

Business plan

Project D

XXXXXX

Strictly private and confidential

XXXXXXX

Email: [XXXXXXX](#)

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Project D is an app-powered, on-demand taxi car service provider for smart phones. The Company will charge a 5% commission for connecting customers with taxi drivers via a cutting-edge mobile application.

Market analysis

- The personal transportation industry has undergone dramatic changes in recent years thanks to the introduction of application-based taxi and car service hailing systems.
- New industry entrants, like UBER, have made structural changes to an old industry that functioned much the same way it did decades ago, with individuals in need of a cab having to either physically wave at a taxi at the street corner or call a local car service to reserve a car at least half an hour prior to pickup time.
- UBER and its competitors have made it possible to secure a car or taxi from a smartphone from any location. This has revolutionized the industry and opened the door to new market entrants.

Business idea

- Project D is an app-powered on-demand taxi car service provider for smart phones. The Company will charge a 5% commission for connecting customers with taxi drivers via a cutting-edge mobile application.
- The key competitive advantages is the Company's ability to provide highly affordable (flat rate or subscriptions) personal transportation solutions.
- The Company will operate under brand Project D.
- **Geographical focus:** United States with planned international expansion.
- **Target customers:** individuals and corporate clients who frequently use taxi services
- **Founder:** XXXXXXX

Goals

- To become the leading rideshare services provider in the US
- To provide customers with the best-priced transportation solution
- To retain clients through development of attractive loyalty programs
- To offer fair remuneration to taxi drivers (5% from flat rate, significantly lower than UBER's 20% commission)
- To build and maintain relationships with wholesalers, retail networks (gas filling stations)
- To become operational by early 2016
- To test the business model in 5 locations in year 1, with further geographical expansion to follow
- To achieve gross revenue – \$163m in year 5

Strengths

- Innovative solution at an affordable price
- Experience management team
- Innovative marketing plan
- Scalable business
- Implement win-win strategy with potential partners (Hotel networks)
- Strategic approach in cooperation with taxi drivers

The Company is seeking an investment of \$5.1m to finance development of the mobile application and working capital for the first 24 months of operations

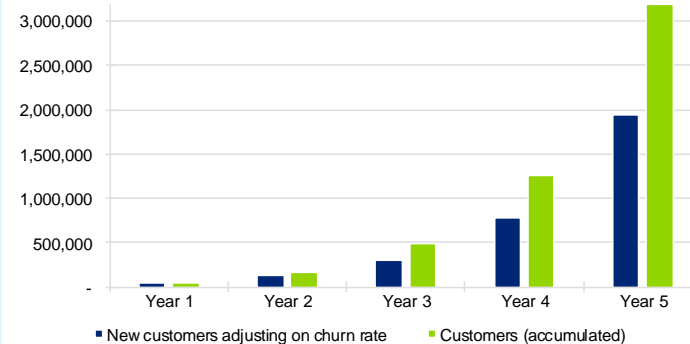
Financials

Projected Profit and Loss account

\$	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	2,082,500	7,653,188	22,385,573	61,172,884	163,110,113
Operating expenses	(4,011,238)	(7,704,798)	(16,330,784)	(41,025,093)	(106,791,652)
EBITDA	(1,928,738)	(51,610)	6,054,790	20,147,791	56,318,461
Net profit/(loss)	(1,928,738)	(51,610)	4,238,353	14,103,454	39,422,923
<i>EBITDA margin, %</i>	-93%	-1%	27%	33%	35%
<i>Net profit margin, %</i>	-93%	-1%	19%	23%	24%

Source: management information

Increase in customer base



Source: Management information

KPIs

Key performance indicators

Cash Flow (1-5 years), \$	54,784,382
Net Present Value (1-5 years)*, \$	29,490,578
Internal rate of return, %	60%
Payback period	3.5 years

*Discounted rate 10%

Source: Management information

Initial investments

Initial investments, \$

Item	Amount
Software development	100,000
Marketing expenses	3,000,000
Working capital replenishment	2,000,000
Total:	5,100,000

Source: Management information

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The personal transportation industry has undergone dramatic changes in recent years thanks to the introduction of application-based taxi and car service hailing systems

Taxi Industry: Pros & Cons Of UBER And Other E-Hail Apps

- The personal transportation industry has undergone dramatic changes in recent years thanks to the introduction of application-based taxi and car service hailing systems.
- New industry entrants, like UBER, have made structural changes to an old industry that functioned much the same way it did decades ago, with individuals in need of a cab having to either physically wave at a taxi at the street corner or call a local car service to reserve a car at least half an hour prior to pickup time.
- UBER and its competitors have made it possible to secure a car or taxi from a smartphone from any location. This has revolutionized the industry and opened the door to new market entrants.

PROs

- Customers: Instead of flagging down a taxi on the street, hopelessly praying for one to miraculously pass by their suburban location, or calling and waiting half an hour for a car service, E-Hail apps allow users to hail a car from any location and have a car arrive within minutes. In major cities like New York where the taxi industry is regulated, most cars are clean, well-maintained, late-model cars that are chauffeured by professional drivers with the proper commercial insurance coverage.
- Because the passenger's credit card is linked to their E-Hail account, no cash changes hands, which means that payments don't have to be processed immediately. For passengers with expense accounts, an email receipt is sent—there's no need to collect and track paper receipts. Once drivers accept the assignment to transport passengers, passengers are able to track their driver's position and route and even communicate with their drivers if necessary.

- E-Hail apps allow users to rate their drivers' performance, which quickly weeds out unprofessional drivers. Consistently low customer ratings usually lead to drivers being unable to find customers willing to pay for their services.
- In many cities and states like Los Angeles with less stringent regulations, average citizens can provide E-Hail services; this increases the number of drivers and cars available to customers.
- Drivers: Security is an important concern, both for E-Hail customers and drivers. Because the transaction is cash-less, drivers need not worry about unpaid fares; what is more, they need not carry any sizeable amount of cash on hand (this is what often entices those who rob taxi drivers).
- Unlike Yellow Cab taxi drivers who work by 12-hour shifts or black car drivers who are scheduled by dispatch, UBER and other E-Hail drivers enjoy greater freedom and flexibility. Drivers can log in and out of the system anytime and can choose to strategically allocate their work hours in a way that is most convenient (and rewarding) for them.
- Drivers can avoid the expensive taxi rental leases by using their own vehicles, which means more profit for them. Also, since E-Hail applications do away with dispatchers, drivers are spared the stress caused by favoritism and office politics.
- Thanks to driver reviews, rude, aggressive and disruptive passengers are also weeded out the E-Hail network in the same way that discourteous or unprofessional drivers are.
- Industry: UBER and its competitors occupy a very valuable space in the personal transportation market -- that is, between the traditional Yellow Cab taxi and the black car or limousine service.

The personal transportation industry has undergone dramatic changes in recent years thanks to the introduction of application-based taxi and car service hailing systems.

- UBER provides most of the benefits that are offered by conventional taxi providers, while reducing (or eliminating) most of the difficulties associated with them. They have made the market much more competitive, increased the supply of cars and drivers in busy markets, and dramatically decreased wait times for suburban customers.

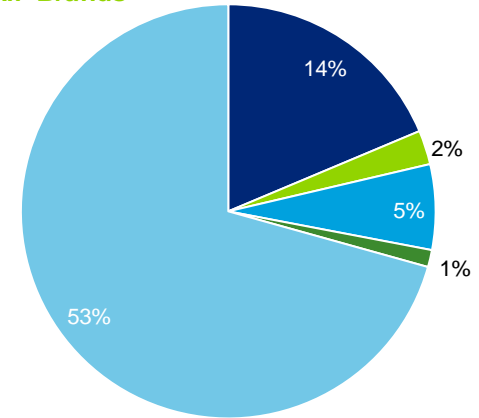
CONs

- Customers: There are very few downsides to E-Hail apps. Customers enjoy much greater access to safe and stylish transportation. “Surge pricing” for UBER, or “primetime pricing” for its main competitor, Lyft, is controversial and a major annoyance for many customers. To explain, “surge pricing” is a method of pricing in the free market that involves the raising or lowering of prices depending on levels of driver availability and customer demand. In some markets, during extremely popular times, prices can double or even triple (e.g. rush hours, dates of concert events, and during rain and snow storms).
 - Although UBER is generally cheaper and more convenient than a local car or limousine service, trip cancelations by drivers can cause disruptions in the passengers’ plans (e.g. missed flights).
 - Safety concerns have also emerged in many cities and states where a lack of industry regulations has led to unqualified, unprofessional, or otherwise undesirable drivers entering the market.
- **Drivers:** Low prices can negatively impact drivers’ earnings. While the applications are hailed by customers as user-friendly, it is important to remember that drivers are the ones providing the services.
 - In major cities like New York, UBER encourages its drivers to purchase late-model cars. In order to keep up appearances, some drivers rent cars weekly from third parties. They bear all of the costs associated with the service (e.g. fuel and repairs).
 - Initially, drivers used to rely on the surge prices to make up for low fares and infrequent trips. However, with the continued intake of new E-Hail drivers and increased price competition, drivers’ average earnings are being pushed downward.
 - This means that drivers have to work longer hours to earn an income comparable to what they would have earned a year or two ago. Longer hours jeopardizes the safety of drivers and customers alike.
 - These conditions, coupled with customer trip cancelations can negatively impact drivers’ earnings and morale.
 - Industry: Price competition can have destructive effects in any industry—no matter how indispensable that industry’s service is. E-Hail customers have come to expect first-class, limousine-style service for less than what they would pay for taxi services. UBER and its main rival, Lyft, are currently engaged in an intense battle to provide the cheapest and most convenient services possible.

Notoriously fickle customers in major markets will likely go back to the more traditional services if there is any noticeable decline in the levels of customer service and professionalism they have come to expect

- While it has undeniably benefitted customers, this protracted price battle has made it more difficult for drivers to make the occupation even remotely lucrative.
- This is leading to stressed drivers, which, in time, might significantly affect the quality of E-Hail services.
- Taxi and limousine services have responded to the dramatic changes to the marketplace by lowering their prices in major markets like New York. Notoriously fickle customers in these major markets will likely go back to the more traditional services if there is any noticeable decline in the levels of customer service and professionalism they have come to expect.

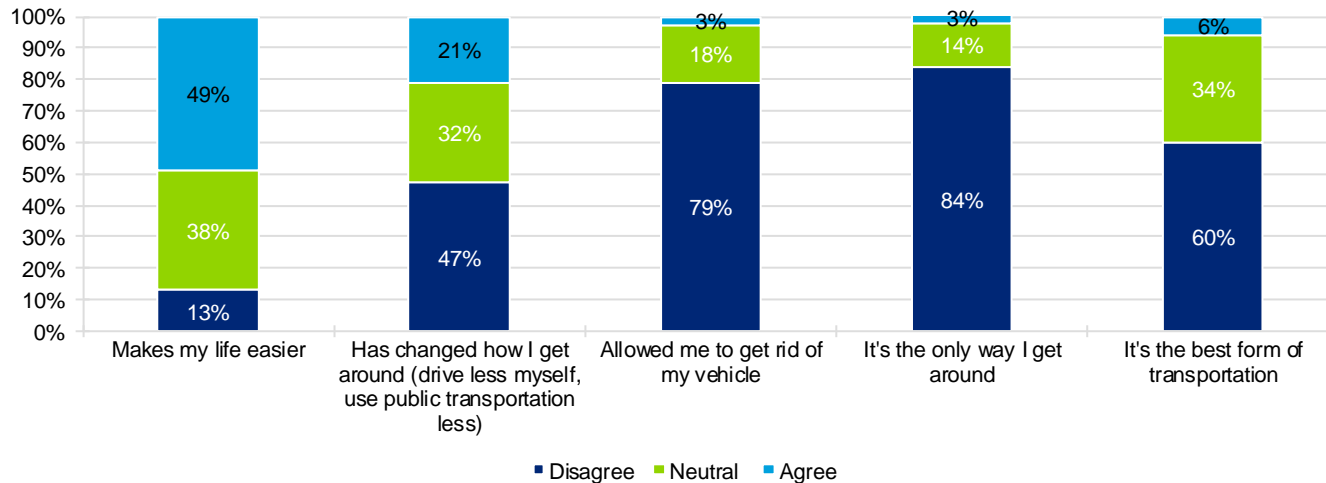
Top Choice Among All Brands



■ None ■ Uber ■ Lyft ■ Sidecar ■ Taxis

Source: SurveyMonkey Audience

General Attitude Towards Ridesharing, %



Source: SurveyMonkey Audience

Positive and Negative Perceptions of Rideshare

Rideshare – Positive Perceptions



- "Convenient. I have friends that use it, and it seems to work out well for them."
- "I can monitor who my driver will be, their rating, and the route they will be taking on my phone"
- "It makes sense for those that do not have their own transportation or for those looking to make money sharing their transportation."

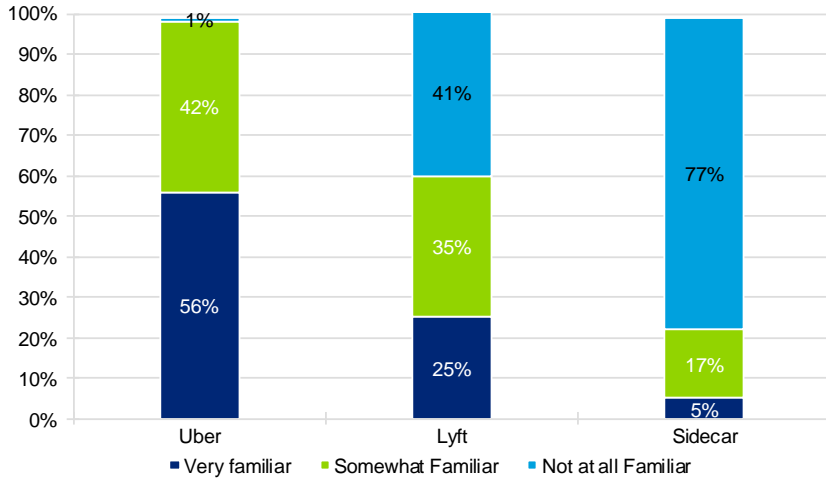
Rideshare – Negative Perceptions



- "I recently closed my Uber account based on the statements the company has made about using customers information."
- "I'm unaware of the screening process that goes into hiring these services."
- "Pricey, unregulated, potentially dangerous."

The key players in the rideshare market are Uber, Lyft and Sidecar

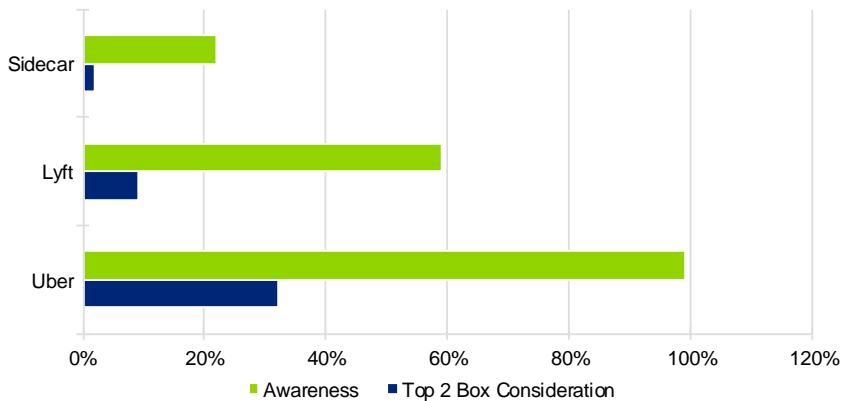
Diagnosing Quality of Awareness



Source: SurveyMonkey Audience

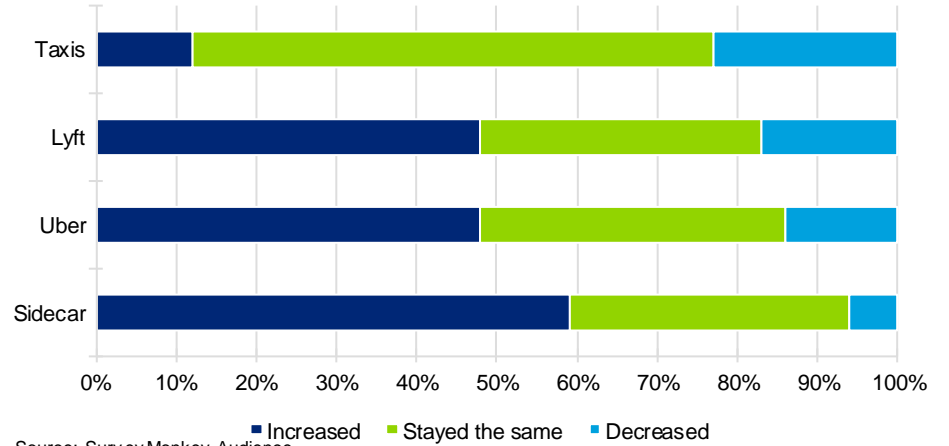
Consideration among competition

Top 2 Box (extremely, quite likely) likelihood to choose brand)



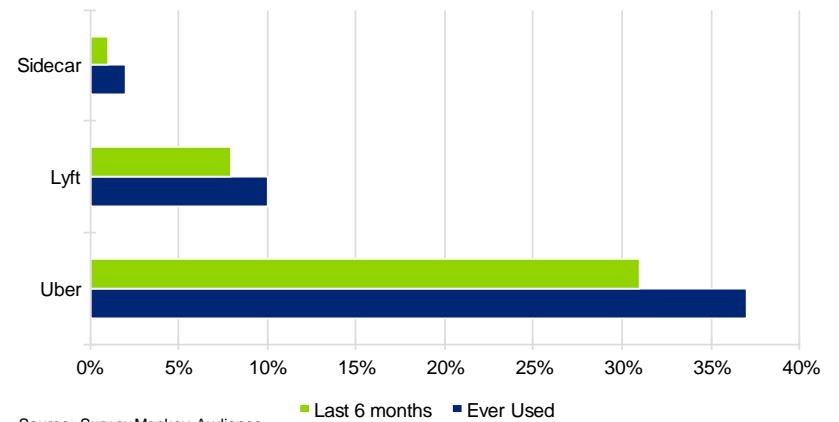
Source: SurveyMonkey Audience

Frequency of Use (among those who have used in last 6 months)



Source: SurveyMonkey Audience

Usage: Used in Last 6 months vs. Ever Used



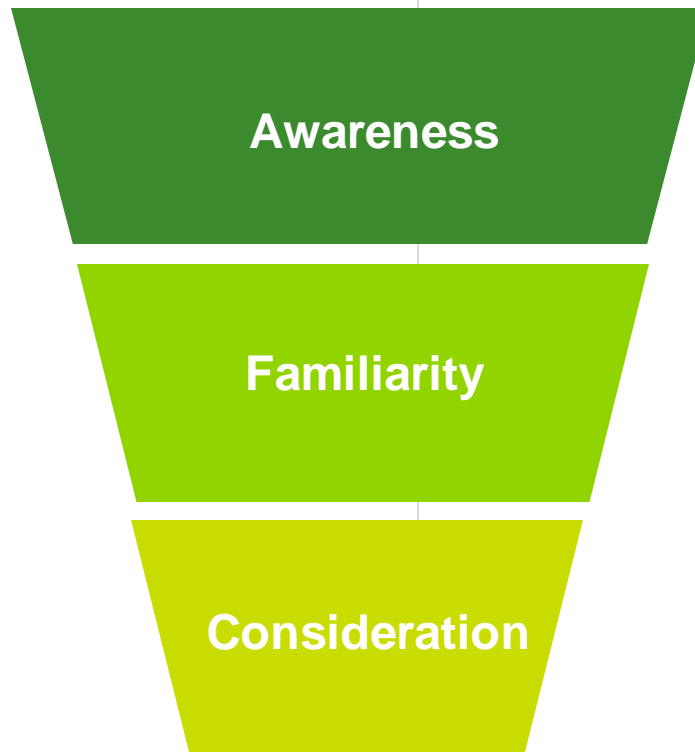
Source: SurveyMonkey Audience

Converting Consumers Through The Funnel

Value Perception
Loyalty Programs
Product Quality
Brand Image
Past Purchases

Brand Image
Strategy & Messaging
Price/Promotion
Past Purchases
Word of Mouth

Strategy & Messaging
Online/Offline Media
Category Relevance
Time in Business
Past Purchase



	Uber	Lyft	Sidecar	Taxi
Awareness	99%	59%	22%	96%
Familiarity	56%	25%	5%	91%
Consideration	32%	9%	2%	53%

Strengths and weaknesses of top 3 rideshare market players



Top 3 strengths:

- Availability & Quality of App
- Friendliness of Driver
- Reliability

- Friendliness of Driver
- Speed of Pickup
- Availability & Quality of App

- Cost
- Availability & Quality of Application
- Accurate Price Estimate

Top 3 weaknesses:

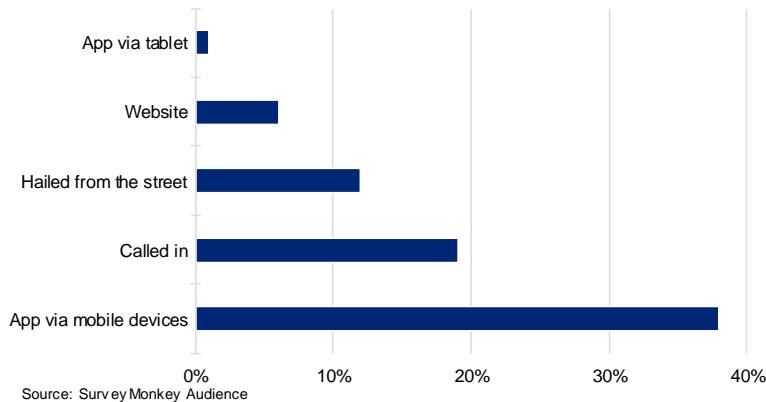
- Cost
- Price Estimate
- Driver Trustworthiness

- Price Estimate
- Driver Trustworthiness
- Safety

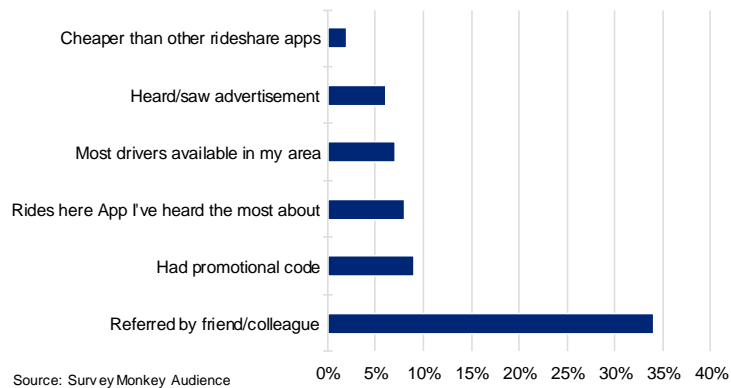
- Professionalism
- Driver Trustworthiness
- Safety

Usage

Channels for First Usage



Decision Drivers of First Usage

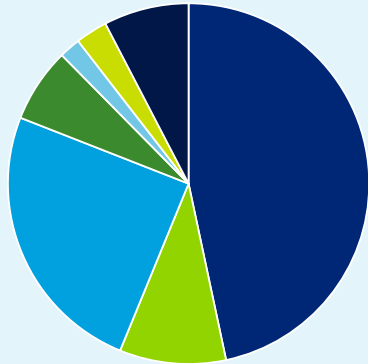


Partnership with drivers (based on example of Uber)

	Basic Demos	Differentiating Attributes	Motivations
THE PROS (18%) <i>Currently drive UberBLACK</i>	Nearly all male Middle of the pack on age: 66% 30-49 66% less than college education 34% college or higher	55% drive more than 30 hrs/week on platform • Longest-serving cohort: 61% been with Uber >6 months	Family men: 6 in 10 have kids, 1 in 4 support parent/ spouse's parent
CROSSOVERS (18%) <i>uberX driver-partners who previously drove taxis or black cars</i>	Nearly all male • Skew older: 38% over 50 60% less than college education 40% college or higher	10% veterans • New-ish arrivals: 70% have been with Uber <6 months	Family men: 6 in 10 have kids, 1 in 5 support parent/ spouse's parent
NEW REGULARS (12%) <i>No previous pro-driving experience & now driving uberX >30 hrs/week</i>	Skew older: 39% over 50 Just 26% have kids 42% less than college education 58% college or higher	1 in 5 worked in Arts & Entertainment before Uber 9% veterans 1 in 5 worked as a delivery person	More likely than others to say: 1) they drive to maintain steady income because other sources unstable, and 2) like meeting/talking with new people
PART-TIMERS (58%) <i>No previous pro-driving experience & now driving uberX <30 hrs/week</i>	Youngest cohort: 60% under 40 • Most female cohort, at 21% female 47% less than college education 53% college or higher	Tend to be short-term: 6 in 10 came on in past 3 months • 75% have other jobs besides Uber • Most common previous industries: health care (10%), hospitality (12%), business services (12%)	More likely to have been actively looking for a part-time job, and that's what they found • 8% were students when started driving uberX • 40% drive to pay for a specific thing (car, vacation, student loan)

Driver-partner profile

Companies like Uber attract full-timers

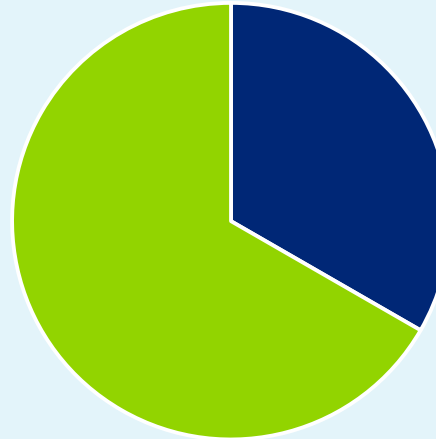


- working 1 full-time job
- working multiple jobs, at least one full-time
- working 1 or more part time jobs
- student
- stay-at-home parent
- retired
- unemployed

- 1 in 5 of those who were previously working were employed in a "temporary job, like an entertainment production or a construction gig.



...and even many who weren't looking for a job



- 1/3 not actively looking
- 2/3 were actively looking

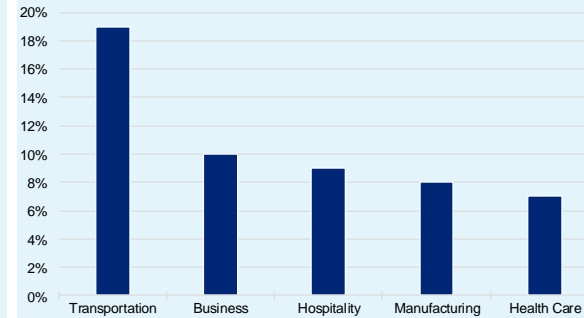
AMONG THOSE LOOKING...

Had been looking for a new job for:

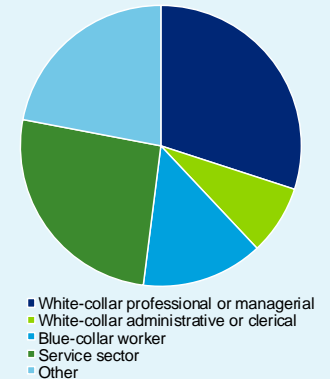
Less than 2 months.....	50%
3 to 6 months.....	25%
6 months or more.....	24%

Industries/Jobs

Industry before like Uber companies



Job category before Uber-like companies



Driver-partners come from a variety of backgrounds

50%

drove for a living at some point, some in more than 1 way

14%

Taxi

20%

Black car, limo or other for-hire car service

10%

Another ride-sharing platform

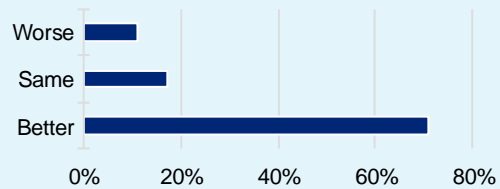
15%

Delivery service (non-passenger)

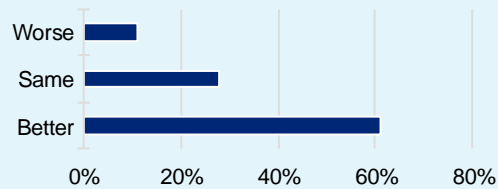
Their Bottom Line - Driver-partners and Income

Driver-partners report that Uber-like companies boost their income, financial security

Income



Financial security



Finally, the chance to get ahead

THEN

said their income increased in the few years before signing up with Uber-like companies

38%

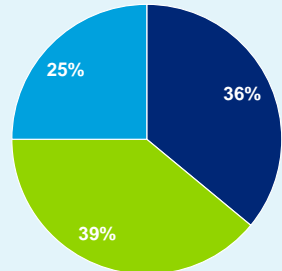
NOW

expect their income to increase now that they are driving with Uber-like companies

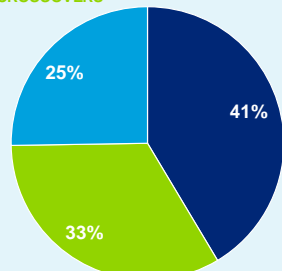
57%

Uber-like companies rarely sole income source

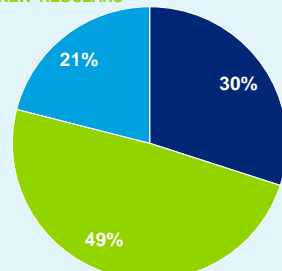
THE PROS



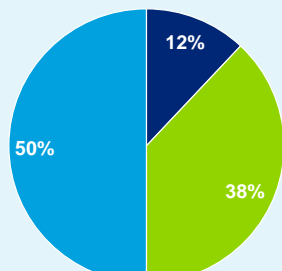
CROSSOVERS



NEW REGULARS



PART-TIMERS



- Your only personal source of income
- A significant source of personal income
- A supplement but not a significant source of personal income

Earnings

...And on average, driver-partners make \$19 per hour.

Other stats

62% of people who lease/finance their car use Uber-like companies to help with car payments

45% of parents use Uber-like companies income to pay for child-related expenses

28% of people under 30 use Uber-like companies to pay student loans

Major reasons they work with Uber-like companies

76% say "earning more income to better support myself or my family"

51% say "maintaining a steady income because other sources of income are unstable or unpredictable"

63% say "to have more flexibility in my schedule and balance work with my life and family"

Statistics

• Driver-partners spend income on:

Monthly bills.....	71%
Car payments.....	49%
House payments.....	31%
Treats for yourself/family.....	27%
Expenses for your children.....	25%
Saving for emergencies.....	23%
Paying medical bills.....	20%
Student loan.....	19%
Saving for a big purchase.....	9%
Saving for retirement.....	9%

When professional drivers make the change to Uber or similar companies



Many past transportation industry workers choose to switch entirely to Uber-like companies



88% Among people who previously drove taxis and now drive with the Uber platform



74% Among people who previously drove black cars and who now drive with the Uber platform

Greater income, personal safety big motivators for many pros to drive with Uber-like companies

64% a reason to drive w/ Uber

Uber Partners Who Previously Drove Taxis



Among like Uber companies driver-partners who came from the taxi world...

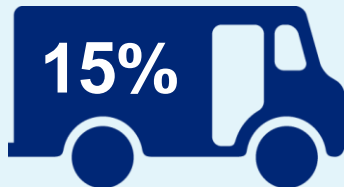
59% say their income has increased since joining like Uber companies (24% say it has stayed the same)

51% believe their income will increase each year – while only

36% were seeing income rise before like Uber companies

71% say “being their own boss” was a major reason to join like Uber companies

73% say they have more control over their schedule now



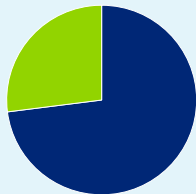
of all driver-partners formerly worked for a delivery service... these drivers are among those most satisfied with Uber-like companies

How companies like Uber are working for driver-partners

Driver-partners would rather have:

73%

A job where you choose your own schedule and be your own boss



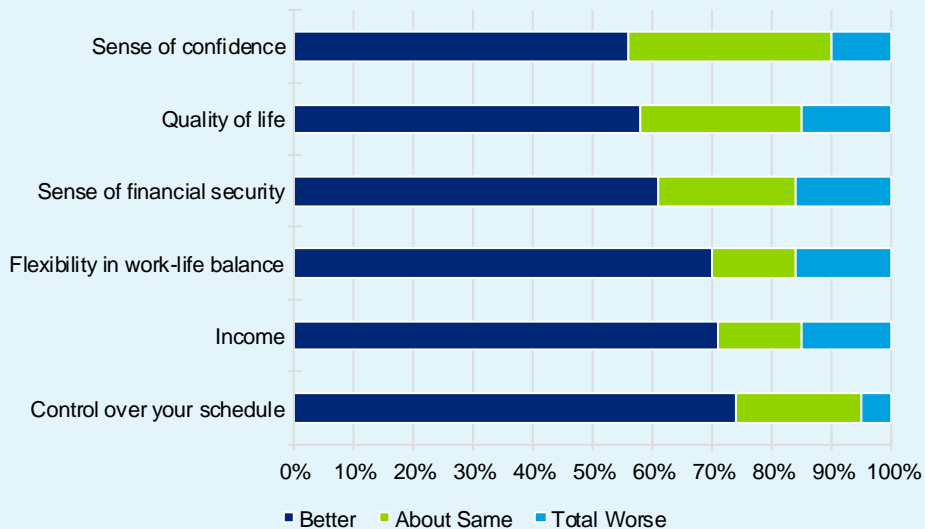
27%

A steady 9-to-5 job with some benefits and a set salary

42% of women who work with companies like Uber say the need for “part-time or flexible scheduling” is a major reason they drive with like Uber companies

32% say “to earn money while looking for a full-time job” is a major reason they drive with companies like Uber.

Income isn't the only thing that's gotten better



Uber

- Driver-partners are remarkably satisfied – especially new regulars and part-timers
SATISFIED WITH EXPERIENCE DRIVING ON UBER PLATFORM?

78% total



72% pros



69% crossovers



88% new regulars

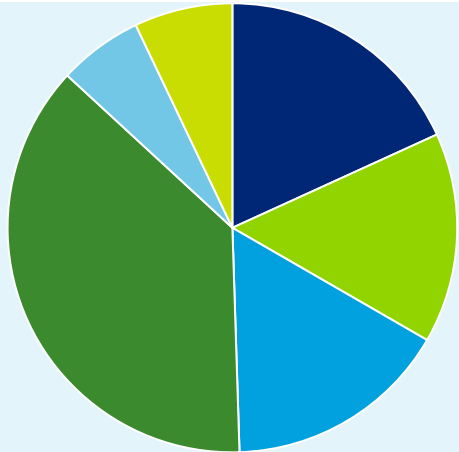


81% part-timers



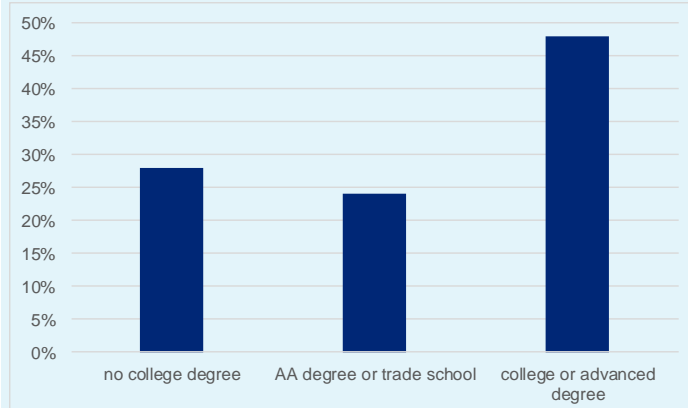
Driver Basics: The Demographics

Ethnicity: A very diverse group

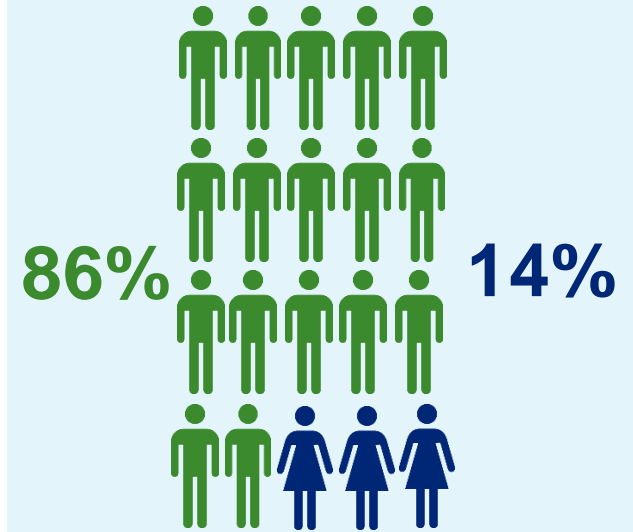


- Black/African American
- Asian or Pacific Islander
- Hispanic/Latino
- White/Caucasian
- Some other ethnic background
- Prefer not to answer

Education



Gender



Driver-partners and their families

50%

are married

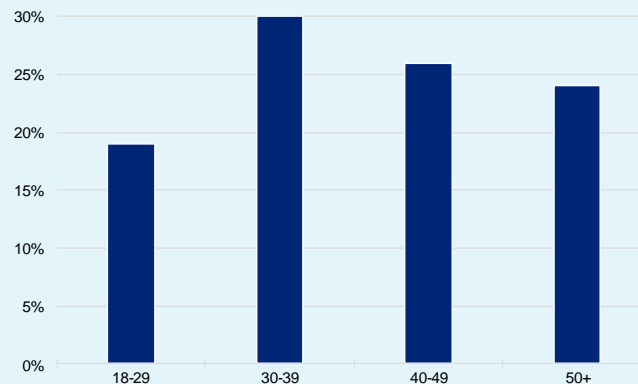
46%

have children

25%

financially supporting
parents/others relatives

Age: Spread across the spectrum



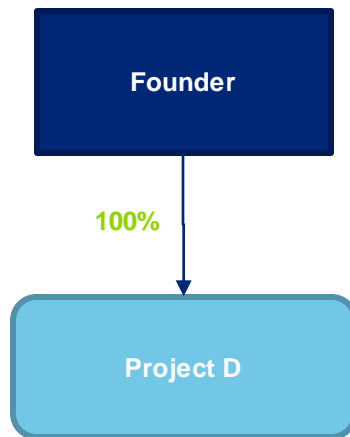
7%
of driver-partners
are veterans

7%
of driver-partners
are currently students

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Project D is an app-powered, on-demand taxi car service provider for smart phones. The Company will charge a 5% commission for connecting customers with taxi drivers via a cutting-edge mobile application.

Legal structure:



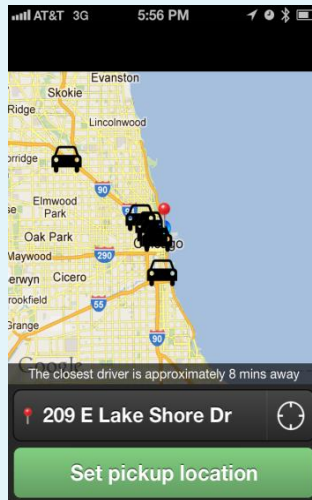
Company profile:

- Project D is an app-powered on-demand taxi car service provider for smart phones. The Company will charge a 5% commission for connecting customers with taxi drivers via a cutting-edge mobile application.
- The key competitive advantages is the Company's ability to provide highly affordable (flat rate or subscriptions) personal transportation solutions.
- The Company will operate under brand Project D.
- **Geographical focus:** United States with planned international expansion.
- **Target customers:** individuals and corporate clients who frequently use taxi services
- **Founder:** XXXXXXXX

Project D features

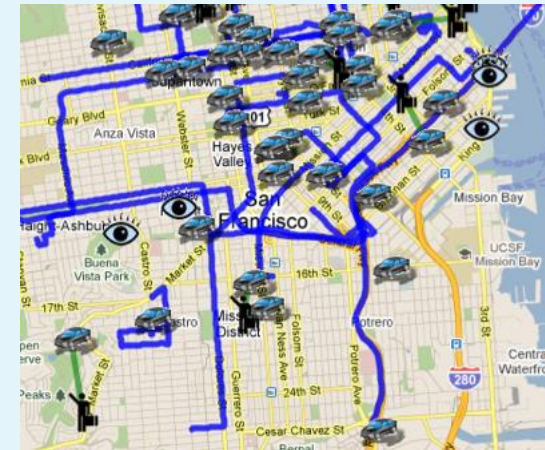
App technology for consumers

- The app technology is available for iPhone/Android devices and uses GPS from the requested pickup destination to display a map of all available Project D cars in the area. Project D will calculate the nearest driver and plot your pickup time accordingly. Each driver is also given an iPhone with an app to manage incoming customer requests.



Demand-calculation technology

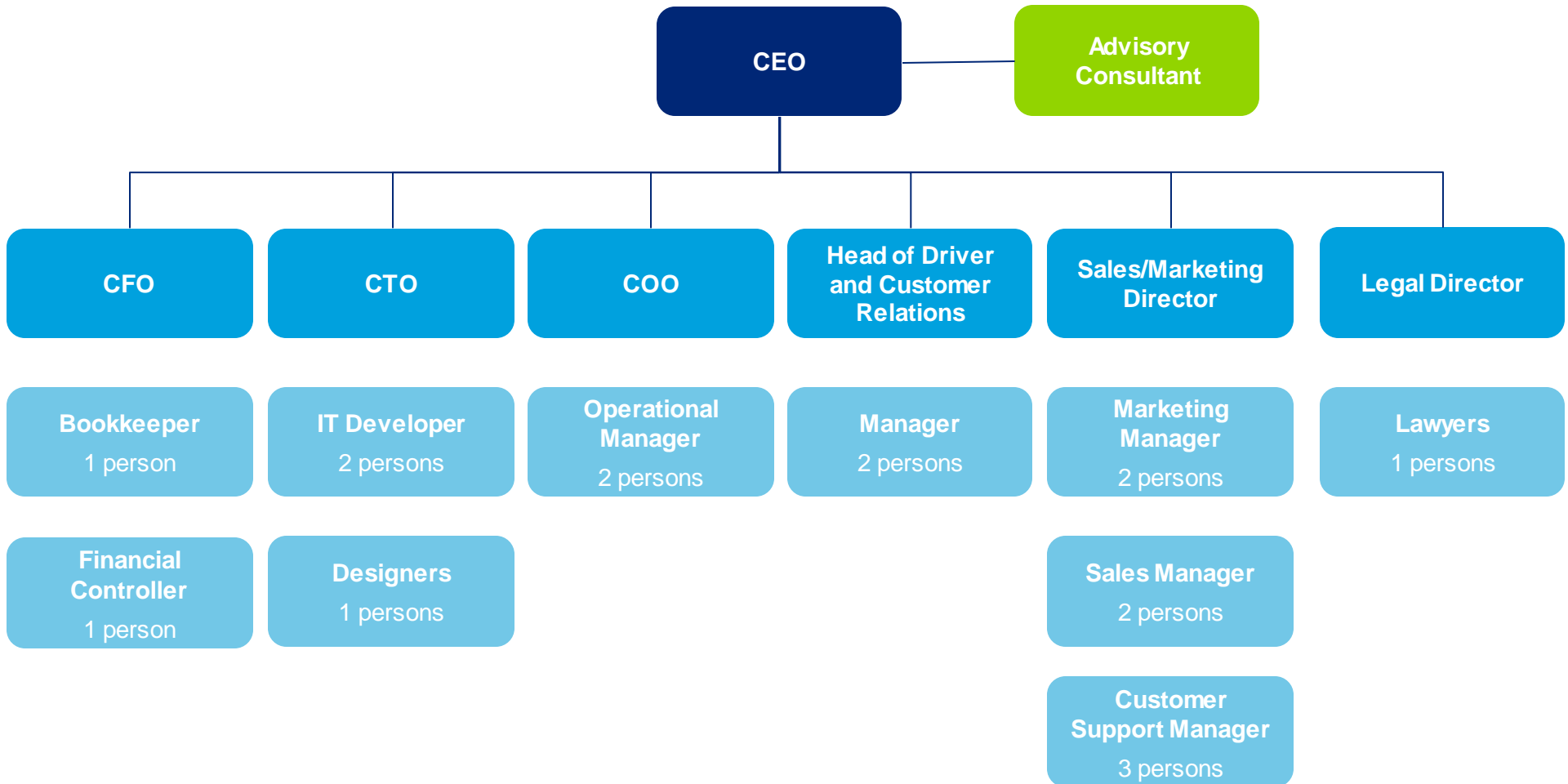
- The firm will employ prediction algorithms and heat maps to predict demand at different times of the day. It will analyze how many times the app is opened and where clusters are located to help manage taxi supply according to demand. The result: shorter waits for riders and busier, more efficient days for drivers. Another source of operations management is the module, which displays all the active Project D drivers and pending customer requests in real time.



Supported by



Organizational structure



Paths to further development

Paths to further development

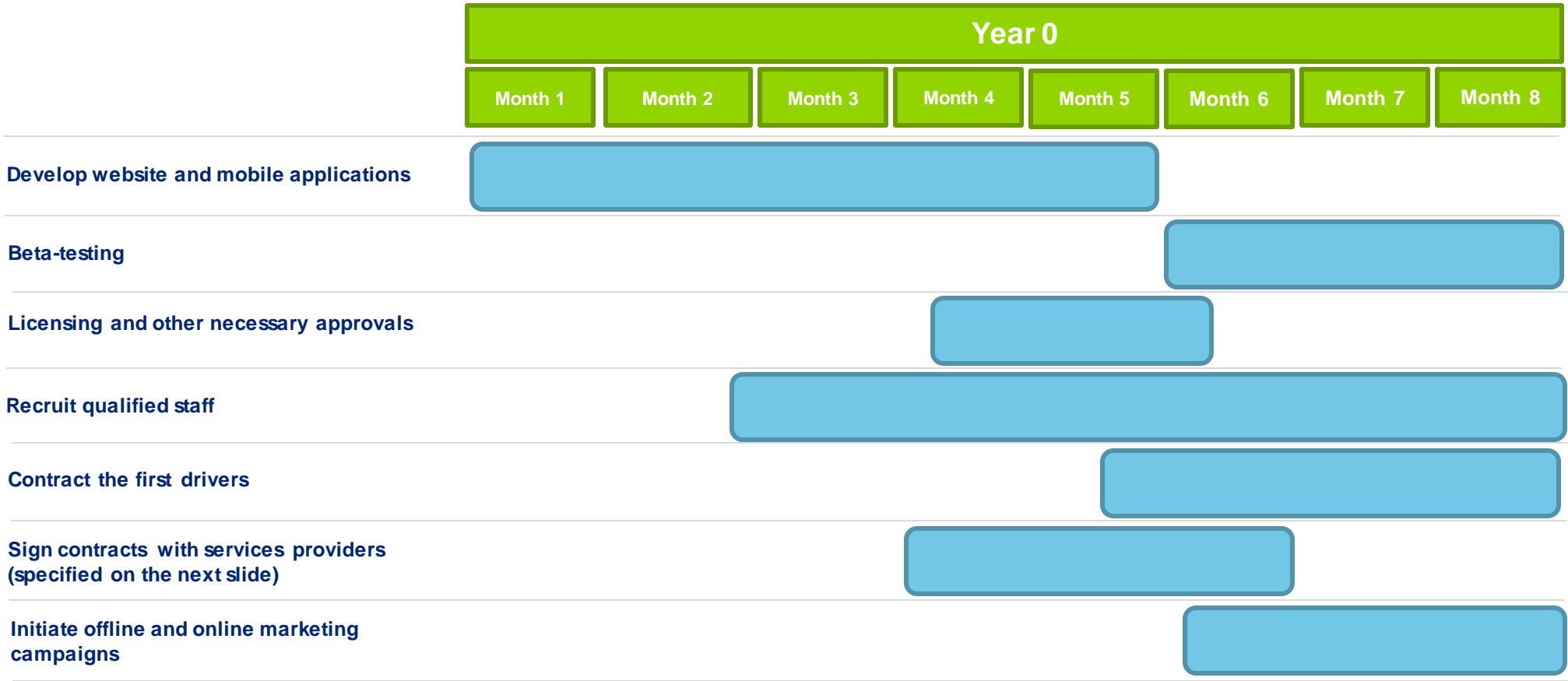
- Organic growth - expanding number of customers
- Geographical expansion into other US states
- Expand the business through franchising scheme worldwide
- Market development through launching of new services (e.g. limo taxi)

Exit strategy (7-10 years):

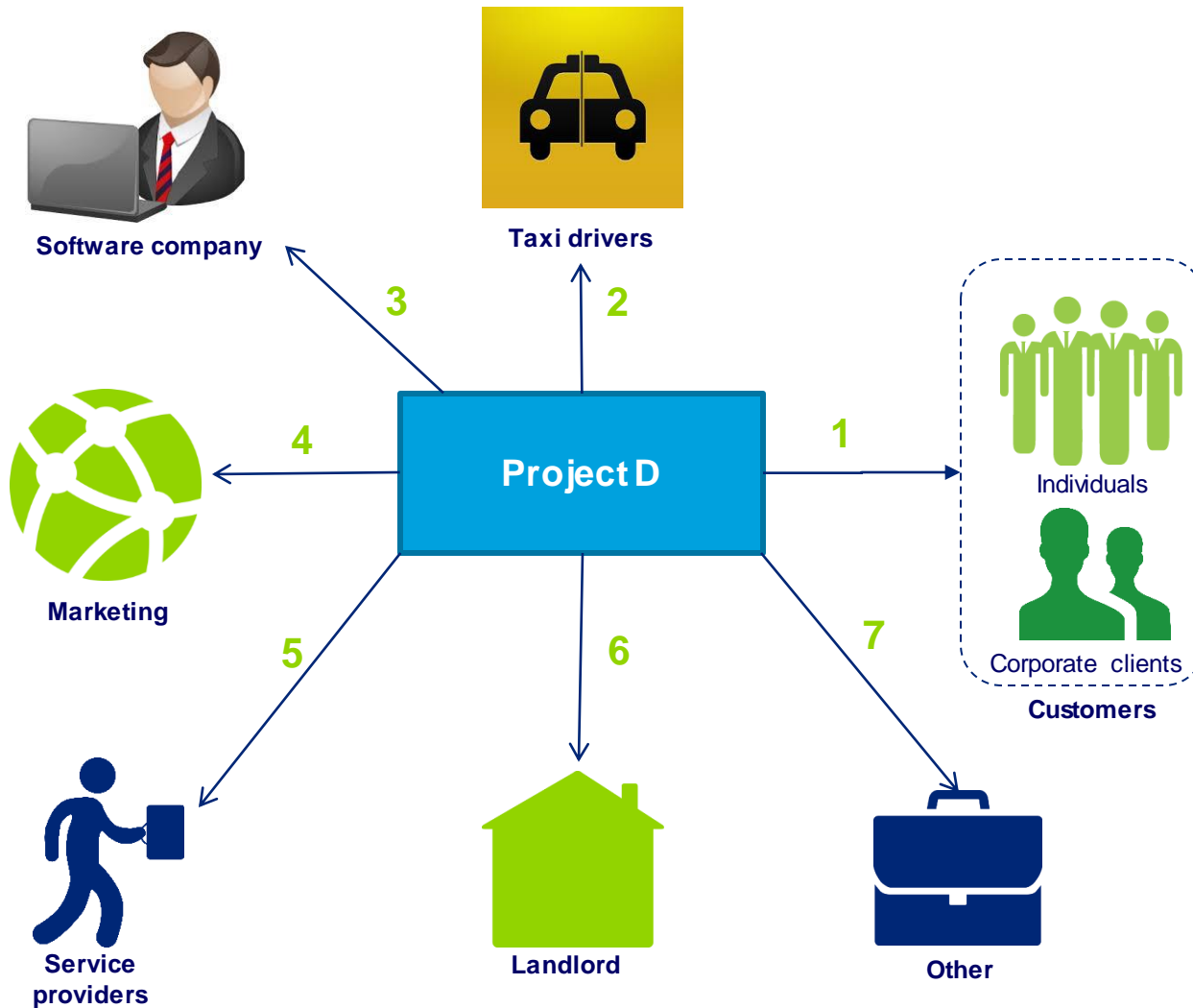
- Sell the business to a strategic investor – one of the global leaders in personal transportation solutions
- Acquisition by or merger with major personal transportation industry player
- Initial public offering



Business launch road map



Key operational flows



Key processes:

1. The customers of the Company are individuals and corporate clients looking for affordably priced personal transportation solutions.
2. The Company will charge drivers only 5% commission to connect them with customers via the mobile app.
3. The Company will engage third party to develop the mobile app.
4. Marketing activity and logistics will be outsourced to third parties.
5. The Company will cooperate with well-known service providers, like Google (maps), merchant account services, security providers responsible for security check of taxi providers, etc.
6. The Company will lease offices in DC.
7. The Company will cooperate with different counterparties for supporting the operating activity with insurance, cleaning, maintenance, etc.

Mission of the Company is to provide affordable personal transportation solutions to customers via a cutting-edge mobile application

Mission

- To provide affordable personal transportation solutions to customers via a cutting-edge mobile application

Core Values

- Innovation
- Leadership
- Quality
- Partnership and cooperation
- Loyalty to all stakeholders

Goals

- To become the leading rideshare services provider in the US
- To provide customers with the best-priced transportation solution
- To retain clients through development of attractive loyalty programs
- To offer fair remuneration to taxi drivers (5% from flat rate, significantly lower than UBER's 20% commission)
- To become operational by early 2016
- To test the business model in 5 locations in year 1, with further geographical expansion to follow
- To achieve gross revenue – \$163m in year 5
- To build and maintain relationships with wholesalers, retail networks (gas filling stations)
- To actively participate in personal transportation associations
- To build strategic partnership with stakeholders which will support development of the business (for example, hotel chains - MGM, etc.)
- To become fully operational in early 2016
- To develop extensive franchise network after year 5 worldwide.
- To expand the business into supplementary fields (e.g. taxi limo services)

Objective: Differentiate the service by offering innovative technology solutions unlike those offered by competitors

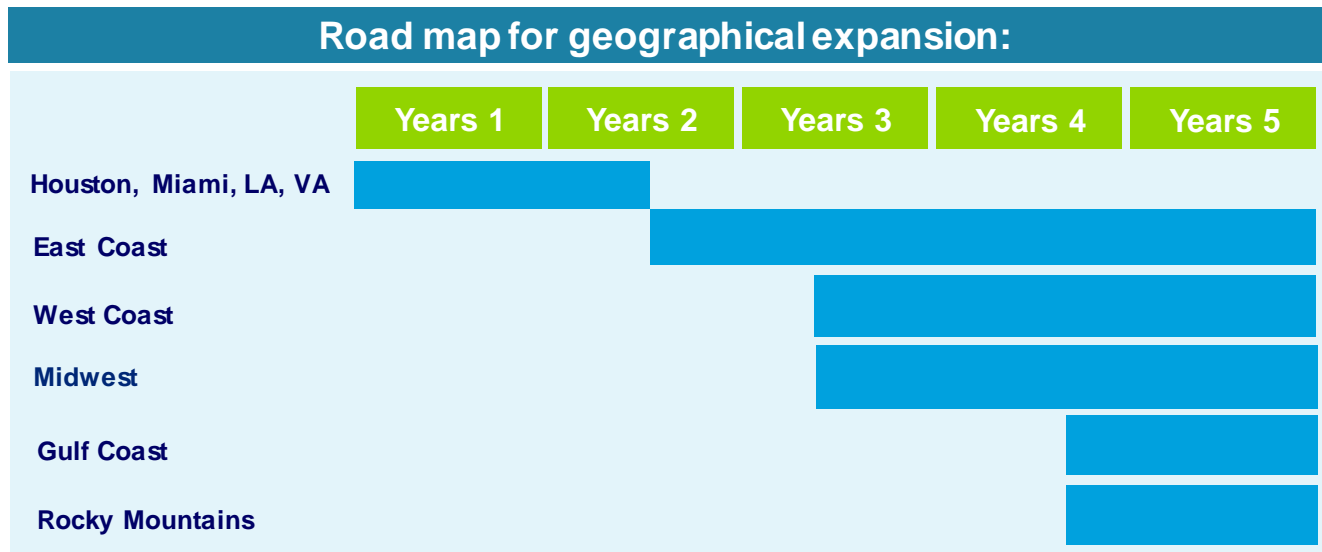
Management summary - strategies/objectives

List of actions

Description:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Differentiate the service by offering innovative technology solutions unlike those offered by competitors • Offer customers highly affordable prices and drivers extremely attractive commission rates • Build strategic partnerships with taxi drivers, which will give Project D the ability to provide the best service on the market • Provide user-friendly mobile applications • Build brand awareness • Use experience and contacts of management to expand the business geographically • Achieve synergistic effect by using unified platform during business expansion • Implement innovative marketing strategy • Implement franchise network • Be, wherever possible, cost effective and efficient • Diversification (market/geographical development) • Be socially responsible | <ul style="list-style-type: none"> • Recruit qualified and professional staff • Hire reliable service providers and software company • Introduce flat-rate and subscription business model • Regularly upgrade mobile application/website • Implement internal CRM system responsible for monitoring/managing orders and payments • Expand the business into other US states after year 2 • Develop a strong corporate segment • Build strong relationships with taxi drivers • Improve processes continuously • Initiate sophisticated online and offline marketing campaign • Train personnel continuously • Outsource non-core activities to avoid unnecessary costs |
|--|---|

Geographical expansion



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The Company is implementing a penetration strategy that pursues the objective of quantity maximization by means of a low price

Pricing objectives

- Quality leadership
- Maximize quantity
- Revenue maximization

Pricing strategy

Penetration strategy

- Pursues the objective of quantity maximization by means of a low price

Price options

The Company will provide two distinct pricing options

Flat rates:

- 50 miles or less: \$5
- 100 miles or less: \$10
- 200 miles or less: \$20.

Monthly subscription rates:

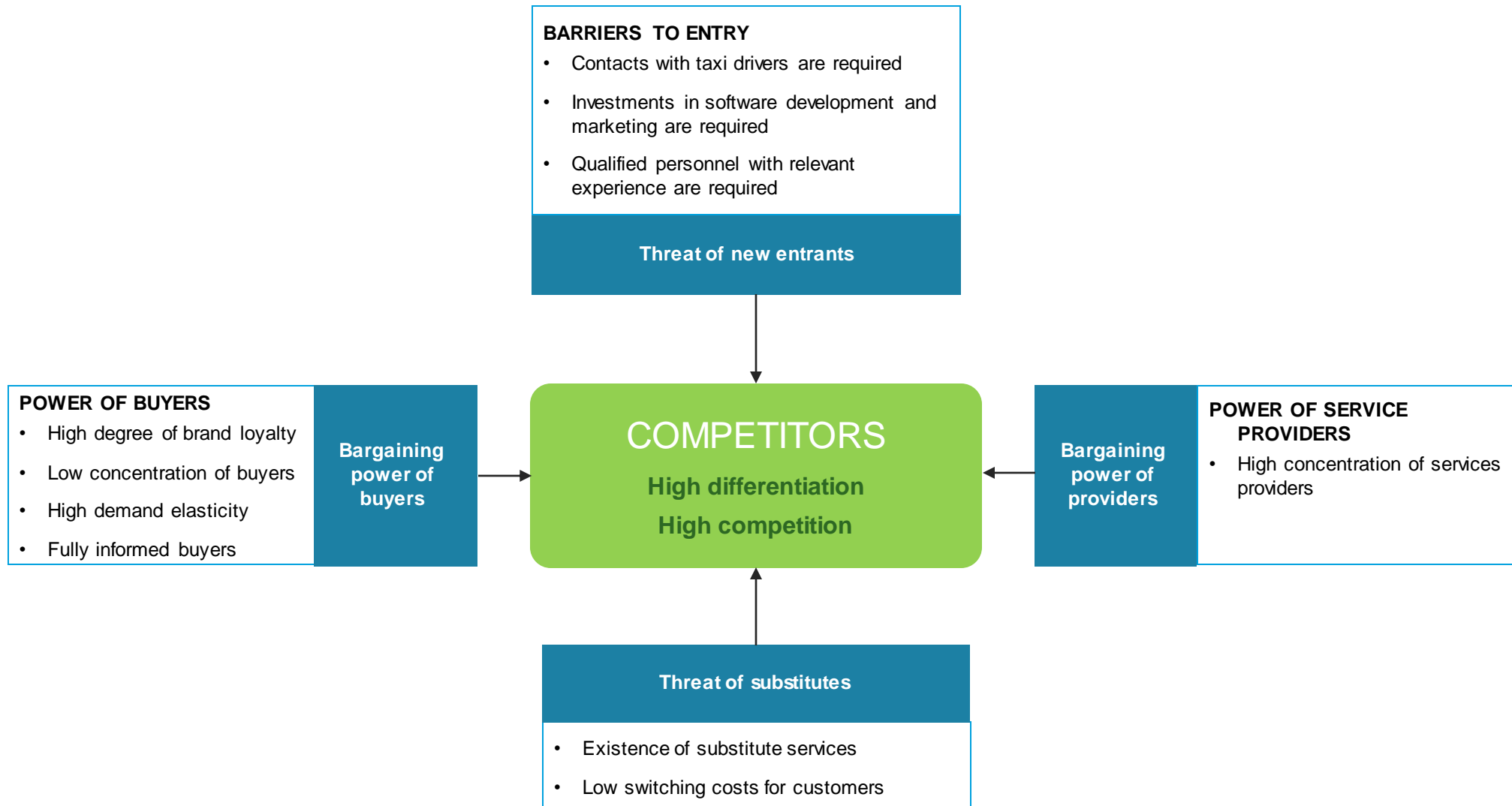
- \$100 - 30 rides
- \$200 - 50 rides
- \$300 - 70 rides
- \$500 - 100 rides (corporate clients)
- \$1,000 - 200 rides (corporate clients)

Tech charge of \$2 per ride will be applied.

Payment terms

- No cash is exchanged when using Project D. All payments are made through credit cards (this information is part of the signup process). Users are charged electronically. A receipt including trip details is immediately emailed to the client. The user can then rate the driver (and the driver can also rate the user) and check a map of the route taken.

Medium barriers exist to entry into the personal transportation services market



Personal transportation service market is still in the early stages of development and has tremendous growth potential

Strengths

- Innovative solution at an affordable price
- Experience management team
- Innovative marketing plan
- Scalable business
- Implement win-win strategy with potential partners (Hotel networks)
- Strategic approach in cooperation with taxi drivers

Weaknesses

- Lack of brand awareness
- Start-up business
- Lack of investments
- Lack of industry experience and contacts

Opportunities

- Personal transportation service market is still in the early stages of development and has tremendous growth potential
- USA has a highly developed personal transportation market
- Customers are looking for affordably priced and user-friendly solutions
- Major market players are actively seeking partnerships
- High smartphone penetration rate throughout USA
- Further geographical/market development is available
- USA economy is growing steadily

Threats

- Availability of substitute services
- Price pressure may lead to further decrease in margins
- High levels of government regulation in some markets
- Steep competition from traditional taxi companies and successful and innovative new entrants (like Uber)

The main marketing objective of the Business is to develop a high degree of awareness surrounding the Project D brand

Marketing Objective

- To develop Project D brand awareness

Marketing Strategy

Differentiation

- Competitive advantage can be gained through a focus on the way the Company's brand can differentiate itself from its competitors in terms of its:
 - Innovation
 - Customization
 - Reputation
 - Fair price

Marketing Make-up

- **Product:** To position the service as a solution, one which has a high degree of market demand
- **Price:** Fair
- **Promotion:** Promotion will be through online and offline marketing methods
- **Place:** USA
- **Processes:** ordering, communication, processing, monitoring
- **People:** Experienced staff will need to be recruited

Marketing initiatives will be focused on attracting both customers and driver-partners

Online advertising

Social Networks

- **Purpose:** Social media will be used primarily as an attraction tool to create a communication channel with potential end-customers, to highlight the latest news, the latest industry trends, loyalty programs, updates/new features of mobile application, etc.
- **Strategy:** Facebook fan pages, Twitter and blogs will be created with minimum once-daily updates. This will have an added advantage of contributing to the overall SEO effort as well.
- **Keys to Success:** The keys to a successful social media launch include the following:
 - ✓ Successful and aggressive initial friending/following campaign
 - ✓ Ability to create compelling blog content
 - ✓ Ability to find time to interact with users via Twitter and Facebook
 - ✓ To launch display and video marketing campaign targeting relevant keywords to attract members of target audience

SEO

- **Purpose:** To secure top search engine placement in Google, Bing and Yahoo to drive site traffic to the Company's website. SEO maximizes the visibility of the website via search engines.
- **Strategy:** A standard SEO strategy involving onsite optimization, link building and content generation will be employed. Selection of an outsourced SEO firm will be completed to manage this process.
- **Keys to Success:** The keys to a successful SEO launch include the following:
 - ✓ Selection of a budget-appropriate but also upfront and effective SEO firm
 - ✓ Focus on relevant keywords like "taxi," "order taxi," etc.

Google Adwords

- **Purpose:** To leverage the allowance of paid advertising on Google and to acquire traffic at a competitive CPA for Project D
- **Strategy:** A standard AdWords strategy of identifying potential keywords and then whittling said keywords down to a profitable and manageable list, utilizing tests in ad copy.
- **Keys to Success:** The keys to a successful Google AdWords launch include the following:
 - ✓ Successful acceptance by Google
 - ✓ Ability to quickly test and to respond to ad copy, landing page copy and acquisition offers
 - ✓ Ability to track and determine ROI and CPA of AdWords campaign

Affiliate Partnerships via Networks

- **Purpose:** To drive new customers to Project D. This marketing method will link payments to affiliates to actual number of customers who register on the Project D app or website. In addition, the Company will also cooperate with hotel chains on commission basis.
- **Strategy:** It would be preferable to start building an in-house affiliate system.
- **Keys to Success:** The keys to a successful affiliate launch will include the following:
 - ✓ Ability to quickly sign-up and incentivize affiliate partners
 - ✓ Ability to smoothly and properly manage and pay affiliate partners
 - ✓ Ability to get affiliate partners to see the validity of the business model

Marketing initiatives will be focused on attracting both customers and driver-partners

Offline advertising

Traditional marketing tools (Billboards, TV, Radio ads and advertising in printing media)

- **Purpose:** Leverage the allowance of advertising to attract clients at a competitive CPA.
- **Strategy:** Build marketing campaign based on communication with potential clients through advertising on local TV, Radio channels and printing newspapers on each market.
- The key advertising method will be billboard advertising located in densely populated urban areas.
- **Keys to Success:** The keys to a successful traditional marketing campaign will include the following:
 - ✓ Qualified/Well-trained marketing personnel
 - ✓ Proactive and creative marketing personnel
 - ✓ Availability of resources to implement traditional marketing tools

Offline industry-specific marketing tools

- **Purpose:** to search for drivers and build brand awareness among targeted audience.
- **Strategy:** active popularization of Company among targeted audience through the following activities:
 - ✓ Participation in professional exhibitions focused on personal transportation services
 - ✓ Conducting presentations at events associated with ridesharing services, promoting Project D as an intelligent and cost-effective solution
 - ✓ Building network of industry contacts

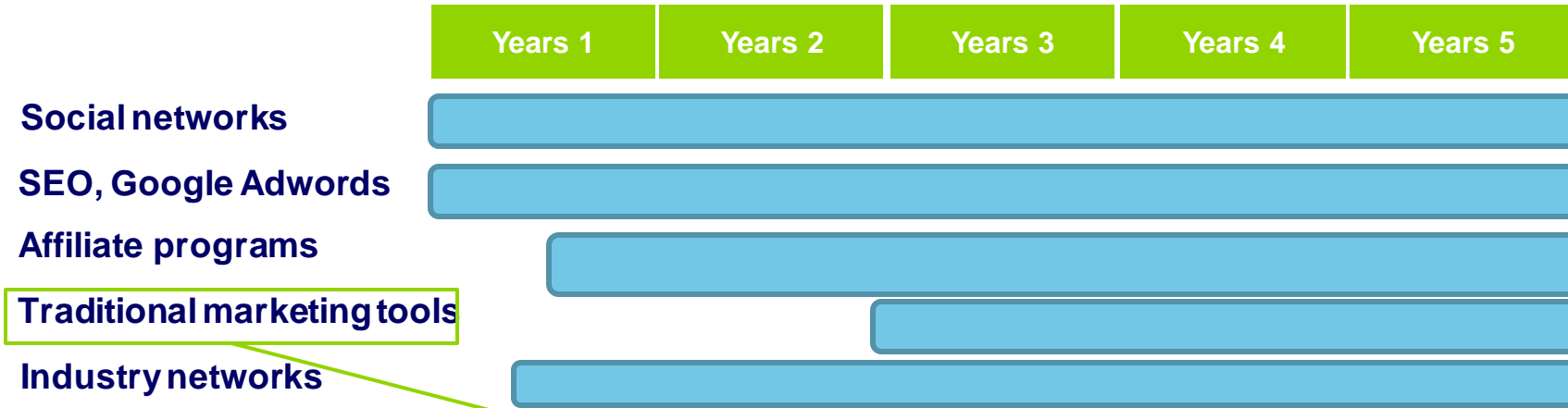
- **Keys to Success:** The keys to a successful traditional marketing campaign include the following:
 - ✓ Qualified/well-trained marketing personnel
 - ✓ Available resources for the offline marketing tools

Cooperation with celebrities

- **Purpose:** to popularize Project D among members of its target market
- **Strategy:** the Company will engage celebrities (for example, Bruce Willis, Kevin Costner or Justin Timberlake), who will be paid to promote Project D services.
- **Keys to Success:** The keys to a successful traditional marketing campaign include the following:
 - ✓ Qualified/well-trained marketing personnel
 - ✓ Available resources and contacts to both engage with and hire celebrities

Marketing plan

Marketing plan:



Traditional marketing tools

Since significant investment will be required, traditional marketing tools will be initiated in year 3. National campaigns will support subsequent geographical expansion.

Margin earned at all stages of the chain:



Taxi-drivers

95%



Project D



End-customers

5%

The Company is looking to build strategic partnership with taxi-drivers providing the best terms available on the market



Benefits for taxi drivers to cooperate with Project D

- Project D will provide taxi drivers who become driver-partners with a great deal of flexibility, allowing them to set their own hours according to their availability.
- High income - 95% of charge will go to driver-partners
- Flexible solutions in terms of receiving and managing orders
- Growing customer base.

Background check

- Project D will perform the following security checks for each driver-partner: criminal background checks, driving record history and other due diligence procedures

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Assumptions used in the model

Operating expenses - Assumptions used in the model

Annual increase in staff costs after year 3	250%
Annual increase in marketing costs, %	150%
Marketing budget	2,000,000
Marketing costs per 1 taxi-driver, \$	150
Taxi-drivers: churn rate, %	25%
Marketing costs per 1 new customer, \$	24
Customers: churn rate, %	15%
Upgrade of software	500,000
Annual increase in upgrade of software costs	50%
Merchant services, % to revenue	1.5%
Hosting costs, \$	120,000
Lease and maintenance costs, \$	150,000
Other expenses, \$	50,000
Annual increase in operating expenses	25%

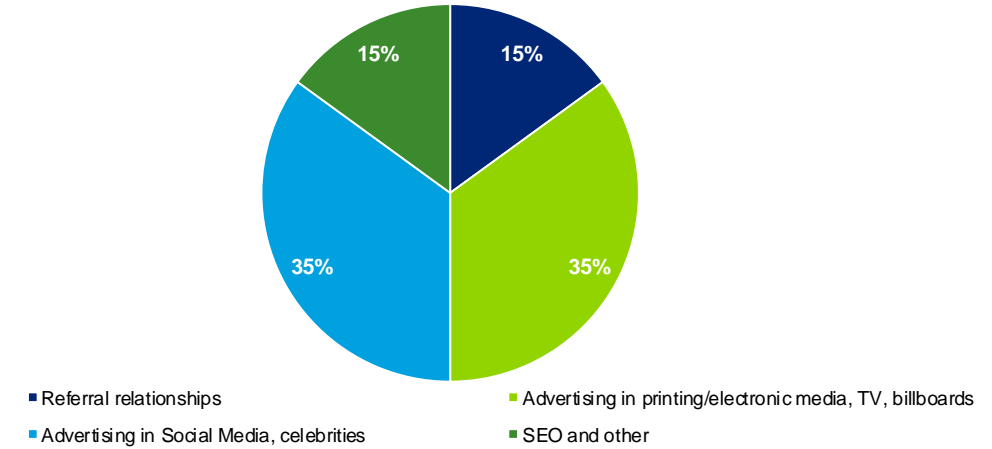
Source management information

Revenue - Assumptions used in the model

Average monthly bill per customer, \$	70
Annual increase in average monthly bill per customer, %	5%
Commission earned, %	5%

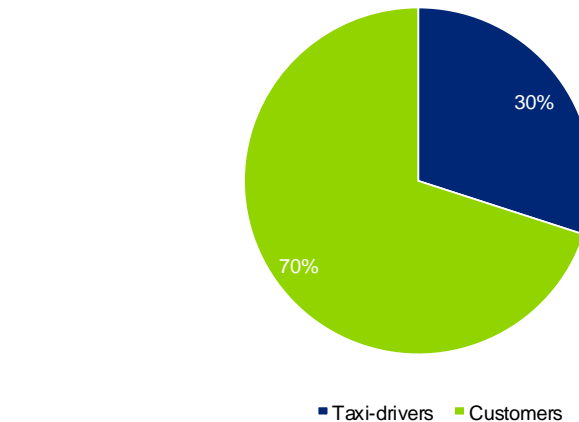
Source management information

Structure of the marketing budget, %



Source: Management information

Structure of marketing budget by target audience



Source: Management information

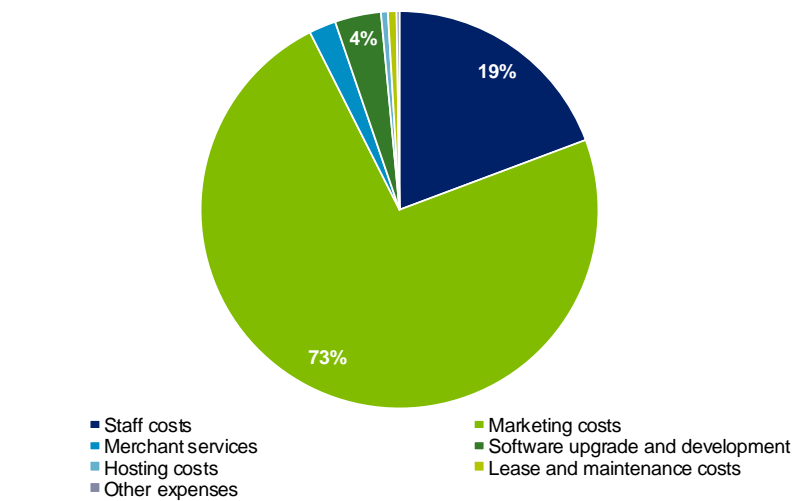
Staff costs

Staff costs, \$

Position	Year 1		Year 2		Year 3	
	# of staff	Annual salary, \$	# of staff	Annual salary, \$	# of staff	Annual salary, \$
CEO	1	100,000	1	100,000	1	100,000
CTO	1	75,000	1	75,000	1	75,000
CFO	1	100,000	1	100,000	1	100,000
COO	1	100,000	1	100,000	1	100,000
Marketing Director	1	75,000	1	75,000	1	75,000
Legal Director	1	100,000	1	100,000	1	100,000
Head of Driver and Customer	1	100,000	1	100,000	1	100,000
Bookkeeper	1	35,000	1	35,000	2	70,000
Financial Controller	1	40,000	1	40,000	1	40,000
IT Developer	1	60,000	2	120,000	3	180,000
Designer	1	60,000	1	60,000	2	120,000
Operational Manager	1	45,000	2	90,000	3	135,000
Manager	1	45,000	2	90,000	3	135,000
Marketing Manager	1	45,000	2	90,000	3	135,000
Sales Manager	1	45,000	2	90,000	3	135,000
Customer Support Manager	2	80,000	3	120,000	4	160,000
Laywer	1	55,000	1	55,000	2	110,000
Total	18	1,160,000	24	1,440,000	33	1,870,000

Source management information

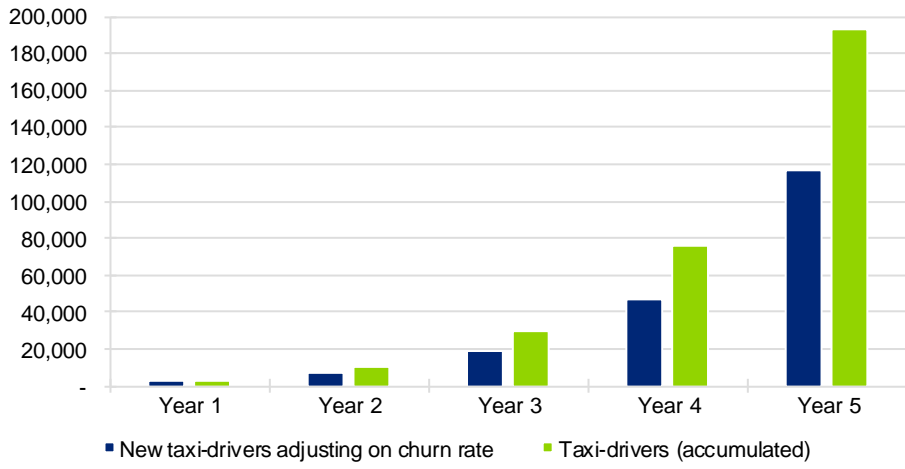
Structure of operating expenses, %



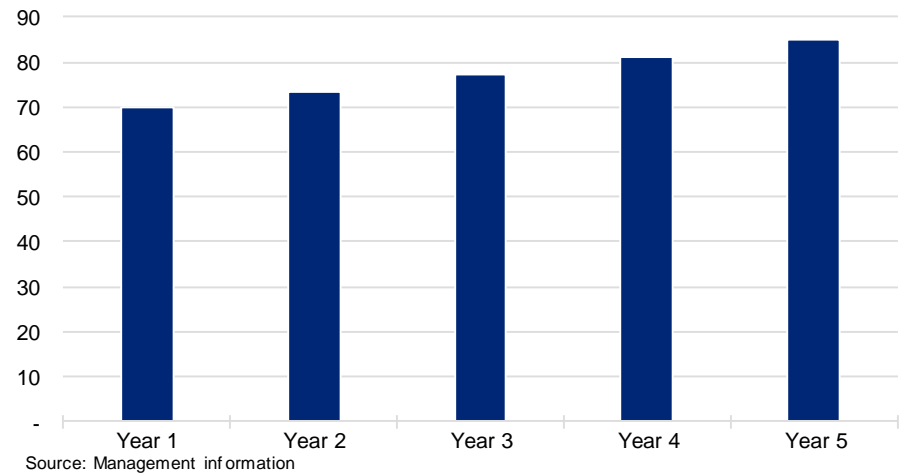
Source: Management information

Sales

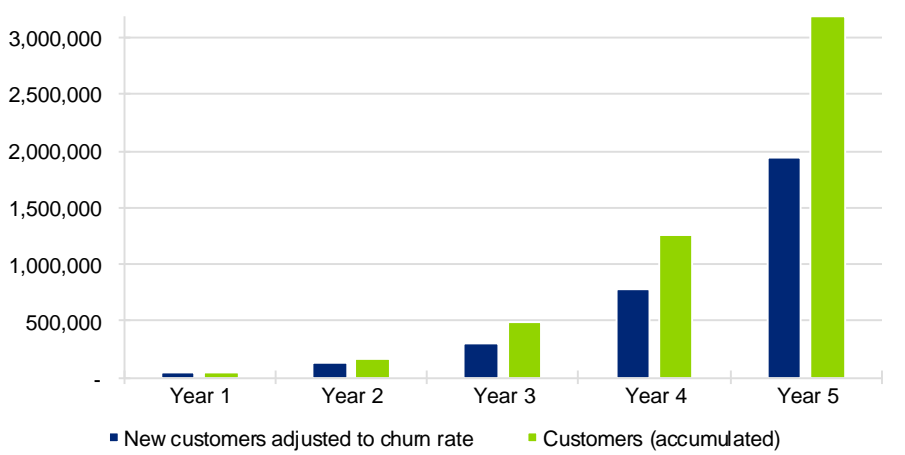
Increase in partner-drivers



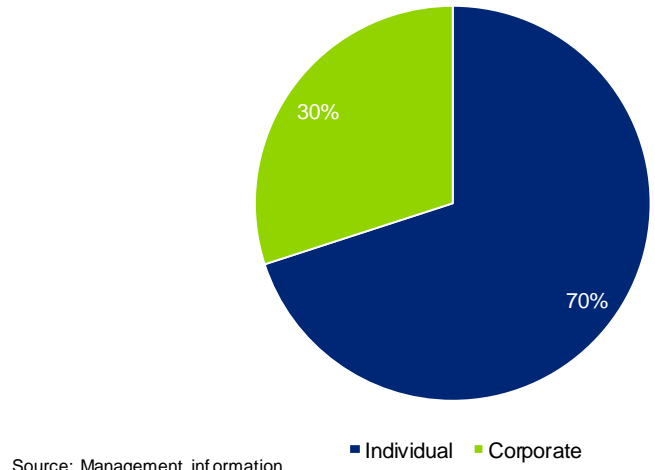
Increase in average monthly bill, \$



Increase in customer base



Structure of customer type, %



Source: Management information

Projected profit and loss account – the Company will become operationally profitable starting from year 3

Projected Profit and Loss account

\$	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	2,082,500	7,653,188	22,385,573	61,172,884	163,110,113
Operating expenses					
Staff costs	(1,160,000)	(1,440,000)	(1,870,000)	(6,545,000)	(22,907,500)
Marketing costs	(2,000,000)	(5,000,000)	(12,500,000)	(31,250,000)	(78,125,000)
Merchant services	(31,238)	(114,798)	(335,784)	(917,593)	(2,446,652)
Software upgrade and development	(500,000)	(750,000)	(1,125,000)	(1,687,500)	(2,531,250)
Hosting costs	(120,000)	(150,000)	(187,500)	(234,375)	(292,969)
Lease and maintenance costs	(150,000)	(187,500)	(234,375)	(292,969)	(366,211)
Other expenses	(50,000)	(62,500)	(78,125)	(97,656)	(122,070)
Total expenses	(4,011,238)	(7,704,798)	(16,330,784)	(41,025,093)	(106,791,652)
EBITDA	(1,928,738)	(51,610)	6,054,790	20,147,791	56,318,461
Tax @ 30%	-	-	(1,816,437)	(6,044,337)	(16,895,538)
Net profit/(loss)	(1,928,738)	(51,610)	4,238,353	14,103,454	39,422,923
<i>EBITDA margin, %</i>	-93%	-1%	27%	33%	35%
<i>Net profit margin, %</i>	-93%	-1%	19%	23%	24%

Source management information

Payback period of the Business is 3.5 years

Projected Cash Flows

\$	Year 1	Year 2	Year 3	Year 4	Year 5
Receipts & Disbursements					
Beginning cash	5,100,000	2,171,263	2,119,652	6,358,005	20,461,459
Receipts					
Revenue	2,082,500	7,653,188	22,385,573	61,172,884	163,110,113
Total receipts	2,082,500	7,653,188	22,385,573	61,172,884	163,110,113
Disbursements					
Software development	(1,000,000)	-	-	-	-
Staff costs	(1,160,000)	(1,440,000)	(1,870,000)	(6,545,000)	(22,907,500)
Marketing costs	(2,000,000)	(5,000,000)	(12,500,000)	(31,250,000)	(78,125,000)
Merchant services	(31,238)	(114,798)	(335,784)	(917,593)	(2,446,652)
Software upgrade and development	(500,000)	(750,000)	(1,125,000)	(1,687,500)	(2,531,250)
Hosting costs	(120,000)	(150,000)	(187,500)	(234,375)	(292,969)
Lease and maintenance costs	(150,000)	(187,500)	(234,375)	(292,969)	(366,211)
Other expenses	(50,000)	(62,500)	(78,125)	(97,656)	(122,070)
Tax @ 30%	-	-	(1,816,437)	(6,044,337)	(16,895,538)
Total Disbursements	(5,011,238)	(7,704,798)	(18,147,221)	(47,069,431)	(123,687,190)
Changes in Cash	(2,928,738)	(51,610)	4,238,353	14,103,454	39,422,923
Ending cash	2,171,263	2,119,652	6,358,005	20,461,459	59,884,382

Source: Management information

Key performance indicators

Cash Flow (1-5 years), \$	54,784,382
Net Present Value (1-5 years)*, \$	29,490,578
Internal rate of return, %	60%
Payback period	3.5 years

*Discounted rate 10%

Source: Management information

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Founder profile

XXXXXXX



Position: CEO/President

Email: [XXXXXXX](#)

Profile

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The Company is seeking an investment of \$5.1m to finance development of the mobile application and working capital for the first 24 months of operations

Initial investments, \$

Item	Amount
Software development	100,000
Marketing expenses	3,000,000
Working capital replenishment	2,000,000
Total:	5,100,000

Source: Management information

