



Baja ETS

Financial Analysis 2023

Monthly operation cost		
Advertising	30 000,00 \$	Website maintenance, shows, races, etc.
Equipment repair and maintenance	10 050,00 \$	
Insurances	10 000,00 \$	
Offices expenses	9 000,00 \$	Includes telecommunication, furnitures, cafeteria supplies, etc.
Additional expenses	8 500,00 \$	Including fleet storage.
Electricity	9 000,00 \$	
Research & Development	15 000,00 \$	Research in new products and improvement of current ones.
Municipal and other taxes	11 000,00 \$	
Salary	1 041 600,00 \$	145 workers, 20 engineers, 6 quality control, 5 customer service, 2 race logistics
Total:	1 144 150,00 \$	

Race operation cost		
Sponsors	(30 000,00) \$	Support from partners and sponsors for races
Races venue	40 000,00 \$	Venue for 7 days (QOR) + Permits
Tents	10 000,00 \$	Tents rental
Transportation	17 000,00 \$	Fleet of rental vehicle and parts, fuel
Race Prep and Security	20 000,00 \$	course outline, setup / cleanup, staff, insurances
Insurances	15 000,00 \$	Insurances and wavers
Race equipment	30 000,00 \$	Lap counter, GPS, communications, flags, transmitter, broadcasting equipment, etc.
Total for first QOR :	102 000,00 \$	
Total for recurring QOR :	72 000,00 \$	

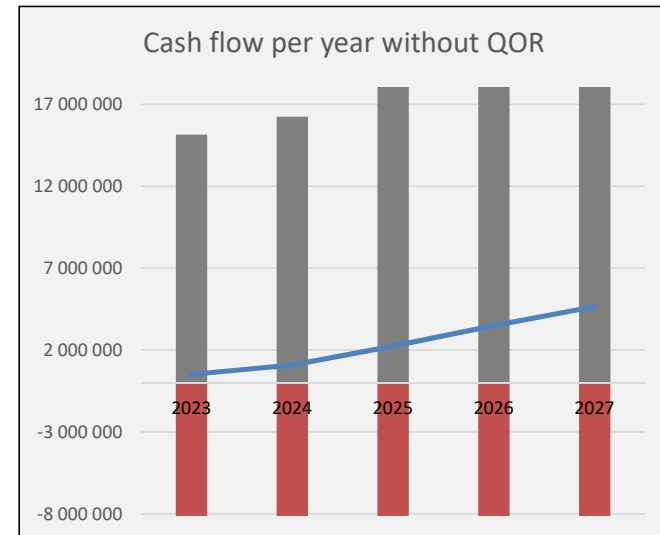
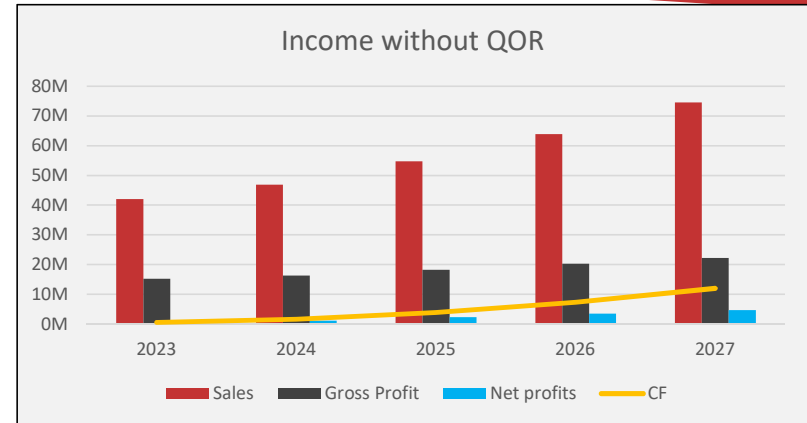
Manufacturing price per car		2022
Material cost		5 485,25 \$
Labor cost		400,00 \$
Total:		5 885,25 \$

Assumption	
Retail price of the car	8 399,00 \$
outcomes inflation by year	0,2%
time of labor on each car (min)	400,00 \$
Normal hourly rate for workers	19,00 \$
Average expenses of customer on accessories at purchase time	2 000,00 \$
Average expenses of customer on parts at each month after 6 months of ownership	30,00 \$

Race assumption	
Participant Entry Fee	6 999,00 \$
Spectator Entry Fee (15+)	25,00 \$
Spectator Entry Fee (15-)	15,00 \$
Gold ticket (18+)	100,00 \$
Online Subscription Fee	20,00 \$
average merch sale per spectator (hat, shirt, hoodie, coat)	9,99 \$

INCOME STATEMENT WITH NO RACE

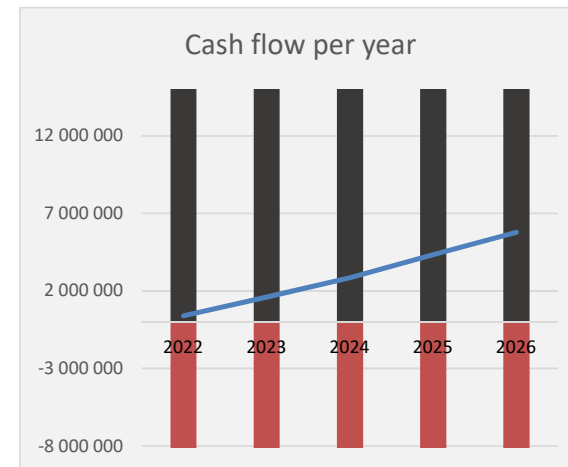
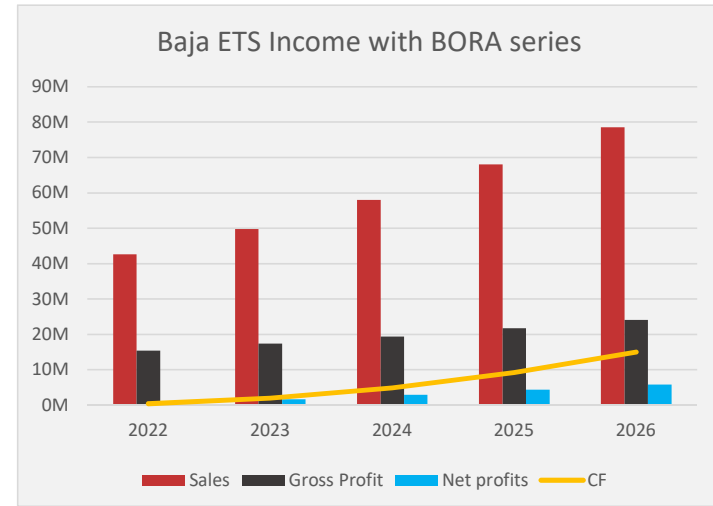
	2023	2024	2025	2026	2027
Sales					
Cars sold	33 580 799	37 447 345	43 725 459	51 056 110	59 615 757
Accessories	7 996 380	8 917 096	10 412 063	12 157 664	14 195 918
Parts	379 828	423 562	494 573	577 489	674 306
Total Sales	41 957 008	46 788 003	54 632 095	63 791 262	74 485 981
Cost of Goods Sold (COGS)					
Material cost	-21 931 073	-25 004 988	-29 927 046	-35 817 978	-42 761 327
Labor cost	-1 599 276	-1 828 005	-2 187 835	-2 618 495	-3 133 927
Accessories	-3 198 552	-3 631 880	-4 261 089	-4 995 951	-6 267 855
Parts	-81 304	-85 979	-94 195	-110 874	-130 441
Total COGS	-26 810 205	-30 550 851	-36 470 165	-43 543 298	-52 293 551
Gross Profit	15 146 803	16 237 152	18 161 930	20 247 965	22 192 430
	36%	35%	33%	32%	30%
Fixed Expenses					
Facility expenses	-855 600	-876 990	-898 915	-921 388	-944 422
Advertising	-360 000	-369 000	-378 225	-387 681	-397 373
Salaries	-12 499 200	-12 811 680	-13 131 972	-13 460 271	-13 796 778
Total Fixed Expenses	-13 714 800	-14 057 670	-14 409 112	-14 769 340	-15 138 573
EBITDA	1 432 003	2 179 482	3 752 818	5 478 625	7 053 857
	4%	6%	9%	11%	12%
Depreciation	-120 000	-120 000	-120 000	-120 000	-120 000
EBIT	1 312 003	2 059 482	3 632 818	5 358 625	6 933 857
Interest Expense	-571 579	-507 553	-440 251	-369 505	-295 140
Gross profits before taxes	740 423	1 551 929	3 192 568	4 989 120	6 638 717
Taxes	-222 127	-465 579	-957 770	-1 496 736	-1 991 615
Net profits	518 296	1 086 350	2 234 797	3 492 384	4 647 102
	2%	3%	5%	7%	8%



INPUTS SHEET WITH QOR

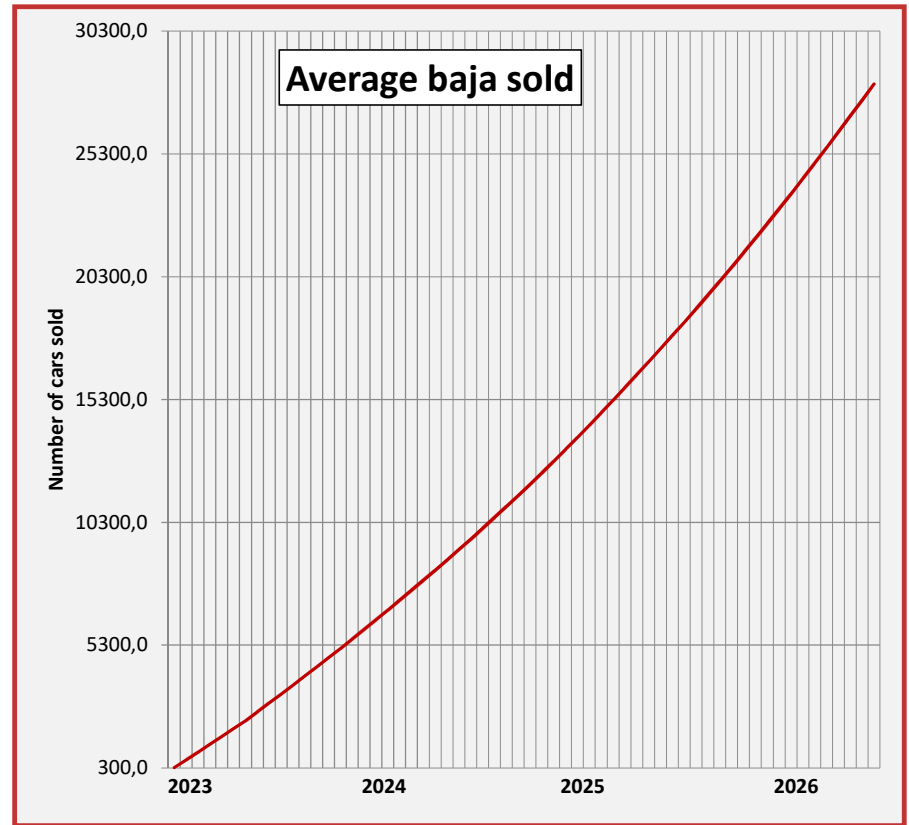
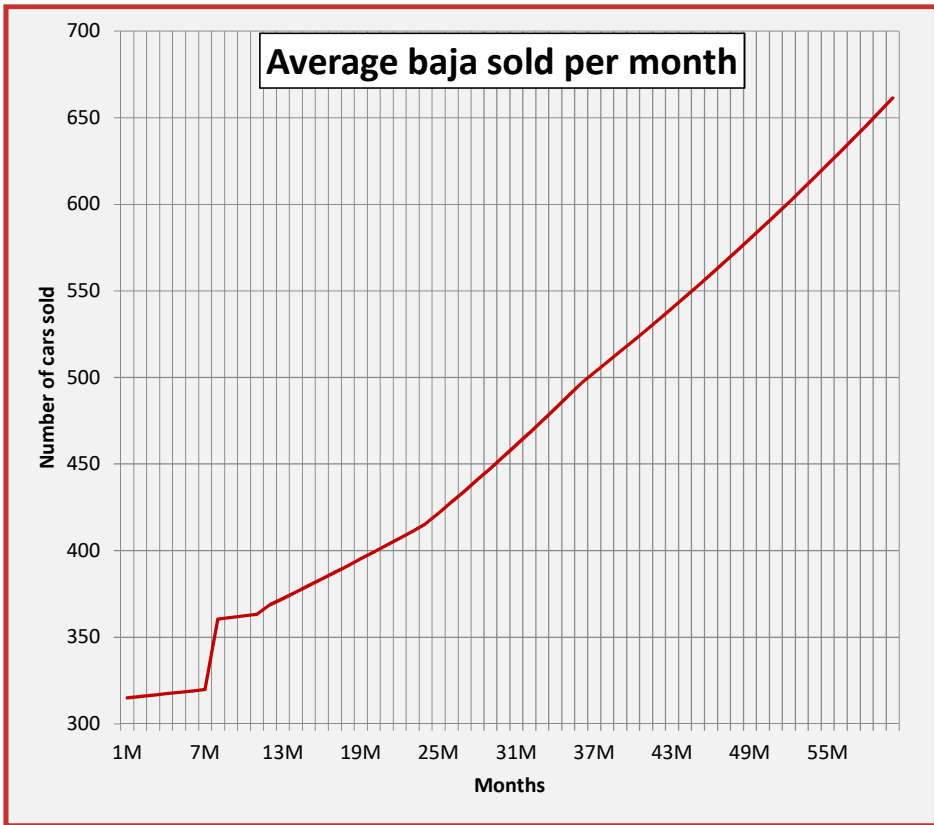
		Bank Debt		Working Capital			
Assumptions							
12 months		Loan	12 000 000	60 days AR			
365 days		Interest rate	8,00%	2% COGS			
		years	8	0 days AP			
		Payments	169 640				
Inflation		2023	919 669	Capital			
2,5%		2024	827 040	Common shares	18 000 000		
		2025	726 723				
Tax Rate		2026	618 080	Funding Requirement			
30%		2027	500 420	\$ needed	30 000 000		
Dividends		depreciation		Ke	20%		
2023	0	6 years		G	1%		
2024	0	720 000 equipment					
2025	250 000	120 000					
2026	300 000						
2027	350 000						
		2023	2024	2025	2026	2027	Infinite
Period		0	1	2	3	4	5
Inflation multiplier on revenue		1,000	1,000	1,000	1,000	1,000	
Inflation multiplier on costs		1,000	1,025	1,051	1,077	1,104	
Vehicles sold		4 038	4 723	5 500	6 447	7 439	
Per Race							
Participants		25	31	38	47	56	
Rental Fleet Vehicles		0	0	0	0	0	
Spectators (15+)		183	211	258	320	381	
Spectators (-15)		164	190	233	288	343	
Golden ticket		73	84	103	128	152	
Spectators online		91	105	129	160	190	
Total :		511	590	724	895	1 066	
Debt opening balance	12 000 000	10 883 987	9 675 345	8 366 386	6 948 785		
Debt repayments	-1 116 013	-1 208 642	-1 308 958	-1 417 601	-1 535 262		
Debt final balance	10 883 987	9 675 345	8 366 386	6 948 785	5 413 524		
Equipment	720 000	600 000	480 000	360 000	240 000		
Depreciation	-120 000	-120 000	-120 000	-120 000	-120 000		
Equipment value	600 000	480 000	360 000	240 000	120 000		

INCOME STATEMENT WITH QOR						
		2023	2024	2025	2026	2027
Sales						
Cars sold	36967104,41	33 914 775	39 668 288	46 191 022	54 148 797	62 482 006
Accessories	8802739,471	8 075 908	9 445 955	10 999 172	12 894 106	14 878 439
Parts	449195,1249	412 106	484 023	565 781	666 050	770 566
Spectators	0	5 429	6 271	7 687	9 508	11 329
Participants	0	148 729	184 424	226 068	279 610	333 152
Media Relations	0	2 735	3 159	3 872	4 789	5 706
Rental Participants	0	0	0	0	0	0
Total Sales	46219039,01	42 559 681	49 792 119	57 993 601	68 002 860	78 481 199
			7 232 438	8 201 482	10 009 259	10 478 338
Cost of Goods Sold (COGS)						
Fleet vehicles	0	0	0	0	0	0
Material cost	-22 149 436	-26 488 304	-31 614 933	-37 988 096	-44 817 796	
Labor cost	-1 615 182	-1 936 421	-2 311 201	-2 777 108	-3 284 603	
Accessories	-3 230 363	-3 847 281	-4 501 361	-5 298 577	-6 134 819	
Parts	-177 050	-180 500	-182 044	-183 513	-184 900	
Total COGS	-27 172 031	-32 452 505	-38 609 538	-46 247 294	-54 422 119	
Gross Profit		15 387 650	17 339 614	19 384 063	21 755 566	24 059 080
		36%	35%	33%	32%	31%
Fixed Expenses						
Facility expenses	-855 600	-876 990	-898 915	-921 388	-944 422	
Advertising	-360 000	-369 000	-378 225	-387 681	-397 373	
Race expenses for SEMA	0	0	0	0	0	
Race expenses for Baja ÉTS	-32 000	-32 800	-33 620	-34 461	-35 322	
Race initial expense	-30 000	0	0	0	0	
Salaries	-12 499 200	-12 811 680	-13 131 972	-13 460 271	-13 796 778	
Total Fixed Expenses	-13 776 800	-14 090 470	-14 442 732	-14 803 800	-15 173 895	
EBITDA		1 610 850	3 249 144	4 941 331	6 951 766	8 885 185
		5%	8%	11%	13%	14%
Depreciation	-120 000	-120 000	-120 000	-120 000	-120 000	
EBIT		1 490 850	3 129 144	4 821 331	6 831 766	8 765 185
Interest Expense	-919 669	-827 040	-726 723	-618 080	-500 420	
Gross profits before taxes		571 182	2 302 104	4 094 608	6 213 686	8 264 765
Taxes	-171 355	-690 631	-1 228 382	-1 864 106	-2 479 429	
Net profits		399 827	1 611 473	2 866 225	4 349 580	5 785 335
		1%	4%	6%	8%	9%



BALANCE SHEET					
	2023	2024	2025	2026	2027
Assets					
Cash	29 190 705	28 419 033	28 374 970	29 328 836	31 462 947
Accounts Receivable	6 996 112	8 185 006	9 533 195	11 178 552	12 901 019
Inventory (matiere premiere)	543 441	649 050	772 191	924 946	1 088 442
Current Assets	36 730 258	37 253 089	38 680 356	41 432 334	45 452 408
Equipment	600 000	480 000	360 000	240 000	120 000
Fixed Assets	600 000	480 000	360 000	240 000	120 000
Total Assets	37 330 258	37 733 089	39 040 356	41 672 334	45 572 408
SHE & Liabilities					
Liabilities					
Accounts Payable	0	0	0	0	0
Current Liabilities	0	0	0	0	0
Debt	10 883 987	9 675 345	8 366 386	6 948 785	5 413 524
Long Term Liabilities	10 883 987	9 675 345	8 366 386	6 948 785	5 413 524
Total Liabilities	10 883 987	9 675 345	8 366 386	6 948 785	5 413 524
Shareholder's Equity					
Common shares	18 000 000	18 000 000	18 000 000	18 000 000	18 000 000
Reserves (without dividends)	0	399 827	2 011 300	4 877 525	9 227 105
Dividends	0	0	-250 000	-550 000	-900 000
Net Income per year	399 827	1 611 473	2 866 225	4 349 580	5 785 335
Total Shareholder's Equity	18 399 827	20 011 300	22 627 525	26 677 105	32 112 441
Total SHE & Liabilities	29 283 814	29 686 645	30 993 912	33 625 891	37 525 964
<i>Check</i>	<i>8 046 444</i>	<i>-8 046 444</i>	<i>-8 046 444</i>	<i>-8 046 444</i>	<i>8 046 444</i>

CASH FLOW STATEMENT					
	2023	2024	2025	2026	2027
Cash Flow from Operations					
Net Income	399 827	1 611 473	2 866 225	4 349 580	5 785 335
Add depreciation / Amortization	120 000	120 000	120 000	120 000	120 000
Change in AP	0	0	0	0	0
Change in AR	-451 310	-1 188 894	-1 348 189	-1 645 358	-1 722 467
Change in Inventory	238 201	-105 609	-123 141	-152 755	-163 496
Cash Flow from Operations	306 718	436 969	1 514 896	2 671 467	4 019 372
Cash Flow from Investing					
Cap-ex Investment	0	0	0	0	0
Cash Flow from Investing	0	0	0	0	0
Cash Flow from Financing					
Change in Capital	18 000 000	0	0	0	0
Change in Debt	10 883 987	-1 208 642	-1 308 958	-1 417 601	-1 535 262
Dividends	0	0	-250 000	-300 000	-350 000
Cash Flow from Financing	28 883 987	-1 208 642	-1 558 958	-1 717 601	-1 885 262
Cash Flow from Period	29 190 705	-771 672	-44 063	953 866	2 134 111
Accumulated Cash Flow	29 190 705	28 419 033	28 374 970	29 328 836	31 462 947



Baja ETS sales figures in million without QOR

	2 023	2 024	2 025	2 026	2 027
Total Sales	41,96 \$	46,79 \$	54,63 \$	63,79 \$	74,49 \$
Total COGS	(26,81) \$	(30,55) \$	(36,47) \$	(43,54) \$	(52,29) \$
Gross Profit	15,15 \$	16,24 \$	18,16 \$	20,25 \$	22,19 \$
EBITDA	1,43 \$	2,18 \$	3,75 \$	5,48 \$	7,05 \$
Net profits	0,52 \$	1,09 \$	2,23 \$	3,49 \$	4,65 \$

Baja ETS sales figures in million with QOR

	2023	2024	2025	2026	2027
Total Sales	42,56 \$	49,79 \$	57,99 \$	68,00 \$	78,48 \$
Total COGS	(27,17) \$	(32,45) \$	(38,61) \$	(46,25) \$	(54,42) \$
Gross Profit	15,39 \$	17,34 \$	19,38 \$	21,76 \$	24,06 \$
EBITDA	1,61 \$	3,25 \$	4,94 \$	6,95 \$	8,89 \$
Net profits	0,40 \$	1,61 \$	2,87 \$	4,35 \$	5,79 \$

Race operation cost per company in millions

CORE		Baja ETS	
Tents (Recurring)	0,01 \$	Sponsors (Recurring)	(0,03) \$
		Race Venues (Recurring)	0,04 \$
		Transportation (Recurring)	0,02 \$
Race Prep and Security	0,02 \$	Insurance (Recurring)	0,02 \$
		Race equipment (Flat)	0,03 \$
Total for first QOR	0,03 \$	Total for first QOR	0,07 \$
Total fro recurring QOR	0,03 \$	Total fro recurring QOR	0,04 \$

CORE Sales figures - 30% profit

year	2023	2024	2025	2026	2027
Funding	(40 000,00) \$	(40 000,00) \$	(40 000,00) \$	(40 000,00) \$	(40 000,00) \$
Total Cash Flow	191 126,25 \$	235 624,80 \$	288 830,40 \$	357 237,60 \$	425 644,80 \$
Total cost	102 000,00 \$	73 800,00 \$	75 645,00 \$	77 536,13 \$	79 474,53 \$
Gross Profit:	26 737,88 \$	48 547,44 \$	63 955,62 \$	83 910,44 \$	103 851,08 \$
EBITDA:	86 737,74 \$	108 547,30 \$	123 955,48 \$	143 910,30 \$	163 850,94 \$