





**EFORCE**  
FEE PRAGUE FORMULA

***BUSINESS PLAN  
PRESENTATION  
EFORCE FEE PRAGUE  
FORMULA 2018***







FS XXX:  
Location

***MONTH DAY, 2018***

# AGENDA

-  Introduction 1'
-  Our concept 3'
-  Market Analysis 2'
-  Deep Dive 2'
-  Financial forecast 2'
-  Appendix - Unused slides

# AGENDA

-  Introduction 1'
-  Our concept 4'
-  Market Analysis 3'
-  Product Support 5'
-  Financial forecast 2'
-  Appendix - Unused slides



# INTRODUCTION



## Marek Szeles

*Business Analyst*  
eForce

---

- *3 years with eForce*
- *7+ years previous business experience*

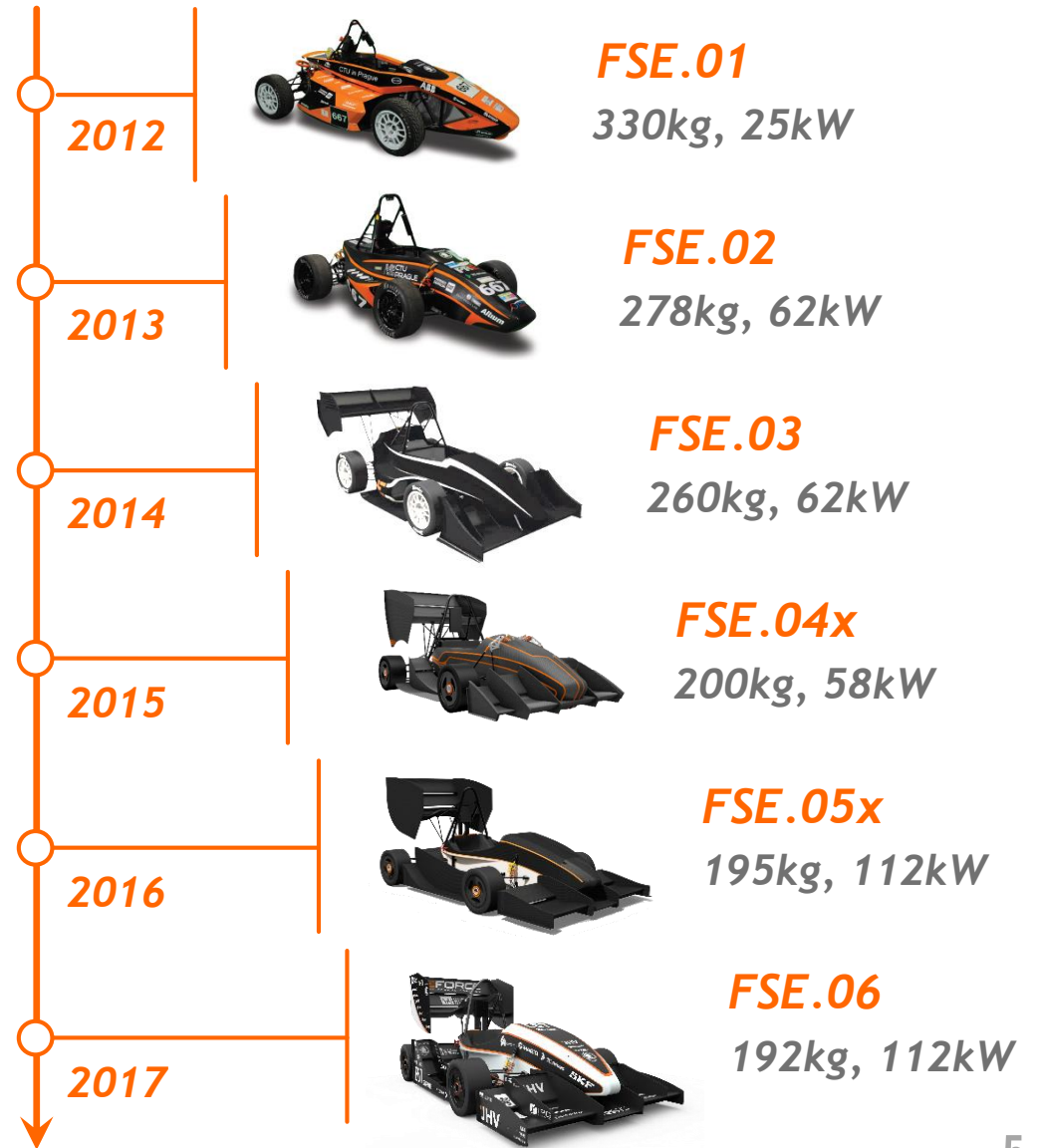


# EFORCE FORMULA DEVELOPMENT







 Company founded in 2010, and developing formulas since

 Received funding first in 2017 to develop concept

 Now we want to launch our product large-scale



# AGENDA

-  Introduction 1'
-  **Our concept** 4'
-  Market Analysis 3'
-  Product Support 5'
-  Financial forecast 2'
-  Appendix - Unused slides



**EVERYONE HERE LOVES RACING...**

**...BUT IT IS MEETING NEW CHALLENGES NOW**



**Engagement**



**Ecology**



**Profitability**





I stopped watching racing on TV  
- it was too passive for me and seemed  
irresponsible to the environment.[...]  
I wish racing was more engaging  
and zero-carbon, like videogames!

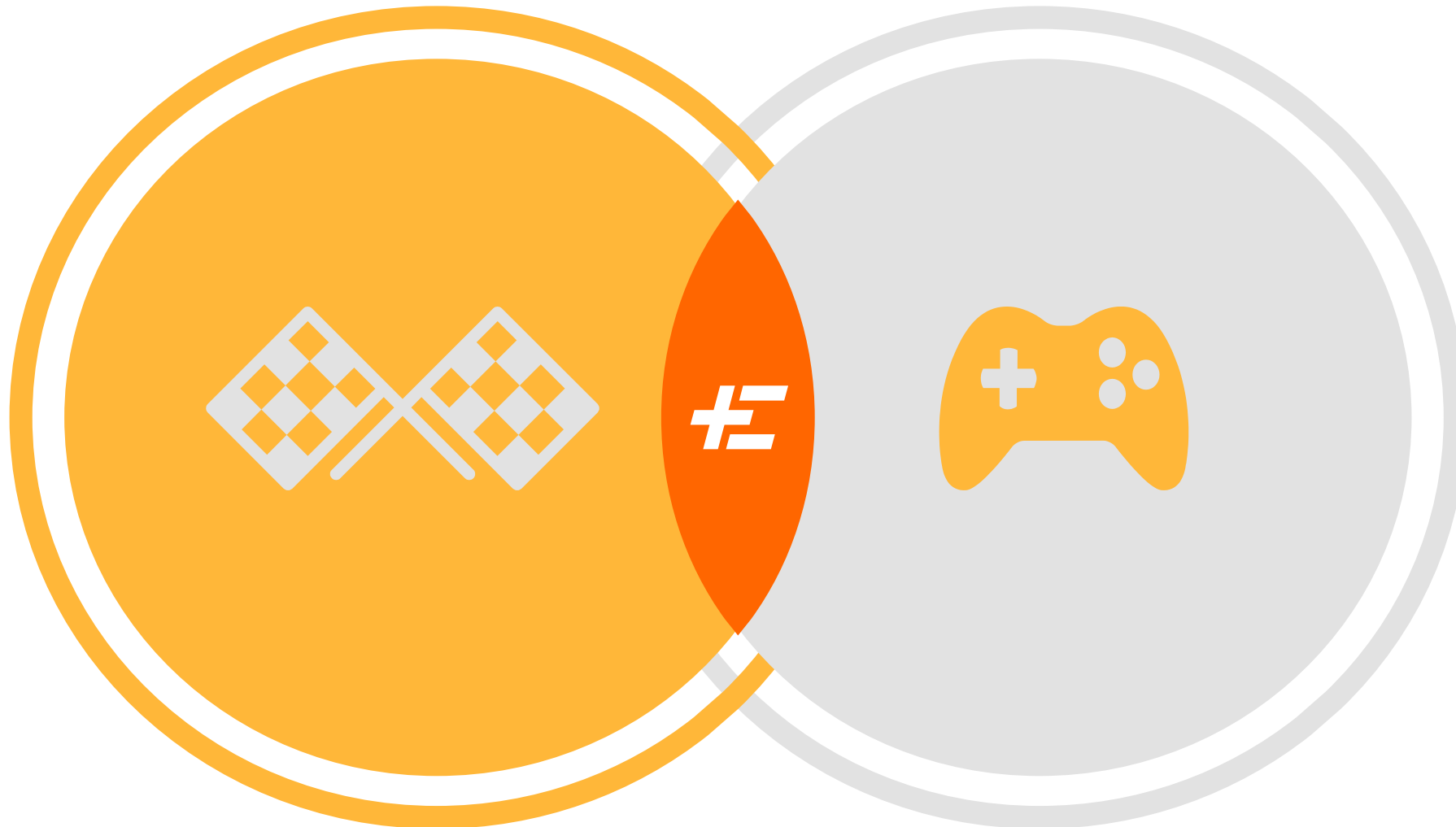
Student from Indiana, U.S.

SOURCE: THE ECONOMIST, SHORTENED





# A NEED TO COMBINE RACING AND GAMING



# EFORCE WORLD: EFORCE COIN & EFORCE AR!



#EFORCE  
C  IN

#EFORCE  
 AR

#EFORCE



# OUR CONCEPT

## View from helmet

- ① Simulated opponents    ② Projected ideal apex    ③ Projected GUI

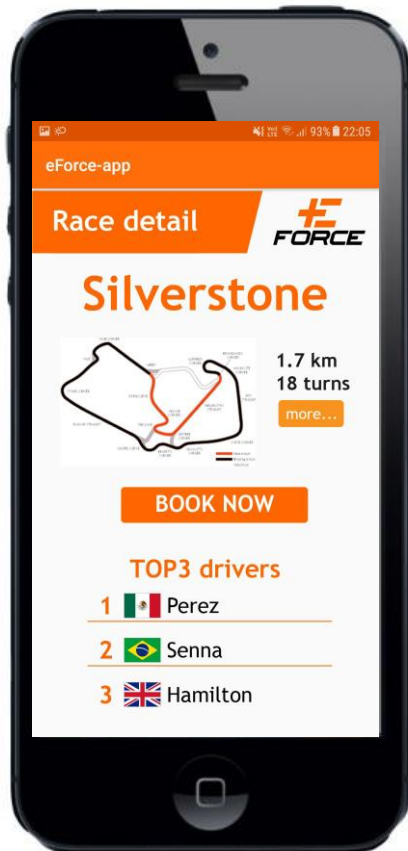


## Online leaderboards

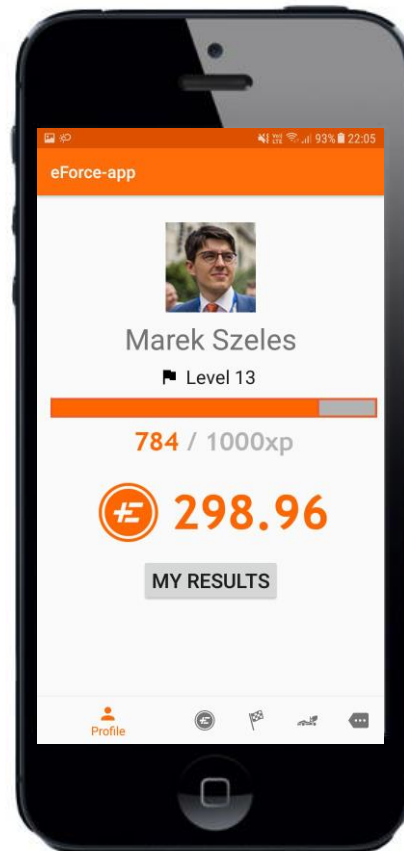


# TBD APP DEMONSTRATION (VIDEO)

Race planning and reservation system









Profile, gamification, wallet



Augmented reality



# AGENDA

-  Introduction 1'
-  Our concept 4'
-  **Market Analysis** 3'
-  Product Support 5'
-  Financial forecast 2'
-  Appendix - Unused slides



# RACING TRACKS ARE CLOSING DOWN

In the UK  
alone,  
**74** tracks  
were  
closed  
since the  
1980s:



Owners are  
looking for new  
income sources



“

Many fellow trackowners are transforming the venues to casinos just to survive. I don't want that.

Racetrack owner  
from UK

“

With the licence and safety fees climbing steadily, we have little room to squeeze in a profit

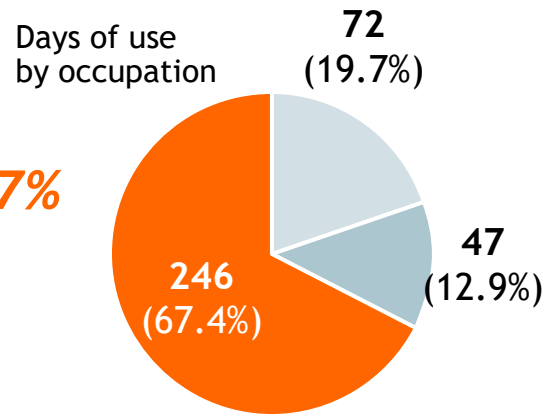
Racetrack owner  
from Germany





# BUSINESS CONCEPT

## Racetrack status today



*On average, over 67% of the time, racetracks are not occupied*

■ Races ■ Other events ■ Unused

## Open opportunity

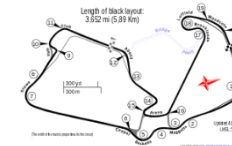
*We seek to fill up this empty space by offering the track to eForce racers*

### eForce



- ≠ Creates a new market
- ≠ Brings gamers to motorsport industry

### Tracks



- ≠ Use up the void space
- ≠ Get new revenue

### Customers



- ≠ Gain a new opportunity to spend free time



# BUSINESS MODEL

## eForce



- Manufactures formulas
- Sells them at a margin
- Provides maintenance for a fee

## Racetrack owners



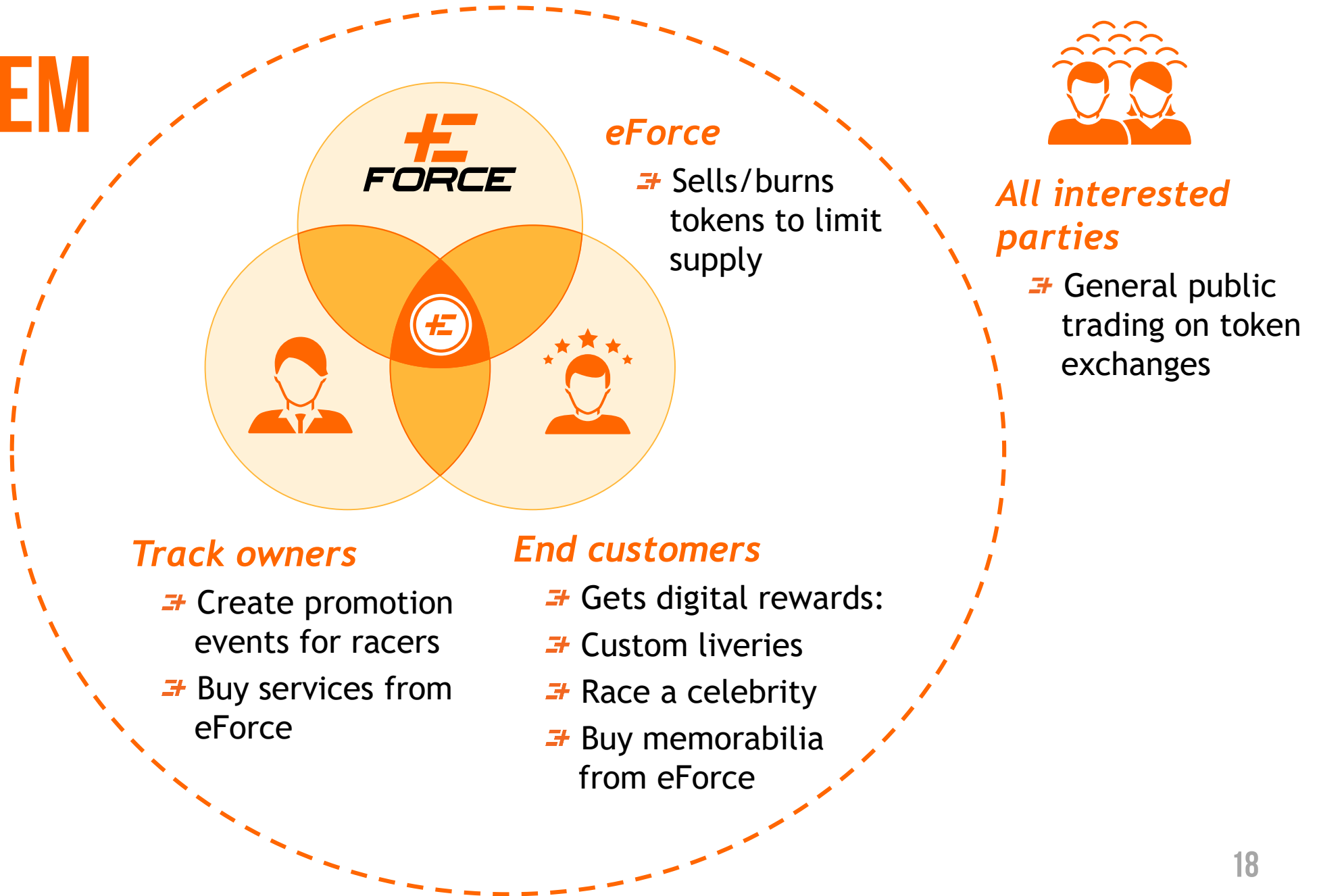
- ≠ Buys formulas
- ≠ Lends formulas out to end customers for a fee
- ≠ Provides support on-place (medical, etc)

## End customers



- ≠ Want to have fun
- ≠ Choose to drive formulas for fun in spare time

# ECOSYSTEM





# WHY EFORCE STUDENT FORMULA?

A perfect fit for track owners...

Flexibility



Racing related

... and for end customers!

Price



Excitement from experience

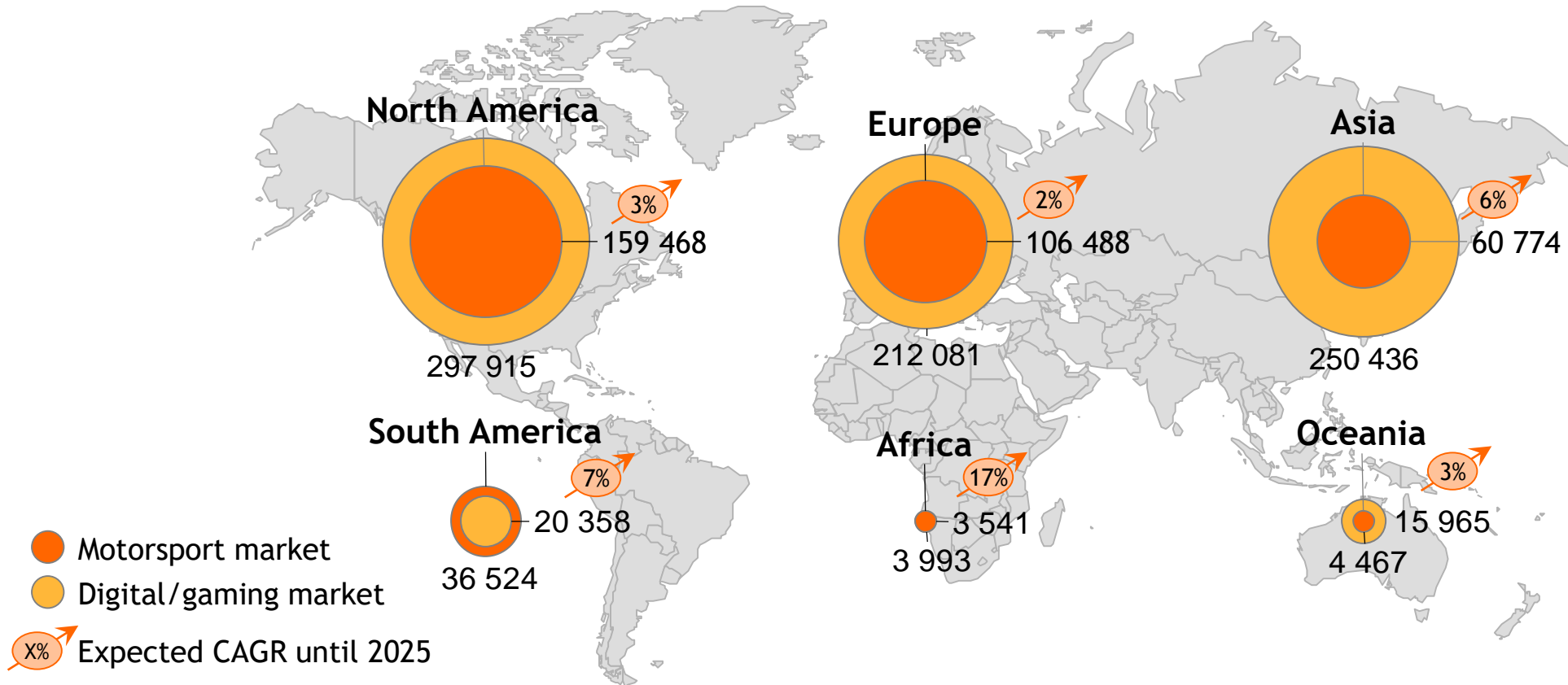


# SWOT & RISK ANALYSIS

		Helpful	Harmful				
				Risk	Probability	Impact	Mitigation
Internal	<b>Strengths</b> Unique concept Passed 1 <sup>st</sup> round of investment Pre-negotiated contracts Risks diversified	<b>Weaknesses</b>  Concept yet to be adopted		<b>Track owners unable to sustain themselves before full product rollout</b>	Low	Medium	Focus on profitability since day one
				<b>Social aspect not attractive to end customers</b>	Medium	Medium	New promo campaign /abandon strategy
External	<b>Opportunities</b> Market gap targeting - filling existing demand First to combine racing and gaming in real life	<b>Threats</b> Market is possibly volatile  ICO might be unsuccessful as market trends is shifting		<b>Technical problems slow down delivery and implementation</b>	Low	Medium	Lean and agile organization principles put in place to minimize risk
				<b>Concept is not feasible</b>	Low	High	Trigger exit strategy (see appendix)
				<b>ICO is not successful</b>	Medium	Low	Continue business without crowdsourcing



# MARKET ANALYSIS: MARKET VOLUME (US\$ M)



Most relevant markets for us are in the Northern Hemisphere  
- Automotive strong in Europe & US, Digital strong in Asia



# WE PROPOSE A THREE-PHASE APPROACH

6 months

18 months

5 years+

1

Extensive promotion

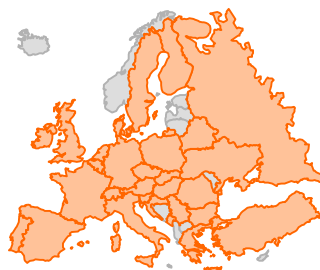


**Staging multiple events on various racetracks in Western and Central Europe to promote our concept**

- ≠ First ~10 Business Agreements sealed
- ≠ 12 pilot events launched
- ≠ Production of first ~30 formulas

2

Gaining traction in Europe

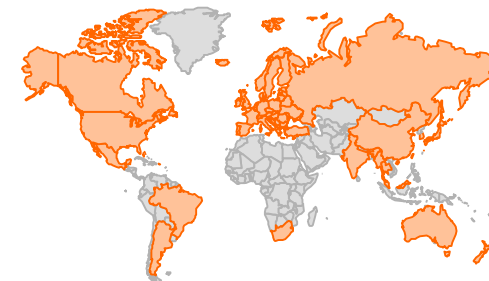


**Expanding to secondary European markets, creating a stable foothold for further company growth**

- ≠ Creation of a distribution network in Europe
- ≠ ~15 stable events
- ≠ Production increasing as facilities expand

3

Spreading to other regions









**Gradual expansion to other target regions, with focus on North American and Asian markets**







- ≠ Creation of service centers in new regions
- ≠ 10 new events every year
- ≠ Production stabilized at 50 formulas annually



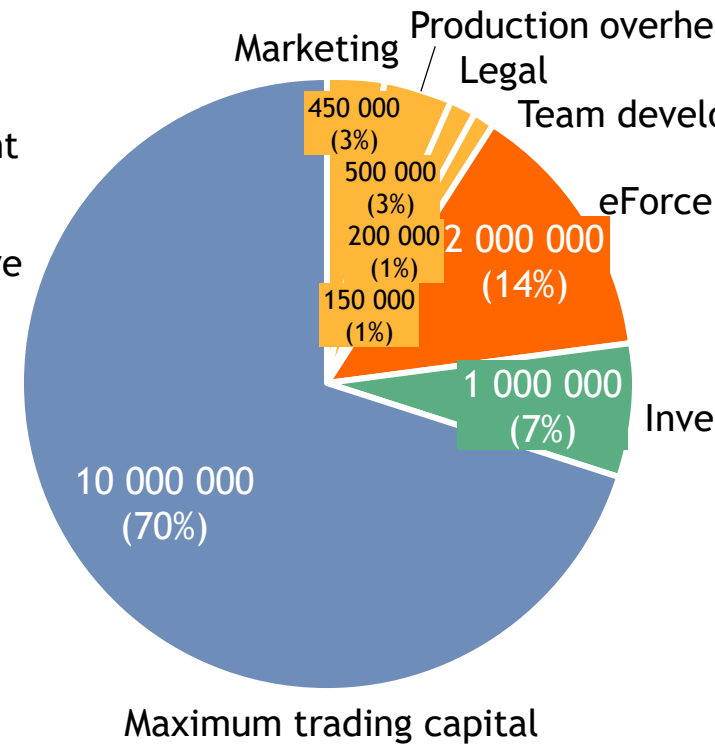
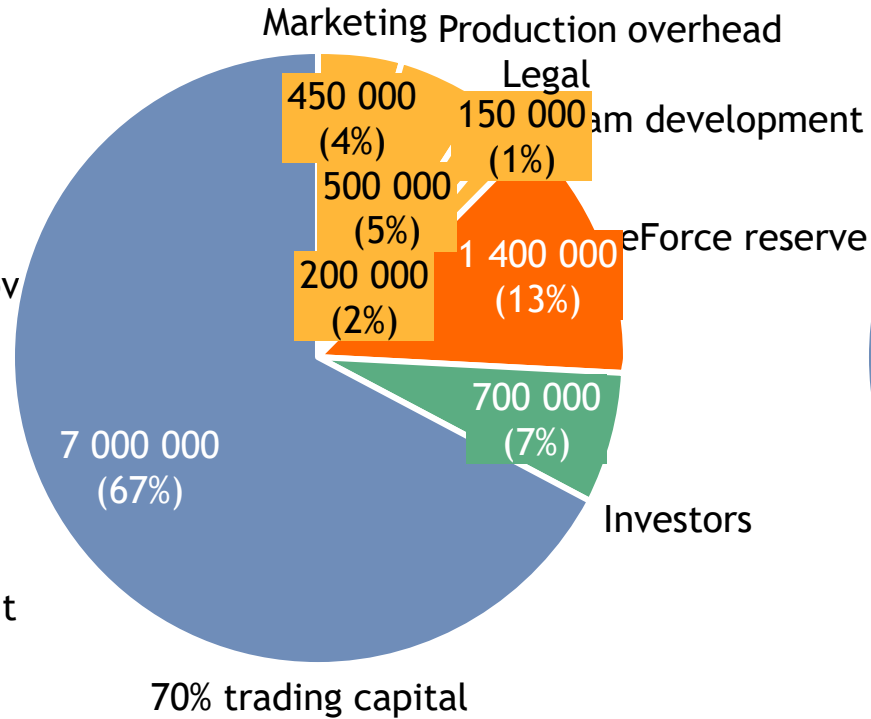
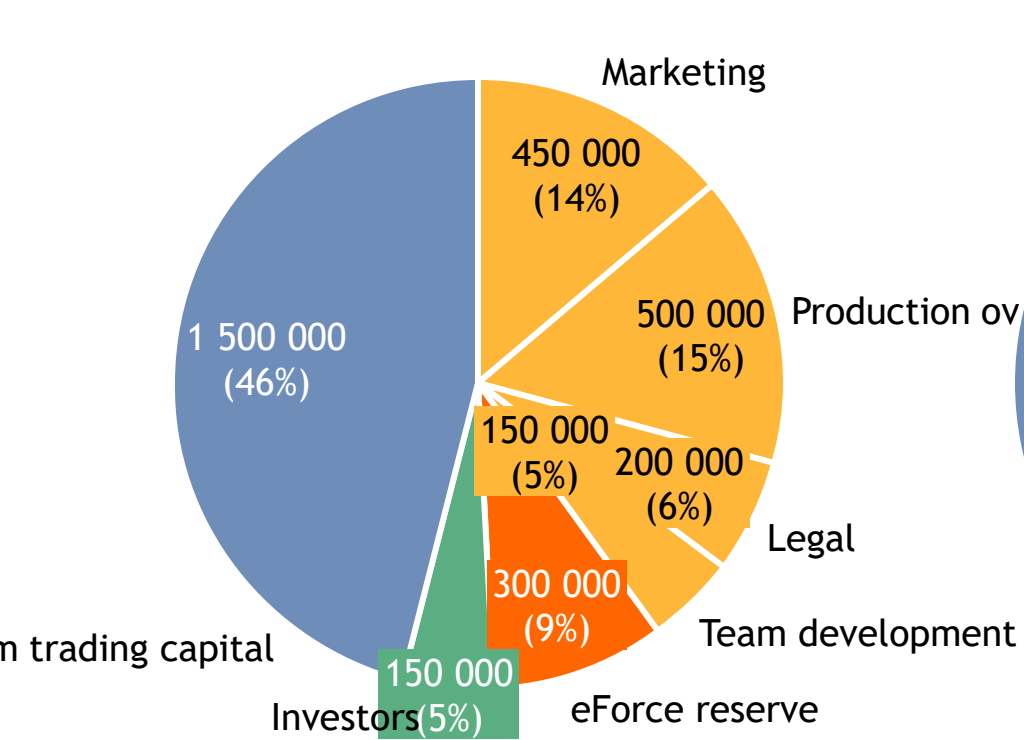
# AGENDA

-  Introduction 1'
-  Our concept 4'
-  Market Analysis 3'
-  **Deepdive:** 5'
-  Financial forecast 2'
-  Appendix - Unused slides

# AGENDA

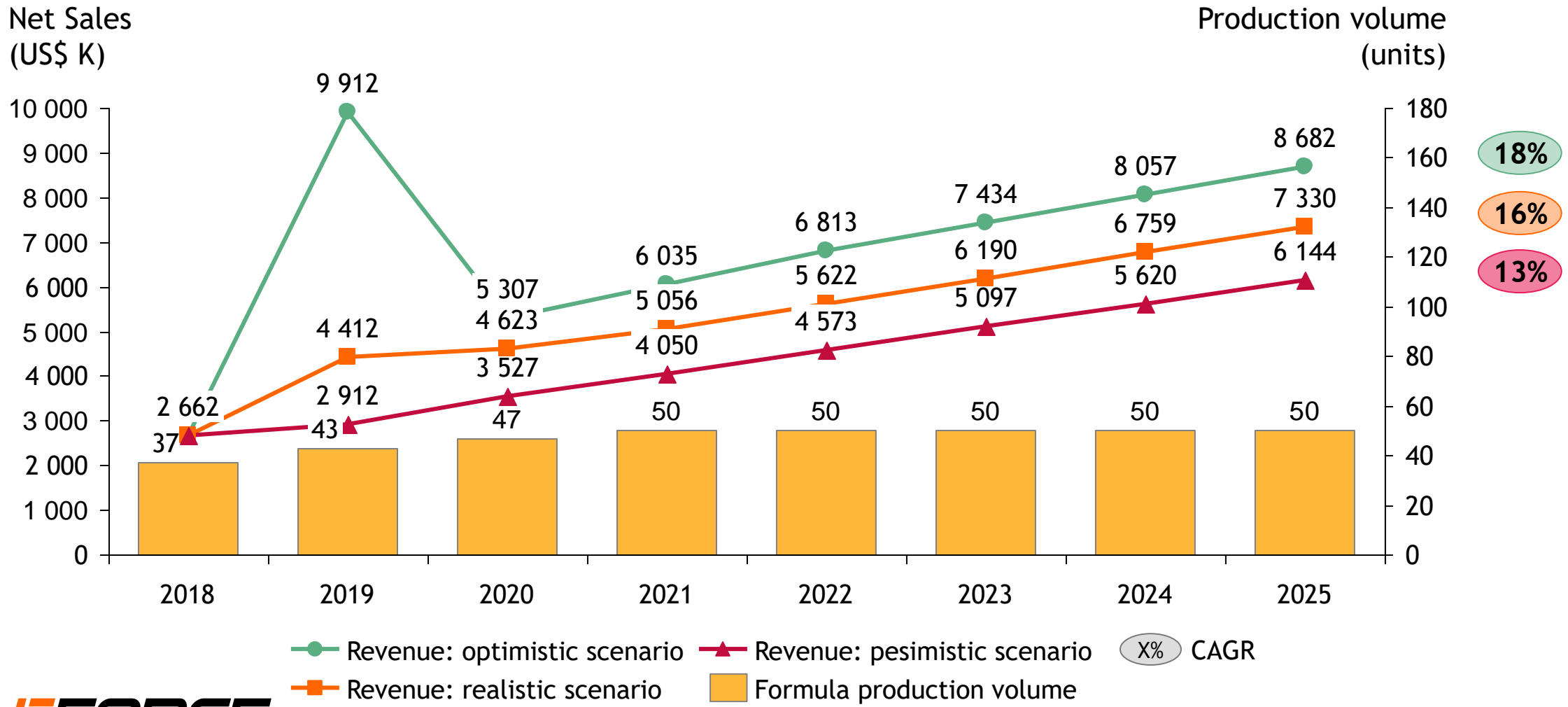
-  Introduction 1'
-  Our concept 4'
-  Market Analysis 3'
-  Product Support 5'
-  **Financial forecast** 2'
-  Appendix - Unused slides

# ICO TOKEN DISTRIBUTION



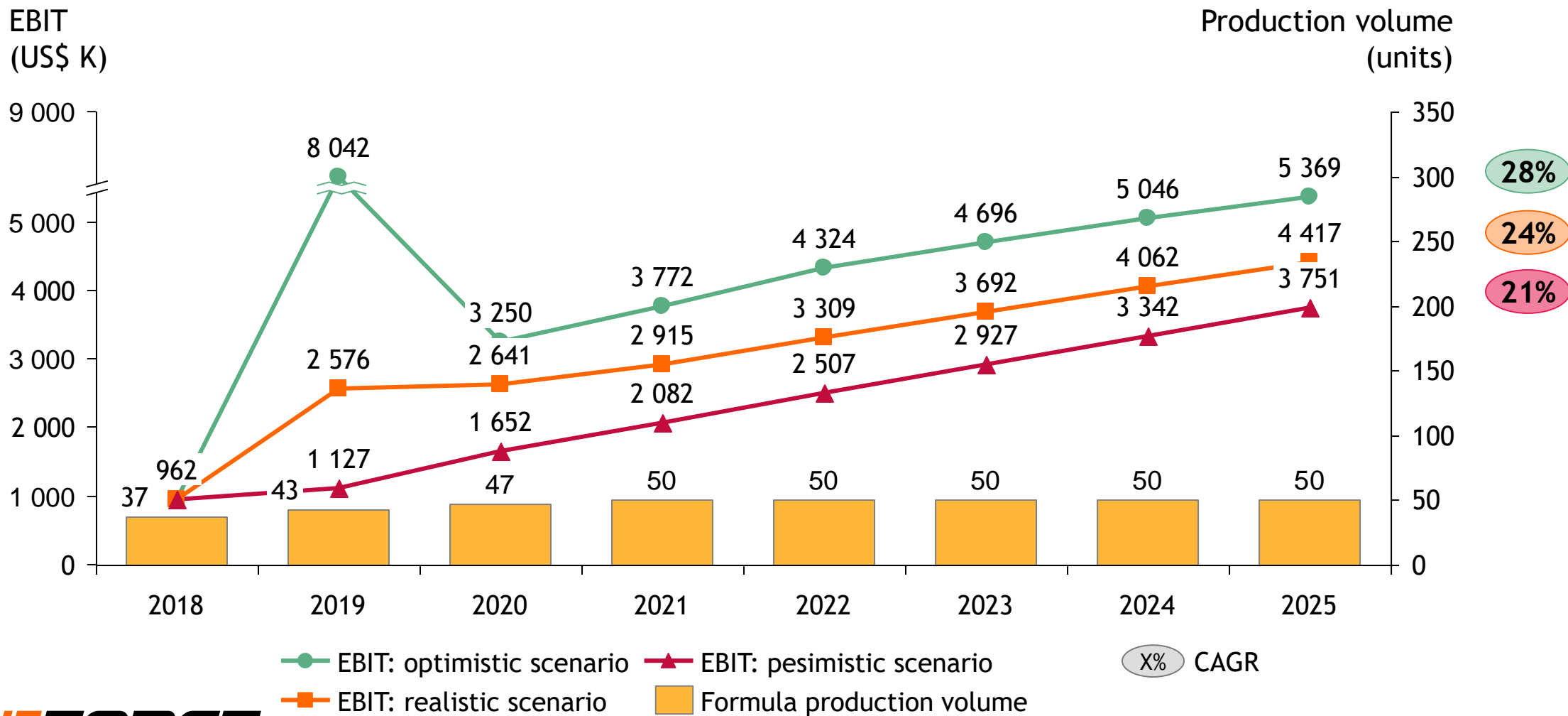


# FINANCIAL DATA PROJECTION: NET SALES





# FINANCIAL DATA PROJECTION: EBIT





# INVESTMENT CASE



Investment of  
**US\$ 950 000**



**13%**

share in the  
company

**10%**

automatic  
share of the  
released tokens



**19%**

Stable ROI

---

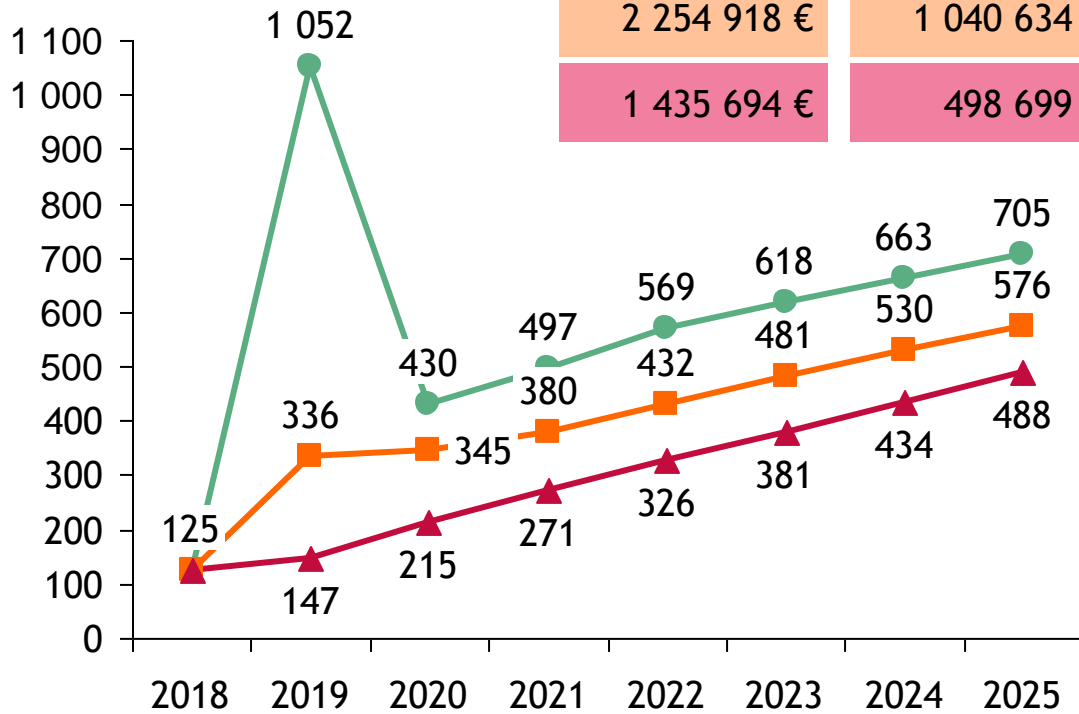
**3 years**  
to break even



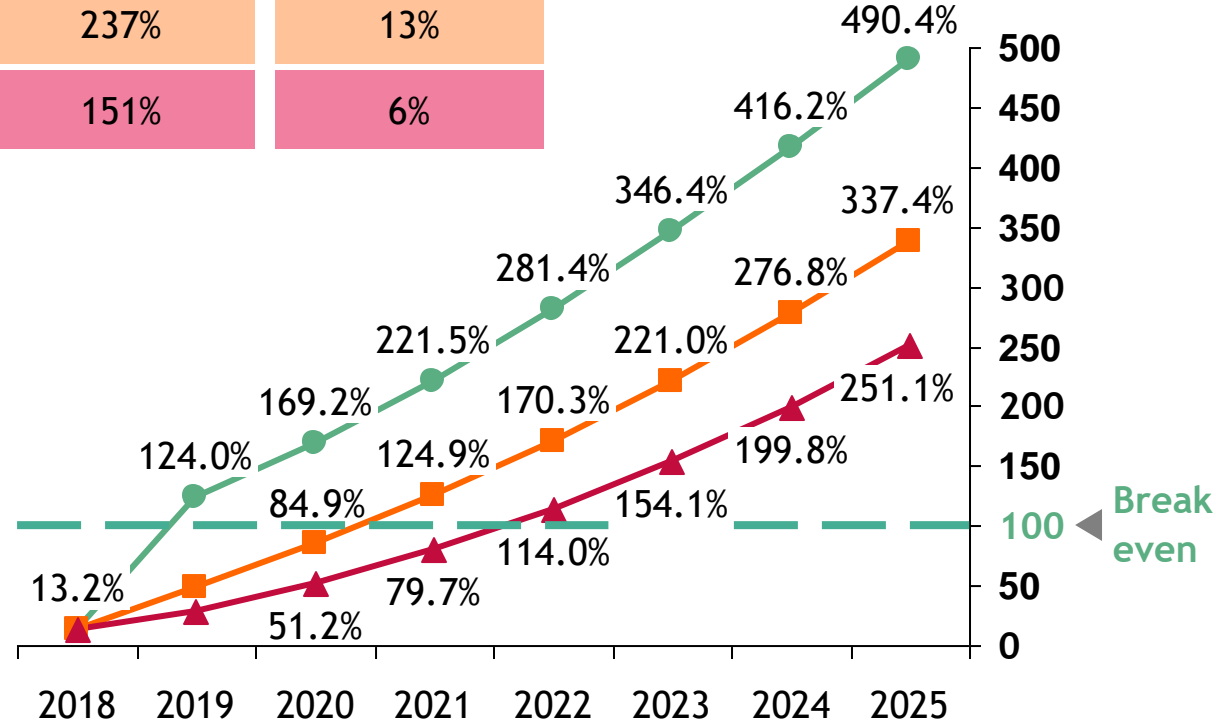
# INVESTMENT CASE – RETURNS

Net Cash Flow (7yrs - 2025)	NPV (7yrs - 2025)	ROI (7yrs - 2025)	ROI (annualized)
3 708 984 €	2 066 953 €	390%	21%
2 254 918 €	1 040 634 €	237%	13%
1 435 694 €	498 699 €	151%	6%

Returns  
(US\$ K)



Returns  
(%)

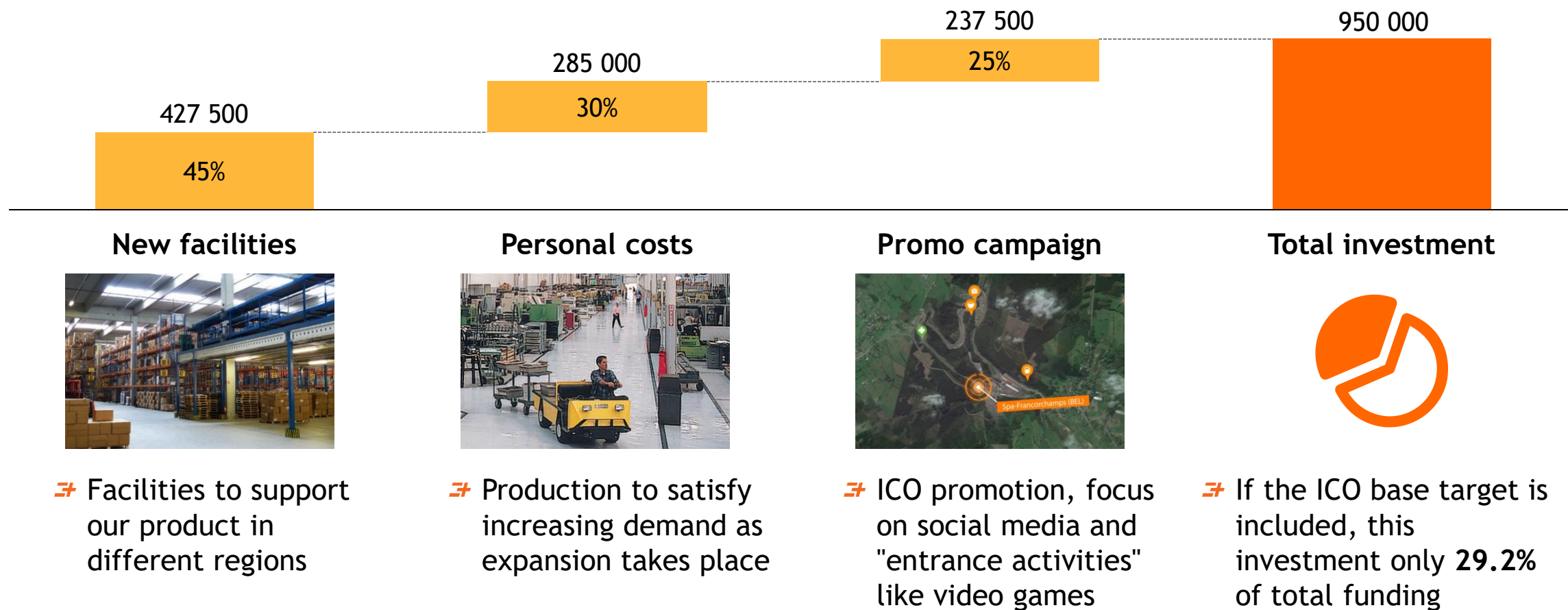


● Optimistic scenario    ■ Realistic scenario    ▲ Pesimistic scenario





# DISTRIBUTION OF INVESTMENT



# SUMMARY



## Experienced business and staff

eForce continues its path to success



## A unique concept

Novel combination of racing and gaming, tailored for Formula Student



## Detailed market analysis

Including possible volumes, our competition, and anticipated risks



## Thorough aftersales strategy

Learning from the best in the field



## A great deal to invest in

Featuring a 13% ROI and a break even after 4 years



## More analysis than meets the eye

For more information, such as exit strategy and pricing, see appendix in your handout

A close-up photograph of a white and black Formula 1 chassis with orange accents. The SKF logo is prominently displayed on the side. The car is mounted on a black test rig. An orange semi-transparent box is overlaid on the left side of the image, containing the team's logo and name.

# **EFORCE**







FEE PRAGUE FORMULA

[Eforce.fel.cvut.cz](http://Eforce.fel.cvut.cz)

# ANY QUESTIONS?



# AGENDA

-  Introduction 1'
-  Our concept 4'
-  Market Analysis 3'
-  Product Support 5'
-  Financial forecast 2'
-  Appendix - Unused slides

# AGENDA



Appendix

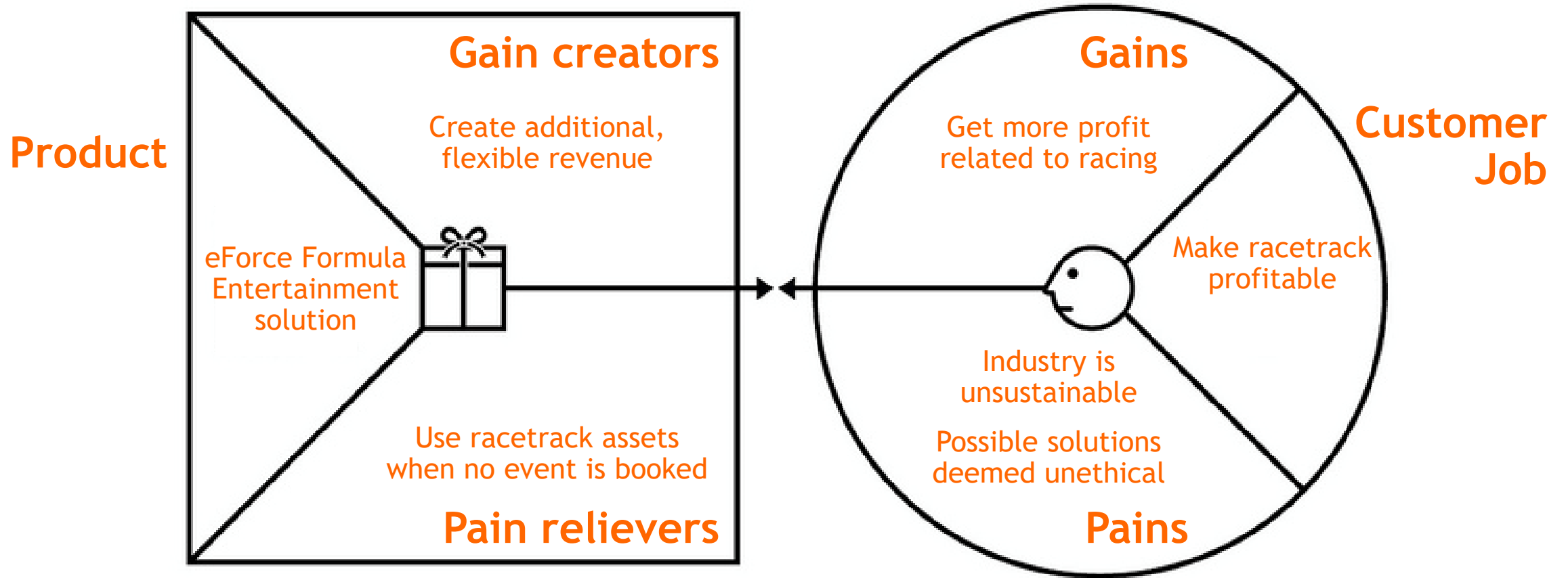


Appendix

---

# MARKETING AND BUSINESS MODEL

# VALUE PROPOSITION CANVAS





# THREE PILLARS OF OUR MARKETING CAMPAIGN

## Advertisements



- ⇒ Both in digital and traditional media
  - Web
  - TV
  - Newspapers
- ⇒ Campaign with a "Revolutionary vibe"

## Promo events



- ⇒ Aimed both at racetrack owners and customers
- ⇒ Intended to show off business concept, let customers test themselves

## Apps



- ⇒ A set of mobile/VR games to get people hyped for the real formula
- ⇒ Awards the best players promotions

# PHASE ONE: EXTENSIVE PROMO CAMPAIGN

## Legend

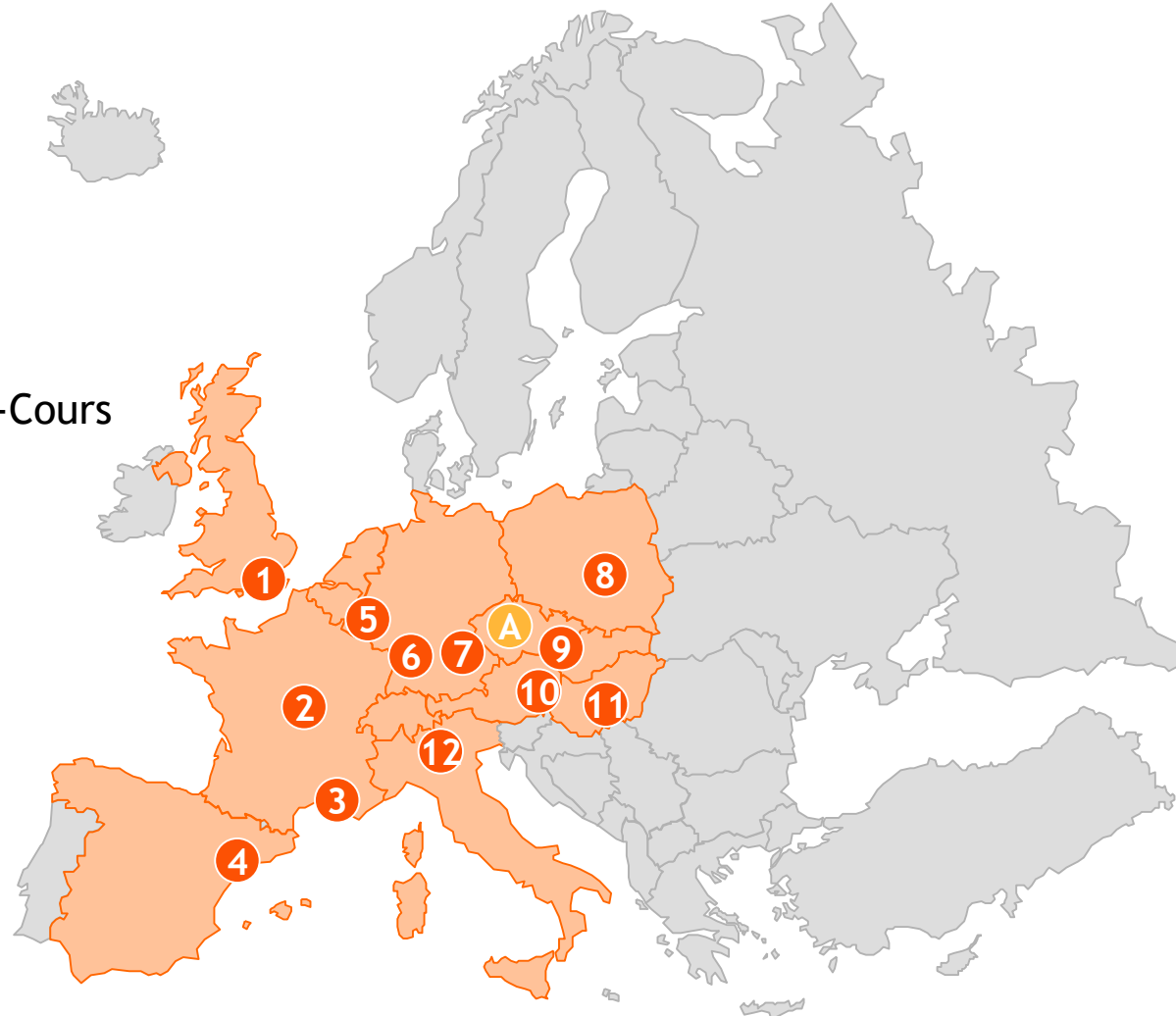
 Target market

 Events

 Service Centers

## Individual promo events

- 1  Silverstone
- 2  Circuit de Nevers Magny-Cours
- 3  Circuit Paul Ricard
- 4  Valencia Street Circuit
- 5  Spa-Francorchamps
- 6  Hockenheimring
- 7  Nurburgring
- 8  Tor Poznań
- 9  Masaryk Circuit
- 10  Red Bull Ring
- 11  Hungaroring
- 12  Monza



# PHASE TWO: EUROPE-WIDE ENTRY

## Legend

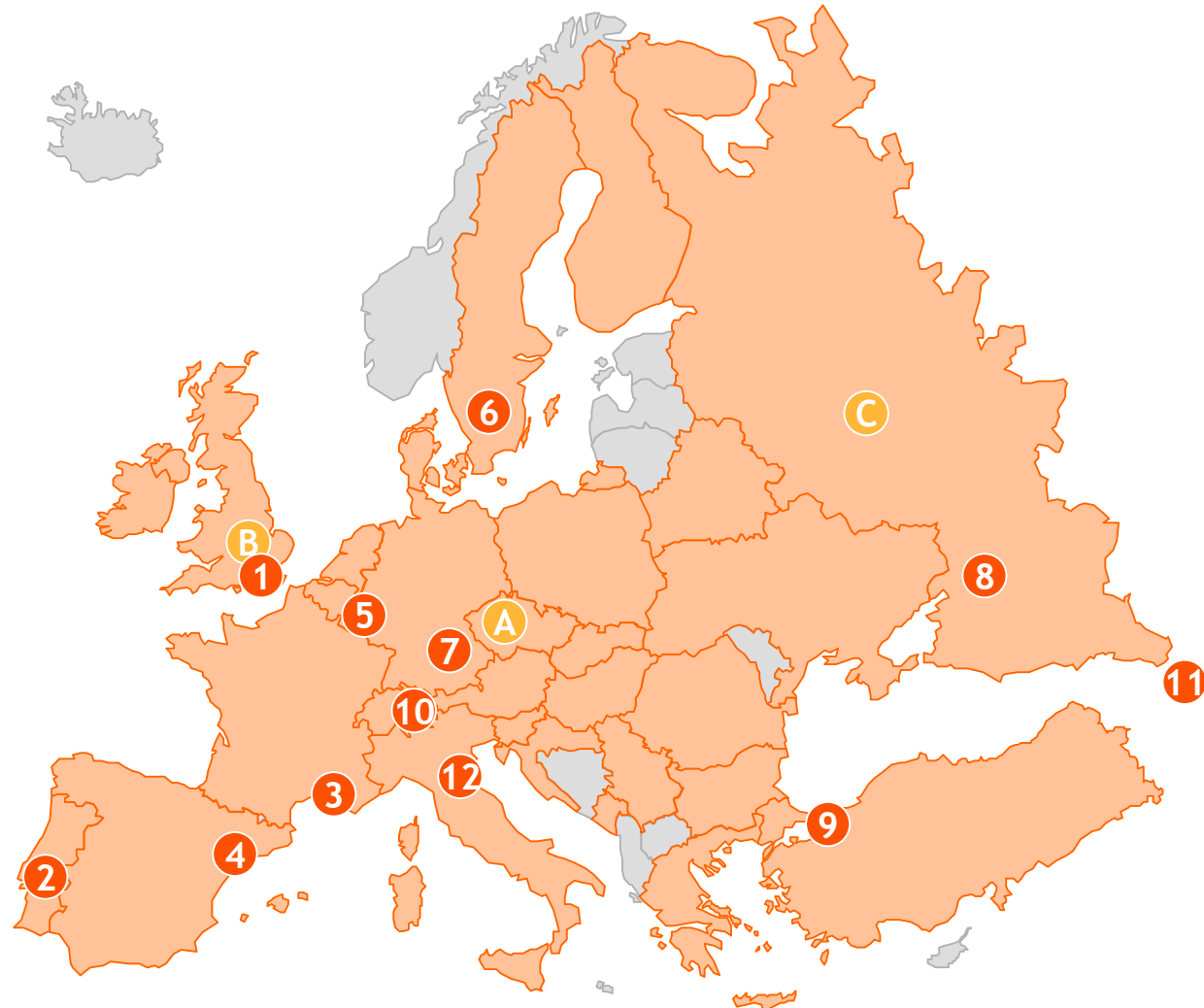
 Target market

 Events

 Service Centers

## Individual promo events

- 1  Silverstone
- 2  Autódromo do Estoril
- 3  Circuit Paul Ricard
- 4  Valencia Street Circuit
- 5  Spa-Francorchamps
- 6  Scandinavian Raceway
- 7  Nurburgring
- 8  Sochi Autodrom
- 9  Istanbul Park
- 10  Red Bull Ring
- 11  Baku City Circuit
- 12  Autodromo Enzo Ferrari



# PHASE THREE:













## Legend

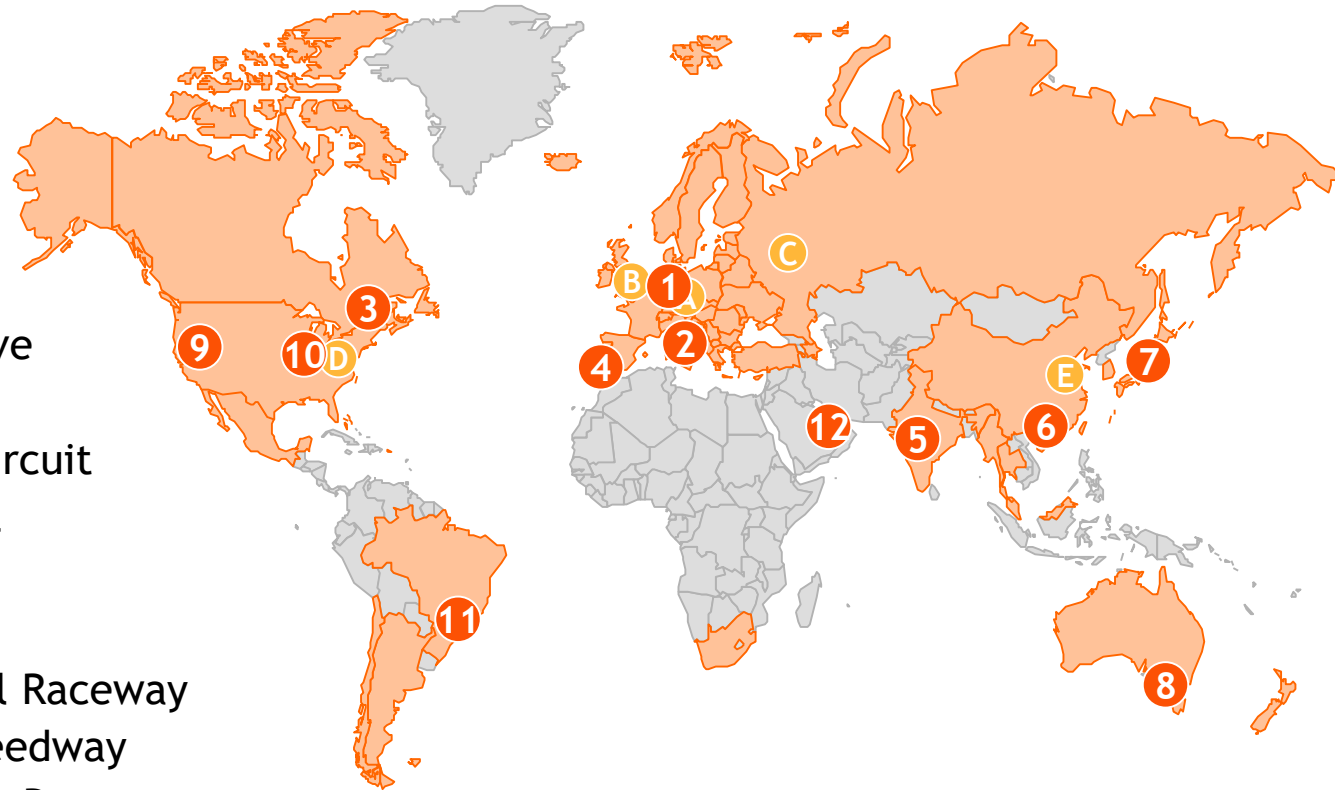
 Target market

 Events

 Service Centers

### Individual promo events

- 1  Nurburgring
- 2  Monza
- 3  Circuit Gilles Villeneuve
- 4  Autódromo do Estoril
- 5  Buddh International Circuit
- 6  Shanghai International
- 7  Fuji Speedway
- 8  Albert Park
- 9  Riverside International Raceway
- 10  Indianapolis Motor Speedway
- 11  Autódromo José Carlos Pace
- 12  Yas Marina Circuit



# RISK ANALYSIS (EXPANDED)

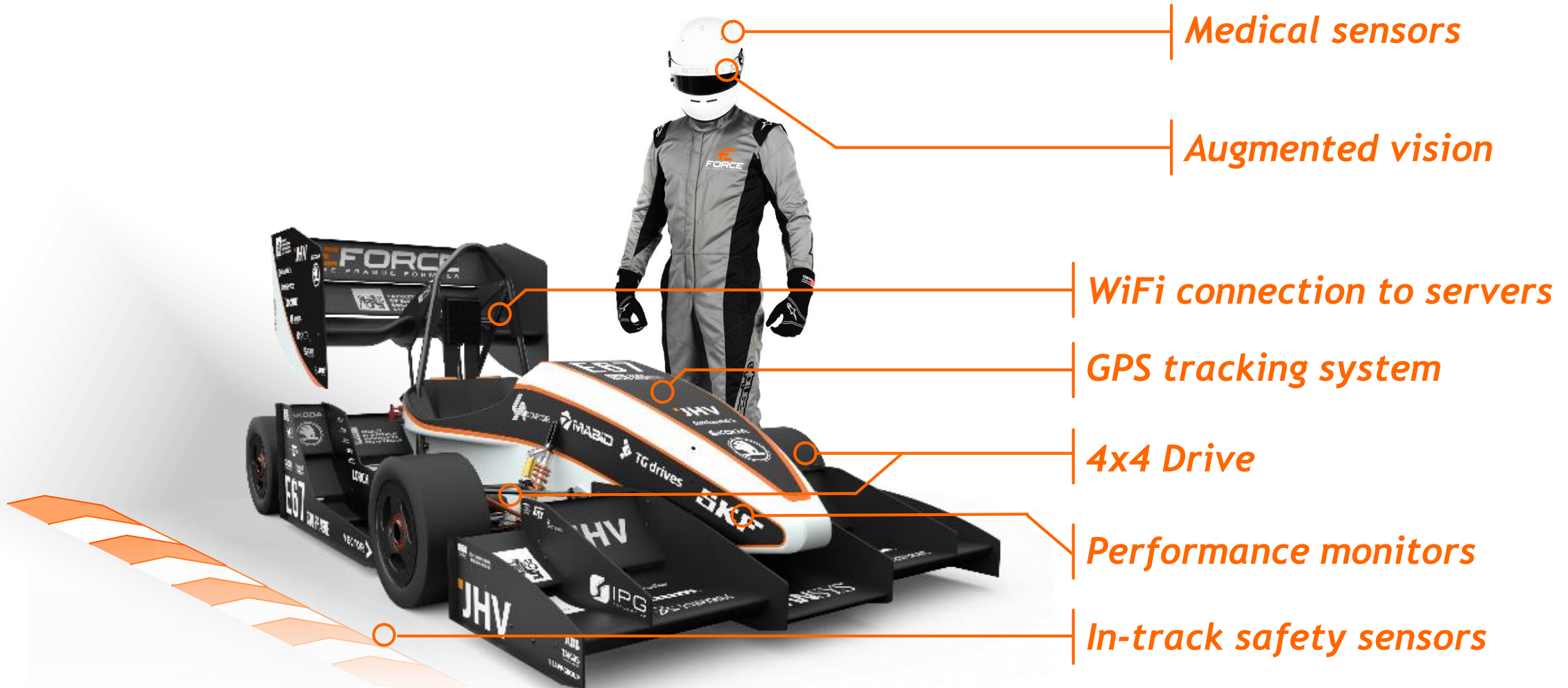
Risk	Probability	Impact	Overall importance	Mitigation
Track owners unable to sustain themselves before full product rollout	Low	Medium	Medium	Focus on profitability since day one
Social aspect not attractive to end customers	Medium	Medium	High	New promo campaign /abandon strategy
Technical problems slow down delivery and implementation	Low	Medium	Medium	Lean and agile organization principles put in place to minimize risk
Concept is not feasible	Low	High	High	Trigger exit strategy (see appendix)
ICO is not successful	Medium	Low	Low	Continue business without crowdsourcing

Appendix













---

# CLIENT SERVICES

# SENSORS INSTALLED



# PACKAGES OFFERED TO CUSTOMERS

Small	Medium	Large	Extras
<b>3x</b> 	<b>9x</b> 	<b>15x</b> 	<i>More formulas</i> 
<i>Small set of sensors</i> 	<i>Medium set of sensors</i> 	<i>Large set of sensors</i> 	<i>More Track Sensoring</i> 
<i>Limited Server Basis</i> 	<i>Powerful Server Support</i> 	<i>Large On-Site Server Room</i> 	<i>More Server capacity</i> 
<b>US\$ 300 000</b>	<b>US\$ 700 000</b>	<b>US\$ 1 000 000</b>	<b>Custom pricing</b>



Appendix

---

# PRODUCT SUPPORT PLANS OUTLINE



# WARRANTY



Standard two year warranty included in price, then paid



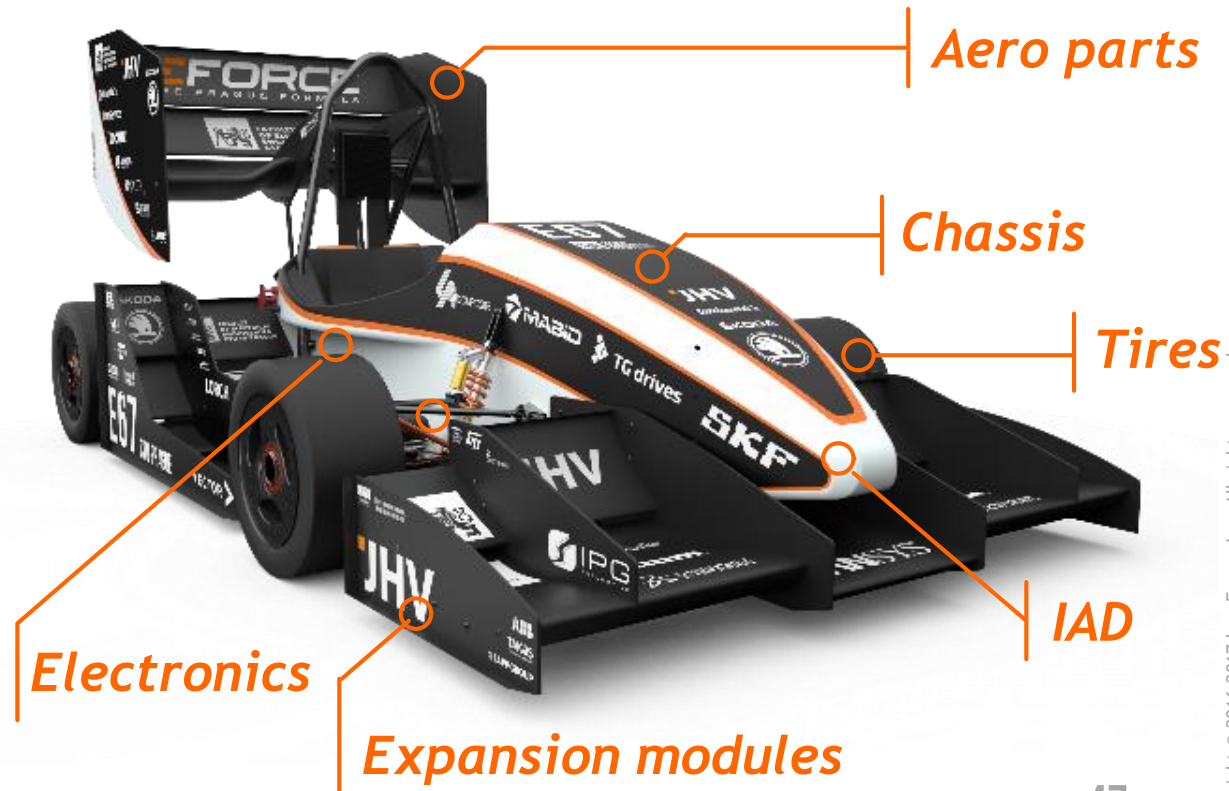
First 6 months of use guaranteed to make profit, or else buyback offered



NOTE: BUYBACK GUARANTEE CONDITIONED BY AT LEAST 60% CAPACITY USED BY EFORCE AND USING RECOMMENDED PRICING, BUYBACK PRICE ADJUSTED BY WEAR. OTHER TERMS APPLY.

DEEP DIVE TOPIC

# AFTERSALES SUPPORT





# MAIN PRODUCT CATEGORIES

## Crash Repair



Wings



Chassis



IADs



Other Body panels

## Wear and Tear



Brakes<sup>1</sup>



Brake Others



Shock Absorbers



Batteries

## Mechanical/ Electronics



Alternators



Radiators

## Maintenance



Air Filters



Intake Filters

## Tires



Tires only

## Accessories & Consumables



In-car Security Systems



Other sensors



Servers



Car Valet Products



Liquid refill

Appendix

---

# END CUSTOMER RESEARCH

# TARGET CUSTOMERS

## Motorheads



People interested in motorsport, prepared to invest money for the hobby/train for a real race

## Companies



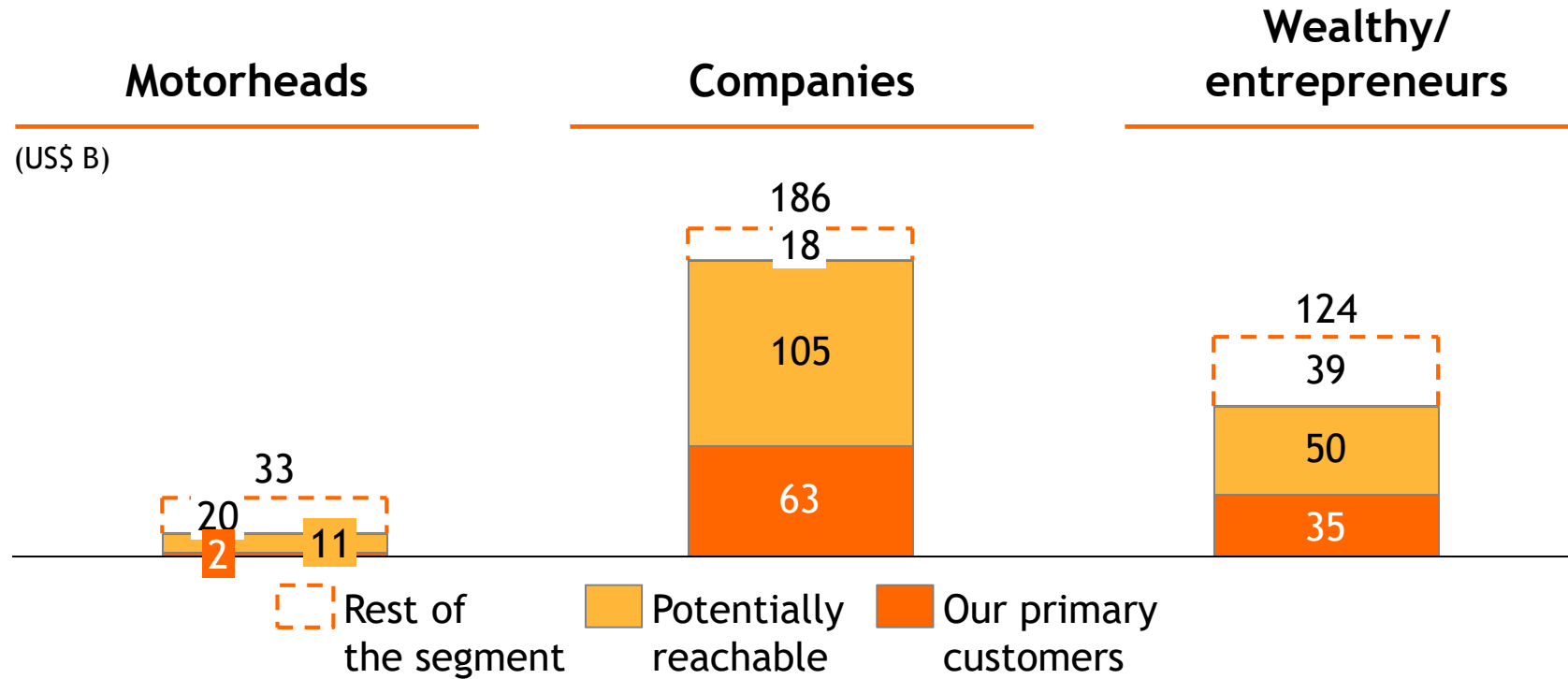
Firms looking to provide a fun, high-tech entertainment event for employees/clients

## Wealthy/entrepreneurs



People looking for exclusive fun on edge of what is possible using current technology

# ESTIMATED SIZE OF EACH TARGET SEGMENT



We identified a US\$ 266B market potential

# TARGET CUSTOMERS — SECONDARY TIER

## Groups of friends



Friends going for a night out, looking to have fun at a local venue

## Families



Parents trying to bond with their teenage child and spend a quality weekend

## Gamers



Players wanting to make their virtual dream a reality

# CURRENT COMPETITION IN RELEVANT GROUPS

	Groups of friends	Families	Gamers
Rivals in segment	Current venues - Amusement parks, <b>Go Karting, Laser Tag,</b> etc.	Current venues - <b>Amusement parks</b> etc.	<b>Virtual reality devices</b> - Oculus Rift, HTC Vive, etc.
Our comparison	+ More exciting, + Modern + Sense of continuity	+ Better engagement + Competition factor	+ More immersion + Cheaper + Lower hardware prerequisites
	- More expensive	- Less accessible	- Possibly less convenient

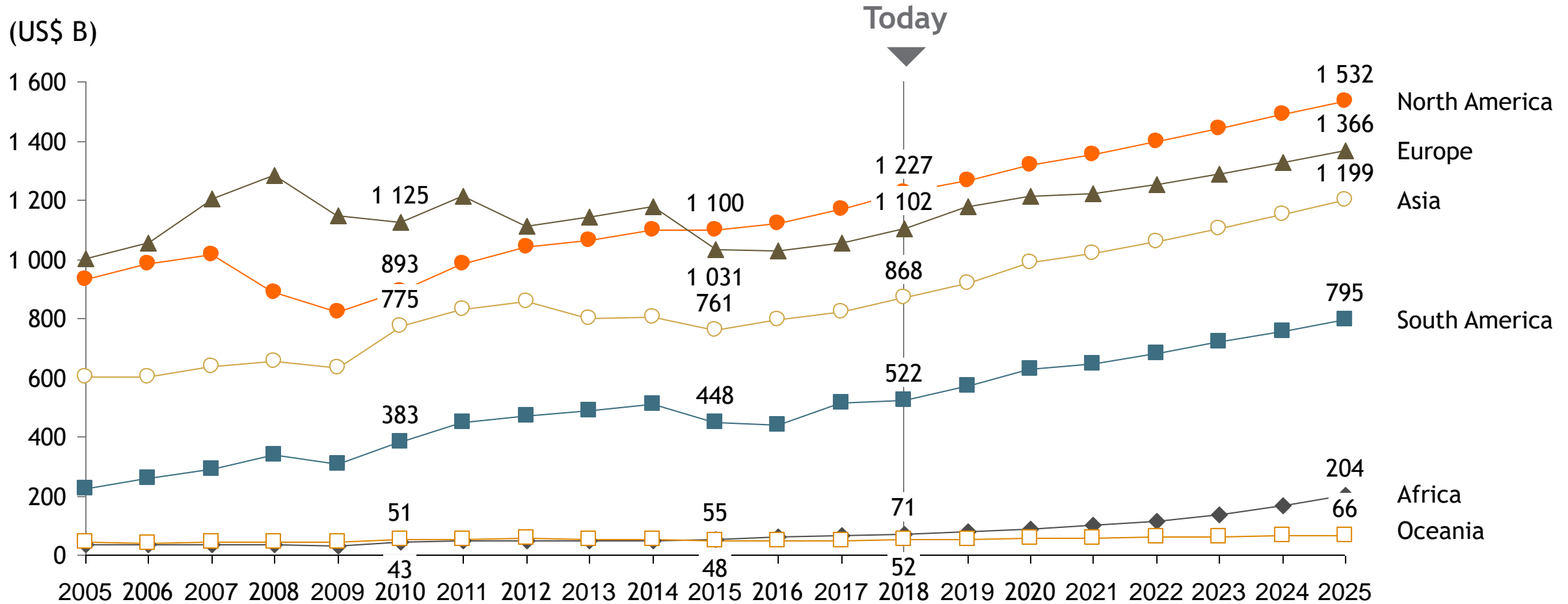


Appendix

---

# MARKET DATA

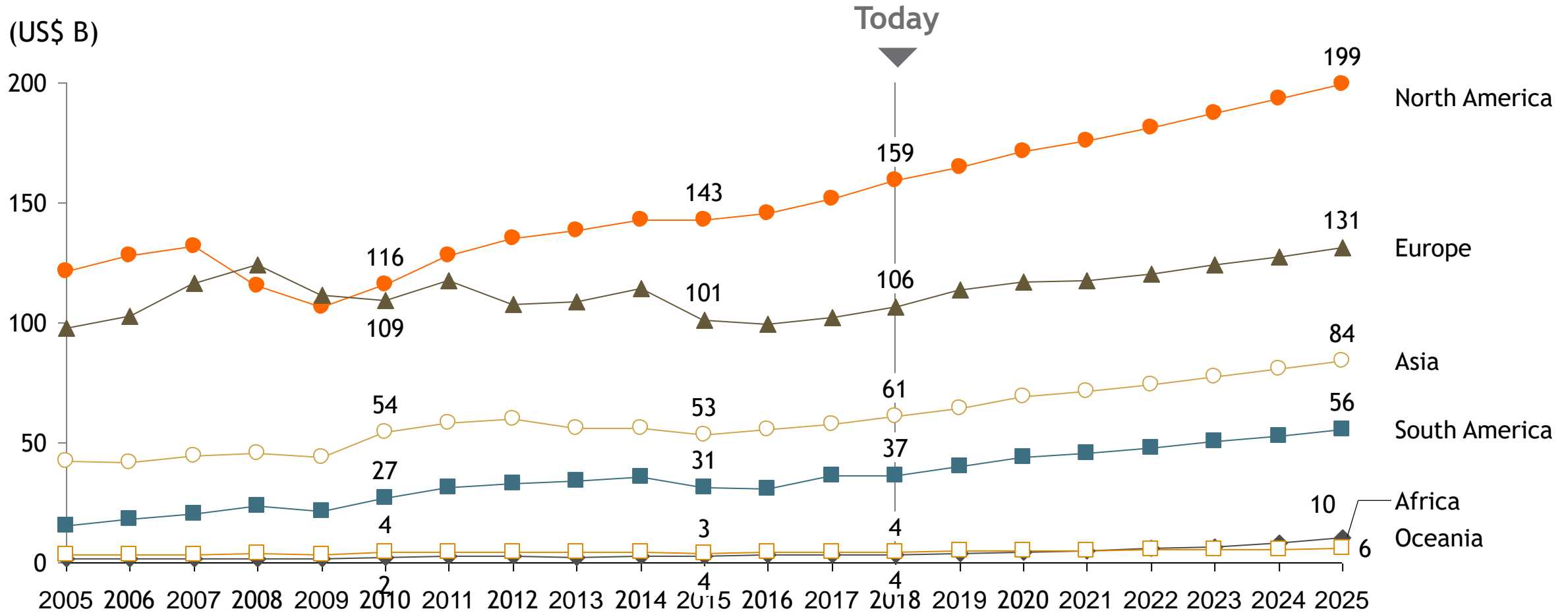
# AUTOMOTIVE MARKET MARKET SIZE OVERVIEW



Note: Years 2018 onwards are estimates

Source: Economist Intelligence Unit, eForce Analysis

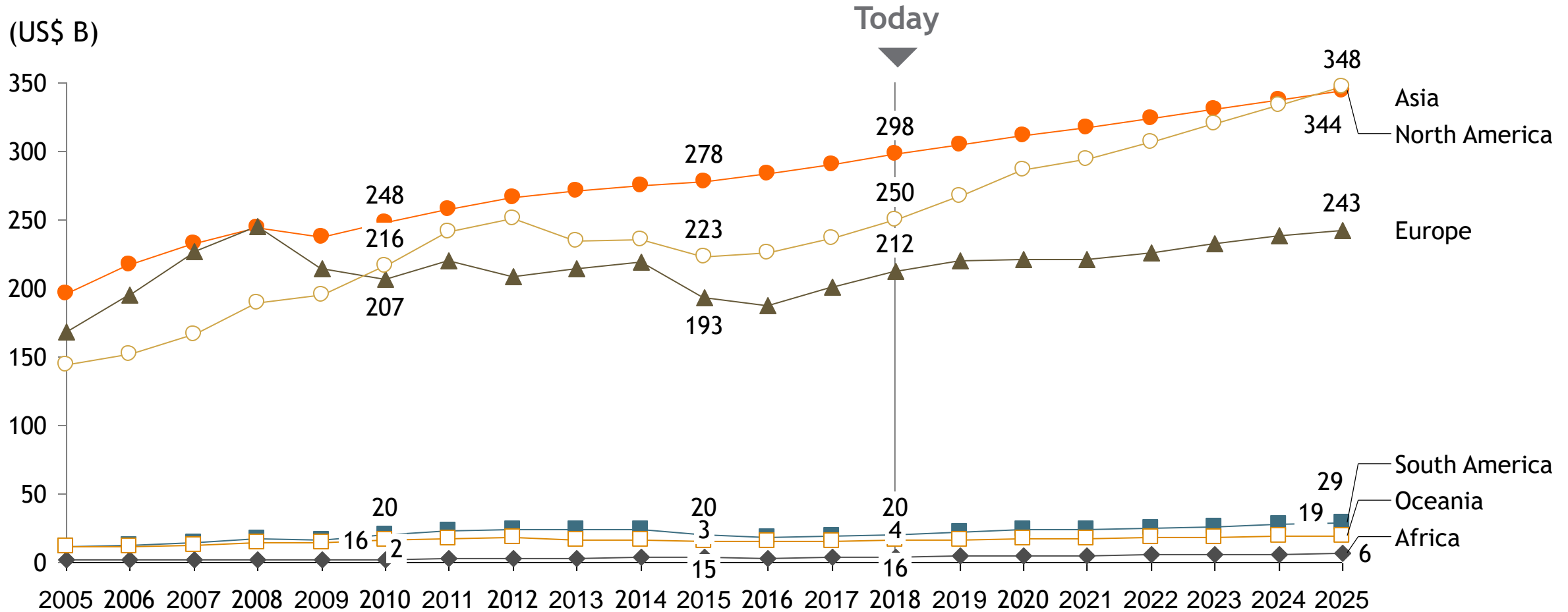
# MOTORSPORT MARKET SIZE OVERVIEW



Note: Years 2018 onwards are estimates

Source: Economist Intelligence Unit, eForce Analysis

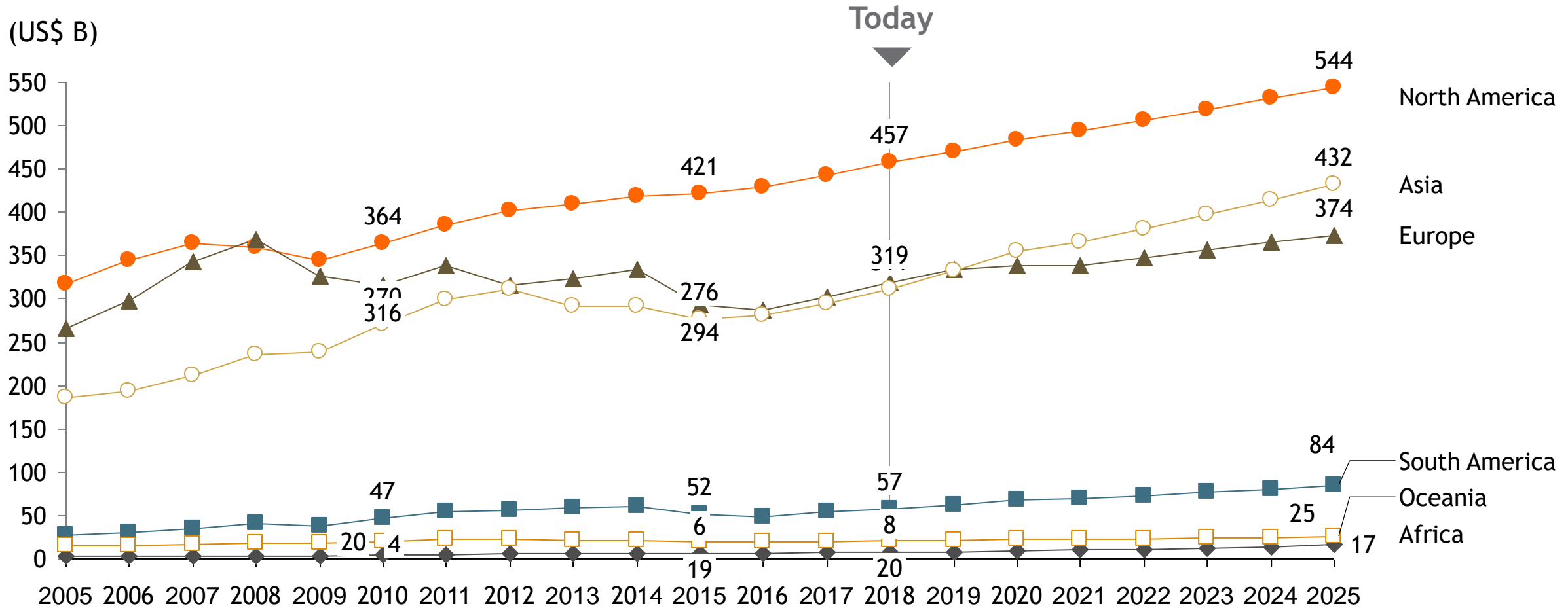
# DIGITAL/GAMING MARKET SIZE OVERVIEW



Note: Years 2018 onwards are estimates

Source: Economist Intelligence Unit, eForce Analysis

# TOTAL RELEVANT MARKET SIZE OVERVIEW



Note: Years 2018 onwards are estimates

Source: Economist Intelligence Unit, eForce Analysis

Appendix

---

# KNOW-HOW MANAGEMENT

# KEY KNOW-HOW AT EFORCE

## eForce

---



- Well balanced team knowledge
- Only Czech Electrical Team
- Focusing on innovation of every aspect
- Developing new systems
  - Battery box
  - Frequency changers

## Other competition

---



- ≠ Diverse specialties based upon team
- ≠ Some have developed knowledge sharing management systems, most have not

# SWOT ANALYSIS

	Helpful	Harmful
Internal	<b>Strengths</b> Quick and effective communication between team members	<b>Weaknesses</b> Knowledge not yet stored digitally may be lost
External	<b>Opportunities</b> Many practices yet to be integrated	<b>Threats</b> Competition is advancing fast

Risk	Probability	Impact
Experts leaving	High	High
Knowledge forgotten	Medium	Medium
Data stored lost	Low	High
Team closing down	Low	High



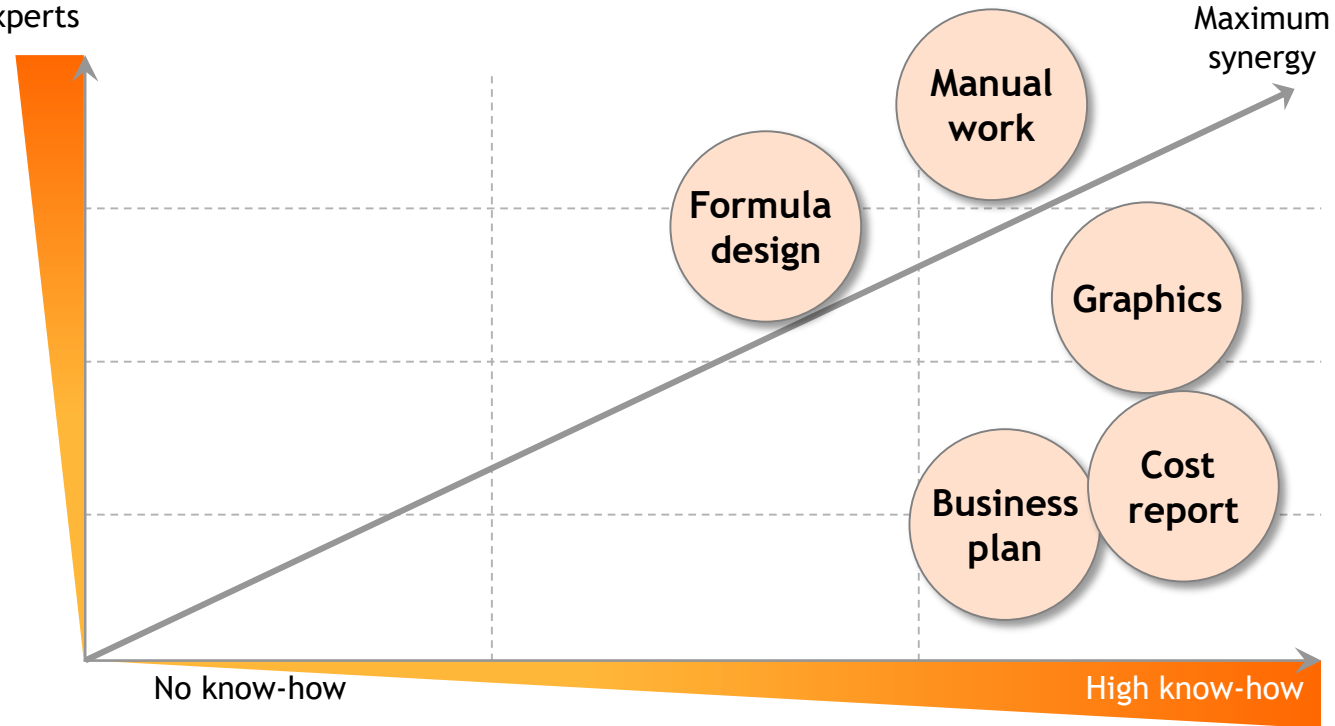
# CURRENT KNOW-HOW MANAGEMENT

eForce



- Currently, limited systems is in place for storing knowledge
- This is getting more difficult with team size increasing

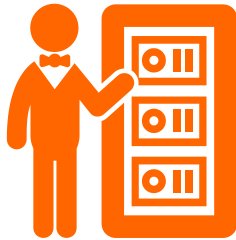
Share of experts



# CURRENT KNOW-HOW MANAGEMENT

## Tutorials

---



- Every new member goes through a basic tutorial when joining the team
- Our sponsors often help us with advanced tutorials

## Mentoring

---



- ≠ New members are helped by more experienced members to expand their knowledge

## Data storage

---

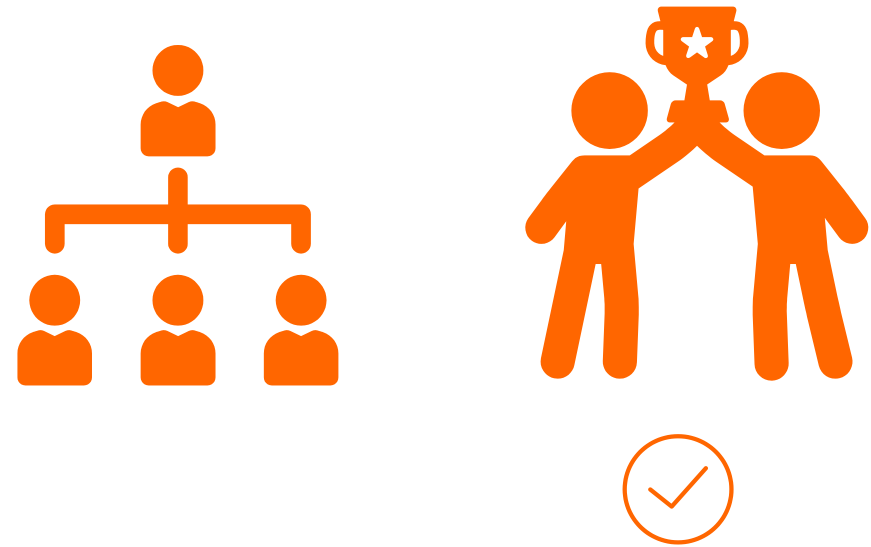


- ≠ Data is stored in the cloud using OwnCloud

# A BETTER SYSTEM IS BEING PUT IN PLACE

With a combination of  
cloud-based technologies...

...we can pass knowledge  
onto next generations

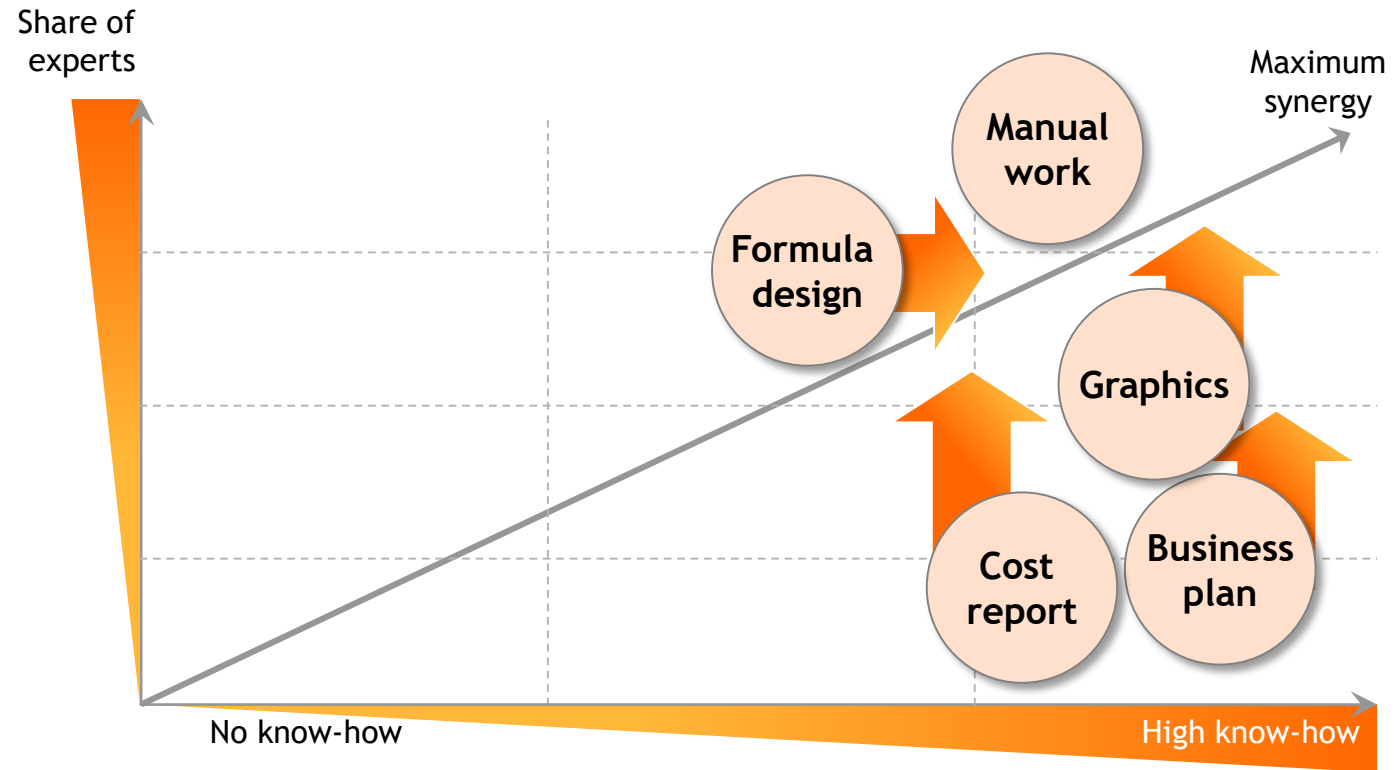


# PLANNED IMPROVEMENT

eForce



- Knowledge management will be improved and more people through team member generations will have access to combined knowledge












Appendix

---

# VEHICLE COST BREAKDOWN

# VEHICLE COST BREAKDOWN

	Materials	Processes	Fasteners	Tooling	Total
 Brake System	\$780	\$205	\$5	-	\$989
 Engine & Drivetrain	\$5 055	\$499	\$31	\$6	\$5 591
 Frame & Body	\$3 087	\$6 229	\$15	\$41	\$9 372
 Instruments & Wiring	\$8 504	\$509	\$2	\$0	\$9 015
 Miscellaneous, Fit & Finish	\$559	\$270	\$2	\$4	\$835
 Steering System	\$116	\$353	\$3	\$0	\$472
 Suspension & Shocks	\$1 452	\$555	\$8	\$23	\$2 036
 Wheels & Tires	\$2 103	\$488	\$6	-	\$2 597
 Total Vehicle	\$21 655	\$9 108	\$70	\$74	\$30 908