

# Business Plan & Valuation Presentation



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# OUR VISION & MISSION

## Our Mission

MetroCar Rentals aims to revolutionize the rental and leasing industry by providing a convenient, reliable, and diverse selection of vehicles to meet the needs of business and leisure travelers alike. We strive to deliver exceptional customer service, ensuring a seamless, hassle-free rental experience through our user-friendly booking system, flexible rental options, and commitment to competitive pricing. By maintaining our fleet to the highest standards of safety and performance, we make transportation easy and efficient, enhancing every journey our customers undertake.

## Our Vision

MetroCar Rentals aims to be the premier vehicle rental service globally, recognized for setting industry benchmarks in customer satisfaction, vehicle quality, and innovative rental solutions. In twenty years, we envision creating a network that offers unparalleled convenience, making MetroCar Rentals synonymous with reliable and efficient transportation solutions. Our goal is to become a leader in leveraging technology to enhance customer experiences, expanding our fleet to include environmentally-friendly options, and fostering a culture of excellence and sustainability within our operations.



# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

**\$ 1,723,063**

Revenue

**\$ 758,148**

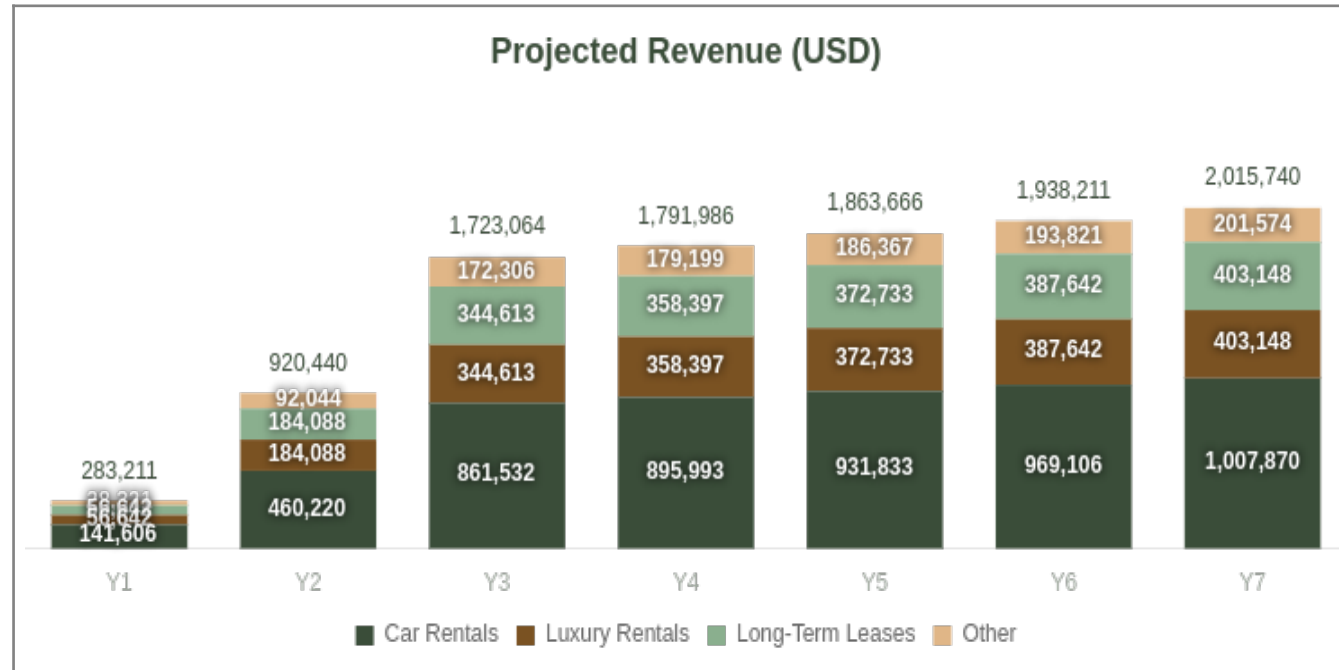
Gross Profit

**\$ 416,637**

EBITDA

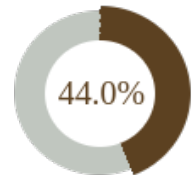
**0.01%**

Target Market Share

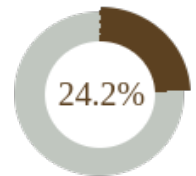


Margins  
(Stabilized by Y3)

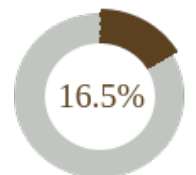
GP Margin



EBITDA Margin



PbT Margin

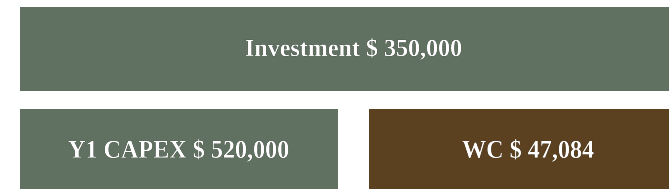


## Project Phases



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.

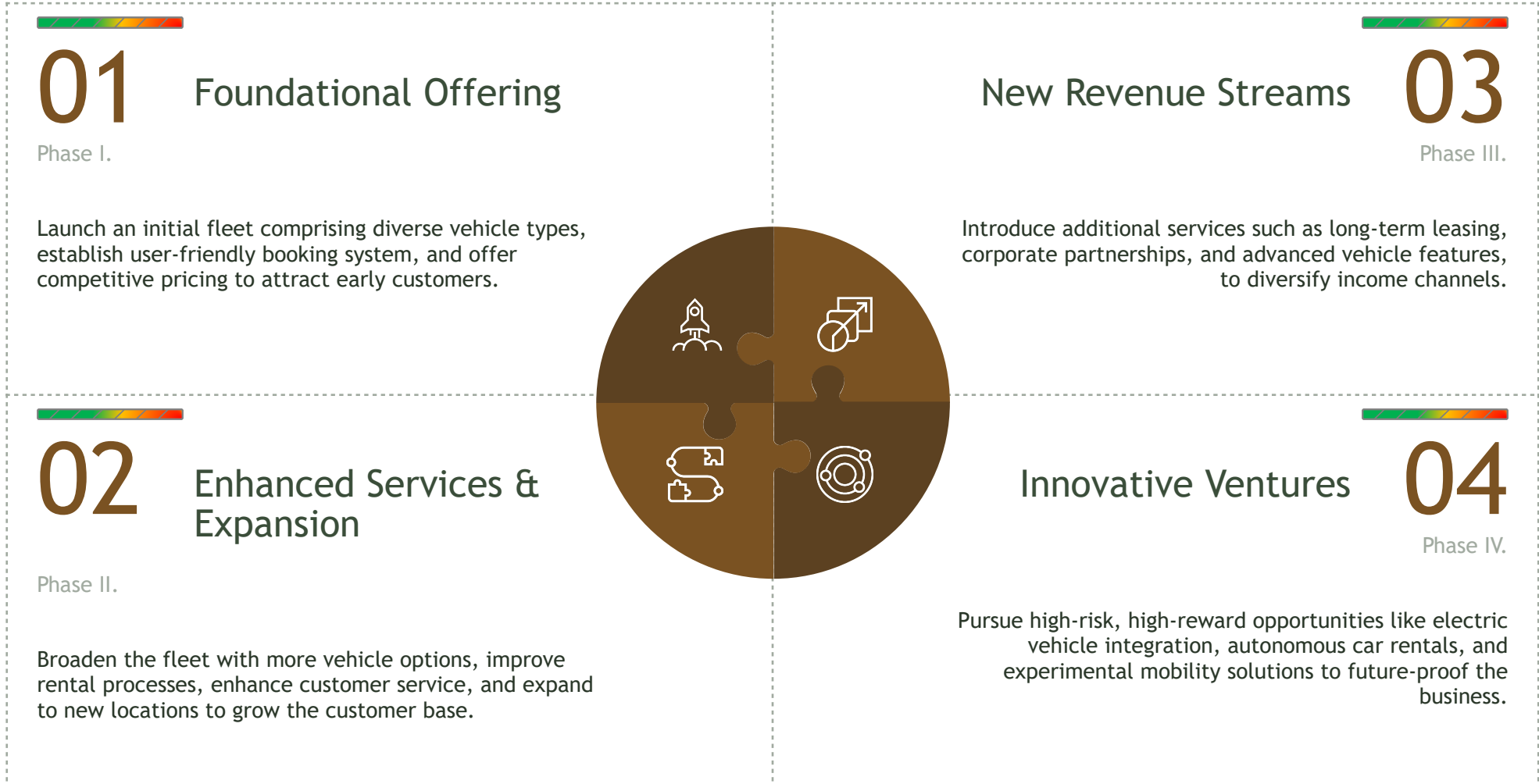


# About the Company: General Overview



MetroCar Rentals is a premier vehicle rental service dedicated to providing a convenient, reliable, and diverse selection of cars to meet the needs of both business and leisure travelers. The company specializes in the renting and leasing of motor vehicles industries, operating within the administrative and support service activities sector. MetroCar Rentals' fleet includes a wide range of vehicles, from economical compact cars to luxury SUVs, all maintained to the highest standards of safety and performance. At MetroCar Rentals, exceptional customer service is emphasized, focusing on delivering a seamless and hassle-free rental experience. Their user-friendly booking system, flexible rental options, and commitment to competitive pricing ensure that every customer receives personalized service and value. Whether exploring the city or embarking on a road trip, MetroCar Rentals is the trusted partner for all transportation needs.

# The Main Phases: Projects & Impacts



# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Access to a wide range of well-maintained vehicles ensures personalized and convenient transportation solutions.</li> <li>2. Seamless booking and rental process offering flexibility and convenience.</li> <li>3. Competitive pricing provides excellent value, enhancing customer satisfaction and loyalty.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Opportunities for career growth and professional development as the company expands.</li> <li>2. A supportive work environment rooted in exceptional customer service.</li> <li>3. Competitive compensation and benefits package to attract and retain top talent.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Potential for high returns through phased growth and diversified revenue streams.</li> <li>2. Investment in a scalable business model with strong market demand.</li> <li>3. Strategic expansion and innovative ventures promise future-proofing the business.</li> </ol>
<b>Local Communities</b>	<ol style="list-style-type: none"> <li>1. Job creation and economic contributions through business operations and expansion.</li> <li>2. Enhanced local mobility and transportation access for residents.</li> <li>3. Commitment to sustainable practices and potentially eco-friendly vehicle options.</li> </ol>
<b>Business Partners</b>	<ol style="list-style-type: none"> <li>1. Formation of mutually beneficial partnerships for long-term success.</li> <li>2. Opportunities for co-branding and integrated service offerings to enhance market reach.</li> <li>3. Reliable and consistent service standards that strengthen partnership trust.</li> </ol>
<b>Regulatory Bodies</b>	<ol style="list-style-type: none"> <li>1. Adherence to industry standards and regulations ensures compliance and operational integrity.</li> <li>2. Collaboration on sustainable and innovative mobility solutions.</li> <li>3. Contribution to public safety and transportation efficiency.</li> </ol>
<b>Suppliers and Manufacturers</b>	<ol style="list-style-type: none"> <li>1. Steady demand and purchasing agreements for vehicles and related services.</li> <li>2. Long-term business relationships supporting continuous business growth.</li> <li>3. Collaboration for introducing advanced vehicle features and technology.</li> </ol>

# Key Performance Components

## Competitive Advantage

### Diverse Fleet

MetroCar Rentals offers a wide range of vehicles, from compact cars to luxury SUVs, ensuring the right vehicle for every customer's needs.

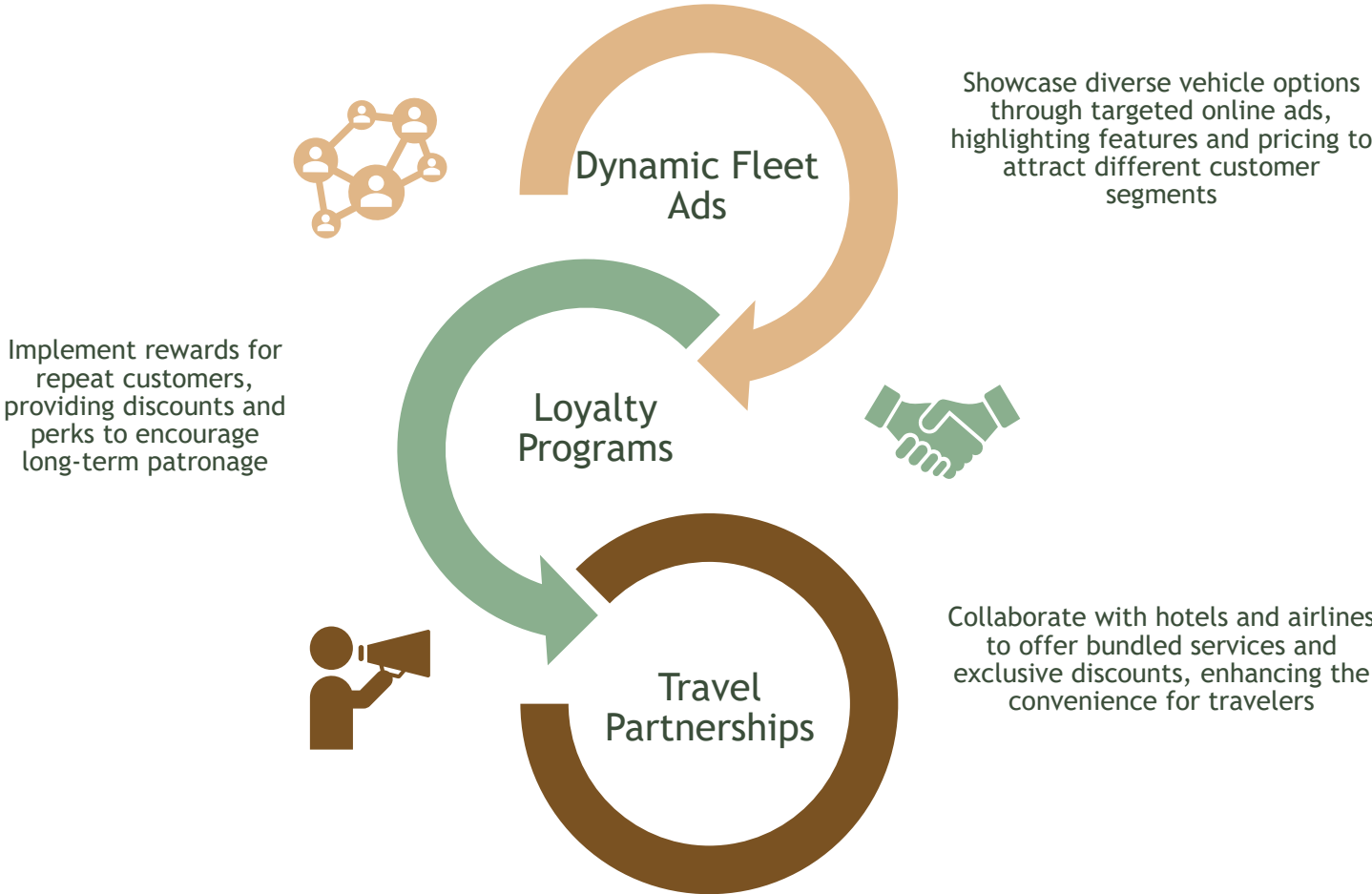
### Exceptional Service

MetroCar Rentals prioritizes exceptional customer service, delivering a seamless and hassle-free rental experience from booking to return.

### Competitive Pricing








MetroCar Rentals provides flexible rental options and competitive pricing, ensuring customers receive great value without compromising on quality.

## Marketing and Growth Strategy

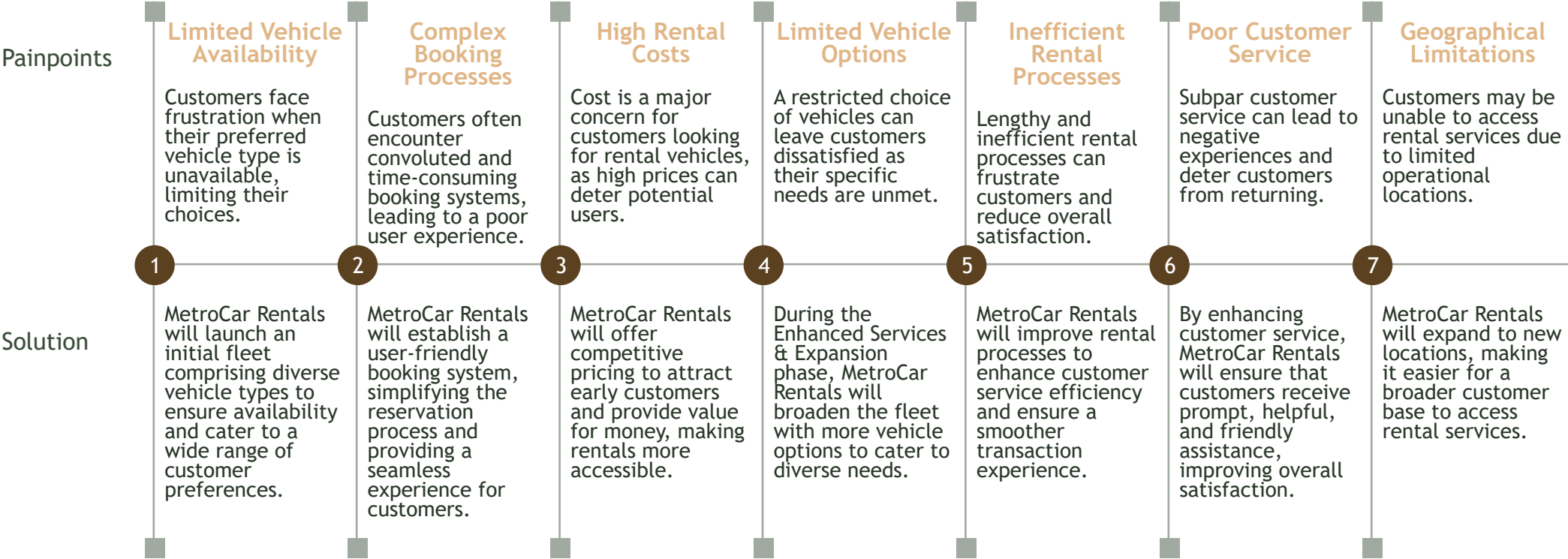




# Target Groups


Industries		Description
I	 Business Travelers	Corporate clients needing reliable transportation solutions for business trips and meetings, with options for both short-term rentals and long-term leases.
II	 Leisure Travelers	Vacationers and tourists looking for convenient and flexible car rental options to explore new destinations comfortably and at their own pace.
III	 Local Residents	Individuals in need of temporary transportation solutions for personal use, including errands, family visits, or special occasions.
IV	 Event Planners	Organizers of events such as weddings, conferences, or concerts requiring a fleet of vehicles to accommodate participants and guests.
V	 Corporate Clients	Companies seeking long-term leasing solutions and corporate partnerships to provide cars for employees, incentives, or corporate fleets.
VI	 Universities and Schools	Educational institutions needing vehicles for field trips, faculty transportation, and other school-related activities.
VII	 High-income Luxury Seekers	Affluent customers looking for luxury and high-performance vehicles for special occasions, weekend getaways, or a premium driving experience.

## Solution from Phase I to Phase IV




# Strategic Analysis: SWOT

**Strength**



- Diverse selection of vehicles catering to various needs and preferences.
- High standards of safety and performance maintenance.
- Exceptional customer service focused on hassle-free experiences.
- User-friendly booking system enhancing convenience.
- Competitive pricing creating value for customers.

**Weaknesses**




- High operational costs due to fleet maintenance and updates.
- Dependence on physical locations may limit market reach.
- Potential delays in fleet availability during peak times.
- Intensive competition from both established and emerging rental companies.
- Vulnerability to fluctuating fuel prices impacting rental costs.

**Opportunities**









- Expansion into emerging markets with rising travel demands.
- Partnership with local businesses for corporate rental services.
- Adoption of eco-friendly vehicle options to attract green-conscious consumers.
- Leveraging advanced technologies for enhanced customer service and operational efficiency.
- Marketing campaigns targeting the growing trend of domestic travel.

**Threats**



- Economic downturns reducing consumer spending on rentals.
- Increased competition from ride-sharing services.
- Regulatory changes impacting rental operations and costs.
- Rising fuel prices affecting operational profitability.
- Technological disruptions leading to obsolescence of existing systems.

# Pestel: Analysis

 <b>P</b>		 <b>E</b>		 <b>S</b>		 <b>T</b>		 <b>E</b>		 <b>L</b>	
Political	7 / 10	Economic	8 / 10	Social	7 / 10	Technological	8 / 10	Environmental	7 / 10	Legal	7 / 10
<b>Regulations:</b> Changes in vehicle rental and leasing regulations could impact operations.		<b>Interest Rates:</b> Changes in interest rates affect financing costs for fleet management.		<b>Travel Trends:</b> Increased preference for travel boosts demand for rental cars.		<b>Digital Platforms:</b> Advances in technology enhance booking and fleet management systems.		<b>Sustainability:</b> Growing customer demand for environmentally friendly vehicles.		<b>Consumer Protection Laws:</b> Compliance with consumer protection laws ensures customer trust and avoids penalties.	
<b>Government Stability:</b> Stable political environment supports consistent business operations.		<b>Economic Health:</b> Economic downturns reduce travel and demand for rentals.		<b>Urbanization:</b> Urbanization increases need for convenient transportation solutions.		<b>Vehicle Innovation:</b> Innovations in vehicle technology improve customer experience and safety.		<b>Emissions Regulations:</b> Strict emissions regulations affect vehicle choices and operational costs.		<b>Insurance Requirements:</b> Adherence to insurance requirements is essential for business continuity.	

MetroCar Rentals is well-positioned to navigate the diverse factors affecting the vehicle rental industry. By proactively addressing these PESTEL factors, the company can enhance its competitiveness and ensure continued growth and customer satisfaction.

Scores reflect the relative importance and potential impact of each PESTEL factor on the business

# VRIO Framework: Analysis

Does the resource or capability enable the firm to exploit an opportunity or neutralize a threat in the environment?

The diverse fleet and exceptional customer service enable the firm to meet varied customer needs and enhance customer satisfaction.



Yes

Is the resource or capability controlled by only a few firms or no other firms?

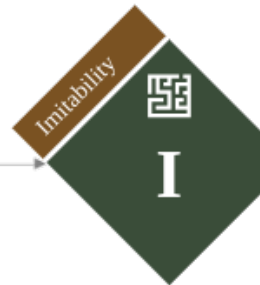
A diverse fleet maintained to high standards and providing user-friendly booking may not be prevalent among competitors.



Yes

Is the resource or capability costly for other firms to imitate?

High-quality maintenance and excellent customer service may be costly and time-consuming for competitors to replicate.



Yes

Is the firm organized to exploit the resource or capability?

The company is organized with a focus on seamless rental experiences, ensuring effective utilization of their diverse fleet and customer service staff.



Yes

MetroCar Rentals holds a competitive advantage with its diverse fleet, excellent customer service, and effective organization, which allows it to meet customer needs and maintain market leadership.

Sustainable Competitive Advantage

No

Competitive Disadvantage

No

Competitive Parity

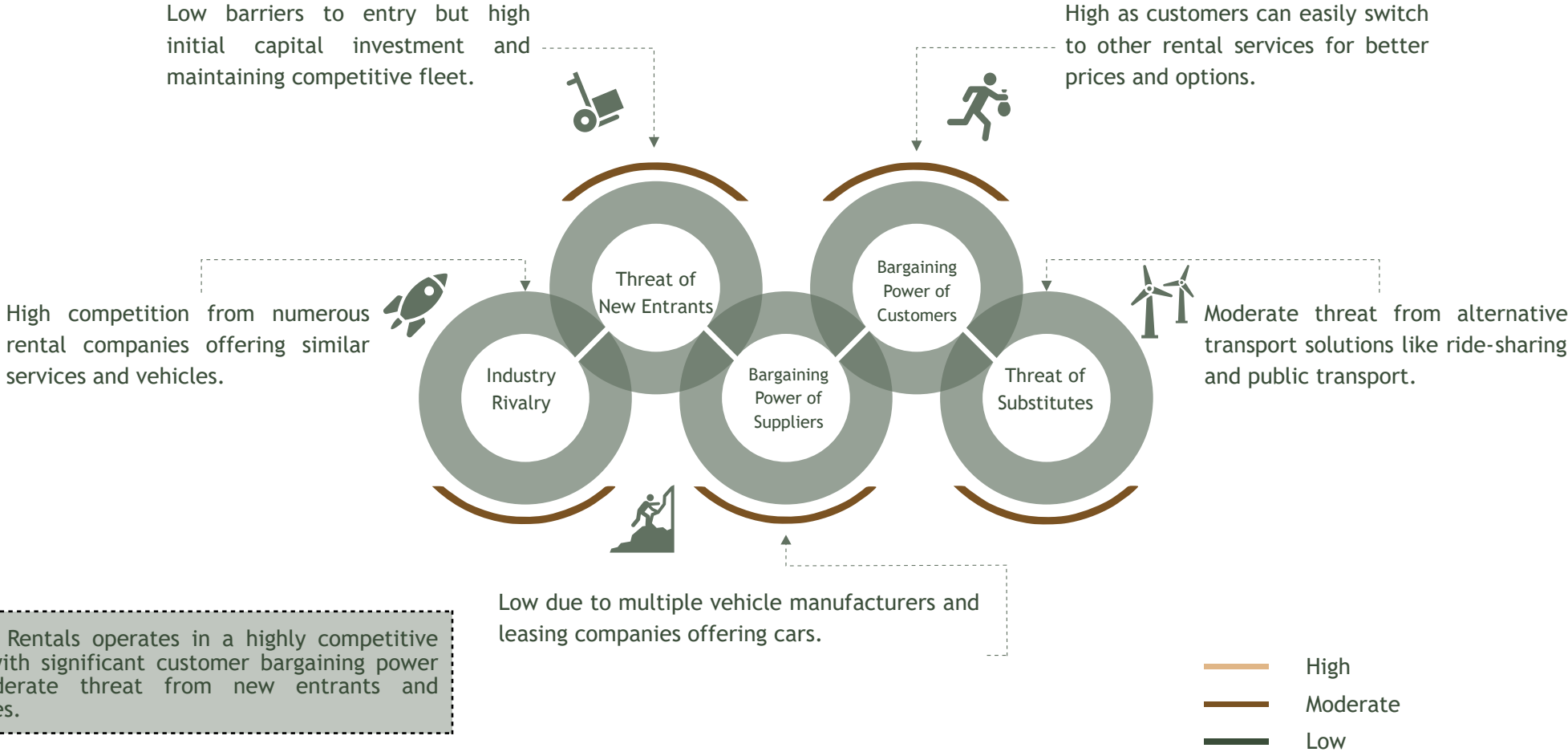
No

Temporary Competitive Advantage

No

Unused Competitive Advantage

# Porter's Five Forces: Analysis



# Management Team

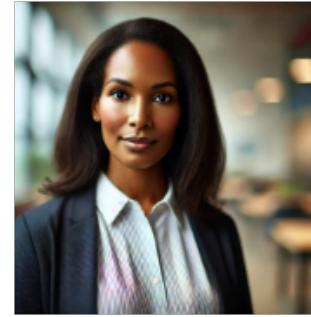
## Overview

John drives MetroCar Rentals with 15 years of expertise in the automotive and rental industries, ensuring excellent service standards.



Co-Founder & CEO

## Emily Carter



Co-Founder & CFO

## Overview

Emily manages financial strategy and ensures sustainable growth at MetroCar Rentals through effective budgeting and cost control.

## Overview

Michael oversees fleet management and operational efficiency, ensuring seamless rental experiences for all customers.



Head of Operations

## Sarah Thompson



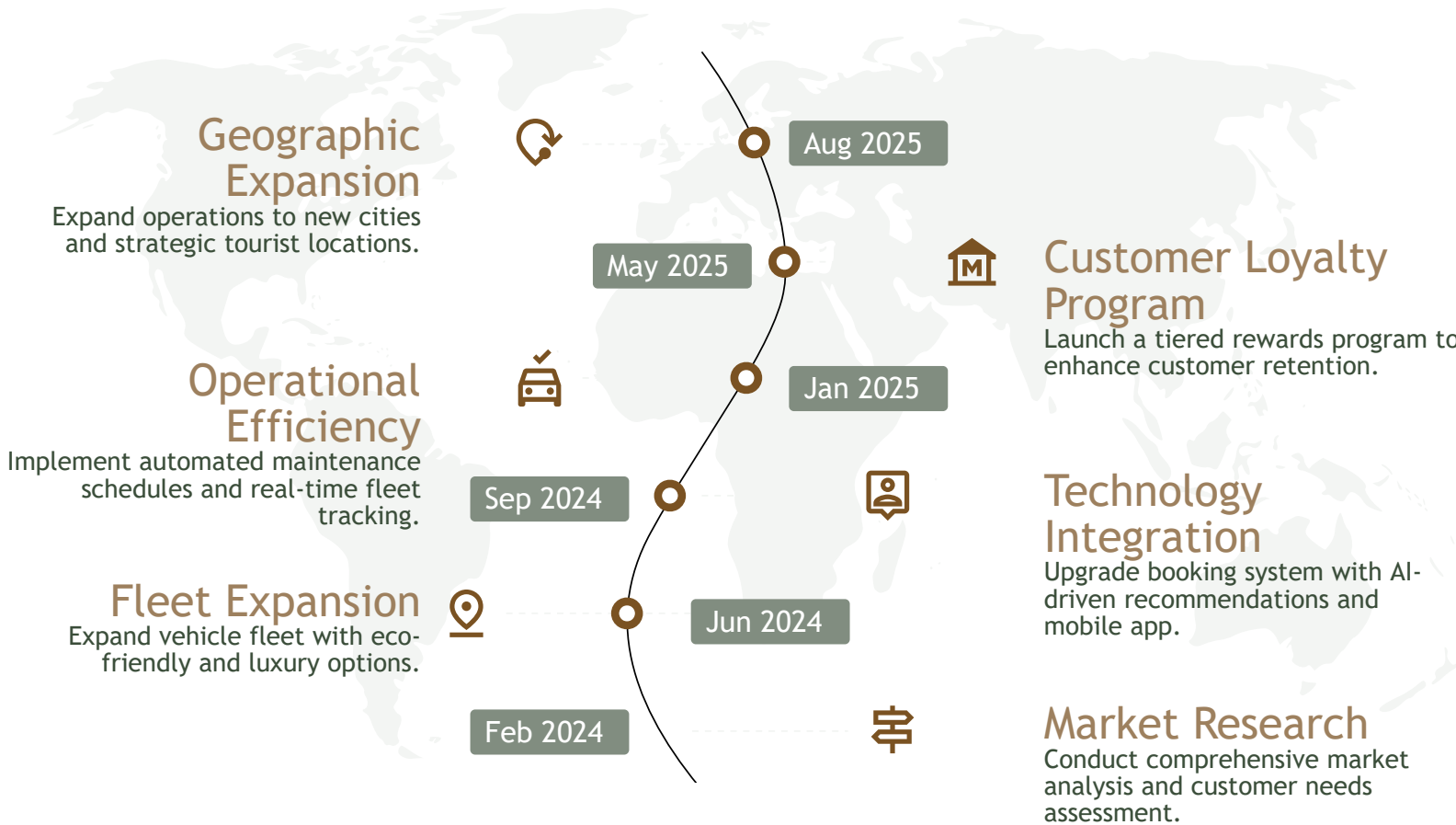
Customer Experience Manager

## Overview

Sarah focuses on delivering exceptional customer service, ensuring that every client enjoys a smooth and personalized rental process.



# History & Roadmap



## Current Status.

- Conduct market research and customer needs assessment by Feb 2024.
- Expand vehicle fleet with eco-friendly and luxury options by Jun 2024.
- Upgrade booking system with AI-driven features and a mobile app by Sep 2024.
- Implement automated maintenance and real-time fleet tracking by Jan 2025.
- Introduce a customer loyalty program by May 2025.
- Expand to new cities and tourist locations by Aug 2025.



# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA	
<b>General Planning and Organization</b>						
1	Establish Company Legal Structure	●	Not Started	High	CEO	2 weeks
2	Register Business Name and Trademark	●	Not Started	High	CFO	1 month
3	Secure Initial Funding and Resources	●	Not Started	High	CFO	3 months
4	Develop Comprehensive Business Plan	●	Not Started	High	CSO	1 month
5	Create Initial Organizational Structure	●	Not Started	Medium	COO	2 months
6	Set Up Accounting and Financial Systems	●	Not Started	High	CFO	1 month
7	Develop Risk Management Plan	●	Not Started	Medium	CSO	3 months
8	Establish Key Performance Indicators (KPIs)	●	Not Started	Medium	COO	1 month
<b>Marketing</b>						
1	Define Brand Identity and Messaging	●	Not Started	High	CMO	2 weeks
2	Develop Website and Mobile App	●	Not Started	High	CTO	1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO	1 month
4	Launch Digital Advertising Campaign	●	Not Started	High	CRO	6 weeks
5	Create Content Marketing Strategy	●	Not Started	Medium	CMO	3 weeks
6	Develop Customer Loyalty Program	●	Not Started	Medium	CPO	2 months
7	Execute Email Marketing Campaigns	●	Not Started	Low	CMO	2 months
8	Conduct Market Research and Surveys	●	Not Started	High	CSO	4 weeks

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
<b>Phase 1 &amp; Technical Set Up for next Phases</b>					
1	Procure initial fleet of diverse vehicles	●	Not Started	High	CPO 2 months
2	Develop user-friendly booking system	●	Not Started	High	CTO 3 months
3	Set competitive pricing strategy	●	Not Started	High	CFO 1 month
4	Train customer service representatives	●	Not Started	Medium	COO 2 months
5	Secure insurance and legal compliance	●	Not Started	High	CSO 1 month
6	Create and implement maintenance schedule for vehicles	●	Not Started	Medium	COO 2 months
7	Establish partnerships with local businesses for customer referrals	●	Not Started	Medium	CRO 3 months
8	Set up initial location office and operational infrastructure	●	Not Started	High	COO 2 months
<b>Phase 2</b>					
1	Broaden vehicle fleet	●	Not Started	High	COO 3 months
2	Improve rental processes	●	Not Started	High	CTO 2 months
3	Enhance customer service	●	Not Started	High	CSO 1 month
4	Expand to new locations	●	Not Started	High	CEO 6 months
5	Introduce loyalty programs	●	Not Started	Medium	CRO 2 months
6	Enhance fleet maintenance systems	●	Not Started	Medium	COO 1 month
7	Implement advanced customer feedback mechanisms	●	Not Started	Medium	CMO 2 months
8	Enhance digital marketing strategies	●	Not Started	Low	CMO 3 months

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 3</b>						
1	Develop Long-Term Leasing Plans	●	Not Started	High	COO	2 months
2	Identify Potential Corporate Partners	●	Not Started	High	CRO	3 months
3	Negotiate Corporate Partnership Contracts	●	Not Started	Medium	CFO	4 months
4	Enhance Vehicle Features with Advanced Technologies	●	Not Started	Medium	CTO	5 months
5	Implement Long-Term Leasing System	●	Not Started	High	CIO	4 months
6	Market Long-Term Leasing Options	●	Not Started	Medium	CMO	4 months
7	Create Customized Corporate Rental Packages	●	Not Started	High	CPO	3 months
8	Launch Pilot Program for Long-Term Leasing	●	Not Started	Medium	CEO	6 months
<b>Phase 4</b>						
1	Research and Integrate Electric Vehicles	●	Not Started	High	CTO	3 months
2	Pilot Autonomous Car Rentals	●	Not Started	High	COO	6 months
3	Develop Partnerships with EV Charging Stations	●	Not Started	Medium	CRO	4 months
4	Explore Funding for High-Risk Ventures	●	Not Started	High	CFO	2 months
5	Implement Experimental Mobility Solutions	●	Not Started	Medium	CPO	5 months
6	Conduct Market Analysis for Autonomous Vehicles	●	Not Started	High	CSO	3 months
7	Enhance Fleet with Advanced Vehicle Features	●	Not Started	Medium	CMO	4 months
8	Enhance Data Security for Emerging Technologies	●	Not Started	High	CIO	2 months

# Core Risks & Mitigation Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Vehicle Breakdown	COO	Implement a rigorous maintenance schedule and rapid response service for breakdowns to minimize downtime and customer inconvenience.
2	Fleet Management	COO	Utilize advanced fleet management software to monitor vehicle usage, maintenance needs, and optimize the rotation of the fleet.
3	Booking System Downtime	CTO	Ensure robust IT infrastructure with failover mechanisms and 24/7 technical support to minimize system downtime and disruption.
4	Vehicle Cleanliness	COO	Establish strict protocols for vehicle cleaning between rentals and conduct regular audits to maintain high standards of hygiene.
5	Driver Safety	CPO	Conduct thorough driver background checks and offer regular training to ensure safety and professionalism.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with local regulations	COO	Maintain up-to-date knowledge of all local rental regulations.
2	Insurance and liability requirements	CFO	Ensure robust insurance policies are in place.
3	Environmental regulations	CSO	Adopt eco-friendly practices and vehicles.
4	Data protection laws	CIO	Implement strong data security measures.
5	Labor law compliance	COO	Regular audits and training for compliance.

### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Competition	CEO	Differentiate with unique services
2	Customer Retention	CMO	Implement loyalty programs
3	Price Wars	CFO	Optimize operational costs
4	Market Demand Fluctuations	CRO	Adapt flexible pricing
5	Entry of New Competitors	CSO	Innovate and diversify offerings

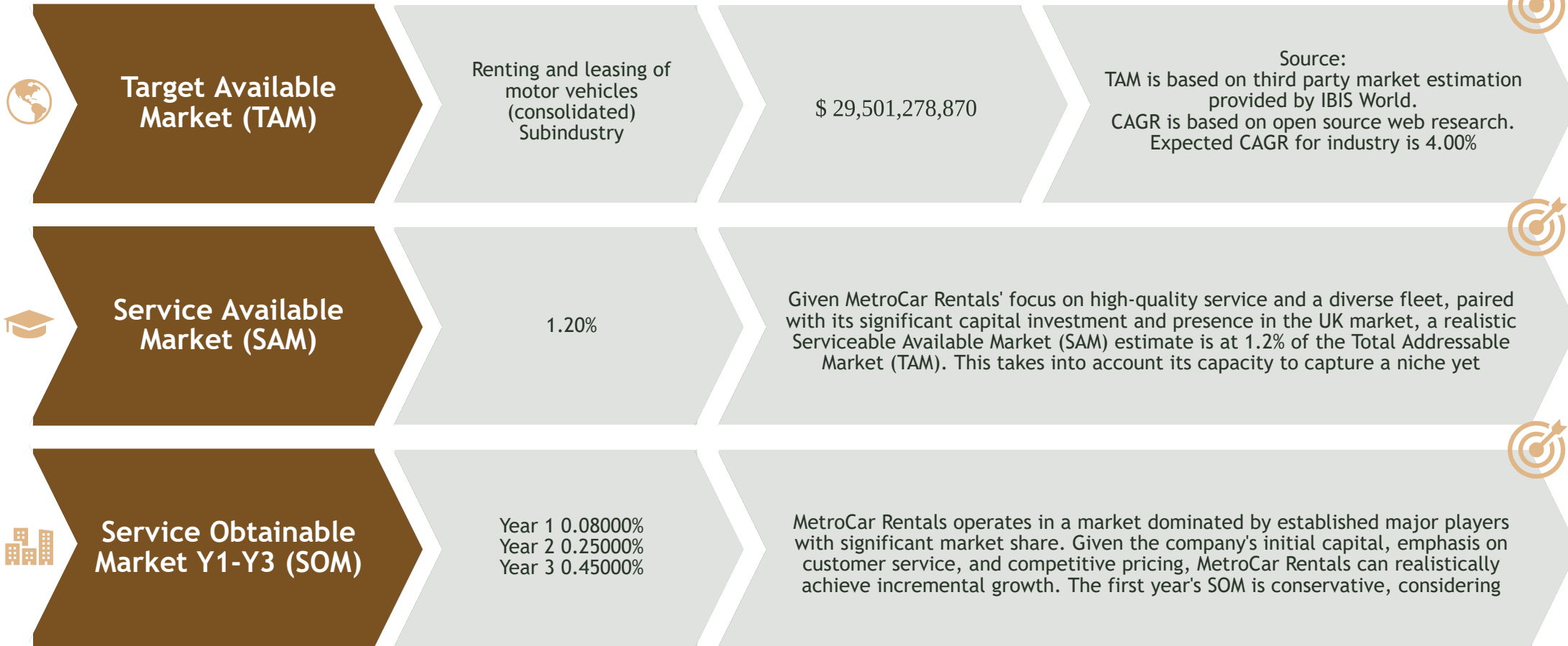
### 4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Shortages	CFO	Maintain a cash reserve and monitor cash flow closely.
2	High Capital Expenditure	CFO	Prioritize essential investments and lease assets where possible.
3	Revenue Volatility	CRO	Diversify income streams and customer base.
4	Credit Risk	CFO	Implement strict credit assessment and payment policies.
5	Rising Operational Costs	COO	Regularly review and optimize cost structures.

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation	CMO	Monitor customer feedback and respond promptly to maintain positive brand image.
2	Data Security	CIO	Implement strong cybersecurity measures and regular audits.
3	Rapid Technology Changes	CTO	Continuously monitor tech trends and invest in R&D.
4	Customer Service Issues	COO	Train staff rigorously and monitor service quality.
5	Competitive Pressure	CSO	Regular market analysis and innovative service enhancements.

# 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.

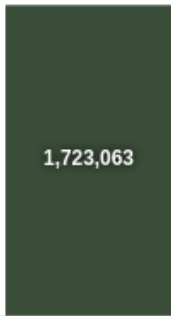
The total investment required is \$ 451,519

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	124,613	
Payroll Expenses		19,825
Rent & Utilities		8,496
Legal and Professional Fees		5,664
Marketing and Branding		5,664
Capex		520,000
Other Miscellaneous		5,154
Communication Expenses		2,832
Office Supplies		2,832
Representation and Entert.		2,832
Training and Development		2,832
<b>CAPEX &amp; WC shortage Y1</b>		<b>451,519</b>
<b>Buffer</b>		<b>0</b>
<b>Total Required Investment(USD)</b>		<b>451,519</b>



## Y3 PL formation and Margins

### Revenue



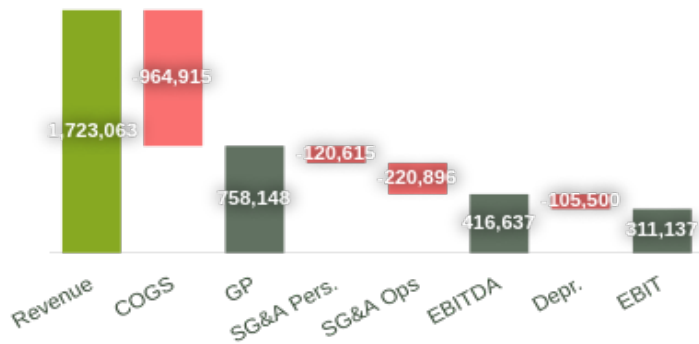
### Projected Revenue

- GP 44.0%
- EBITDA 24.2%

Y3

Y3

### PnL Formation (Y3 USD)

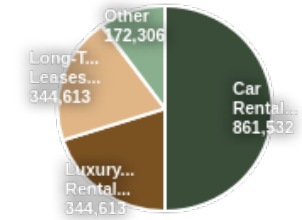
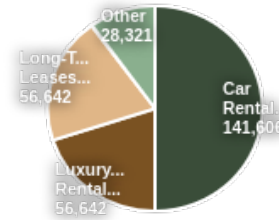


## Business Line Breakdown (USD)

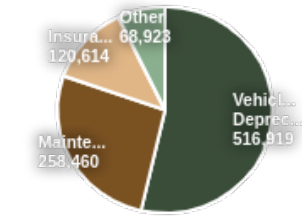
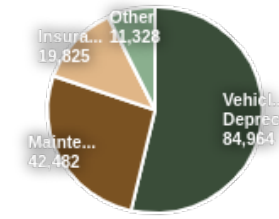
Y1

Y2

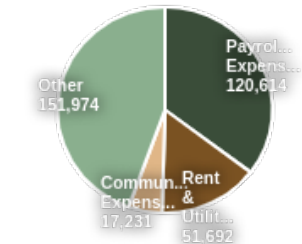
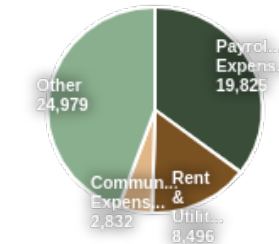
### Revenue



### COGS



### Admin

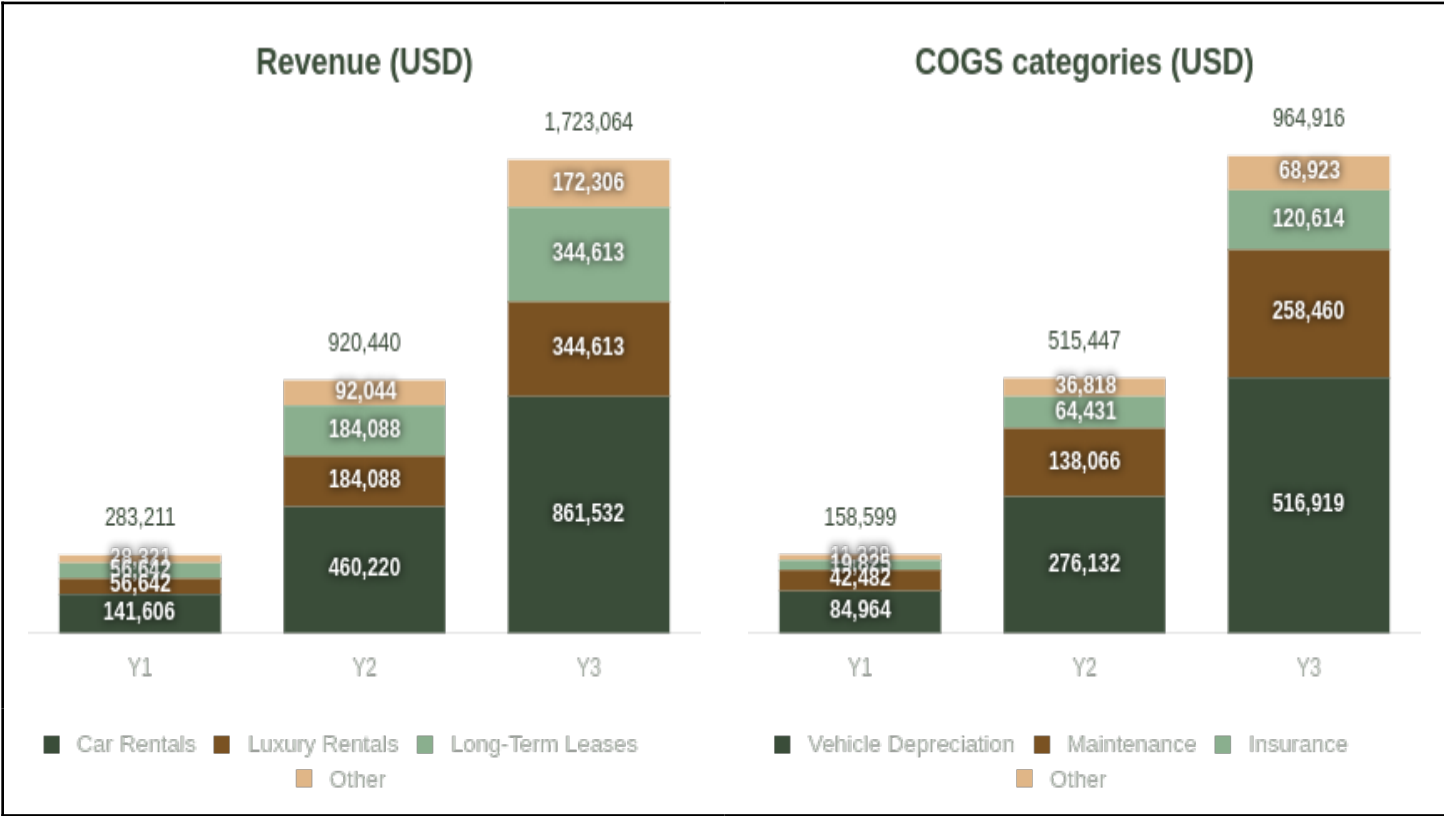




# Revenue Formation Narrative

MetroCar Rentals is positioned to capture a significant portion of the vehicle rental market. Based on our high-quality service and diverse fleet, we estimate that our Serviceable Available Market (SAM) is 1.2% of the Total Addressable Market (TAM) of 29,501,278,870 USD . This estimation reflects our capacity to capture a niche segment within the broader motor vehicle rental industry, focusing on exceptional customer service and a flexible rental system. In the first year, due to the market's competitive nature and our status as a new entrant, we project a conservative Serviceable Obtainable Market (SOM) of 0.08000%. This is expected to yield a revenue of 283,212.277 USD . With increased brand recognition, an expanding fleet, and improved operational efficiencies, we anticipate significant growth in subsequent years. By year two, our SOM is projected to be 0.25000%, achieving a revenue of 920,439.901 USD . By year three, this is expected to grow to 0.45000%, corresponding to a revenue of 1,723,063.494 USD . Revenue will be primarily driven by four main lines of business: Car Rentals (50%), Luxury Rentals (20%), Long-Term Leases (20%), and other services (10%). This diversified revenue stream will support our growth strategy, ensuring a balanced and robust financial performance. MetroCar Rentals is committed to capturing market share through relentless focus on customer satisfaction, competitive pricing, and continuous service enhancement.

**\$ 1,723,063** Y3 Projected Revenue      **0.01%** Market share



# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Car Rentals	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Luxury Rentals	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%
Long-Term Leases	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%
Other	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Car Rentals	8,850	8,850	8,850	10,620	10,620	10,620	12,981	12,981	12,981	14,751	14,751	14,751	141,606	460,220	861,532
Luxury Rentals	3,540	3,540	3,540	4,248	4,248	4,248	5,192	5,192	5,192	5,900	5,900	5,900	56,642	184,088	344,613
Long-Term Leases	3,540	3,540	3,540	4,248	4,248	4,248	5,192	5,192	5,192	5,900	5,900	5,900	56,642	184,088	344,613
Other	1,770	1,770	1,770	2,124	2,124	2,124	2,596	2,596	2,596	2,950	2,950	2,950	28,321	92,044	172,306

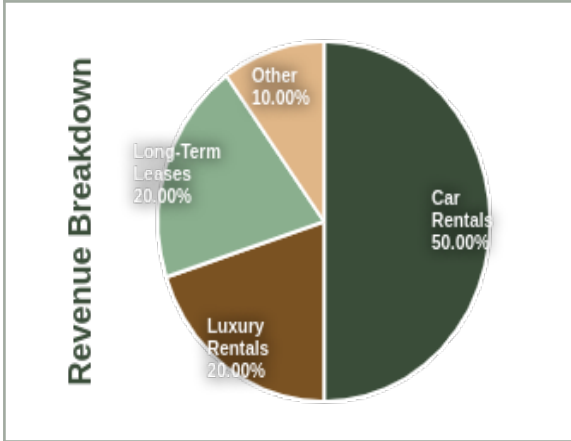
<b>Total Revenue (USD)</b>	<b>17,701</b>	<b>17,701</b>	<b>17,701</b>	<b>21,241</b>	<b>21,241</b>	<b>21,241</b>	<b>25,961</b>	<b>25,961</b>	<b>25,961</b>	<b>29,501</b>	<b>29,501</b>	<b>29,501</b>	<b>283,212</b>	<b>920,440</b>	<b>1,723,063</b>
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Total revenue is expected to reach \$ 1,723,063 by year 3.

Main revenue driver are:

- Car Rentals which generates \$ 861,532 by Year 3
- Luxury Rentals which generates \$ 344,613 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 146.66 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Vehicle Depreciation	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Maintenance	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Insurance	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Other	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%

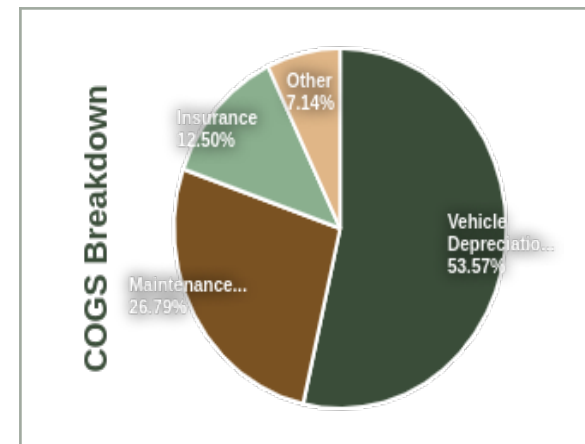
Vehicle Depreciation	5,310	5,310	5,310	6,372	6,372	6,372	7,788	7,788	7,788	8,850	8,850	8,850	84,964	276,132	516,919
Maintenance	2,655	2,655	2,655	3,186	3,186	3,186	3,894	3,894	3,894	4,425	4,425	4,425	42,482	138,066	258,460
Insurance	1,239	1,239	1,239	1,487	1,487	1,487	1,817	1,817	1,817	2,065	2,065	2,065	19,825	64,431	120,614
Other	708	708	708	850	850	850	1,038	1,038	1,038	1,180	1,180	1,180	11,328	36,818	68,923
<b>Total COGS (USD)</b>	<b>9,912</b>	<b>9,912</b>	<b>9,912</b>	<b>11,895</b>	<b>11,895</b>	<b>11,895</b>	<b>14,538</b>	<b>14,538</b>	<b>14,538</b>	<b>16,521</b>	<b>16,521</b>	<b>16,521</b>	<b>158,599</b>	<b>515,446</b>	<b>964,916</b>

Total COGS is expected to reach \$ 964,916 by year 3.

Main revenue driver are:

- Vehicle Depreciation which generates \$ 516,919 by Year 3
- Maintenance which generates \$ 258,460 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 146.66 %



# SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Rent & Utilities	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Communication Expenses	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%
Office Supplies	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%
Legal and Professional Fees	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%
Marketing and Branding	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%
Representation and Entertainment	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%
Training and Development	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%
Other Miscellaneous	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%

Payroll Expenses	1,239	1,239	1,239	1,487	1,487	1,487	1,817	1,817	1,817	2,065	2,065	2,065	19,825	64,431	120,614
Rent & Utilities	531	531	531	637	637	637	779	779	779	885	885	885	8,496	27,613	51,692
Communication Expenses	177	177	177	212	212	212	260	260	260	295	295	295	2,832	9,204	17,231
Office Supplies	177	177	177	212	212	212	260	260	260	295	295	295	2,832	9,204	17,231
Legal and Professional Fees	354	354	354	425	425	425	519	519	519	590	590	590	5,664	18,409	34,461
Marketing and Branding	354	354	354	425	425	425	519	519	519	590	590	590	5,664	18,409	34,461
Representation and Entertainment	177	177	177	212	212	212	260	260	260	295	295	295	2,832	9,204	17,231
Training and Development	177	177	177	212	212	212	260	260	260	295	295	295	2,832	9,204	17,231
Other Miscellaneous	322	322	322	387	387	387	472	472	472	537	537	537	5,154	16,752	31,360
<b>Total SG&amp;A (USD)</b>	<b>3,508</b>	<b>3,508</b>	<b>3,508</b>	<b>4,210</b>	<b>4,210</b>	<b>4,210</b>	<b>5,145</b>	<b>5,145</b>	<b>5,145</b>	<b>5,847</b>	<b>5,847</b>	<b>5,847</b>	<b>56,133</b>	<b>182,431</b>	<b>341,511</b>

# PaT Expectations

1 2 3 4 5 6 7 8

Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Revenue</b>	17,701	17,701	17,701	21,241	21,241	21,241	25,961	25,961	25,961	29,501	29,501	29,501	283,212	920,440	1,723,063
Car Rentals	8,850	8,850	8,850	10,620	10,620	10,620	12,981	12,981	12,981	14,751	14,751	14,751	141,606	460,220	861,532
Luxury Rentals	3,540	3,540	3,540	4,248	4,248	4,248	5,192	5,192	5,192	5,900	5,900	5,900	56,642	184,088	344,613
Long-Term Leases	3,540	3,540	3,540	4,248	4,248	4,248	5,192	5,192	5,192	5,900	5,900	5,900	56,642	184,088	344,613
Other	1,770	1,770	1,770	2,124	2,124	2,124	2,596	2,596	2,596	2,950	2,950	2,950	28,321	92,044	172,306
<b>COGS</b>	-9,912	-9,912	-9,912	-11,895	-11,895	-11,895	-14,538	-14,538	-14,538	-16,521	-16,521	-16,521	-158,599	-515,446	-964,916
Vehicle Depreciation	-5,310	-5,310	-5,310	-6,372	-6,372	-6,372	-7,788	-7,788	-7,788	-8,850	-8,850	-8,850	-84,964	-276,132	-516,919
Maintenance	-2,655	-2,655	-2,655	-3,186	-3,186	-3,186	-3,894	-3,894	-3,894	-4,425	-4,425	-4,425	-42,482	-138,066	-258,460
Insurance	-1,239	-1,239	-1,239	-1,487	-1,487	-1,487	-1,817	-1,817	-1,817	-2,065	-2,065	-2,065	-19,825	-64,431	-120,614
Other	-708	-708	-708	-850	-850	-850	-1,038	-1,038	-1,038	-1,180	-1,180	-1,180	-11,328	-36,818	-68,923
<b>Gross Profit</b>	7,788	7,788	7,788	9,346	9,346	9,346	11,423	11,423	11,423	12,981	12,981	12,981	124,613	404,994	758,148
<b>SG&amp;A Personal Expenses</b>	-1,239	-1,239	-1,239	-1,487	-1,487	-1,487	-1,817	-1,817	-1,817	-2,065	-2,065	-2,065	-19,825	-64,431	-120,614
<b>SG&amp;A Operating Expenses</b>	-2,269	-2,269	-2,269	-2,723	-2,723	-2,723	-3,328	-3,328	-3,328	-3,782	-3,782	-3,782	-36,308	-118,000	-220,897
<b>EBITDA</b>	4,280	4,280	4,280	5,136	5,136	5,136	6,277	6,277	6,277	7,133	7,133	7,133	68,481	222,562	416,637
<b>Depreciation</b>	-8,792	-8,792	-8,792	-8,792	-8,792	-8,792	-8,792	-8,792	-8,792	-8,792	-8,792	-8,792	-105,500	-105,500	-105,500
<b>EBIT</b>	-4,512	-4,512	-4,512	-3,656	-3,656	-3,656	-2,514	-2,514	-2,514	-1,658	-1,658	-1,658	-37,019	117,062	311,137
<b>Interest Expense</b>	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-26,050	-26,050	-26,050
<b>Profit before Tax</b>	-6,682	-6,682	-6,682	-5,826	-5,826	-5,826	-4,685	-4,685	-4,685	-3,829	-3,829	-3,829	-63,069	91,012	285,087
<b>Tax</b>	1,270	1,270	1,270	1,107	1,107	1,107	890	890	890	728	728	728	11,983	-17,292	-54,166
<b>Profit after Tax (USD)</b>	-5,413	-5,413	-5,413	-4,719	-4,719	-4,719	-3,795	-3,795	-3,795	-3,102	-3,102	-3,102	-51,086	73,720	230,920

# Balance Sheet Statement

1 2 3 4 5 6 7 8

Financial Projection

Balance Sheet (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Cash & Cash Equivalents	23,751	25,860	25,760	25,412	28,377	28,396	28,085	32,192	34,089	35,738	40,701	28,172	28,172	131,254	351,494
Accounts Receivable	17,701	17,701	17,701	21,241	21,241	21,241	25,961	25,961	25,961	29,501	29,501	29,501	29,501	95,879	179,486
Inventory	9,912	9,912	11,895	11,895	11,895	14,538	14,538	14,538	16,521	16,521	16,521	32,215	32,215	60,307	100,512
Prepaid Expenses	1,135	1,135	1,362	1,362	1,362	1,664	1,664	1,664	1,891	1,891	1,891	3,688	3,688	6,903	11,505
Deferred Tax Assets	1,270	2,539	3,809	4,916	6,023	7,130	8,020	8,910	9,801	10,528	11,256	11,983	11,983	-	-
<b>Current Assets</b>	<b>53,768</b>	<b>57,147</b>	<b>60,526</b>	<b>64,825</b>	<b>68,898</b>	<b>72,970</b>	<b>78,269</b>	<b>83,266</b>	<b>88,263</b>	<b>94,180</b>	<b>99,870</b>	<b>105,560</b>	<b>105,560</b>	<b>294,344</b>	<b>642,997</b>
Fleet Acquisition	442,500	435,000	427,500	420,000	412,500	405,000	397,500	390,000	382,500	375,000	367,500	360,000	360,000	270,000	180,000
Rental Software System	29,167	28,333	27,500	26,667	25,833	25,000	24,167	23,333	22,500	21,667	20,833	20,000	20,000	10,000	30,000
Maintenance Equipment	14,750	14,500	14,250	14,000	13,750	13,500	13,250	13,000	12,750	12,500	12,250	12,000	12,000	9,000	6,000
Office Setup	24,792	24,583	24,375	24,167	23,958	23,750	23,542	23,333	23,125	22,917	22,708	22,500	22,500	20,000	17,500
<b>Non-Current Assets</b>	<b>511,208</b>	<b>502,417</b>	<b>493,625</b>	<b>484,833</b>	<b>476,042</b>	<b>467,250</b>	<b>458,458</b>	<b>449,667</b>	<b>440,875</b>	<b>432,083</b>	<b>423,292</b>	<b>414,500</b>	<b>414,500</b>	<b>309,000</b>	<b>233,500</b>
<b>Total Assets</b>	<b>564,977</b>	<b>559,564</b>	<b>554,151</b>	<b>549,659</b>	<b>544,939</b>	<b>540,220</b>	<b>536,727</b>	<b>532,932</b>	<b>529,138</b>	<b>526,263</b>	<b>523,161</b>	<b>520,060</b>	<b>520,060</b>	<b>603,344</b>	<b>876,497</b>
Accounts Payable	1,135	1,135	1,135	1,362	1,362	1,362	1,664	1,664	1,664	1,891	1,891	1,891	1,891	6,146	11,505
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	5,309	42,183
<b>Current Liabilities</b>	<b>3,305</b>	<b>3,305</b>	<b>3,305</b>	<b>3,532</b>	<b>3,532</b>	<b>3,532</b>	<b>3,835</b>	<b>3,835</b>	<b>3,835</b>	<b>4,062</b>	<b>4,062</b>	<b>4,062</b>	<b>4,062</b>	<b>13,626</b>	<b>55,859</b>
Loans and other borrowings	217,084	217,084	217,084	217,084	217,084	217,084	217,084	217,084	217,084	217,084	217,084	217,084	217,084	217,084	217,084
<b>Non-Current Liabilities</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>	<b>217,084</b>
<b>Total Liabilities</b>	<b>220,389</b>	<b>220,389</b>	<b>220,389</b>	<b>220,616</b>	<b>220,616</b>	<b>220,616</b>	<b>220,919</b>	<b>220,919</b>	<b>220,919</b>	<b>221,146</b>	<b>221,146</b>	<b>221,146</b>	<b>221,146</b>	<b>230,710</b>	<b>272,943</b>
Paid-In Capital	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-51,086	22,634
Current Period Earnings	-5,413	-10,826	-16,238	-20,958	-25,677	-30,397	-34,192	-37,987	-41,781	-44,883	-47,985	-51,086	-51,086	73,720	230,920
<b>Total Equity</b>	<b>344,587</b>	<b>339,174</b>	<b>333,762</b>	<b>329,042</b>	<b>324,323</b>	<b>319,603</b>	<b>315,808</b>	<b>312,013</b>	<b>308,219</b>	<b>305,117</b>	<b>302,015</b>	<b>298,914</b>	<b>298,914</b>	<b>372,634</b>	<b>603,554</b>

# Cash Flow Statement - Direct

Cash Flow Statement - Direct (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Initial Balance</b>	-	23,751	25,860	25,760	25,412	28,377	28,396	28,085	32,192	34,089	35,738	40,701	-	28,172	131,254
Cash from sales of goods/services	-	17,701	17,701	17,701	21,241	21,241	21,241	25,961	25,961	25,961	29,501	29,501	253,711	854,062	1,639,457
Payments to employees/vendors	-12,286	-13,421	-15,403	-15,878	-16,105	-18,748	-19,381	-19,684	-21,666	-22,141	-22,368	-38,063	-245,056	-721,715	-1,341,272
Advances paid/received	-	-	-227	-	-	-303	-	-	-227	-	-	-1,796	-3,688	-3,216	-4,602
Taxes paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-17,292
Interest paid	-	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-23,879	-26,050	-26,050
<b>CF from Operating Activities</b>	-12,286	2,109	-100	-348	2,965	19	-311	4,107	1,897	1,649	4,963	-12,529	-18,912	103,082	250,240
<b>Acquisition of</b>															
Fleet Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-450,000	-	-
Rental Software System	-	-	-	-	-	-	-	-	-	-	-	-	-30,000	-	-30,000
Maintenance Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-15,000	-	-
Office Setup	-	-	-	-	-	-	-	-	-	-	-	-	-25,000	-	-
<b>CF from Investing Activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-520,000	-	-30,000
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	217,084	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	350,000	-	-
<b>CF from Financing activities</b>	-	-	-	-	-	-	-	-	-	-	-	-	567,084	-	-
<b>Ending Balance</b>	23,751	25,860	25,760	25,412	28,377	28,396	28,085	32,192	34,089	35,738	40,701	28,172	28,172	131,254	351,494

## Assumptions:

- invoices are paid in 30 days;
- inventory is built for the next month;
- salaries are paid in the same month;
- half of admin expenses except salaries is prepaid;
- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.

# Cash Flow Statement - Indirect

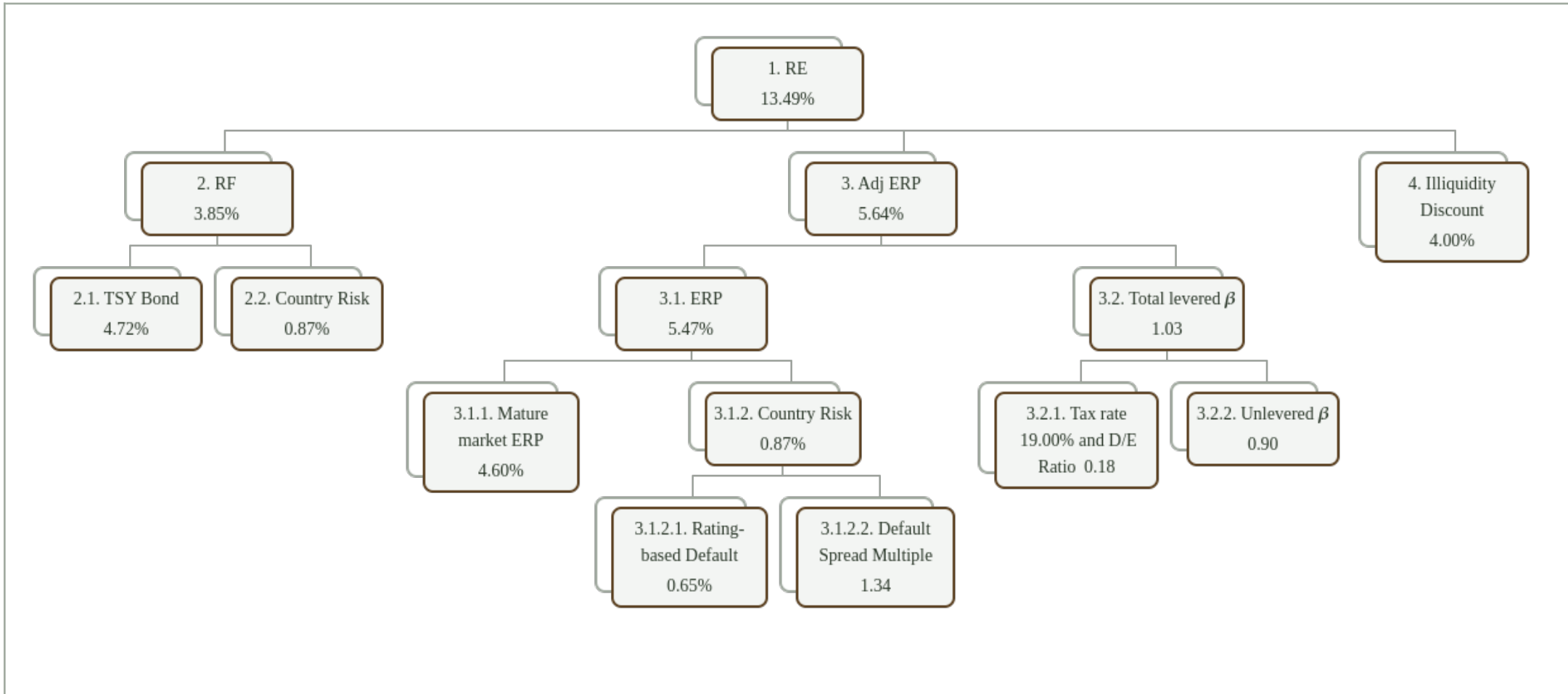
Cash Flow Statement - Indirect (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Initial Balance	-	23,751	25,860	25,760	25,412	28,377	28,396	28,085	32,192	34,089	35,738	40,701	-	28,172	131,254
EBIT	-4,512	-4,512	-4,512	-3,656	-3,656	-3,656	-2,514	-2,514	-2,514	-1,658	-1,658	-1,658	-37,019	117,062	311,137
Δ Receivables & Prepaids	-17,701	-	-227	-3,540	-	-303	-4,720	-	-227	-3,540	-	-1,796	-33,189	-69,593	-88,209
Δ Payables	1,135	-	-	227	-	-	303	-	-	227	-	-	1,891	4,255	5,359
Δ Inventory	-	-	-1,982	-	-	-2,643	-	-	-1,982	-	-	-15,695	-32,215	-28,092	-40,205
Δ Depreciation	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	105,500	105,500	105,500
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-17,292
Interest Expenses	-	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-2,171	-23,879	-26,050	-26,050
<b>CF from Operating Activities</b>	<b>-12,286</b>	<b>2,109</b>	<b>-100</b>	<b>-348</b>	<b>2,965</b>	<b>19</b>	<b>-311</b>	<b>4,107</b>	<b>1,897</b>	<b>1,649</b>	<b>4,963</b>	<b>-12,529</b>	<b>-18,912</b>	<b>103,082</b>	<b>250,240</b>
Acquisition of															
Fleet Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-450,000	-	-
Rental Software System	-	-	-	-	-	-	-	-	-	-	-	-	-30,000	-	-30,000
Maintenance Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-15,000	-	-
Office Setup	-	-	-	-	-	-	-	-	-	-	-	-	-25,000	-	-
<b>CF from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-520,000</b>	<b>-</b>	<b>-30,000</b>
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	217,084	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	350,000	-	-
<b>CF from Financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>567,084</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>23,751</b>	<b>25,860</b>	<b>25,760</b>	<b>25,412</b>	<b>28,377</b>	<b>28,396</b>	<b>28,085</b>	<b>32,192</b>	<b>34,089</b>	<b>35,738</b>	<b>40,701</b>	<b>28,172</b>	<b>28,172</b>	<b>131,254</b>	<b>351,494</b>

## Assumptions:

- invoices are paid in 30 days;
- inventory is built for the next month;
- salaries are paid in the same month;
- half of admin expenses except salaries is prepaid;
- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.



## 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 ( $\beta$ ) 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](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

	(USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
DCF	Profit after Tax	-51,086	73,720	230,920	240,157	249,763	259,754	270,144
	Growth% Y4-Y7				4.00%	4.00%	4.00%	4.00%
	Growth% Y7 -->				3.50%			
	WACC				13.49%			
	PV Y1-Y7 at Y0	-45,013	57,235	157,972	144,761	132,655	121,562	111,396
	PV Y7 --> Y0				1,154,012			
	NPV (USD)				1,834,581			

Average Survival Rate for 3 Years 50%

**Final Valuation** \$ 917,291

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 13.49 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 4.00 %, 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.

# Scenario Analysis: Narrative

Scenario analysis explores how external and internal factors influence key assumptions in financial planning. By analyzing potential positive and negative outcomes, company can better anticipate risks and opportunities when evaluating their future cash flows and overall valuation.

KPI	Scenario	Narrative	KPI affected by
Revenue	Positive	This scenario reflects a favorable market environment or a strategic breakthrough, leading to higher projected revenue. It showcases the potential rewards of scaling and innovative approaches.	higher by 15%
	Negative	This scenario accounts for challenging conditions such as economic downturns or market disruptions, forecasting a potential revenue decrease. It emphasizes the importance of adaptability and risk management.	lower by 15%
COGS	Positive	This scenario demonstrates the benefits of operational efficiency or cost-saving strategies, resulting in reduced COGS. It highlights the value of innovation in supply chain and operations.	lower by 20%
	Negative	This scenario addresses rising costs due to external pressures, resulting in an increase in COGS. It underlines the need for proactive cost-control measures.	higher by 20%
Discount Rate (RoE)	Positive	This scenario assumes a decrease in the discount rate (RoE) due to improved market conditions, lower perceived risk, or favorable macroeconomic factors. A lower discount rate increases the present value of future cash flows, enhancing the company's valuation.	lower by 10%
	Negative	This scenario models an increase in the discount rate (RoE) driven by higher market risk, macroeconomic instability, or industry-specific challenges. A higher discount rate reduces the present value of future cash flows, decreasing the company's valuation.	higher by 10%

# Scenario Analysis: Results

Scenario analysis explores how external and internal factors influence key assumptions in financial planning. By analyzing potential positive and negative outcomes, company can better anticipate risks and opportunities when evaluating their future cash flows and overall valuation.

Scenario Analysis		Revenue		COGS		Discount Rate	
	Base	Positive	Negative	Positive	Negative	Positive	Negative
Input	KPIs						
	Revenue	no impact	15%	-15%	no impact	no impact	no impact
	COGS	no impact	no impact	no impact	-20%	20%	no impact
	RoE	no impact	no impact	no impact	no impact	no impact	-10%
Output	Revenue Y3	\$ 1,723,063	\$ 1,981,523	\$ 1,464,604	\$ 1,723,063	\$ 1,723,063	\$ 1,723,063
	Gross Profit Y3	\$ 758,148	\$ 871,870	\$ 644,426	\$ 951,131	\$ 565,165	\$ 758,148
	GP Margin	44%	44%	44%	55%	33%	44%
	EBITDA Y3	\$ 416,637	\$ 479,132	\$ 354,141	\$ 609,620	\$ 223,654	\$ 416,637
	EBITDA Margin	24%	24%	24%	35%	13%	24%
	Net Profit Y3	\$ 230,920	\$ 281,542	\$ 180,299	\$ 387,237	\$ 74,604	\$ 230,920
	Profit Margin	13%	14%	12%	22%	4%	13%
	Final Valuation	\$ 917,291	\$ 1,131,199	\$ 703,383	\$ 1,577,828	\$ 256,753	\$ 1,085,937

# Stress Test: Growth Under Pressure

Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of real-world challenges.

Scenario Name	Story	KPIs impact				
<b>Growth Under Pressure</b>	<p>This scenario explores the challenges of managing rapid growth while dealing with operational bottlenecks. A surge in demand and revenue places significant strain on supply chains and internal processes. Despite achieving higher sales volumes, inefficiencies in scaling lead to increased costs and a heightened risk perception, keeping the discount rate elevated. 'Growth Under Pressure' examines how businesses can balance seizing growth opportunities while investing in infrastructure, talent, and systems to support scalability.</p>	<table border="1"> <tr> <td><b>Revenue</b> Higher by 20%</td> <td><b>COGS</b> Higher by 30%</td> </tr> <tr> <td><b>OPEX</b> Higher by 40%</td> <td><b>Discount Rate</b> unaffected</td> </tr> </table>	<b>Revenue</b> Higher by 20%	<b>COGS</b> Higher by 30%	<b>OPEX</b> Higher by 40%	<b>Discount Rate</b> unaffected
<b>Revenue</b> Higher by 20%	<b>COGS</b> Higher by 30%					
<b>OPEX</b> Higher by 40%	<b>Discount Rate</b> unaffected					

## Results

	<b>-\$ 547,546</b> Valuation		<b>\$ 2,067,676</b> Revenue Y3
	<b>-\$ 11,331</b> EBITDA		<b>-\$ 115,734</b> Profit After Tax

**27.2%**  
Gross Profit Margin Y3

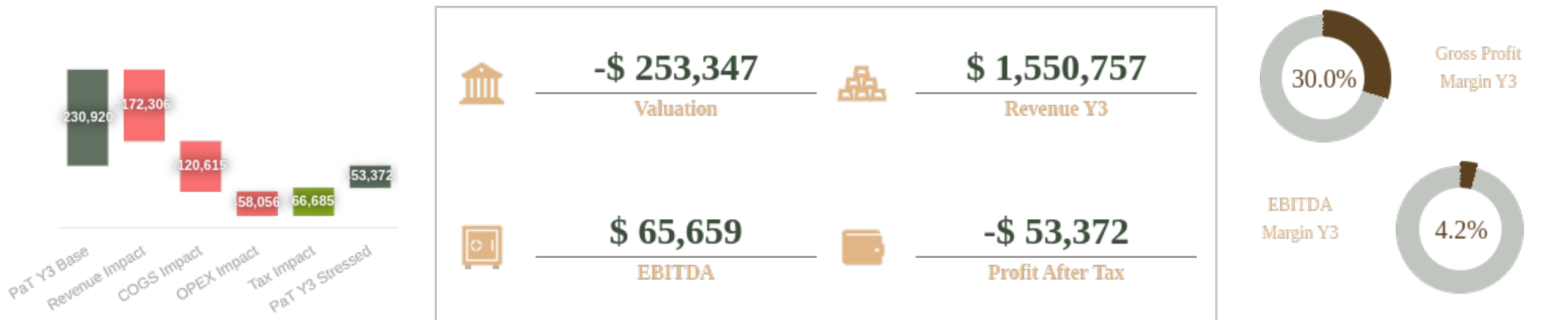
**-0.5%**  
EBITDA Margin Y3

# Stress Test: The Perfect Storm

Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of real-world challenges.

Scenario Name	Story	KPIs impact	
<b>The Perfect Storm</b>	This scenario simulates the convergence of adverse market conditions and rising operational challenges. A sharp downturn in market demand coincides with increased costs due to inflation and supply chain disruptions. The combination results in a dual hit to both top-line revenue and operational margins. Additionally, external factors such as economic instability elevate the discount rate, amplifying the pressure on future cash flows. Businesses facing 'The Perfect Storm' must focus on resilience through diversified revenue streams, cost-control measures, and contingency planning.	<b>Revenue</b> Lower by 10%	<b>COGS</b> Higher by 25%
		<b>OPEX</b> Higher by 30%	<b>Discount Rate</b> Higher by 10%

## Results



# Sensitivity Analysis: SAM & SOM

This sensitivity analysis evaluates the potential impact of changes in Serviceable Addressable Market (SAM) and Serviceable Obtainable Market (SOM) on key financial metrics. By simulating percentage variations in SAM and SOM, this analysis helps identify how shifts in market assumptions affect revenue, profitability, and overall valuation.

		SAM						SOM					
		-20%	-10%	-5%	5%	10%	20%	-9%	-6%	-3%	3%	6%	9%
Revenue	Y1	\$ 226,570	\$ 254,891	\$ 269,052	\$ 297,373	\$ 311,534	\$ 339,855	\$ 257,723	\$ 266,220	\$ 274,716	\$ 291,709	\$ 300,205	\$ 308,701
	Y2	\$ 736,352	\$ 828,396	\$ 874,418	\$ 966,462	\$ 1,012,484	\$ 1,104,528	\$ 837,600	\$ 865,214	\$ 892,827	\$ 948,053	\$ 975,666	\$ 1,003,279
	Y3	\$ 1,378,451	\$ 1,550,757	\$ 1,636,910	\$ 1,809,217	\$ 1,895,370	\$ 2,067,676	\$ 1,567,988	\$ 1,619,680	\$ 1,671,372	\$ 1,774,755	\$ 1,826,447	\$ 1,878,139
Gross Profit	Y1	\$ 99,691	\$ 112,152	\$ 118,383	\$ 130,844	\$ 137,075	\$ 149,536	\$ 113,398	\$ 117,137	\$ 120,875	\$ 128,352	\$ 132,090	\$ 135,829
	Y2	\$ 323,995	\$ 364,494	\$ 384,744	\$ 425,243	\$ 445,493	\$ 485,992	\$ 368,544	\$ 380,694	\$ 392,844	\$ 417,143	\$ 429,293	\$ 441,443
	Y3	\$ 606,518	\$ 682,333	\$ 720,241	\$ 796,055	\$ 833,963	\$ 909,778	\$ 689,915	\$ 712,659	\$ 735,403	\$ 780,892	\$ 803,637	\$ 826,381
GP Margin	Y1	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
	Y2	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
	Y3	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
EBITDA	Y1	\$ 54,785	\$ 61,633	\$ 65,057	\$ 71,905	\$ 75,329	\$ 82,177	\$ 62,317	\$ 64,372	\$ 66,426	\$ 70,535	\$ 72,590	\$ 74,644
	Y2	\$ 178,050	\$ 200,306	\$ 211,434	\$ 233,690	\$ 244,819	\$ 267,075	\$ 202,532	\$ 209,209	\$ 215,885	\$ 229,239	\$ 235,916	\$ 242,593
	Y3	\$ 333,309	\$ 374,973	\$ 395,805	\$ 437,469	\$ 458,300	\$ 499,964	\$ 379,139	\$ 391,639	\$ 404,138	\$ 429,136	\$ 441,635	\$ 454,134
EBITDA Margin	Y1	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
	Y2	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
	Y3	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
Net Profit	Y1	-\$ 62,180	-\$ 56,633	-\$ 53,860	-\$ 48,313	-\$ 45,539	-\$ 39,992	-\$ 56,078	-\$ 54,414	-\$ 52,750	-\$ 49,422	-\$ 47,758	-\$ 46,094
	Y2	\$ 37,665	\$ 55,692	\$ 64,706	\$ 82,734	\$ 91,748	\$ 109,775	\$ 57,495	\$ 62,903	\$ 68,312	\$ 79,128	\$ 84,536	\$ 89,945
	Y3	\$ 163,425	\$ 197,173	\$ 214,046	\$ 247,794	\$ 264,668	\$ 298,415	\$ 200,547	\$ 210,672	\$ 220,796	\$ 241,044	\$ 251,169	\$ 261,293
Profit Margin	Y1	-27%	-22%	-20%	-16%	-15%	-12%	-22%	-20%	-19%	-17%	-16%	-15%
	Y2	5%	7%	7%	9%	9%	10%	7%	7%	8%	8%	9%	9%
	Y3	12%	13%	13%	14%	14%	14%	13%	13%	13%	14%	14%	14%
Final Valuation		\$ 632,080	\$ 774,685	\$ 845,988	\$ 988,593	\$ 1,059,896	\$ 1,202,501	\$ 788,946	\$ 831,727	\$ 874,509	\$ 960,072	\$ 1,002,854	\$ 1,045,635



## 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

# Disclaimer

The following information and valuation analysis are provided for informational purposes only and do not constitute financial or investment advice. This presentation is based on assumptions, projections, and historical data, which are subject to inherent uncertainties and risks.

Please note that the valuation results presented here are based on the Discounted Cash Flow (DCF) method and various assumptions, including projected cash flows, growth rates, discount rates, and survival rates. These assumptions are subject to change and may not accurately reflect future market conditions or the performance of the business.

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