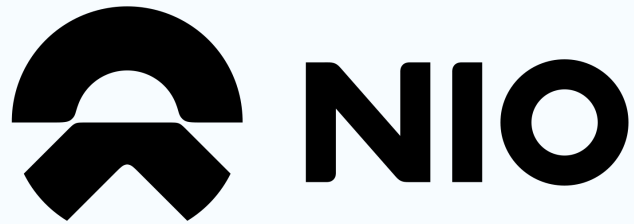


Business Plan Proposal for



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Company Profile

Over the last thirty years, the Pagés-Cipriani group has built a diverse portfolio of successful ventures. Founded in 1990 by three brothers, their partnership was built on the core values of respect, trust, and hard work.

In 1991, the brothers launched OTPP C.A., a company that revolutionized the automotive security sector with an innovative keyless entry and alarm system. This system utilized proprietary connectors to integrate with the Buick Century, a popular model by General Motors (GM) at the time. Their breakthrough technology caught the attention of GM Venezuela, which became their first client. With their cutting-edge products and solutions, OTPP C.A. quickly became a crucial supplier of sound, security, and entertainment equipment to the automotive industry in South America. They forged partnerships with renowned automobile manufacturers such as GM, Ford, Chrysler, Jeep, and Renault. The company's dedication to excellence and high-quality products earned them industry recognition and prestigious awards.

Company Profile (Cont.)

In their pursuit of expansion and diversification, OTPP C.A. joined forces with Audiovox Corporation, based in Long Island, New York, forming a joint venture known as Audiovox Venezuela (AXV). This strategic alliance allowed AXV to broaden its operations across South America and the Caribbean, while also introducing a new range of products tailored to the automotive sector. The exceptional performance of AXV as a supplier was acknowledged by major automobile manufacturers. GM awarded AXV with the Supplier Quality Excellence Award for the LATAM market, recognizing their commitment to delivering high-quality products. Daimler Chrysler also honored AXV with the Silver Award for Supplier of the Year.

These accolades further solidified their reputation as an outstanding player in the industry. One of the flagship products of AXV, the Audiovox 'Prestige' alarm system line, gained significant popularity in the national market. Distributed through over 1500 stores, they sold approximately 80,000 units annually, capturing a remarkable 70% of the market share. At its peak, AXV accounted for 60% of the market share for products geared towards vehicle manufacturers.

Company Profile (Cont.)

In 1999, the Pagés-Cipriani group expanded their operations into Brazil by opening Audiovox Brazil. This branch focused on serving other countries within the Mercosur trade bloc, demonstrating their commitment to regional growth and market penetration. As the turn of the century approached, Audiovox Venezuela and its subsidiaries embraced the evolving requirements of the automotive industry. They actively developed and incorporated new software technologies for audio and sound systems, ensuring compliance with SAE standards. Moreover, they integrated CLASS 2 BUS communication software for GM vehicles and CAN 2 BUS for Jeep/Daimler Chrysler, keeping pace with the advancing automotive technology landscape.

Company Profile (Cont.)

Throughout their impressive thirty-year journey, the Pagés-Cipriani brothers have generated over \$500 million in sales across their various ventures. Their commercial endeavors have remained closely linked to the automotive sector despite expanding into other industries. Their direct and fluid relationships with the car distribution network have been facilitated by the nature of the products they commercialize. The history and industry recognition of the Pagés-Cipriani group underscores their remarkable achievements in the automotive industry. Through their innovative solutions, dedication to excellence, and strong partnerships with leading automobile manufacturers, they have built a legacy of success that continues to thrive today.

Auto Industry Background

Our 14 years of experience in the automobile industry positioned us as the leading company specializing in the production of electronic products supplied to the vehicle market. Our unwavering commitment to excellence and dedication to providing top-notch services and products positioned us as a trusted partner for automotive manufacturers.

We understood the intricate demands of the automotive industry and honed our expertise in managing complex production processes. We successfully streamlined assembly lines for a wide range of electronic products, ensuring efficient manufacturing and timely delivery.

Quality was at the core of our operations, and we took pride in adhering to ISO 9001 standards. We have a proven track record of producing high-quality electronic car parts for the automotive market. We ensure strict adherence to quality standards, employing rigorous testing and inspection protocols throughout the production process. Our focus on continuous improvement and lean manufacturing principles enabled us to deliver reliable and durable electronic car parts to our clients.

Auto Industry Background (Cont.)

We recognized the importance of inventory efficiency and mastered various methods of product assembly line optimization. Our innovative pay-per-unit-produced inventory system revolutionized automotive equipment production, minimizing costs, reducing waste, and maximizing efficiency. By aligning our operations with this methodology, we helped our clients achieve enhanced productivity and profitability.

As a company committed to continuous improvement, we stayed at the forefront of emerging technologies and industry trends. We leveraged our extensive knowledge and experience to provide customized solutions tailored to meet the unique requirements of each client.

Our team of skilled professionals worked closely with our clients, offering comprehensive support, strategic guidance, and seamless collaboration throughout the production and assembly process.

Auto Industry Background (Cont.)

Our commitment to customer satisfaction was evident in every aspect of our operations. We successfully resolved quality and recall problems, ensuring swift and effective solutions to maintain our client's trust and confidence. We prioritized open communication, responsiveness, and personalized attention to ensure that our client's specific requirements were met. We were committed to providing prompt assistance, addressing queries, and offering technical support. We believe in building long-term partnerships with our clients, and our customer-centric approach reflects our commitment to their success.

As a company that values long-term relationships with our clients, we offer more than comprehensive management and customer service assistance. This included the development and implementation of continuous preventative care plans across dealers. By closely collaborating with our dealers, we ensured that their specific needs and requirements were met, allowing them to provide top-notch service to their own customers. Our proactive approach to preventative care helped minimize downtime, enhance performance, and prolong the lifespan of electronic car parts, ultimately resulting in greater customer satisfaction.

Auto Industry Background (Cont.)

Furthermore, we took an active role in training dealers nationwide on the various products we incorporated into vehicles. We understood the importance of empowering dealers with in-depth knowledge of our products, including insights into potential failures, fixes, and recalls. Through comprehensive training programs, we ensured that dealers were well-versed in handling any issues that might arise. This proactive approach not only built confidence in our products but also strengthened our partnership with dealers, fostering a collaborative environment focused on delivering exceptional customer service.

Business Plan for NIO

This business case delves into the promising investment opportunity of importing electric vehicles (EVs) into the Dominican Republic, with a strategic vision to establish ourselves as a pioneering hub in Latin America. Our mission is to kickstart our operations in the Dominican Republic and subsequently expand our presence throughout the Caribbean and across Latin America.

Establishing the Dominican Republic as our initial hub is a strategically pivotal decision that underpins our broader mission to expand operations into the Caribbean and Latin America. The Dominican Republic's geographical location serves as an ideal gateway to both the Caribbean and Latin America. Its proximity to key markets within the region facilitates efficient logistics and distribution channels. This central location reduces transit times and operational costs, optimizing our ability to serve neighboring markets effectively. Operating from a centralized hub in the Dominican Republic enables streamlined supply chain management and logistical efficiencies. We can establish distribution networks, service centers, and support infrastructure more effectively, ensuring a consistent and reliable customer experience as we expand into neighboring markets.

Business Plan for NIO (Cont.)

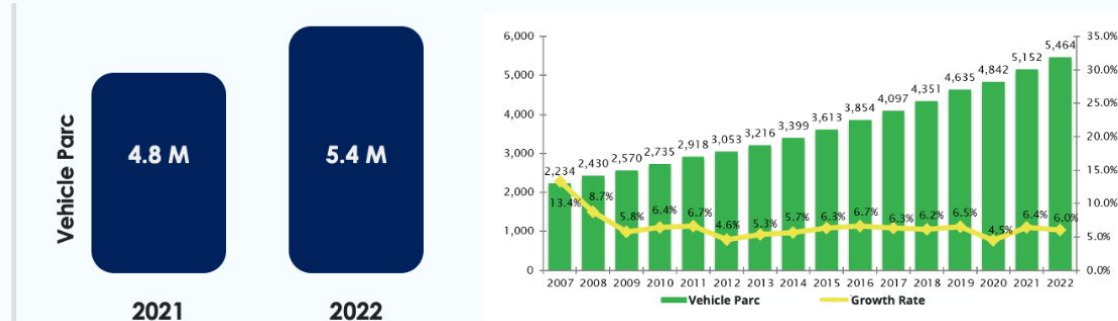
The Dominican Republic also represents an ideal entry point into the broader Latin American market due to its relatively stable economy and established infrastructure, providing a solid foundation for launch. Building our presence here first allows us to gain valuable insights into local consumer preferences and regulatory nuances before expanding further. This country also holds substantial influence in Caribbean and Latin American trade and commerce. By establishing ourselves successfully in this market, we position ourselves as a credible and experienced player within the region. This influence can be leveraged when seeking partnerships, navigating regulatory landscapes, or building relationships with key stakeholders throughout the Caribbean and Latin America.

The investment amount, vehicle volume projections, and initial purchase quantity will be meticulously determined based on the available models and their pricing. Our strategic entry into the market, coupled with our adaptability to shifting market dynamics, will enable us to not only secure a robust position in the Dominican EV market but also to contribute to sustainable transportation solutions while achieving profitable growth over the next three years.

Business Plan for NIO

Based on market research performed by Lupa Research (ALLMEDIA Group), the vehicle parc of the Dominican Republic keeps growing. At the end of fiscal year 2021, the total parc amounted to 5,152,448 units, registering an increase of 6.4% compared to the previous year, equivalent to 310,081 new units. In terms of vehicle imports (both new and used vehicles), from 2016 to 2019 vehicle imports have increased, surpassing 23,495 units in 2012 to 82,521 in 2019 (251% growth). New vehicle imports have seen a slight growth, from 22,636 to 23,252 units in 2019 (2.7% growth).

Evolution of the vehicle fleet per year
Years 2006–2021; in thousands of units:



Business Plan for NIO

The Dominican Republic is experiencing a growing interest in electric vehicles due to environmental concerns, government incentives, and rising fuel prices. The total vehicle market, including electric vehicles, is expanding. This presents an opportune moment for our company to enter the market and capitalize on the burgeoning demand for EVs.

598

Electric vehicles imported in the year (2022). Of that total, ten automotive companies comprise 415 units.

Brands with the most penetration

- BYD
- Tesla
- Hyundai
- BAIC
- KIA
- Go Electric
- Chevrolet
- Changan
- Fiat.

Imports exceed

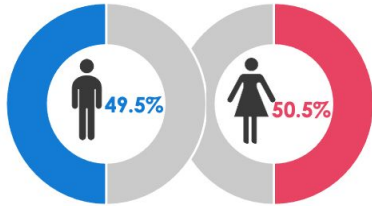
The import of **new** electric vehicles **surpasses** the import of **used** electric vehicles.

Macro Environment Analysis

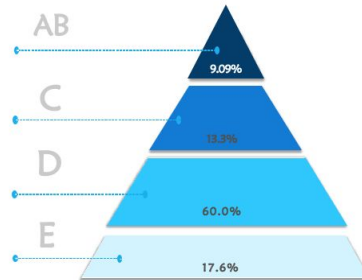
Demographic Composition

- Area: 48,310.97 km²
- Geographical distribution: 32 provinces
- Language: Spanish
- Currency: DOP (Dominican pesos)
- Population: 10,760,028
- 80% urban, 20% rural

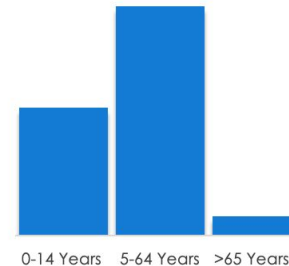
GENDER



SOCIOECONOMIC STATUS

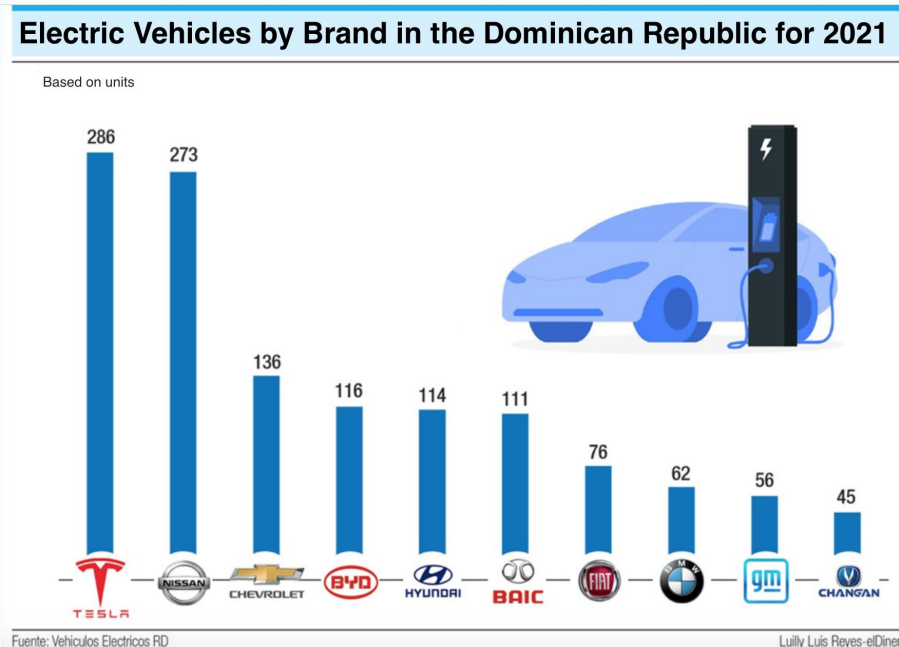


AGE



EV Market Analysis

The country boasts an impressive selection of over 70 electric car models, positioning it as one of the most diverse markets in the region, with an estimated 3,000 electric vehicles currently in use. Leading the market are Tesla, Nissan, and Chevrolet, which were the top-selling brands in 2021.



EV Market Analysis (Cont.)

The Dominican Republic has made substantial strides in expanding its EV charging infrastructure, with more than 350 charging stations distributed across all 32 provinces. This growth has made it increasingly convenient for electric vehicle owners to find charging stations in recent years. Additionally, the presence of more than 10 specialized maintenance centers for electric vehicles further supports the burgeoning electric mobility ecosystem in the country.

Map of electric vehicle fueling stations in the Dominican Republic:



Taxes, Regulations and Policies

- Only vehicles of five (5) years or fewer since the year of manufacture can be imported.
- For EV, there is a Tax Lien equivalent to 10% of the valuation of the vehicle and an additional 9% VAT.
 - Law 103-13, incentivizes the importation of non-conventional energy vehicles by offering a substantial 50% reduction in import taxes, including those associated with obtaining the first license plate. As a result, a wide range of electric vehicles with values ranging from US\$11,000 to US\$150,000 are now available in the Dominican Republic.
- Vehicle engine size cannot exceed 200,000 CC.
- Unencumbered Title Deed
- If new, the vehicle's name must appear on the front of the registered owner's title.
- If the car is for sale, both the seller and the buyer must sign on the back of the title, in the corresponding spaces.
- Commercial invoice in the language of the country of destination.
- Certificate of Origin (to apply tariff preferences according to Trade Agreements).
- Know the embarkation.
- Filling out the Documento Único Administrativo (DUA).

NIO Models

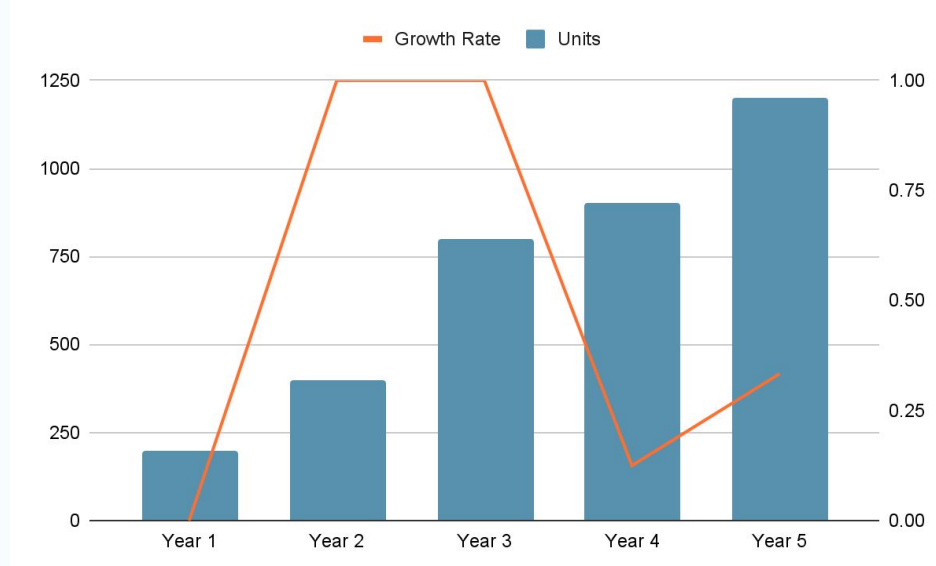
We estimate importing and selling 200 vehicles in the first year. The total initial investment amount for the next five years will be determined based on the selection of available EV models and their respective pricing.

Below is a tentative list of vehicle models and quantities that we'd like to introduce the first year:

Vehicle Model	Units
ET5	150
EC6	25
EC7	10
ES6	10
ES8	05

Sales Volume Forecast

Below is a five-year sales forecast which is structured around the aforementioned 200 vehicle models.



Our initial investment will encompass expenses such as importing vehicles, establishing infrastructure, marketing and promotion, and necessary operational costs. After establishing the brand in the Dominican Republic and garnering a strong presence in the market, we plan on expanding the brand into other territories and project a robust market expansion year over year.

Brand Development Plan

Our brand development plan is designed to position NIO as a leader in sustainability and innovation within the Dominican Republic's market. We will focus on creating a brand that represents sustainability, innovation, and reliability while catering to the unique needs of the Dominican Republic's consumers.

Market Analysis

- **Market Research:** We have conducted a comprehensive market research study to understand the luxury car market in Santo Domingo. In this study, we have identified key segments such as existing EV owners, EV enthusiasts, and potential clientele. We have gained insight into competitors' strategies, customer preferences, and buying behaviors such as preferred vehicle colors. In this study we have also identified target audiences and created buyer personas for each segment, highlighting their preferences, motivations, and pain points. This will allow us to craft tailored marketing messages and campaigns to target different segments effectively.
- **Target Audience:** Target customer segments have been identified, these include environmentally-conscious individuals, young adults, and individuals looking to save money on gas.

Brand Strategy

- **Brand Identity:** Leverage NIO's global reputation for innovation, technology, and sustainability. Customize the brand identity to resonate with the Dominican Republic's culture and values.
- **Value Proposition:** Clearly communicate NIO's value proposition, emphasizing advanced EV technology, autonomous driving capabilities, and a superior user experience.

Brand Development Plan

Marketing and Promotion

- Digital Presence: Create a user-friendly website and establish a strong presence on social media platforms. Regularly update content and engage with customers through informative blog posts, videos, and community-building initiatives.
- Local Partnerships: Collaborate with local environmental organizations, government bodies, and influencers to promote our brand as a leader in sustainability.
- Test Drives: Organize test drive events at strategic locations in Santo Domingo to give potential customers hands-on experience with our EVs.

Product Line

- Variety: Introduce a range of NIO EV models suitable for various market segments, including compact cars, SUVs, and high-performance vehicles.

Distribution and Service

- Showroom: Establish a flagship showroom in Santo Domingo for customers to view and test our vehicles.
- Service Network: Develop a network of service centers and partnerships with local auto repair shops to ensure prompt maintenance and repairs.

Monitoring and Evaluation

- Key Performance Indicators (KPIs): Define KPIs to measure brand awareness, customer engagement, and sales growth.
- Feedback Loop: Continuously gather customer feedback and adapt the brand strategy and product offerings accordingly.

Risk Assessment

- Regulatory Challenges: Stay informed about evolving regulations related to EVs in the Dominican Republic and adapt our strategies accordingly.
- Market Competition: Monitor the competitive landscape and be prepared to adjust pricing and marketing strategies as needed.

Site and Facility Plan

- Potential location of facility: Santo Domingo, Dominican Republic.
 - Estimated area: 800-1,000 m²
- Inbound storage warehouse: 400-500 m²

We propose a strategically located site in Santo Domingo, Dominican Republic, for a potential electric vehicle facility. The proposed location offers excellent accessibility, situated near major transportation routes and urban centers. Within the dealership, we plan to include a showroom to display the latest EV models, customer service and sales offices, a service center equipped with cutting-edge diagnostic and maintenance equipment, and an EV charging station for customer convenience. This comprehensive facility will not only meet operational needs but also offer a convenient and attractive environment for potential customers, facilitating the growth of electric vehicle adoption in the region.

An inbound storage warehouse plays a pivotal role in the operations of a car dealership. It serves as a secure and organized space for efficiently managing vehicle inventory. This facility is crucial for safeguarding vehicles from environmental factors and optimizing showroom space. It also aids in seasonal inventory management and facilitates vehicle preparation, customization, and quality control before showcasing them in the showroom. Overall, an inbound storage warehouse enhances inventory management, protects vehicle assets, and contributes to a seamless and organized customer experience at the dealership.

Management and Staffing Plan

The summarized management and staffing plan outlined herein serves as a dynamic framework designed to address the immediate operational needs and objectives of the organization. It is important to recognize that this plan is subject to change in response to evolving circumstances, such as shifts in market dynamics, unforeseen challenges, or strategic adjustments. As the company grows and adapts, so too will the management and staffing approach, ensuring that we remain agile and responsive to the ever-changing business landscape. Continuous evaluation and refinement of this plan will be integral to our ability to achieve sustained success and meet emerging opportunities and challenges effectively.

- 1 General Manager
- 1 Sales Manager
- 4-5 Sales Persons
- 1 Finance & Insurance Manager
- 1 Marketing & CRM Manager
- 1 Sales Administrator
- 1 Receptionist
- 1 Service Manager
- 2-3 Service Advisor
- 1-2 Warranty Administrator
- 1 Spare Parts Manager
- 1 Senior Technician
- 2-3 Technicians



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