



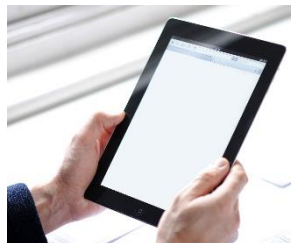
Project Electric

Electric car rental, fully digital

January, 2018



Investment at a glance



Strategy

Project Electric's vision is to make every step of renting a car **simple, easy** and **fast**, by proposing the following solution:



100% DIGITAL



100% ELECTRIC



100% SEAMLESS

Why electric?

- Governmental push for green energy
- Regulation & diesel scandal
- Increasing customer demand
- Reducing production cost
- Major manufactures rapidly scaling up

The **resourcing strategy** is based on innovative business & technology leaders, with a strong track record in successful execution

KPMG Luxembourg has been mandated by the seller to act as its financial adviser and conduct vendor assistance

Customer value proposition

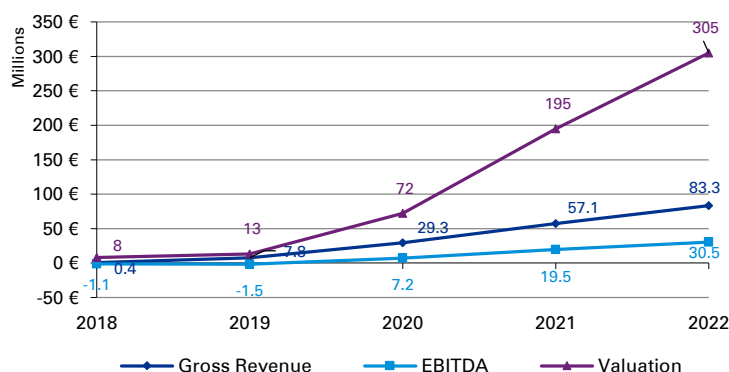
Key drivers are: **Fast, Easy** and **Transparent Car Rental** experience
Project Electric will be **the first on the market** to be fully application driven, with an electric fleet, one price only and with an **"Arrive & Drive"** concept with close terminal location

The proposed **customer experience** will start with a simple online reservation, making it paper and anxiety free. At the Airport, the app will direct the customer to the car and the client can directly drive. At the end of the journey, no refueling is needed.

The **value brought to customers:**

- Time Saving - Arrive & Drive
- Price Transparency - no hidden extras or hard sell insurance
- Automated self-served smartphone platform
- Experience of Top Electric Vehicles
- Value add travel extras such as digital support, easy return, no fuel
- Highly attractive to repeat travelers and business users

Key Financials



Source: KPMG analysis based on Management Information

Key Investment figures

€5.3m

Required for a **3-year**
set-up **investment**

24 Months

Break-even point

128%

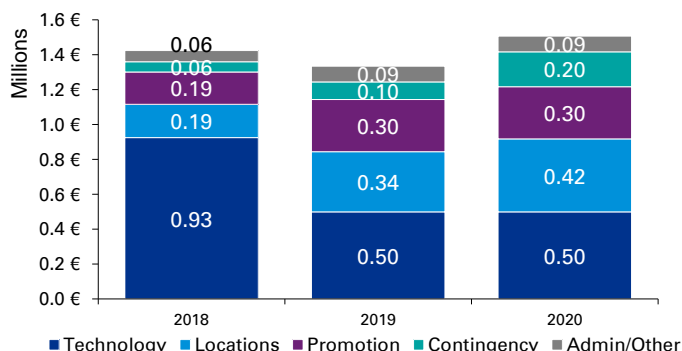
5 Year IRR

€7.2m

Expected **EBITDA** in
year 3, increasing
over €30.5m by year 5

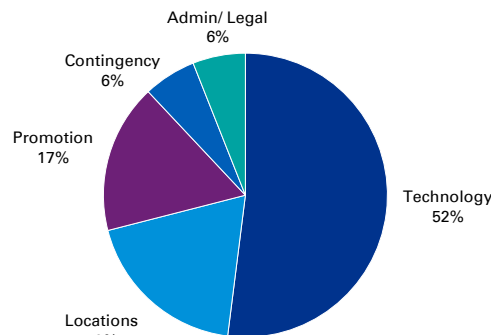
Use of investment funds

I. Funding Use of the Investment



Source: KPMG analysis based on Management Information

II. Composition



Investment details

The plan is to establish an integrated platform facilitating the **rental process of electric cars**, placing **simplicity, safety** and **accessibility** as its centrality

Implementation phases

Phase I: Europe

Zone 1 - Benelux
Zone 2 - Germany, Austria, East Switzerland
Zone 3 - Ireland & UK
Zone 4 - France, West Switzerland
Zone 5 - Spain, Italy & Portugal
Zone 6 - Scandinavia

Phase II: USA



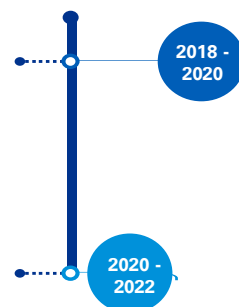
UFO Launch in April 2018

Timeline

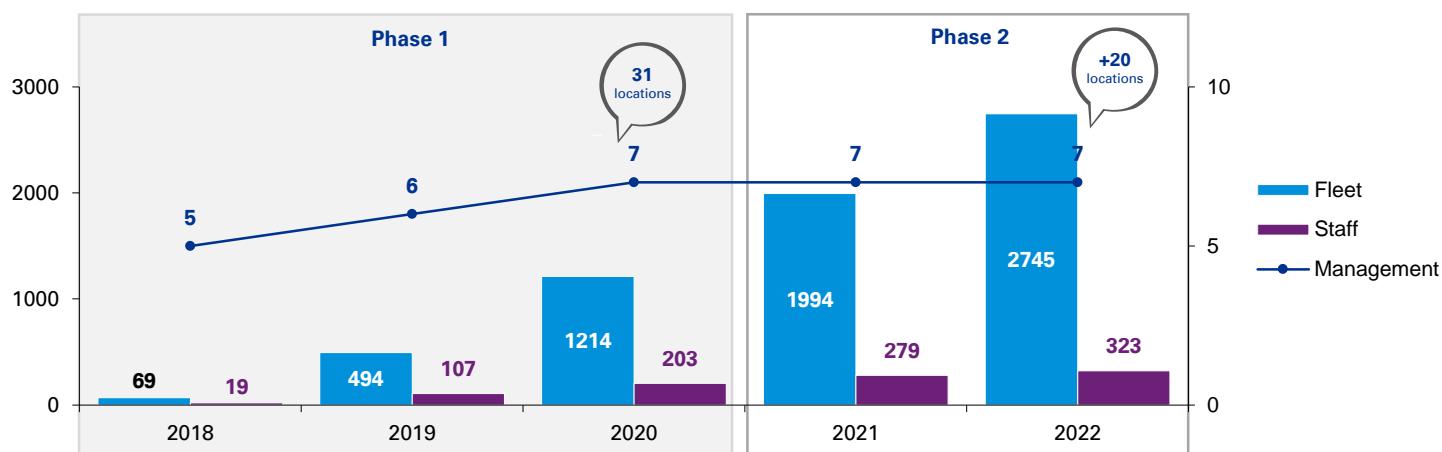
Phase I is planned to be finalized by the end of Year 3 and will include **31 locations**, targeting:

- Time conscious business travelers
- Corporates & Hotel Chains
- Regular Repeat travelers

Phase II will consist in the development of an additional **20 locations** within USA



Development highlights



Key competitive advantages

Project Electric will be the first movers in **all electric fleet** giving a prime position in major airports through collaboration agreements on electric charging infrastructure

An agreement has been reached with the **Luxembourg Airport** to launch in Project Electric in **April** in Luxembourg

My UFO - Customer tailored service for car settings and journey preference which will be repeated in all UFO Vehicles where booked. For example seat settings or screen preferences will be saved and automatically available for each specific customer regardless of location

Despite recent major investments, none of competitors have the entire **E2E proposition** as the Company proposes

Massive investment in EV's with all **major OEM's**

The Electric Vehicle market will observe massive **investment in Charging Infrastructure**, and particularly in the EU and US

Brand identity

Complex
Slow
Scary
Rip off

Stressful
Old
Boring



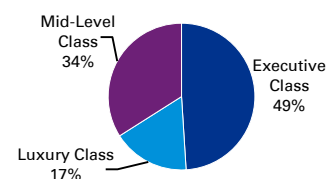
Seamless
Light-speed fast
Qualitative
Honest/ Straight

Innovative
High-tech
Reliable
Eco-friendly

Business model

I. Target customers

- Luxury class
- Executive Class
- Mid-Level class



II. Execution

- **Luxury class fleet:** Tesla Model S/X and X plus Jaguar iPace
- **Executive Class fleet:** Tesla Model 3, BMW i3
- **Mid-Level class fleet:** VW eGolf / LEAF 2018 / Chevy Bolt

III. Promotion

Phase I

- Airport installation / launch event
- Ministry launch support
- **TESLA collaboration**
- Corporate promotion
- Local media (paper jam etc.)
- Travel media (futurescope)
- Social media

Phase II

- OEMs collaboration agreement
- Rental aggregator
- Corporate promotion
- EU - Lux support

Investment context



Car rental - a market with high growth potential



2015

\$72.7bn

\$124bn

2022

- The car rental market size was valued at **USD 72.74bn in 2015** is expected to reach **USD 124bn by 2022**. The industry's growth over the last few years can be attributed to the expansion and progression of the worldwide travel and tourism industry
- The globally rising disposable incomes together with enhanced road infrastructure are regarded to be the key factors that have propelled the number of leisure and business trips, thereby boosting the industry growth
- The global car rental industry has been experiencing a major transformation over the last few years. Intense competition and exigent economic conditions prevalent across the globe have driven transformation in the industry over the historical period
- The impact of information technology in the industry has driven the **transformation of the car rental services**. The growing trend of using the Internet for customizing travel trips and online reservations & bookings is anticipated to propel the use of technology in the industry. The **implementation of technology** in these services makes the whole process safe, quick, reliable, and easy for consumers. In addition to this, the hassle-free process of online reservations and bookings increases convenience for both, the operators and customers.

Source: <https://www.grandviewresearch.com/industry-analysis/car-rental-market>



Competitors

The present global market is relatively fragmented in nature and is on the verge of consolidation as the top five players tend to dominate the overall market share. The key companies include Avis Budget Group, Enterprise Rent-A-Car, Europcar, The Hertz Corporation, and Sixt.

The key players are focusing their efforts on enhancing customer services in order to stay competitive and maximize profitability in the global industry. However, **according to UFO representatives**, these are:

- Slow to adapt their business models to non core electric / digital service only
- Large in place overheads paid for by rental extras
- Legacy operators have existing agreements with car manufacturers
- Project Electric footprint per airport is small and not threatening in the beginning
- Specific customer target segment

Source: <https://www.grandviewresearch.com/industry-analysis/car-rental-market>



Market challenges

Potential obstacles to future growth depend on the ability to actively address the key concerns of the targeted customers:

- Non - transparent pricing** - One of the challenges customers are facing is caused by the fact that basic options added to the rental car, such as GPS, kids seats, fuel, double the sticker price
- Complex insurance options** - The customers, more than often, have to chose from various insurance options, with differentiated prices, which cause confusion
- Lines** - The average booth-to-car time is 40min
- Paperwork** - Filling in the documents is a time-consuming process, due to the numerous requirements
- Customers don't get the car they booked**
- Fuel & mileage options** - Fuel stations close to airports are the most expensive, companies usually charge for part fueled return, time hassle
- Due to the refuel, car drop off and inspection, customers get a certain **return anxiety**



EV market trends

- New registrations of electric cars hit a **new record in 2016**, with over 750 thousand sales worldwide
- With a **29%** market share, **Norway** has incontestably achieved the most successful deployment of electric cars in terms of market share, globally, followed by the **Netherlands**, with a **6.4%** electric car market share, and **Sweden** with **3.4%**
- China, France and the United Kingdom all have electric car market shares close to **1.5%**. In 2016, China was by far the largest electric car market, accounting for more than 40% of the electric cars sold in the world and more than double the amount sold in the United States

Source: *Global EV Outlook 2017*



Further steps and communications

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