	CRO 4 months
8	Develop Email Marketing Strategy	●	Not Started	Medium	CMO 3 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Identify and lease workshop space	●	Not Started	High	CEO 2 months
2	Hire a team of skilled technicians	●	Not Started	High	COO 1 month
3	Set up essential equipment and tools	●	Not Started	High	COO 2 months
4	Develop and finalize the Minimum Viable Product (MVP)	●	Not Started	High	CPO 1 month
5	Establish initial service protocols and processes	●	Not Started	Medium	COO 1 month
6	Procure a basic inventory of spare parts	●	Not Started	High	CFO 1 month
7	Create a customer feedback mechanism	●	Not Started	Medium	CSO 1 month
8	Build partnerships with parts suppliers	●	Not Started	Medium	CRO 2 months
Phase 2					
1	Upgrade diagnostic equipment	●	Not Started	High	CTO 2 months
2	Hire specialized technicians	●	Not Started	High	COO 3 months
3	Develop advanced service packages	●	Not Started	Medium	CPO 1 month
4	Implement customer feedback system	●	Not Started	Medium	CRO 2 months
5	Launch targeted marketing campaign for new services	●	Not Started	High	CMO 1.5 months
6	Integrate advanced repair software	●	Not Started	Medium	CIO 2 months
7	Conduct training sessions for service enhancement	●	Not Started	High	CSO 3 months
8	Optimize supply chain for advanced parts	●	Not Started	Medium	CFO 2 months



Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
Phase 3						
1	Develop Premium Maintenance Packages	●	Not Started	High	COO	2 months
2	Negotiate Partnerships for Specialized Parts	●	Not Started	Medium	CPO	3 months
3	Hire Fleet Management Specialists	●	Not Started	High	COO	2 months
4	Launch Fleet Management Service	●	Not Started	High	COO	4 months
5	Implement New Revenue Tracking Software	●	Not Started	Medium	CFO	3 months
6	Develop Pricing Strategy for New Services	●	Not Started	High	CFO	1 month
7	Create Marketing Campaign for Premium Packages	●	Not Started	Medium	CMO	3 months
8	Expand Customer Service Team	●	Not Started	High	COO	2 months
Phase 4						
1	Identify potential partnerships with automotive innovation firms	●	Not Started	High	CEO	3 months
2	Set up electric vehicle (EV) servicing infrastructure	●	Not Started	High	CTO	6 months
3	Research and develop new EV service protocols	●	Not Started	Medium	COO	4 months
4	Launch a marketing campaign for new EV services	●	Not Started	High	CMO	2 months
5	Explore retail expansion opportunities in high-traffic areas	●	Not Started	Medium	CFO	5 months
6	Initiate discussions with potential retail partners	●	Not Started	Medium	CRO	3 months
7	Develop training programs for technicians on advanced EV systems	●	Not Started	High	CPO	4 months
8	Establish a working group to explore high-risk, high-reward automotive tech ventures	●	Not Started	Low	CSO	6 months



Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment malfunction	COO	Implement a rigorous maintenance and inspection schedule for all equipment to ensure they are in good working condition.
2	Technician skill gap	CPO	Invest in continuous training programs and certifications to keep technicians up to date with the latest automotive technologies and repair methods.
3	Supply chain disruptions	CPO	Diversify suppliers and establish strong relationships with key vendors to ensure a steady supply of parts and materials.
4	Service delays	COO	Optimize scheduling and workflow processes to minimize downtime and ensure timely completion of service orders.
5	Customer service issues	CMO	Implement a customer feedback system and regular staff training to continuously improve the quality of customer interactions.

2. Regulatory and legal risks

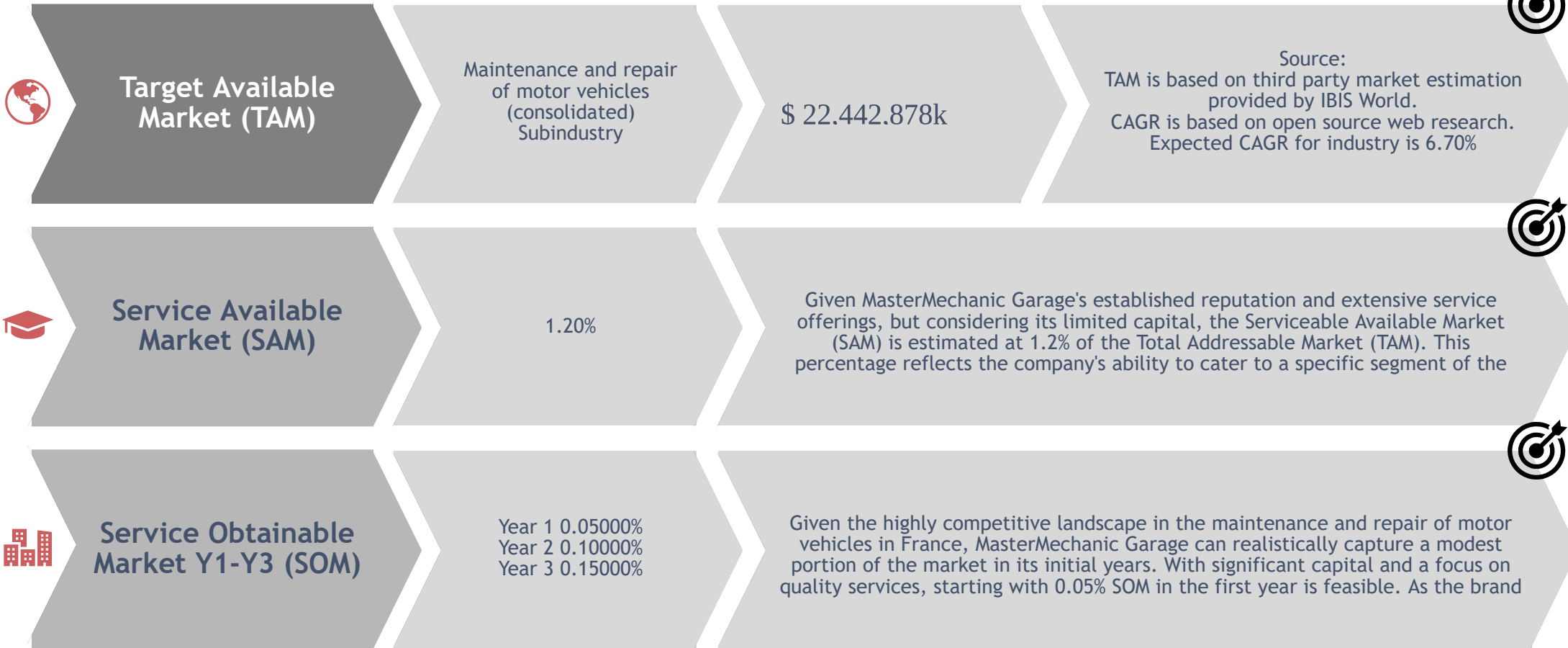
#	Risk Type	Area	Mitigation Strategy
1	Compliance with Environmental Regulations	COO	Implement rigorous environmental management systems and regularly train staff on compliance to reduce environmental impact.
2	Adherence to Automotive Safety Standards	COO	Regularly update and review safety protocols in line with industry standards and regulatory updates to ensure all services and products meet safety requirements.
3	Employment Law Compliance	CPO	Ensure all hiring, training, and employment practices adhere to local, state, and federal laws by conducting regular audits and providing legal training for management.
4	Data Protection and Privacy Laws	CIO	Implement stringent data security measures, conduct regular security audits, and ensure compliance with data protection regulations such as GDPR or CCPA.
5	Consumer Protection Laws	CRO	Maintain transparent communication and service documentation to ensure all consumer rights are respected and disputes are minimized.



3. Strategic/Market Risk			
#	Risk Type	Area	Mitigation Strategy
1	Market Saturation	CMO	Conduct comprehensive market analysis to identify underserved niches and tailor marketing strategies to differentiate service offerings.
2	Changing Consumer Preferences	CPO	Continuous customer feedback collection and data analysis to adapt service offerings to meet evolving customer needs and preferences.
3	Economic Downturn	CFO	Develop a diversified portfolio of revenue streams and maintain a strong financial reserve to manage through periods of economic uncertainty.
4	Technological Advancements	CTO	Invest in ongoing research and development to stay ahead of technological trends and continuously upgrade service capabilities.
5	Competitive Pressure	COO	Implement operational excellence programs to enhance efficiency and service quality, and offer unique customer experiences that are difficult for competitors to replicate.
4. Finance risk			
#	Risk Type	Area	Mitigation Strategy
1	Insufficient Cash Flow	CFO	Implement a robust cash flow management system and maintain an emergency fund to ensure liquidity during low-revenue periods
2	High Operating Costs	CFO	Negotiate better terms with suppliers, regularly review operational expenses, and explore cost-cutting measures without compromising service quality
3	Debt Management	CFO	Maintain a balanced combination of short-term and long-term debt, and develop a strategic plan for timely debt repayment to avoid financial strain
4	Revenue Volatility	CFO	Diversify service offerings and develop multiple revenue streams to mitigate the risks associated with fluctuating demand
5	Unforeseen Capital Expenditures	CFO	Establish a capital reserve fund and conduct regular equipment maintenance to minimize the impact of unexpected large expenditures
5. Other general risk			
#	Risk Type	Area	Mitigation Strategy
1	Talent Retention	COO	Develop competitive compensation packages and invest in continuous professional development opportunities to retain skilled technicians.
2	Brand Reputation	CMO	Implement a customer satisfaction program and a proactive online reputation management strategy to monitor and address potential issues promptly.
3	Cybersecurity Threats	CIO	Adopt advanced cybersecurity measures and conduct regular security audits to protect customer data and business operations from cyber-attacks.
4	Market Volatility	CFO	Create a robust financial planning and analysis framework to anticipate and manage market fluctuations and economic downturns effectively.
5	Supply Chain Disruptions	CPO	Develop strong relationships with multiple suppliers and maintain a buffer stock of critical components to mitigate the impact of supply chain interruptions.



Market Overview (TAM, SAM and SOM)

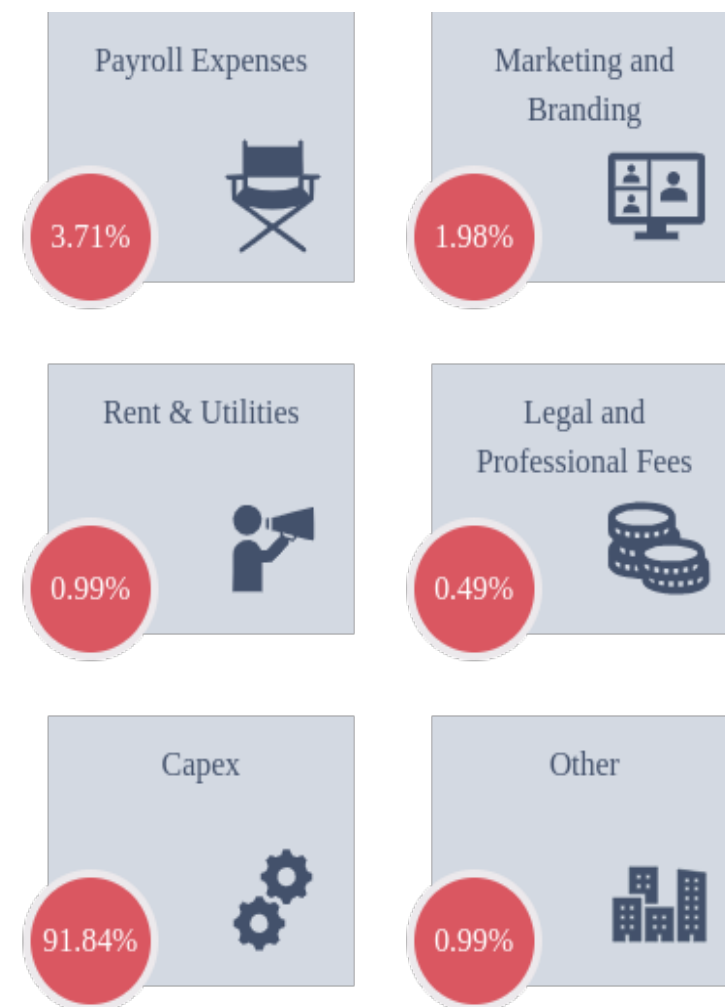


Funding Allocation

The funding will be used to finance the CAPEX and cash deficit from Year 1 operations, aiming to expedite the development process. In subsequent years the company plans to sustain operations without requiring major additional capital injection. Table below presents the overview of expected inflows and outflows.

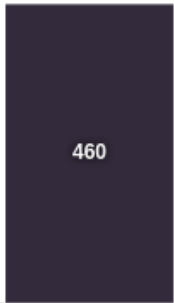
The total investment required is \$ 250k

Y1 Cash Flow Stream(thnd USD)	Inflows	Outflows
Gross Profit	29	
Payroll Expenses		10
Marketing and Branding		5
Rent & Utilities		3
Legal and Professional Fees		1
Capex		250
Communication Expenses		1
Office supplies		1
Training and Development		1
Representation and Entert.		0
Other Miscellaneous		0
CAPEX & WC shortage Y1		243
Buffer		7
Total Required Investment(thnd USD)		250



Y3 PL formation and Margins

Revenue



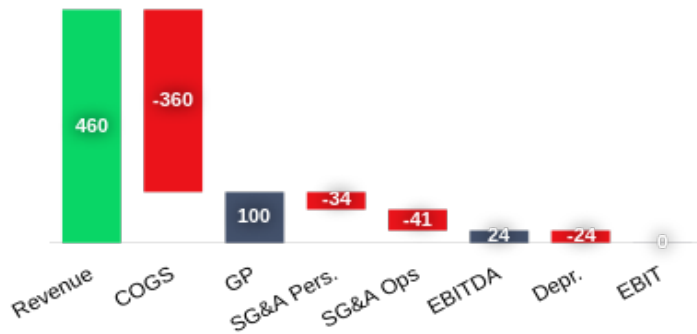
Projected Revenue

- GP 21.8%
- EBITDA 5.3%

Y3

Y3

PnL Formation (Y3 thnd USD)

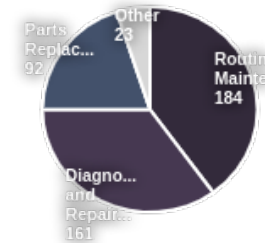
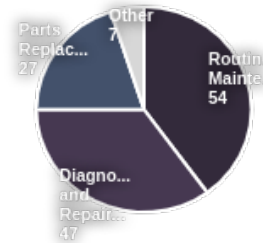


Business Line Breakdown (thnd USD)

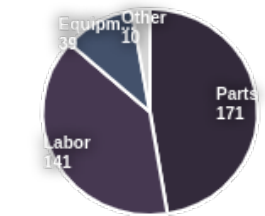
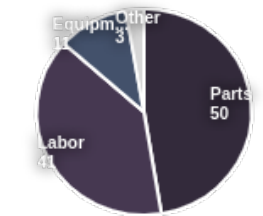
Y1

Y2

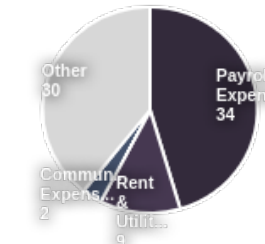
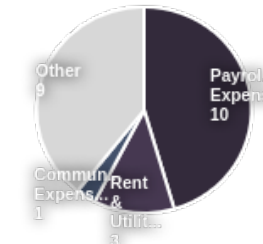
Revenue



COGS



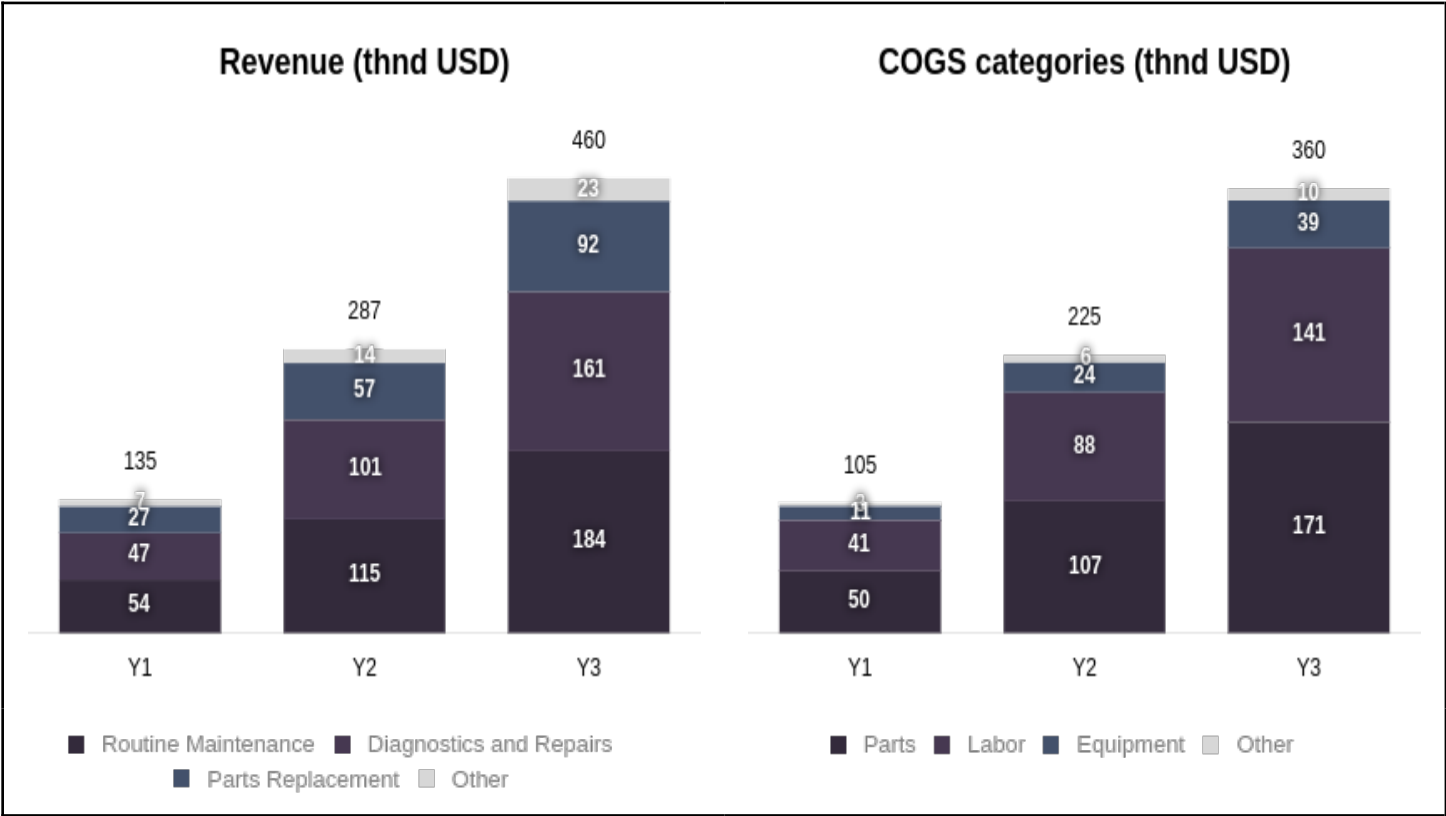
Admin



Revenue Formation Narrative

MasterMechanic Garage leverages its high standards and comprehensive service offerings to tap into a vast Total Addressable Market (TAM) of 22,442,878.445k USD . Our Serviceable Addressable Market (SAM) is meticulously estimated at 1.2% of the TAM, taking into account our proven expertise and the quality of services we provide, equating to a significant market potential given current operational capacity and financial constraints. The Serviceable Obtainable Market (SOM) is projected to begin modestly at 0.05% in Year 1, translating to initial revenues of 134.657k USD . This conservative estimate reflects the competitive dynamics of the automotive repair industry and our strategic focus on establishing a robust customer base. In Year 2, with ongoing investments in technology, marketing, and operational efficiencies, our market capture is expected to double to 0.1%, resulting in revenues of 287.359k USD . By Year 3, as MasterMechanic Garage solidifies its market position and brand reputation, we anticipate reaching a SOM of 0.15%, with revenues projected at 459.917k USD . Revenues are distributed across four main lines of business: Routine Maintenance (40%), Diagnostics and Repairs (35%), Parts Replacement (20%), and Other services (5%). This comprehensive approach ensures diversified income streams while aligning with our mission to deliver top-notch automotive services and exceptional customer satisfaction.

\$ 460k Y3 Projected Revenue **0.06%** Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<i>Routine Maintenance</i>	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
<i>Diagnostics and Repairs</i>	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
<i>Parts Replacement</i>	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
<i>Other</i>	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

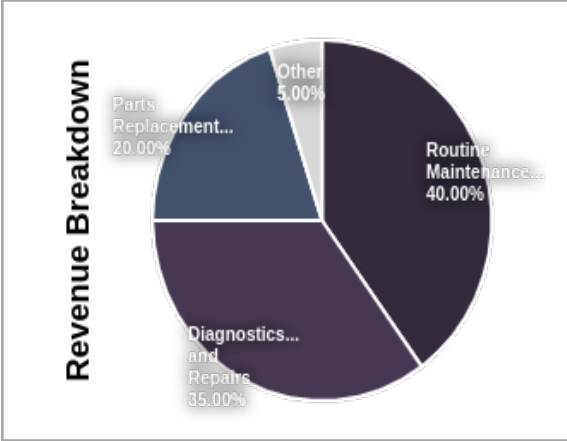
<i>Routine Maintenance</i>	3	3	3	4	4	4	5	5	5	6	6	6	54	115	184
<i>Diagnostics and Repairs</i>	3	3	3	4	4	4	4	4	4	5	5	5	47	101	161
<i>Parts Replacement</i>	2	2	2	2	2	2	2	2	2	3	3	3	27	57	92
<i>Other</i>	0	0	0	1	1	1	1	1	1	1	1	1	7	14	23

Total Revenue (thnd USD)	8	8	8	10	10	10	12	12	12	14	14	14	135	287	460
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Total revenue is expected to reach \$ 460k by year 3.
 Main revenue driver are:

- Routine Maintenance which generates \$ 184k by Year 3
- Diagnostics and Repairs which generates \$ 161k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 84.81 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Parts	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%	37.10%
Labor	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%	30.60%
Equipment	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%
Other	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%

Parts	3	3	3	4	4	4	5	5	5	5	5	5	50	107	171
Labor	3	3	3	3	3	3	4	4	4	4	4	4	41	88	141
Equipment	1	1	1	1	1	1	1	1	1	1	1	1	11	24	39
Other	0	0	0	0	0	0	0	0	0	0	0	0	3	6	10

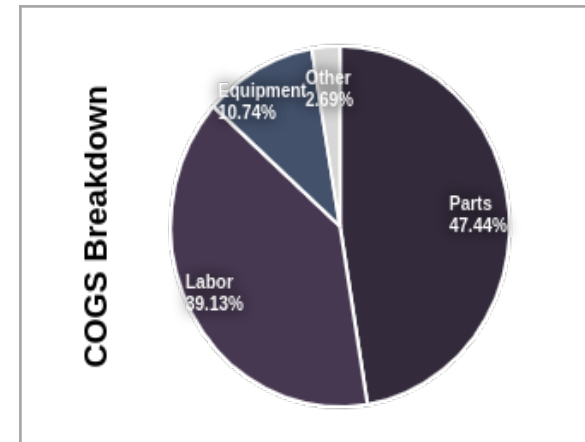
Total COGS (thnd USD)	7	7	7	8	8	8	10	10	10	11	11	11	105	225	360
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Total COGS is expected to reach \$ 360k by year 3.

Main revenue driver are:

- Parts which generates \$ 171k by Year 3
- Labor which generates \$ 141k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 84.81 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Rent & Utilities	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Communication Expenses	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Office supplies	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Legal and Professional Fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Marketing and Branding	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Representation and Entertainment	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Training and Development	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Other Miscellaneous	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%

Payroll Expenses	1	1	1	1	1	1	1	1	1	1	1	1	10	22	34
Rent & Utilities	0	0	0	0	0	0	0	0	0	0	0	0	3	6	9
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	1	3	5
Marketing and Branding	0	0	0	0	0	0	0	0	0	1	1	1	5	11	18
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1

Total SG&A (thnd USD)	1	1	1	2	2	2	2	2	2	2	2	2	22	47	76
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PaT Expectations

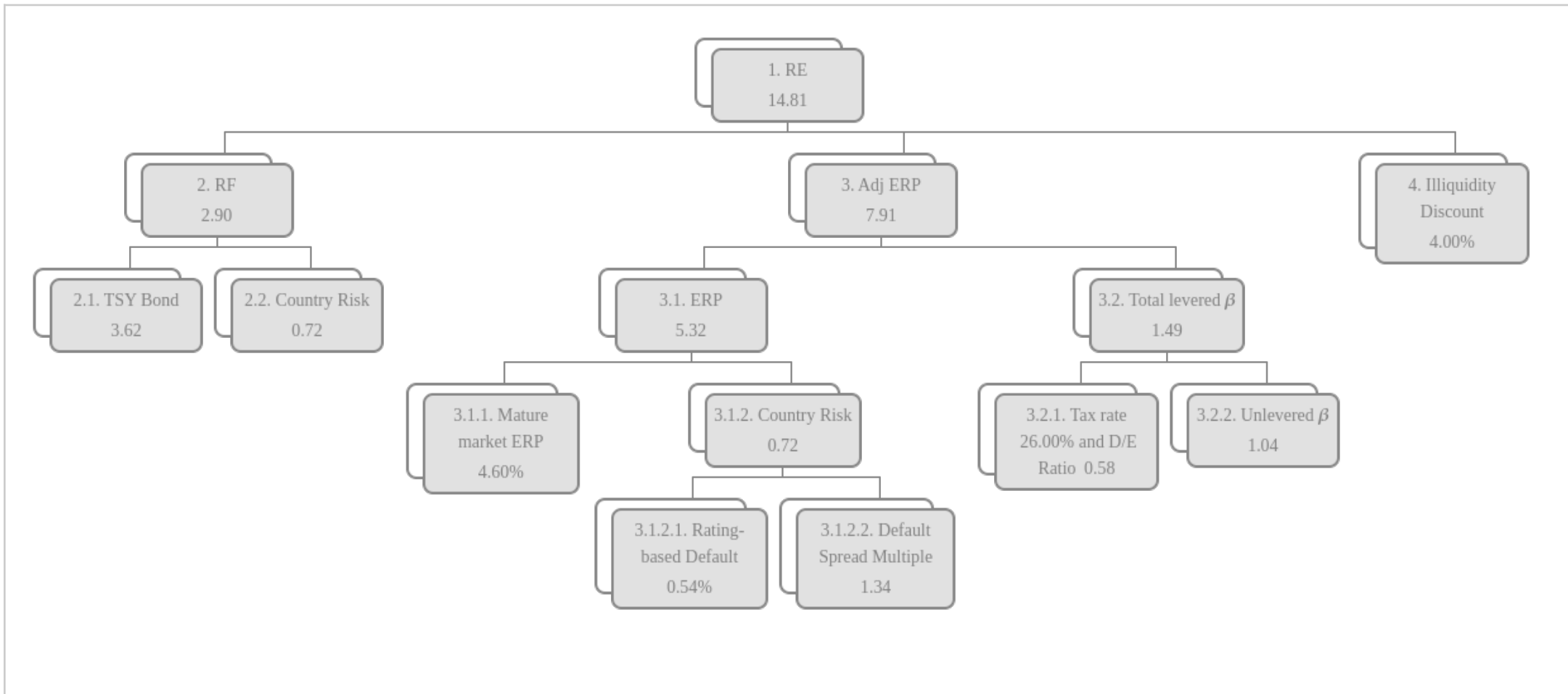
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	8	8	8	10	10	10	12	12	12	14	14	14	135	287	460
Routine Maintenance	3	3	3	4	4	4	5	5	5	6	6	6	54	115	184
Diagnostics and Repairs	3	3	3	4	4	4	4	4	4	5	5	5	47	101	161
Parts Replacement	2	2	2	2	2	2	2	2	2	3	3	3	27	57	92
Other	0	0	0	1	1	1	1	1	1	1	1	1	7	14	23
COGS	-7	-7	-7	-8	-8	-8	-10	-10	-10	-11	-11	-11	-105	-225	-360
Parts	-3	-3	-3	-4	-4	-4	-5	-5	-5	-5	-5	-5	-50	-107	-171
Labor	-3	-3	-3	-3	-3	-3	-4	-4	-4	-4	-4	-4	-41	-88	-141
Equipment	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-11	-24	-39
Other	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-3	-6	-10
Gross Profit	2	2	2	2	2	2	3	3	3	3	3	3	29	63	100
SG&A Personal Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-10	-22	-34
SG&A Operating Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-12	-26	-41
EBITDA	0	0	0	1	1	1	1	1	1	1	1	1	7	15	24
Depreciation	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-24	-24	-24
EBIT	-2	-2	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-17	-9	0
Interest Expense	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-3	-3	-3
Profit before Tax	-2	-2	-2	-2	-2	-2	-2	-2	-2	-1	-1	-1	-20	-11	-2
Tax	0	0	0	0	0	0	0	0	0	0	0	0	5	3	1
Profit after Tax (thnd USD)	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-14	-8	-2



Required Return on Equity Derivation



Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is $R(E) = R(F) + \beta * (ERP)$, where: R(F) is Risk Free Rate. The basis for calculation of R(F) is the average of the yield of USD 30 Year TSY Bond. The horizon. ERP is Mature Market Equity Risk Premium. It incorporates market estimates for Rating-Based Default Spread and Default Spread Multiple (β) is average equity betas of corresponding industries. Despite the company has no debt, the unlevered beta was levered with industry average figures to reflect the long-term D/E ration in the capital structure. Additionally, Illiquidity Risk Premium of 4% is added to the estimated Return on Equity to reflect risk associated with firm being Privately Held vs Publicly Traded Companies.

Additional Assumptions

To calculate the companies Firm Value, its future Free Cash Flow to Equity (FCFE) is discounted using estimated Required Return on Equity.

The 3rd-year projected cash flow is used as a representation of the long-term Free Cash Flow to the Equity (FCFE). This approach may understate the valuation because cash flows are expected to grow more aggressively in the first 10 years, and the growth from years 4 to 10 is not reflected in this calculation. Long-term growth rate of 5% is applied.

After discounting the cashflows and measuring the Firm Value it is adjusted to historical estimate of Start-up firm's survival rate. The allows to incorporate risk of start-ups fails.

Survival of new establishments founded in 1998

	Proportion of firms that were started in 1998 that survived through						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Natural resources	82.33%	69.54%	59.41%	49.56%	43.43%	39.96%	36.68%
Construction	80.69%	65.73%	53.56%	42.59%	36.96%	33.36%	29.96%
Manufacturing	84.19%	68.67%	56.98%	47.41%	40.88%	37.03%	33.91%
Transportation	82.58%	66.82%	54.70%	44.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html

<https://pages.stern.nyu.edu/~adamodar/pdfiles/papers/younggrowth.pdf>

<http://pages.stern.nyu.edu/~adamodar/>



Business Valuation

	(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
DCF	Profit after Tax	-14	-8	-2	-2	-2	-2	-2
	Growth% Y4-Y7				6.70%	6.70%	6.70%	6.70%
	Growth% Y7 -->				3.50%			
	WACC				14.81%			
	PV Y1-Y7 at Y0	-13	-6	-1	-1	-1	-1	-1
	PV Y7 --> Y0				-8			
	NPV (thnd USD)				-32			

Average Survival Rate for 3 Years

50%

Final Valuation

-\$ 16k

The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 14.81 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 6.70 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. This adjustment allows to incorporate the risk profile of the business and provide a more comprehensive assessment of its value.

It is important to note that if the company can successfully navigate through its initial three years of operation, it is expected to have a significantly higher likelihood of becoming a going concern. This underscores the importance of demonstrating resilience and establishing a solid foundation during the critical early stages of the business.



Financial and Technical

b \$ - Billions of \$
 B2B - Business to Business
 B2C - Business to Customer
 CAPEX - Capital Expenditure
 CAPM - Capital Asset Pricing Model
 COGS - Cost of goods sold
 DCF - Discounted cash flow
 Depr. - Depreciation
 EBIT - Earnings before interest and taxes
 EBITDA - Earnings before interest, taxes, depreciation, and amortization
 EBT - Earnings Before Tax
 ERP - Equity Risk Premium
 ETA - Estimated Time of Arrival
 EV - Enterprise Value
 FA (Tangible and Intangible) - Fixed assets (tangible and intangible)
 FX - Foreign Exchange
 FY - Fiscal year
 GP - gross profit
 k \$ - Thousands of \$
 LLM - Large Language Model
 LFY - Last fiscal year
 m \$ - Millions of \$
 MTD - Month-to-date
 MVP - Minimum Viable Product
 NFT - Non-Fungible Token
 NPV - Net present value
 OPEX - Operating Expense
 P&L - A profit and loss (P&L) statement
 PaT - Profit after Tax
 POC - Proof of Concept
 PPE - Property, plant, and equipment
 SG&A - Sales, General and Administrative
 TSY bond rate - Treasury bond rate
 WACC - Weighted average cost of capital
 YTD - Year-to-date

Organisational Structure

CBDO - Chief Business Development Officer
 CEO - Chief Executive Officer
 CPO - Chief Product Officer
 CFO - Chief Financial Officer
 CTO - Chief Technology Officer
 C-level - Chief level
 Eng - Engineer
 Dev - Developer
 HR - Human Resources

Other

Av - Average
 EoP - End of Period
 LE - Legal Entity
 PE - Private Equity
 TOM - Target Operating Model



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