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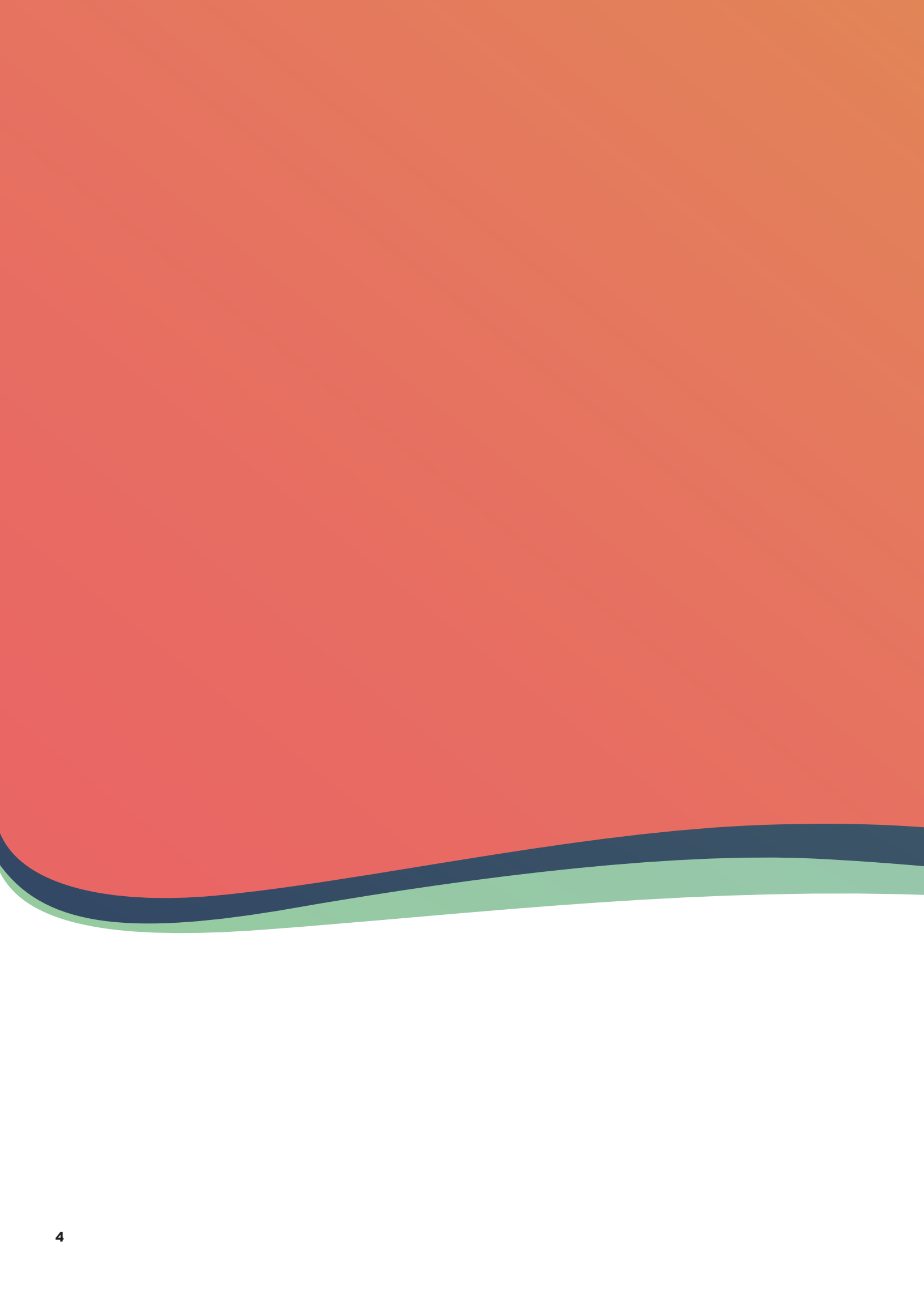
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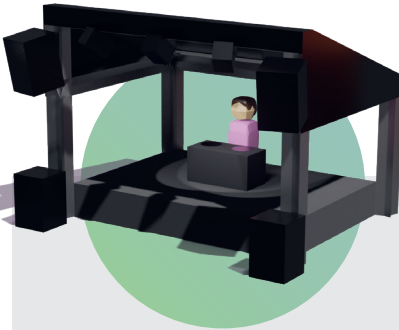
EXECUTIVE SUMMARY

JUNIOR REGIONAL GRANDPRIX

We at J.R.G. Racing have set ourselves the goal of planning the ultimate one-day city event that combines the excitement of street racing with the amusement of an entertaining supporting programme that racing enthusiasts of all ages enjoy. As former Weasels we have used our knowledge, passion, and experience to develop an internationally applicable event concept. Our regional event aims at promoting prospective racing drivers of each representative country and give them the chance to be discovered while racing in our one of a kind jr21. Eight rookies will race in four rounds against each other, and the winner will have the opportunity to show their talent in the Red Bull Junior Team.



A great race needs a great race car! For this, we teamed up with the Weasels of joanneum racing graz to provide our drivers with the best that Formula Student has to offer: the jr21!



To ensure an entertaining programme throughout the event, we invited artists to perform in our lounge areas. The highlight will be the award ceremony and the aftershow party.



A variety of food trucks will serve visitors delicious regional food during the event. Our partner Red Bull will also ensure that the audience stays hydrated and does not run out of energy.

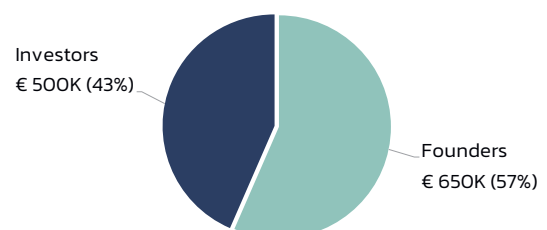
"We strive to bring the greatness of street races closer to people. With our events, we highlight regionality, promote young aspiring motorsport talents, and present the jr21 in the best way possible!" – our vision

Your investment

- Investment of € 500K
- Return on Investment of 213% over four years

In the long term, not only the future motorsport as a whole shall profit from our undertaking, but also you shall profit from your investment in J.R.G. Racing.

Shareholder structure





OUR OBJECTIVES

OUR OBJECTIVES

Mission

It is our mission to organise the ultimate one-day city event that combines the excitement of racing with the amusement of an entertaining supporting programme that racing enthusiasts of all ages enjoy.

Vision

We at J.R.G. strive to bring the greatness of street races closer to people. With our events, we highlight regionality, promote young aspiring motorsport talents, and present the jr21 in the best way possible.



J.R.G. ORGANISATION

ORGANISATION

J.R.G. Racing GmbH

J.R.G. Racing GmbH will be formed as a company that has set itself the goal of planning a thoroughly regional event with the aim of promoting young racing drivers of each representative country. The company's founders are former Weasels of joanneum racing graz who have used their knowledge, passion, and experience to develop an internationally applicable event concept, which serves as a guideline for the regional motorsport events' organisers.

The overall organisation and management of J.R.G. Racing GmbH take place at the headquarters in Graz. The central location in Europe allows us not only fast and cost-effective access to customers, cooperating universities, and sponsors but is also located in close proximity to the automotive industry and our partners joanneum racing graz.

J.R.G. Racing GmbH was founded on 01 February 2021, in Graz as a limited liability company under Austrian law (Ltd) by two shareholders. Michael Jauschnik and Jessica Weidacher together hold 57% of the company's shared capital. In total, the founders contributed € 100K in cash. The remaining 43% will be given to the investors.

As a start-up, we are a very young, dynamic, and ambitious team with a flat hierarchy and a low number of employees, which we hope to grow in the future as we expand to other countries. Our two founders will primarily fulfil our lead management positions as CEO/CFO and COO/CMO.

In addition to our lead management positions, we also employ one full-time employee who helps us with marketing and sales. We also hire one part-time employee who will deal with our back office and helps us with finding volunteers for our events in the summers. Regarding volunteers, we rely on students and pupils, but also motorsport fans who will support us with arranging our events.

As we expand, we want to employ two employees per new country who will focus on making sure our event can take place in that country and one Operations Manager per location, who will carry the primary responsibility.

How we operate

We at J.R.G. operate year-round. However, given the fact that our events are outdoors and therefore can only be hosted in the summer months, our yearly operations are split into three phases. Before any of our events can be successfully run, a certain amount of time for planning and organising is needed. This part of our operations usually occurs in the winter and spring months, from December to May. In the summer months, from June until September, our events

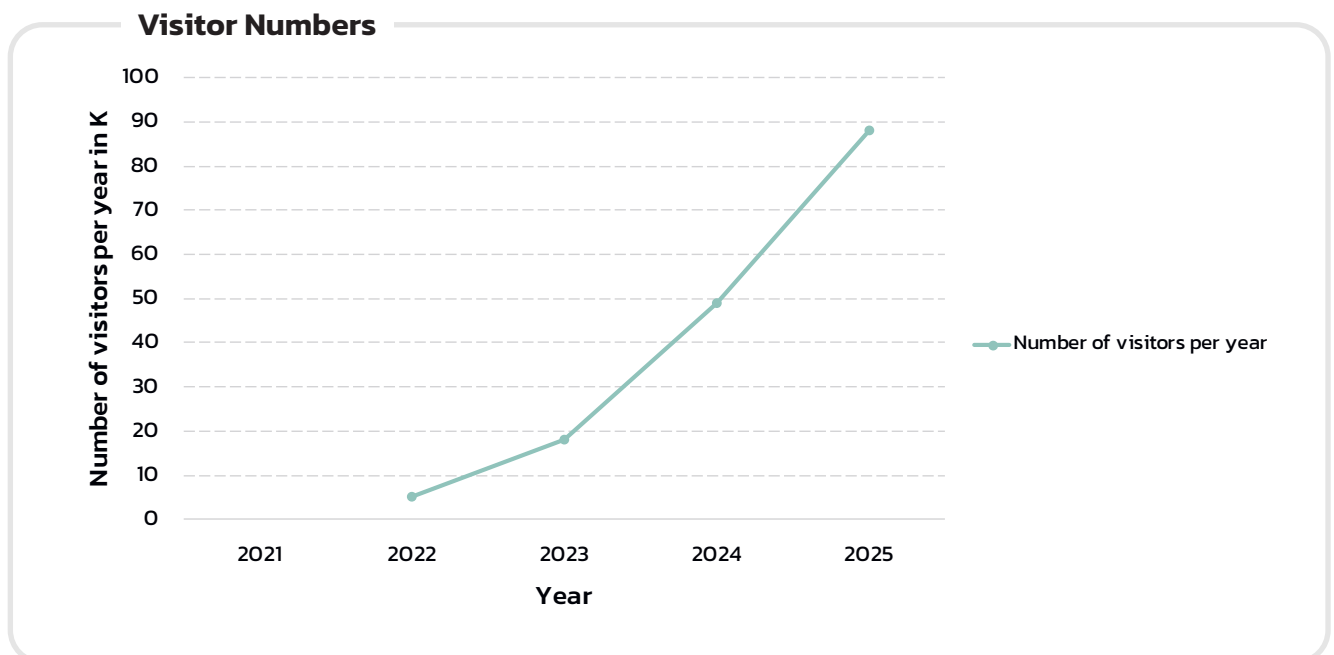
are hosted in various European cities. After the successful running of those events, we take approximately two months off to reflect on the previous event season and gather new motivation for the upcoming year.

Our Goals and Competences

As stated in our vision, our primary goal is to organise events that enable young motorsport talents to show their skills and set the cornerstone for their career. Furthermore, as our events will be hosted in notable cities in European countries, we also want to focus on regionality, as well as raising people's interest in street races. Therefore, J.R.G. events provide a win-win situation for cities, drivers, and visitors alike. What makes our events more distinctive to other race events is that all races will be driven with exclusively manufactured cars, the jr21, our unique key to success.

We are convinced that our events will attract a significant number of visitors as well as aspiring newcomers to the motorsport business. Due to the fact that our events will be hosted at central venues in major cities, we can avail of a well-developed infrastructure that facilitates planning and organisation and makes the events themselves easily accessible for drivers, visitors, and other notable guests.

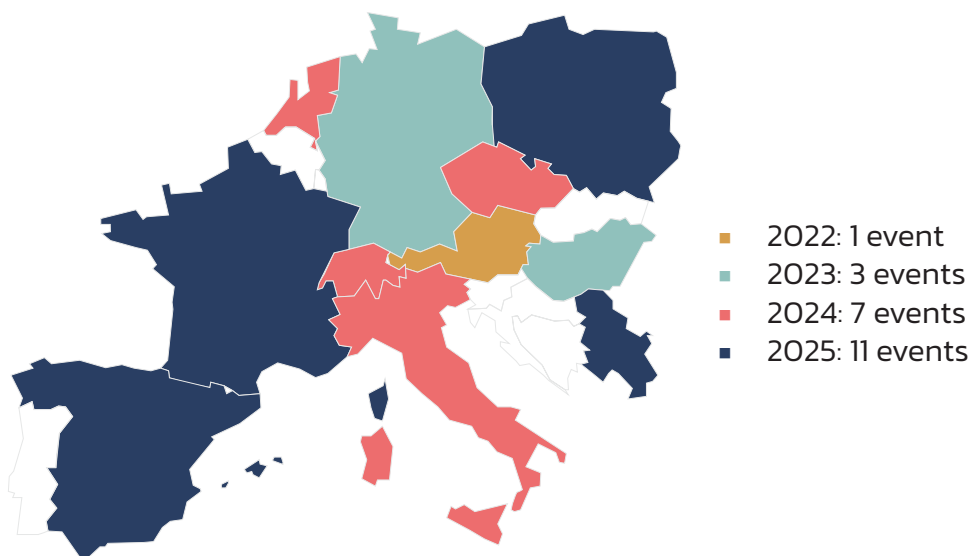
Business Outlook



In 2022, we will host our first event at Maria-Theresien-Platz in the heart of Vienna, Austria. We expect in total 5,000 visitors for this event. 2023 and onwards, we will expand our concept

mainly to Austria's neighbouring countries such as Hungary, Germany, Switzerland, and Italy. However, we also will expand further west to France and Spain and east to Poland and Serbia in the coming years. As for the expected number of visitors per event, we anticipate a steady growth of 1,000 visitors per event per year.

Outlook



2022: First Junior Regional Grandprix in Austria

2023: Expansion to Hungary and Germany

2024: Expansion to Switzerland, Italy, Czech Republic, and Netherlands

2025: Expansion to France, Spain, Poland, and Serbia



BUSINESS CONCEPT

BUSINESS CONCEPT

General Concept

J.R.G. aspires to organise and host the ultimate post-COVID-19 events for racing enthusiasts and young racing drivers alike. According to this principle we offer a day of unique experiences for everyone interested in a completely new form of city street races, while also focusing on the promotion of regionality and allowing future racing drivers to showcase their talent, all in our unique car, the jr21.

We from J.R.G. have worked on a general concept for our events, which can be universally applied in various cities. The first of many future events will take place in Vienna, Austria, in 2022, and in the following years we strive to bring them to Austria's neighbouring countries as well. With all of these events, we are eager to reach as many people as possible, therefore we plan to offer different categories of tickets, with prices varying between € 34.99 and € 159.99.

The main attraction of any of our events will be a small city race. On a racetrack of roughly one kilometre, two drivers, each driving a jr21, will compete against each other, which means that after each round one driver will bow out. Overall, eight young drivers aged 15 to 18 will have the chance to participate. Whoever steps forward as the winner of the competition will be given the unique opportunity to drive against a well-established driver. On top of that, the winner will get the chance to qualify for one of the desired spots in the Red Bull Junior Team.

Besides the main event, we will organise a supporting programme. Throughout the event, there will be musical acts featuring regional newcomers in the music industry. In the evening, after the main event and the award ceremony are over, a DJ will make for a good atmosphere at our aftershow party. As a matter of course, food trucks will offer regional and traditional food to the visitors. We will also provide a separate VIP area, which is exclusively reserved for representatives of our sponsors, as well as the young drivers and their companions. For this VIP area, catering will be provided.

While our events should set the cornerstone for young racing talents' future careers, we also want to put a spotlight on the jr21. Therefore, we will have an info point where Weasels, who manufacture the cars, are on-site and ready to answer any questions relating to the car itself. Furthermore, a dummy version of the jr21 will be displayed, so that visitors can take a closer look at the car and receive information regarding the process of production, design, and partnerships.

Location and Infrastructure

In the following, the reasons for our decisions on our planned expansion in different countries will be elaborated on in further detail:

The most basic general requirement our event venues must fulfil is their location in Europe. The demography of the cities in which our events take place is highly relevant, as they are designed to appeal to the younger section of the population in particular. This also means that cities with several universities are most attractive to us. Additionally, we will mainly focus on big cities which have a high tourist potential and provide well-established local and international transport systems. Through that, we want to make sure that our events can be reached with as little effort as possible. One further essential criterion is the direct proximity of our venues to other tourist attractions in the cities. Finally, we prefer to expand to cities with an established link to motorsport, as we believe that this allows us to generate a bigger audience.

In addition to the requirements for the individual cities where our event can be held, there are also specific regulations for the venue that must be complied with and given. In order to prepare a suitable track for the jr21 of joanneum racing graz, as well as for the young talents, a park with a paved surface, a wide road, a large square, or similar is needed. These places should preferably be centrally located in the host city and have good public transport links such as bus, train, tram, or subway. However, as a part of our visitors will also travel privately to J.R.G. events, sufficient parking (above and underground) is needed nearby. It is also advantageous if companies that are important for our event are not too far away since most of our equipment is rented and therefore logistical costs can be reduced.

To guarantee a smooth and safe running of the races, the venue needs a minimum area of 20,000 – 25,000 m², so that there are adequate run-off zones, as well as sufficient protection for our visitors. Also, this provision will create an exciting track, which again is a positive aspect for our visitors. In addition, there must be enough space for the supporting programme so that potential guests do not feel cramped. In order to prevent damage to our cars, the ground at the venue where the racetrack is located must not consist of cobblestones, gravel, rubble, forest soil, grass, or similar. Also, the asphalt should be in reasonably good condition. A few small bumps scattered along the track are not of importance.

J.R.G. in Austria

Due to the fact that the first of many future events will take place in Vienna, Austria, we take this event as a primary example to explain our general concept in further detail.

In Vienna, we plan to host our event on one of the most well-known and best accessible locations in the city, Maria-Theresien-Platz. The venue is located in the immediate city centre and offers not only perfect conditions for an event like ours, but also makes for a great atmosphere. The racetrack for the city race will be configured as a parallel track with many exciting features, such as narrow turns and a slalom course, where the young drivers can showcase their talent.

The supporting programme at our event in Vienna will include musical acts that feature Austrian singers or songwriters and small Austrian bands, who are thereby given the opportunity to play for a big audience. For the aftershow party, an Austrian DJ will get our visitors in a partying mood by arranging for the best music. In our food corner, a variety of different food trucks will

offer traditional Austrian dishes and fast food, and of course, our visitors will also be served with cool refreshments, alcoholic, and non-alcoholic beverages and coffee. For our VIP guests, a regional caterer will offer a fine selection of regional specialties.

Structure of the Event



Morning – Set-Up

Our event starts with the set-up of the track, tents, grandstands, and supplementing infrastructure which will take most of the morning. The track will be cleared of any debris and rubble that could damage the sensitive jr21. Further, the protective barriers will be put up to ensure a high standard of safety for the drivers and visitors while also defining the track itself.

Various tents will also be set-up, among them are the joanneum racing graz tent where our visitors can talk to Weasels and gather information about the jr21 while also marvelling at an exhibited dummy jr21. Further tents from our sponsor Red Bull will also be set-up and are strategically placed in the infield. Finally, the food trucks will be assigned to their places in the food corner, sanitary facilities will be set-up, and several first aid tents will be prepared.

Noon – Arrival, Welcoming, and Track Walk

At noon, the drivers and their companions arrive on the track and inspect it. They will get an introduction and explanation about the jr21 and its features, so that they may extract the

most out of it and eventually win the tournament. Also welcomed from this point on are the representatives of our sponsors and hosts. Simultaneously, the drivers will do a track walk, examining the track close-up and familiarising themselves with the layout.

Afternoon – Opening and Races

In the afternoon, the event will be opened and our visitors let in; the drivers will then be introduced to the crowd by our hosts. Following the introduction, the driver pairings will perform a warm-up lap, giving them a last chance to familiarise themselves with the track and the jr21. Soon after, the first races take place, each commented on by hosts and professionals.

Evening – Award Ceremony and Aftershow Party

The finale will take place in the evening, where the winner of the previous rounds will compete against the professional driver in one last 1 vs. 1 skidpad race. After the finale, the winner will be crowned and the award ceremony commences. The winner of the Junior Regional Grandprix gets the chance to prove himself at the Red Bull Junior Team, leading to great networking possibilities, new sponsorships, and drawing much attention to oneself. This will give the young driver a head-start into his future up-and-coming racing career as a professional driver.

To round it all off, an aftershow party takes place, exhilarating music and entertainment included.

Time	Agenda item
Until 12 pm	Event set-up
12 pm – 3 pm	<ul style="list-style-type: none"> • Arrival of drivers and their companions, inspection of the track and the jr21, so that they can familiarise themselves with what awaits them • Arrival of hosts • Arrival of representatives of sponsors • Track walk • Driver activities
3 pm	<ul style="list-style-type: none"> • Event opening • Arrival of visitors • Warm-up and presentation of drivers by the event's hosts • Music acts start playing
4 – 7 pm	<ul style="list-style-type: none"> • Races take place • Between races are breaks where drivers are interviewed, their performance is commented on by hosts and professionals that are on-site
8 pm	Award ceremony
8.30	Start of the aftershow party

The jr21 – Tech Report

With the race car being the centre of our event, it is not only about providing breathtaking races but also a unique and exhilarating experience for our young racing drivers, so that they can come one step closer to their dream. Therefore, we have partnered up with joanneum racing graz as our founders as former Weasels have always had a great relationship with the team. To be able to provide our drivers with the amazing jr21 is what makes our event so special!

The jr21 features a lightweight monocoque with an integrated rear structure that weighs only 18 kg and a splitter feature below the car. Together with the other aerodynamic devices, the jr21 generates a total downforce of 980 N at 60kph. The heart of the car, a modified two-cylinder BRP-Rotax engine with 67 kW at 5500 rpm and 134 Nm at 4500 rpm provides the power which is required for the top speed of 119 kph and an acceleration from 0 to 100 kph in below 3.5 seconds. Brand new designed front and rear brake discs ensure a longer lifetime of the vehicle. With a 30% increase in aerodynamic downforce, an engine cover mounted rear wing, as well as a tire wake control and brake duct, the jr21 stands out from other vehicles of its kind.

The jr21 has a simple user-friendly setup and Formula like driving feeling that make it the perfect car for everyone. Even more experienced drivers will see that the car offers amazing feedback of the road which will allow them to take the jr21 to its limits. Therefore, it is the perfect car for our young drivers!

The jr21 is a state-of-the-art car designed, developed, and maintained by our partners, the Weasels from joanneum racing graz which have their workshop and office facility in Graz, Austria close to our head office. The Weasels will provide us with four drivable jr21's and one dummy jr21 which will be presented to the guests of our events. As we expand to other countries, there will be a need for more jr21's which the Weasels will gladly provide us with.



The jr21 – Fact Sheet

- Lightweight monocoque: 18 kg
- Top speed: 119 kph
- Acceleration 0–100 kph: 3.5 s
- 30% increase in aerodynamic efficiency compared to its predecessor
- Engine cover mounted rear wing
- Tire wake control and brake duct

Powertrain

For the powertrain, a 600 cc two-cylinder engine from BRP Rotax and a self-developed gearbox with a carbon fibre reinforced polymer (CFRP) housing are utilised. To improve the performance of the naturally aspirated engine, a turbocharger was fitted. Although the successful integration of the powertrain being the main goal during the development of the jr21 for joanneum racing graz, performance and efficiency were key objectives that were also heavily focused on.

Chassis

The chassis of the jr21 is similar to that of its great predecessor, however, small adjustments and improvements were made to increase torsional stiffness and reduce overall manufacturing time.

Suspension

In general, a double wishbone suspension with push-rod actuation in the front and pull-rod in the rear is used. The suspension of the jr21 was adapted to the increased downforce levels and engine power output compared to its predecessor. Furthermore, the drivability and especially the handling at the limit of the car could be greatly improved. These improvements mainly come from the steering system and dampers. Further, an anti-lock braking system is implemented to improve the overall handling of the vehicle, especially in wet conditions. Additionally, the brake balance is fully adjustable by the driver – this ensures the best brake force distribution for any possible condition.

Aerodynamics

The overall aerodynamics of the jr21 could be greatly improved compared to its predecessor: At 60 kph, the jr21 generates 980 N downforce, an increase of more than 30%. This was mainly possible by increasing the downforce on the rear and redirecting the airflow towards the rear wing. Another highlight of the aerodynamic package is the tire wake control in combination with a covered rim and a brake duct. The tire wake control, in interaction with the covered rim, guides the airflow from the front wing to the side wing and pushes the tire wake outwards.



INDUSTRY ANALYSIS

INDUSTRY ANALYSIS

SWOT Analysis

S

- USP
- Networking opportunity for aspiring racing drivers
- Scalability
- Easy accessibility in city centres
- Focus on regionality

W

- Low capitalisation
- Implementation of the general concept may be difficult in different cities
- Question of physical and material damage

O

- Increasing popularity of motorsport
- *The* ultimate post-COVID-19 event
- Little competition

T

- Dependence on weather conditions
- Dependence on sponsors, drivers, and locations
- Technical deficiencies of the jr21
- Unexpected short-term changes

Strengths

We consider our Unique Selling Proposition (USP) our biggest strength. J.R.G. events present a completely new way of entertainment, while also fulfilling the purpose of promoting young talents in racing. Our events are the perfect place where racing newcomers can get in touch with experienced drivers and thereby not only build a network, but also flag up their skills. Another strength of ours is the scalability of our events. We organise races in small and big cities, as our general concept can be adapted to a varying number of visitors and participants. Furthermore, we expect to generate a high number of potential visitors due to the fact that our events are held in city centres, which makes them easily accessible. Finally, we also promote regionality, as not only each city takes centre stage, but the supporting programme of each event features regional components, such as typical food, music, and celebrities.

Weaknesses

Besides our many strengths, J.R.G. events may also face weaknesses. First of all, the planning and implementation of such big scale events always require a high starting investment and a sizeable amount of capital in general. As we are only a start-up, our capital funds are currently rather low. Second, we may experience some difficulties when implementing our general

concept, as the data collected before each event may not be accurate or there may be other obstacles that we must overcome. Additionally, we are also faced with the question of physical and material damage; the costs of one jr21 are rather high, so we are eager to prevent any crashes. Insurance will be included in the entry fee for each participating driver to cover the costs of any physical damage.

Opportunities

When we look at our opportunities, we consider the increasing popularity of motorsport as a driving factor for the success of our events. Furthermore, considering the current worldwide pandemic, our events, starting in 2022, will be the ultimate experience for anyone, leading people back to a normal way of living. What is more is that our concept does not face limited applicability but can rather be implemented in a great number of different regions. Our events also have the potential to generate a high income. Finally, when looking at the current market for street races and comparable events, there is only little competition for us, which means that we will be able to penetrate the market while creating a growing market share.

Threats

The successful planning and hosting of events depends on a variety of factors, including weather, sponsors, drivers, and locations. Further threats that we could possibly face include threats of technical deficiencies of our cars, the jr21, which would make racing impossible. Lastly, we will also have to be prepared for unexpected short-term changes, which may or may not have a negative impact on the implementation of our events.

Barriers to Market Entry

After looking at possible threats which could influence the outcome of the event, we must also take a critical look at obstacles which could occur before the event can even take place. Therefore, it is important to know potential market entry barriers which could prevent our company from gaining traction in the market we want to operate in.

Capital Requirements

For the implementation of a central motorsport event of this size, the capital requirements in the planning phase are extremely high. It must therefore be ensured that sufficient financial resources are available at the beginning or contributed when needed.

State Barriers

Each country has different regulations, laws, and guidelines that need to be followed during planning and running an event. Because the scope of regulations may differ from country to country, the planning and implementation processes may differ internationally.

Market-specific Barriers

The location of the event must meet many requirements such as ground condition, size, and central location, therefore the search for a suitable event location in each country will lead to various and different challenges. In order to find the right venue, all these requirements should be taken into account.

Environmental Barriers

Sustainability and environmental protection are becoming more important than ever. In order to follow this trend, solutions must be found to compensate for the high CO₂ emissions encompassing our event. This approach not only leaves a smaller ecological footprint, but also makes the event more attractive for visitors.

Dependencies

The planning and implementation of an event of this kind depend on a variety of factors. Each factor can influence the organisation in positive or even negative ways and must therefore be considered during the planning process. Especially unforeseen circumstances can influence our event's success. However, extensive and detailed planning can help to minimise the chance of unpleasant surprises.

The biggest threats for the event itself are unpredictable dependencies. We can foresee the possibility of those risks, but we are not able to directly influence them, as they are out of our control. However, in the best case scenario, they will not even occur.

Unpredictable risk factors include weather conditions on race day, a possible event ban, or restrictions due to a pandemic, injuries to the participating drivers, and irreparable damage to the jr21. Even though these risks can never be mitigated entirely, they should nevertheless play a role in the planning process.

On the other hand, there are also predictable dependencies which describe external factors that we depend on for our event's success. In contrast to unpredictable factors, we can influence them through careful planning, intensive negotiations, and an effective promotion of our event.

Predictable risk factors include the financial dependency on different sponsors, compliance with the event regulations in the respective country, dependency on continuing public interest in the event, and on motivated young drivers to compete in our race, as they pose a crucial part of the programme.

As it becomes clear from the overview above, it is vital to consider these potential risks in the planning procedure. As a result of that, we took special care while organising the race, to minimise the possibility of a negative outcome.

Unique Selling Proposition

In a world where motorsport is becoming more and more expensive, making it harder for up-and-coming talents to move up in the different categories or even participate in the first place, our event is unique and a ray of hope for all those young racers without a strong financial background.

But not only in this respect is J.R.G. a unique motorsport event. The combination of spectacle in the form of racing in the heart of a city and the supporting programme for young and old creates an event that is not only interesting for enthusiasts but also for the whole family.

Size is another important aspect. J.R.G. events do not require long racetracks; therefore, this event can take place in any city. Due to urban location, access to existing infrastructure and public transport connections to and from the event are a given. To be able to realise this, Formula Student cars, such as the jr21 from joanneum racing graz, are used, as these pose an intermediate stage between Go-Karts and a Formula 3 race car.

Even though our main focus is to support young talents in racing, this event also puts Austrian companies and the city in the spotlight. Our event not only creates publicity for the venue, but also for potential sponsors who can get a foot in the motorsport world because of their future drivers.

Nevertheless, one of the most important unique selling points is the universal hosting of the event. This is because it is a general concept which can be applied in any country except for a few minor details, such as the catering, the drivers, and the domestic sponsors.

Trends

As a new company, it is essential to adapt to current movements and expectations of the industry and predict what visitors could possibly be looking for and enjoy. Here are three of the trends considered as crucial for our success:

Demand for Experiences after COVID-19

Due to the pandemic, event managers were forced to organise events, if possible, online which, of course, cannot be compared to an experience on-site. The most essential factors that cannot be replaced are the atmosphere, social interaction, and live action.

Firstly, the atmosphere is a unique factor which cannot be compared between online and real-life activities. Our event offers a special ambiance that reminds one of a large festival with an enthusiastic crowd, a fast-paced environment, and an energetic surrounding.

Secondly, meeting people online cannot substitute social interaction in person. The event is

perfect for gaining a new experience, rebuilding friendships, and meeting new like-minded people.

Thirdly, a live-action experience is incomparable to virtual real-time events. The action of live racing and music will entertain and excite our customers throughout the whole event. Furthermore, music can significantly contribute to a vibrant and positive atmosphere.

Demand for Multifaceted Events

In recent years, multifunctional events have become more outstanding and popular than ever before. People expect to get a high value in return for the ticket price. Different aspects have become more important in the event industry. Examples are quality catering and all-around entertainment.

Our event gives back immense value to our customers. Besides the main attraction of the race, there are multiple activities. The catering guarantees a pleasant experience since you can choose from different regional and international delicacies. Additionally, we will provide live music throughout the afternoon and during the aftershow party.

Undoubtedly, the racing will be the main attraction and because of the location and high-speed action, it will be phenomenal to watch for visitors. However, the additional services provided by us assure a perfect customer experience.

Demand for Eco-Consciousness

Topics such as sustainability, environmental friendliness, and climate change are becoming increasingly more important. As we know our event causes a lot of pollution, we would like to make small but significant changes that help us to create an event that is still considered eco-conscious. Therefore, we made it a priority to incorporate sustainable options including organic catering, online ticketing, and recyclable materials.

Of course, the event is not yet perfect in terms of sustainability, but we are making an honest effort to fulfil this aspect and will double down on it in the near future.

Competition

After looking at trends which could affect our event in a positive way, we are also obliged to look at possible competition.

Following extensive research, in which we focused not only on the German-speaking area but also on the worldwide market, we concluded that there is no event that resembled the uniqueness offered by J.R.G.

It is not a big secret that it is nearly impossible to start a career in motorsport nowadays. It was not clear from the beginning whether there were already events like ours that counteract the status quo established in recent years. This is because mostly the big players are mentioned in a wide variety of sports magazines, reports, and during broadcasts of races.

In terms of pricing, we are among the cheapest events in the motorsport world. Normally it is a tough procedure for a young driver to find a cockpit nowadays. Usually, one must bring a sizeable amount of capital and have a well-known name in the industry. Examples in the past, which showed us that talent is bigger than money, are Lewis Hamilton and Sebastian Vettel. Both were not born rich but achieved their dream and won several Formula One World Championships. It cannot be understated that it is tough to set a foot in motorsport without the financial support of sponsors or family members.

Young drivers and their families mostly look for sponsors directly at karting tracks. However, as there are quite a lot of karting tracks, many talented children or youngsters are overlooked. Therefore, our event offers a much bigger platform to draw attention to the upcoming drivers and their skills.

After the 2020 season, the Federation Internationale de l'Automobile (FIA) published a guide for the upcoming Formula One season, which also draws attention to the difficulties faced by young drivers in the junior categories. However, this is mainly directed towards the Formula 2 and Formula 3 racing series', which themselves have become extremely expensive in recent years. After all, this cannot be compared to our event, as these are young drivers who have already made it into a middle-classed racing team and are now having financial problems right before their jump into Formula One. We, on the other hand, focus on pushing the career of talented drivers who have not made it into junior classes yet.

Target Market

As J.R.G. events will be hosted in big cities which are easily accessible via public transport or by car from every federal state, our target group covers a wide range of visitors, demographically, geographically, and psychographically. After extensive research, we know that we mainly target female and male customers between the ages of 15 and 45. Depending on the venue, this usually refers to the inhabitants of the country where the event is taking place at that time. J.R.G. events are aimed primarily at motorsport enthusiasts. However, we also expect our supporting programme to attract people who are looking forward to entertainment after the tough time during the COVID-19 pandemic. Furthermore, our target group also includes people who would like to be actively involved, be it in the form of a junior racing driver or even a sponsor.

To make the event attractive to young talents, we give them the chance to find possible sponsors on-site who could support them to take the next step in their career. Furthermore, the winner receives the unique opportunity to show off his or her talent at the Red Bull Junior Team and possibly get a place in their successful driver's academy which offers good prospects for a bright future in motorsport.

To reach a lot of possible customers, we use a wide array of marketing measures, from traditional advertising via newspapers, radio, and posters to digital advertising on various social platforms and on our own website.

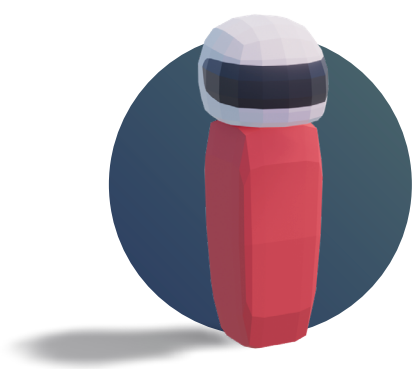
Market Potential

Vienna has huge market potential, not only because of the approximately 2 million inhabitants living in and around the city. Vienna is also the junction for Central Europe, meaning that the potential for future expansion is tremendous.

As we expand to other countries, we want to keep our market potential as high as possible. Because of that, we are primarily focusing on major cities with high population numbers. Those locations are particularly appealing, as they not only offer thrilling racing locations but more importantly a lot of potential customers. Furthermore, the customer base in bigger cities is more beneficial to our event since the population tends to be younger, searching for entertainment, and is comfortable in bigger groups. Consequently, this is ideal for our event as those characteristics are in alignment with our target customers.

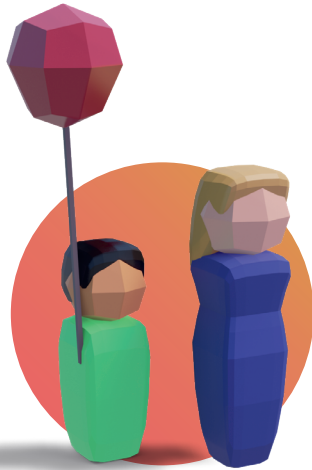
As a result of this analysis, we judge Budapest and Berlin as appealing destinations for events in the near future.

In order to understand our customers better, we need to go one step further. The whole event is not just about the fans in the crowd who are going to have a great day, but also about people without whom it could not even take place. Due to this variety of potential customers, we must split them into four groups, which all need to be addressed differently. The main target groups are:



Drivers

- Aged 15 to 18
- National or international kart license issued by the Austrian Motorsport Federation (AMF) or a comparable license issued by CEZ countries
- Primary residence in the country where the event takes place
- Passion for racing
- Ambitious and hard-working



Visitors

- Aged 15 to 45
- Motorsport enthusiast
- Active and outgoing individual
- From the host country



Sponsors

- Well-known and medium to large-sized companies
- Interest in supporting young motorsport talents
- Committed to building long-term and future-oriented business relationship
- Interest in spreading a positive image of their company



Cities

- Mainly European capital cities
- Bear reference to motorsport
- Young, lively cities
- Good infrastructure



MARKETING STRATEGY

MARKETING STRATEGY

Customer Approach

As we have a variety of different customers, it is our priority to find the ideal approach for each of them to fulfil their individual needs and wants.

Visitors

To reach our guests, we want to use an emotional and personal customer approach. By promoting our event as *the place to be* after a long period of lockdowns, social isolation, and limited interaction, we are appealing to our customers' need to experience an unforgettable event. We would like to focus on the desire for an entertaining day with friends and family rather than only communicating to racing enthusiasts. As a result of this, we will have the possibility to approach a more diverse customer base with a common goal.

City respectively Vienna

To find a suitable agreement with the city, we would like to use an emotional but professional approach and outline the sustainable benefits our event can provide for them. Our company offers a unique solution to issues that occurred due to COVID-19, including reduced tourism, local businesses struggling financially, and restaurants and hotels having to close. By hosting our event in their city, we can meet their needs by achieving promotion during the event and creating long-lasting tourism and attention for the city. Initially, the event is used to attract many visitors to the city, but they will have the desire to return either for the event in the following year or because the place caught their interest.

Junior Drivers

We would like to communicate directly with our young drivers with a personal customer approach. It is crucial to maintain excellent communication throughout the process as our young drivers are an essential part of the event. We want to show the young drivers that the event is their best chance for a successful career in the racing industry. Furthermore, we will prioritise communicating their personal benefits such as the possibility to win prizes, positive publicity, and countless networking opportunities.

Professional Drivers

Using a professional approach, we would like to outline the benefits the experienced drivers receive in return for participating in our event. Primarily, the event will draw a lot of media attention, particularly within the country, which can also be advantageous for the driver. As a result of this, the professional driver can receive a lot of positive publicity considering that they are supporting a local event and helping young drivers fulfil their dream.

Customer Benefit

Sponsors

Since there is no direct competition for our J.R.G. events due to the general concept, which is feasible in every country with a motorsport enthusiastic audience and talented young racers, we have a special customer benefit. This also has a positive impact on the event's potential sponsors and young racers. By participating in our event, which provides sponsors with their own VIP tent with culinary delights, Austrian companies have the opportunity to gain a foothold in the world of motorsport by sponsoring a new talent in motorsport and to expand their network. As a result, they are also part of the Austrian motorsport community, which despite the few active racing drivers currently enjoys a prestigious status. Sponsors also benefit from the currently increasing popularity of motorsport worldwide. Another important customer benefit for our sponsors is the public attention, which can be particularly useful after the pandemic.

Cities

After the long COVID-19 pandemic, which has shaken not only the population but also the tourism industry, events that bring new guests and customers to the cities are of great importance. Since we at J.R.G. focus not only on motorsport enthusiasts, but also on families and the younger generations, this opens a myriad of possibilities for the host city. Whether it is the Vienna City Marathon, the Vienna Fashion Week, or the Long Night of Museums, all these events contribute greatly to the city's marketing. Also, the aspect that these are young racers from all over Austria and thus generate nationwide interest has a positive effect on the hotel and restaurant industry in the city as well as on the surrounding area.

Visitors

As already mentioned, the pandemic has also taken its toll on the population. There were no festivals, no concerts, no sporting events, and in general no chance to experience exciting activities with several people in one place. Because of this, we want to offer people the opportunity to attend an event that has never taken place before. In addition to the easy accessibility due to the location in the heart of Vienna, J.R.G. offers an eventful day for young and old. Not only motorsport enthusiasts will get their money's worth at our event, as a supporting programme with regional delicacies and music are also offered. Visitors have the opportunity to discover new racing drivers as well as to get autographs from Austrian racing greats.

Junior Drivers

Many young racing drivers look up to motorsport greats such as Lewis Hamilton and Sebastian Vettel, neither of whom come from families worth millions yet have made it to the pinnacle of motorsport because of their talent and the right sponsors. But this is almost impossible nowadays. In order to be able to fight through the various categories, a total of over € 6M is needed; a sum that is impossible to raise without sponsors and wealthy parents. In an attempt to surmount this financial obstacle, our event helps young up-and-coming racers to attract sponsors' attention through their talent alone, and thus gain a foothold in the junior categories.

of motorsport. As a big main prize, there is also the opportunity for the winner to audition for the Red Bull Junior Team and thus the chance for a place in their successful programme, which has brought the likes of Max Verstappen all the way to Formula One. But even for those who do not make it to the top step of the podium, there is an opportunity to attract attention from the public and sponsors.

Communication Channels and Advertising

At motorsport events you meet a very broad audience. Especially at a time when the social media activities of the various motorsport teams and the successful Netflix documentary series *Drive to Survive* are drawing the attention of new potential fans to the sport. In order to reach as many potential customers as possible for our event, a variety of marketing measures are used. Since Vienna is easily accessible by public transport from all directions, posters and flyers are used in the city itself, in other major cities such as Wiener Neustadt and Graz as well as in the wider surrounding areas of these cities to draw attention to our event.

In addition, the various karting tracks in Austria are also of great importance. They not only play a key role in the search for talented young drivers but are also essential for the promotion of our event and are therefore also supplied with posters and flyers.

Since it is an event for young talents from all over Austria, it will also be advertised in print and digital media. In order to appeal to a broad audience, advertisements referring to our event are placed in the daily and weekly newspapers of the federal states, as well as in Austrian sports newspapers. As we are in the digital age, it is also extremely important to be represented in the digital media. In our case, this refers mainly to Instagram and Facebook, as these networks are used to reach a large audience. On these social networks, young drivers and individual sponsors are represented, information for the event is shared, development stages are shown, and various content is presented in order to appeal especially to the young audience. This content is posted months and weeks in advance to generate excitement and anticipation for the event. Social media posts by the established racers can also be seen as promotion for J.R.G.

We will also use radio advertising on regional radio stations such as Radio Wien, Radio Niederösterreich, and Radio Steiermark, as this advertising medium allows us to reach a different target group and thus positions us more broadly. However, in order to still reach the younger generation by means of radio advertising, we are concentrating in this respect on the radio station FM4, as it is popular with the young population and also supports young, Austrian musicians who perform at our event.

Furthermore, with every kind of advertising material, reference is made to our homepage, which is not only a source of information for potential visitors, young racers, and sponsors, but also an advertising medium.

Thus, digital media is the main communication channel for the event, as it is location-independent advertising with a wide reach.

Innovativeness

The event we organise is the first of its kind. We can offer young and local drivers the possibility to be part of a race in the heart of a city and in front of thousands of visitors as well as sponsors, team principals, and well-known drivers. At our event, the young talents, aged between 15 and 18 years, can show off their skills for an affordable price in relation to other racing series', use the opportunity for networking, and take a sightseeing tour through the city we are currently racing in. In which other series is this possible?

Finally, our event is easily scalable. It can take place in any city without the need of major changes to the concept. We are flexible and not dependant on existing racing circuits in the country we will operate in.

Therefore, this event is unique, not only for the drivers, but also for the fans. The races will take place right on the doorstep of their homes. Our goal is to bring an interesting racing series to the people and not the other way around.

Brand Positioning – 7 Ps of Marketing

Product

What we offer are unique one-day city race events, all planned and organised by us at J.R.G. Our events will be held at central venues in major European cities, offering not only easy accessibility, but also adding a vibrant atmosphere to the whole experience. The main part of our event will be a small city race, in which young aspiring racing drivers will compete against each other; the races will be driven in distinctive race cars, the jr21. Besides the main event, we will organise a supporting programme. Throughout the event, newcomer artists from the music industry will supply entertainment and food trucks will offer regional and traditional food to our visitors. A separate VIP area will accommodate representatives of our sponsors, as well as the young drivers and their companions. Visitors also have the possibility to visit our jr21 stand, where Weasels, the manufacturers of the race cars, will be ready to answer questions and give an insight to anyone who is interested in the process of production, design, and partnerships.

Price

As we want to attract the highest possible number of potential customers, we have created different categories of tickets which are suitable for different groups of people; therefore, we can guarantee to make our event as affordable as possible, while still generating a profit. To ensure that buying tickets is as convenient and easy as possible, we distribute our tickets via oeticket.com. Tickets not purchased before the event can be purchased directly on the day of the event on site.

The prices for our tickets vary between € 34.99 and € 159.99 and are categorised as follows:

- Standard tickets, at a price of € 59.99
- Premium tickets, at a price of € 109.99 including 2 free drinks and an assigned seat on one of our five stands
- Family tickets, at a price of € 159.99 suitable for two adults and a maximum of two children aged 8 to 14 years
- Discounted tickets for
 - Seniors, at a price of € 54.99
 - Students, at a price of € 49.99
 - Children from 8 to 14 years, at a price of € 34.99
 - People with a disability, at a price of € 34.99
- Children aged under 7 years have free entry

Promotion

As motorsport in general is facing an increasing number of fans and a potentially interested audience, we will use a variety of different marketing channels for the promotion of our events. While we want to distribute flyers in and close to the cities where our events are going to take place, we will focus on appealing advertisements at various karting tracks, as they play a crucial role in the search for talented, young racing drivers.

Moreover, we want to use print and digital media for promotion; regarding the latter, we want to be present on Instagram and Facebook in the first place, as these networks are location-independent and reach a particularly large and primarily young audience. On these social networks, we will also share information about the events, young drivers, and individual sponsors.

As a part of the supporting programme at our events there will be music acts. We will also use radio advertising on regional radio stations in the individual countries. Thereby, we can reach another different target group and position ourselves more broadly.

With each type of advertising, reference to our homepage will also be made, as it functions as a source of information as well as a means of promotion in itself.

Physical Evidence

Based on the Austrian model, the J.R.G. event takes place at Maria-Theresien-Platz in the first district of Vienna, opposite the famous Heldenplatz and the Hofburg. The square is framed by the two largest historical museums in Vienna – the Kunsthistorisches Museum and the Naturhistorisches Museum. This location was chosen due to its easy accessibility by public transport and its central location in the heart of Vienna on the Ringstrasse. In order to ensure a smooth order of events and to meet the different customer requirements, there will be several beverages stands with a wide range of non-alcoholic and alcoholic beverages on the exhibition grounds as well as various food trucks, so that the culinary aspect is not neglected. There will also be sufficient sanitary facilities and security measures to ensure a high entertainment value during the races and the enjoyment of the supporting programme.

In order to realise our vision of a general concept in different cities all over Europe, there are several criteria to consider regarding the venue.

Special attention must be paid to the surface of the racetrack as major unevenness can cause damages to the jr21. A certain minimum size for the venue is also necessary for a smooth course, as there must be enough space for the supporting programme in addition to the racetrack.

The cities in which J.R.G. events can be held are internationally accessible major cities in European countries, preferably equipped with a good public transport network and populated by a high number of motorsport enthusiasts. A tourist city with more than 100K inhabitants and a young clientele of pupils, students, and families is the prime example of this.

Place

Due to our wide target group, which covers all states and includes visitors, sponsors, and racers, our event requires broad accessibility to tickets. Thus, tickets are sold via oeticket.com to ensure nationwide distribution. This allows our potential customers to buy tickets online, at various points of sale, at banks, and at various shops. Also, for future events in other countries, such ticket distribution companies will be used as this simplifies a large part of the logistics.

In addition, regarding logistics, the fact that it is an event in the middle of a city is of great benefit. Since many companies are located in the surrounding area, there are no long transport routes, which reduces costs and general effort.

People

In order to guarantee smooth sailing of the event, sufficient staff is needed for various activities. As our company is a young, dynamic, and ambitious start-up with a flat hierarchy, the management refers to our two founders, who take on the positions of CEO/CFO and COO/CMO. These are highly qualified individuals who form the core team together with two other employees who are responsible for marketing and administrative activities. Extensions are available in the form of two additional employees per country, as well as one Operations Manager per location. Volunteers are used for all service activities and the set-up.

Process

We at J.R.G. Racing operate year-round for the successful planning and implementation of a standardised and universally applicable concept for inner-city street races. Our annual operational processes are divided into three phases, which are the organisational phase during winter and spring, the execution phase in summer, and a post-event-season phase, in which we take a break and reflect on our successfully executed events. The process of the consumption of our offer takes place when our desired target customers attend our events.

Sponsorships

For each of our events, we plan to offer various tiers from which our sponsors can freely choose. This granular approach allows our sponsors to take the most suitable solution adapted to their individual needs and circumstances. Overall, we offer five different sponsorship levels, which build on each other:

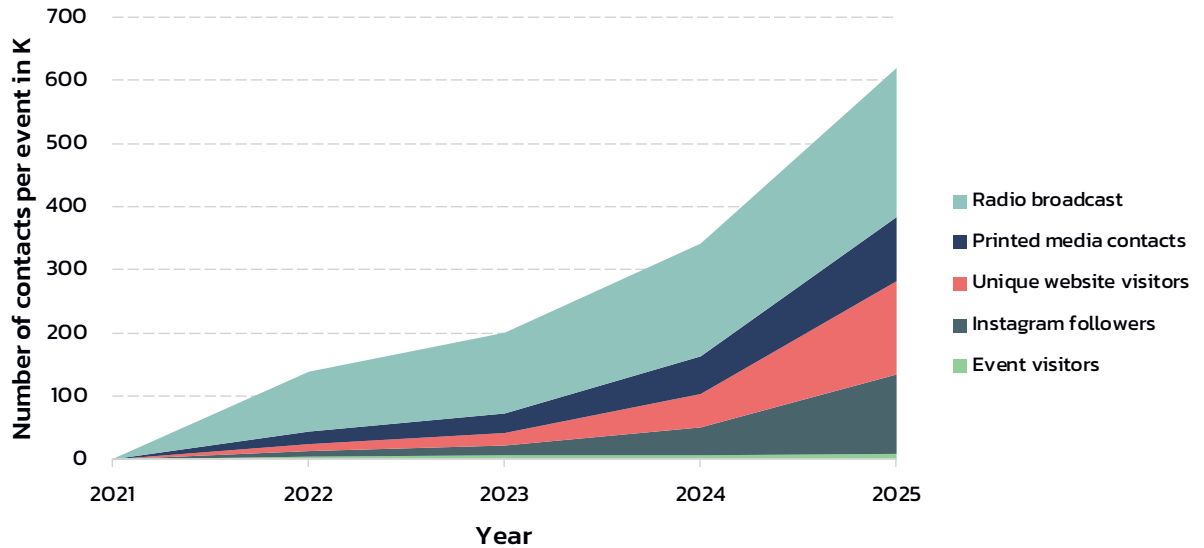
Sponsorship	Level 1	Level 2	Level 3	Level 4	Level 5
Linked logo hosted on our website's footer and acknowledgement site	x	x	x	x	x
Logo printed onto printed media (flyers, posters, and placards)		x	x	x	x
Logo on inwards (trackside) or outwards (attendees) facing barriers (max. 50 metres)			x		
Logo on inwards (trackside) or outwards (attendees) facing barriers (max. 100 metres)				x	x
1 individually branded stand					x
Individual naming for up to 2 track sections (straight, corner, slalom, hairpin, chicane)					x
1 individually branded jr21					x

Level 1, being our most affordable solution, is appropriately priced at € 999,99. The higher the level, the more physical work is involved for us which is why prices are increasing rather rapidly with Level 2 starting at € 4,999.99 and incrementally more until Level 5 is reached at € 69,999.99. We, however, do only offer five slots for Level 5 per event per year.

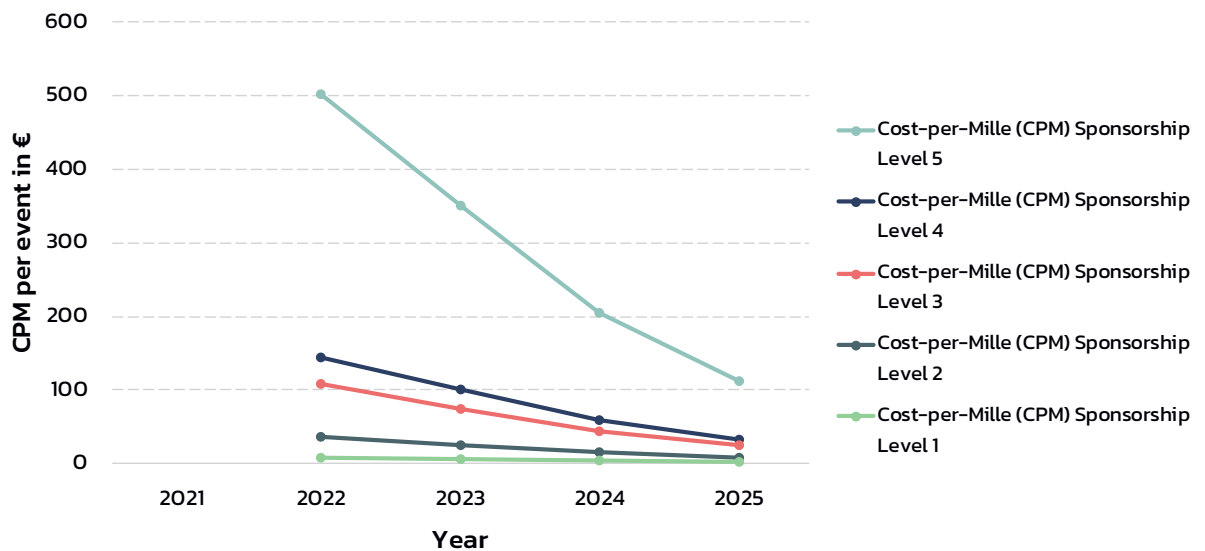
With our very thoroughly planned marketing strategy, we are able to reach almost 140K gross contacts within 2022. As we already expand in 2023 to Austria's neighbouring countries, we are able to exponentially increase these gross contacts until we reach almost 620K in 2025 across our various media channels.

These many gross contacts allows us to steadily decrease the Cost-per-Mille (CPM) per sponsorship level. While in the first year the CPM are comparatively rather high, especially for the higher levels, these costs drastically reduce with time and by 2024 the achieve a CPM comparable to that of the industry average. Level 5 is the only outlier, reaching a competitive CPM in 2025.

Gross Contacts



Cost-per-Mille (CPM)





THE OFFER

THE OFFER

Investment

In order to start with our operations, we plan to gather € 1.05M from various third parties, of which € 350K are bank loans from the Austria Wirtschaftsservice Gesellschaft mbH, the federal development and financing bank for the promotion and financing of companies of the Republic of Austria, and € 500K from our investors. The remaining € 200K stem from a silent partnership and subsidies from the Austrian Federal Chancellery.

According to our conservative projections, by investing this amount of capital you, our investors, will be able to receive an impressive Return on Investment (ROI) of 18% already in the second year of our operations.

For a detailed breakdown of all of our key financial figures and performance indicators, we kindly ask you to consult the Financial Appendix at any time.

Balance Sheet

As our business model is focused on the organisation of motorsport events, we outsource as many non-core competencies to reliable partners and third parties as possible. Due to the outsourcing, we do not have much, if any, items in our non-current and current assets – a common trait among service-oriented businesses.

Our non-current assets mainly consist of investments in intangible assets and property, plant, and equipment (PPE) at the beginning of our operations. The intangible assets comprise third party acquired software, PPE comprises office and business equipment, IT equipment, and two company cars. Total non-current assets amount to € 95K at the start of our operations on 01 January 2022 and gradually decline in the following years due to amortisation and depreciation. Generally, we strive to keep as few non-current assets and rent as much as possible to retain an overall high flexibility and be able to quickly adapt to possible market changes and developments.

Our current assets consist only of cash and cash equivalents (CCE), again, due to our service model approach. Current assets amount to € 1.055M on 01 January 2022 and will increase to approx. € 6.6M in 2025. This increase in CCEs will always ensure adequate liquidity and a high degree of flexibility.

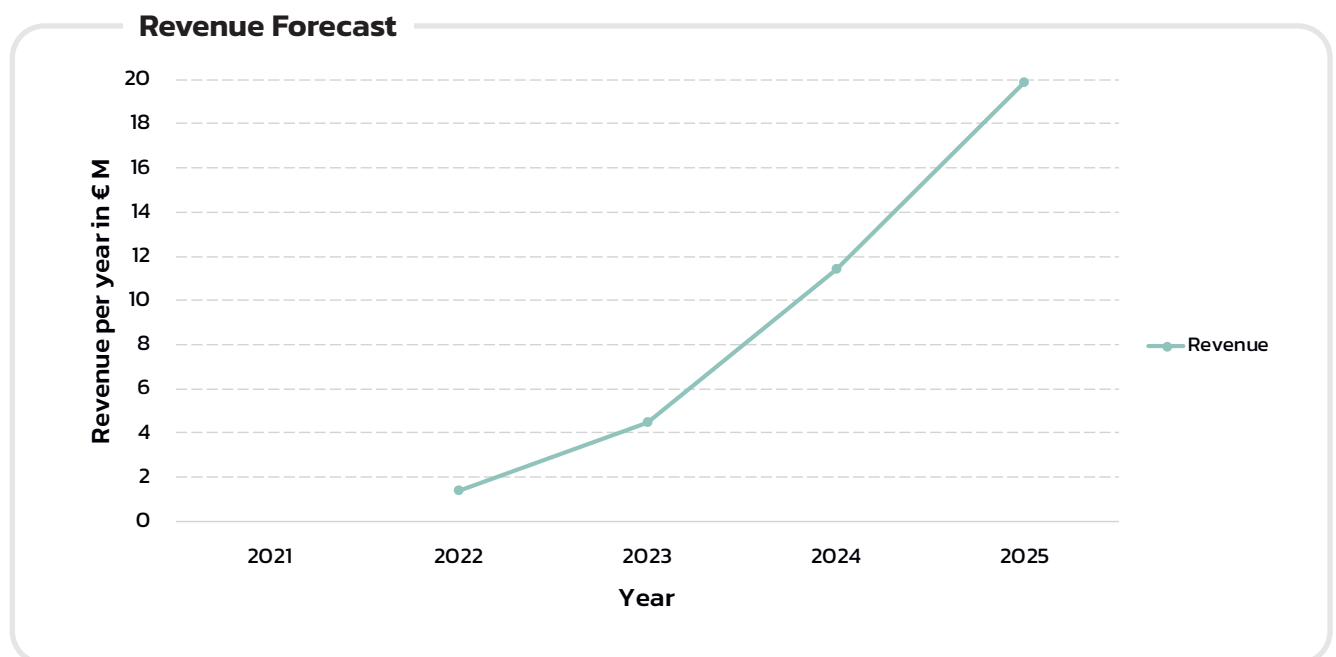
Such high amounts of on-demand liquid capital are needed to conduct our operations successfully as we constantly face renting costs such as for the jr21's, venues, track preparations, etc. which become even more important with the steady increase in cadence of events, especially in 2025 and beyond.

We will finance J.R.G. with equity and liabilities: On 01 January 2022, equity amounts to € 800K, of which € 35K is legally mandatory subscribed capital and entirely financed by the founders. In addition, the founders also invest € 65K, amounting in total to € 100K, into J.R.G. Racing GmbH and procure further € 150K from a non-controlling silent partner and € 50K state subsidies from the Austrian Federal Chancellery. Retained earnings will be accumulated at the end of 2022, further increasing equity. By 2025, retained earnings are expected to reach approx. € 5.7M. Liabilities comprise bank loans amounting to € 350K from the Austria Wirtschaftsservice Gesellschaft mbH with beneficial loan conditions. The loan will be repaid monthly with interest accruing monthly and be fully paid off on 31 December 2026.

The equity ratio on 01 January 2022 amounts to 70% and the debt ratio to 30%, resulting in a debt-equity ratio of 44%. By the end of 2025, the equity ratio steadily increases and amounts to 99%, the debt ratio decreases to 1%, while the debt-equity ratio also amounts to 1%.

Revenue Forecast

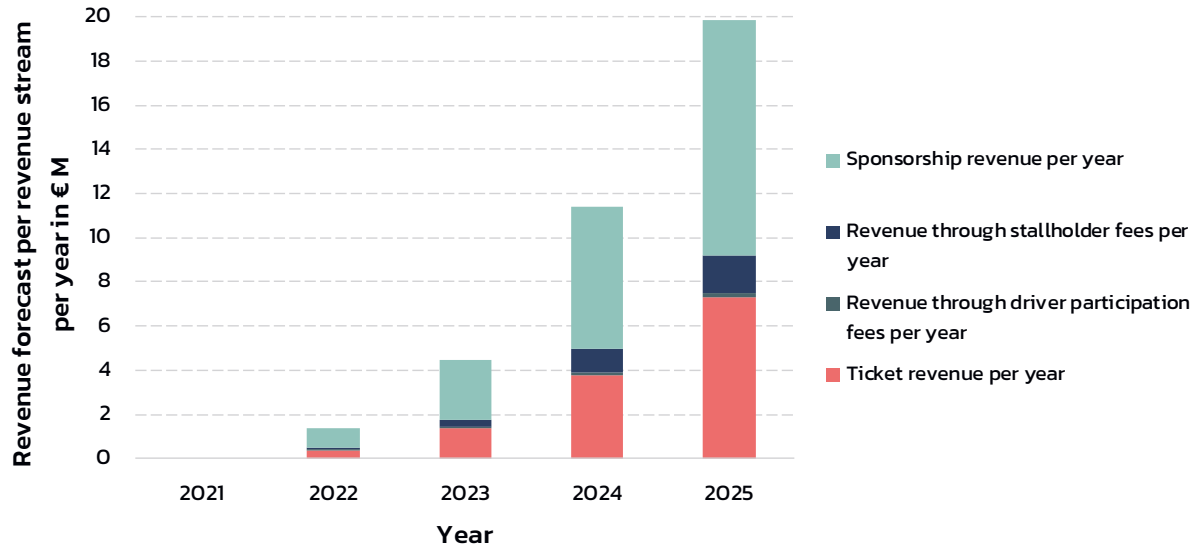
The revenue forecast depicts our projected revenue streams over the course of the years.



As can be seen, we generate revenue of close to € 1.4M already within the first year. Due to the scalability of our universally applicable event concept, we are able to steadily increase our total revenue and by 2025 we are able to generate almost € 20M with 11 hosted events across Europe.

The revenue forecast breakdown diagram shows the revenue structure of J.R.G. from 2022 up until 2025. As can be seen, sponsorships consistently makes up the greatest share of our revenue stream, followed by ticket sales and stallholder fees. Beginning with 2023, there can

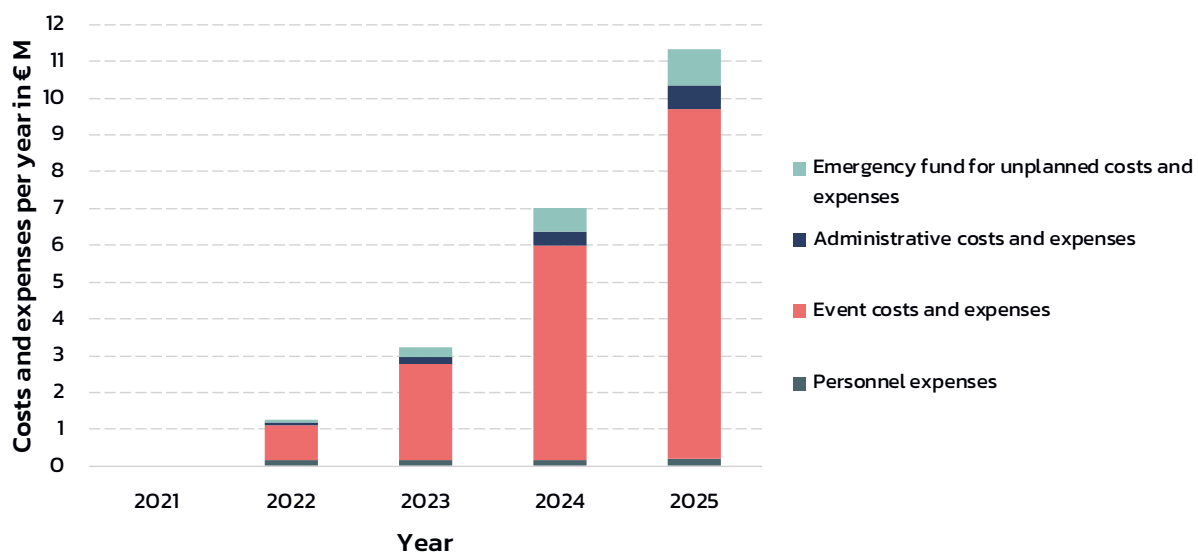
Revenue Forecast Breakdown



be seen a shift in the distribution of the two most important revenue streams, sponsorships and ticket sales, in favour of ticket sales (37% in 2025; up from 29% in 2022) compared to sponsorships (54% in 2025; down from 63% in 2022) – indicating an increase in self-reliance which is expected to raise further in the coming years. Looking at the whole revenue structure, the driver participation fees (continuously approx. 1%) and stallholder fees (between 7% and 9%) are of less importance.

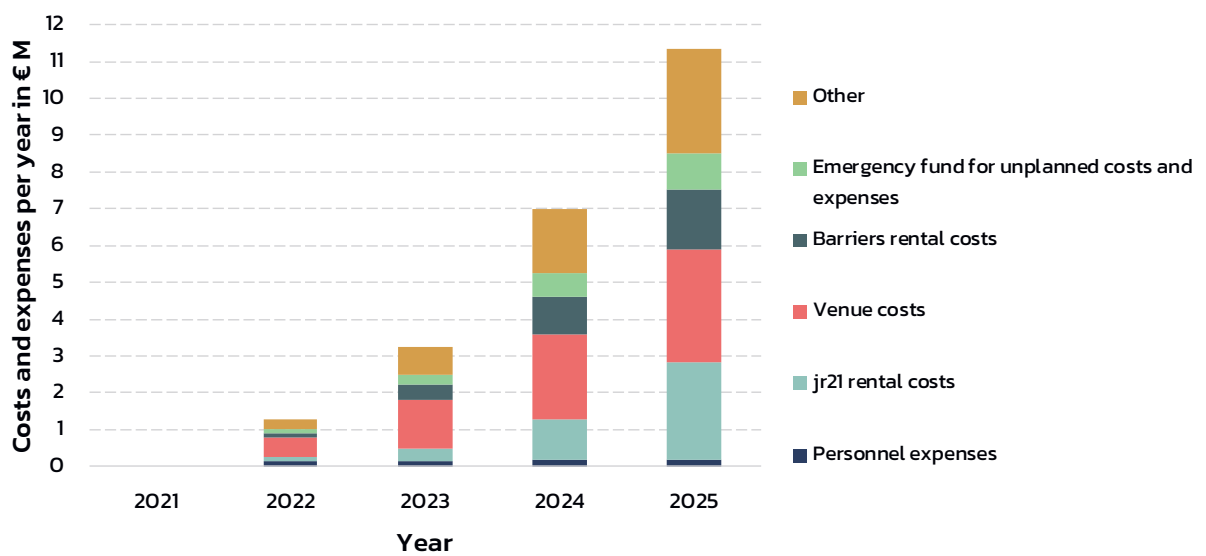
Costs and Expenses Forecast

Costs and Expenses Breakdown

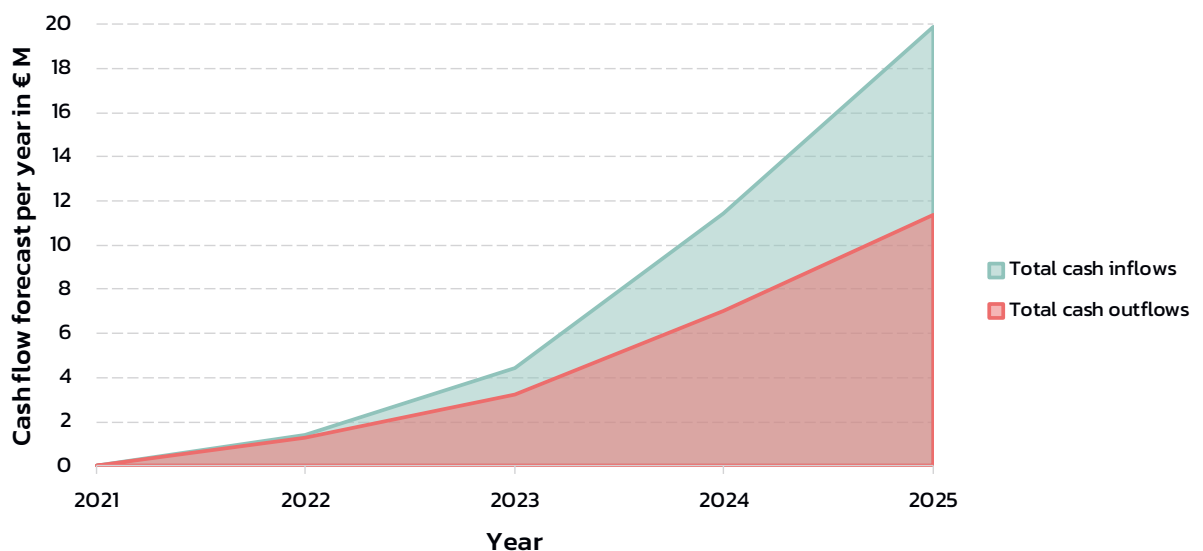


Our total income consists of revenue and costs and expenses. The income is offset by personnel expenses, event costs and expenses, administrative costs and expenses, and an emergency fund for unplanned costs and expenses calculated as 10% of all planned event costs and expenses. The greatest impact on total costs and expenses has event costs and expenses, making up 75% of all costs and expenses in 2022, and steadily increases to 84% by the end of 2025. Major individual expenditure drivers from 2022 until 2025 are the jr21 rental costs (between 7% and 23%), venue costs (between 27% and 42%), barriers rental costs (between 10% and 15%), and the emergency fund for unplanned costs and expenses (between 8% and 9%).

Costs and Expenses Breakdown

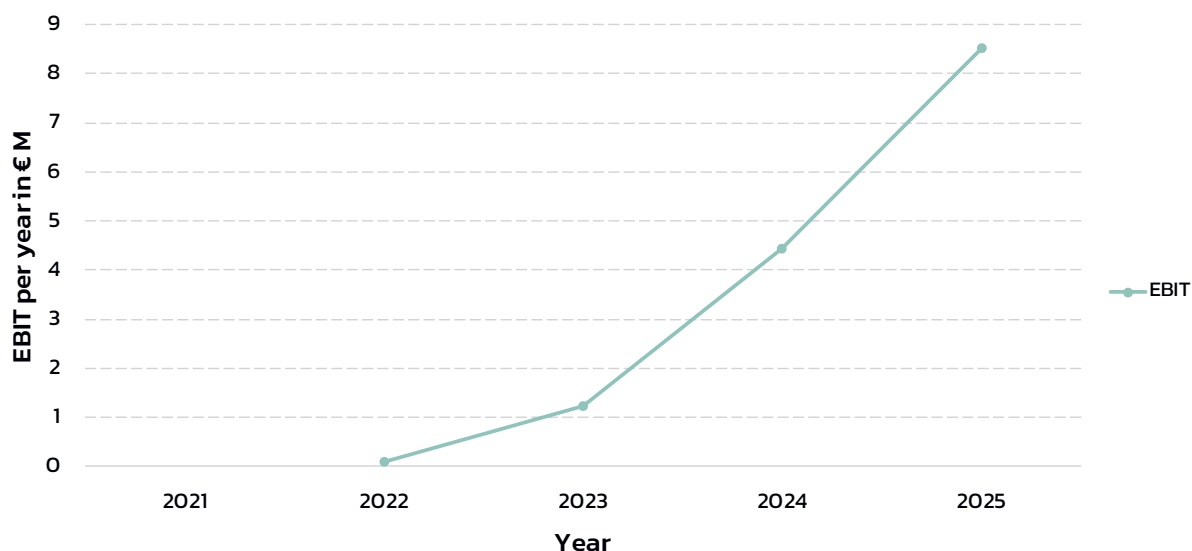


Cash Flow Forecast



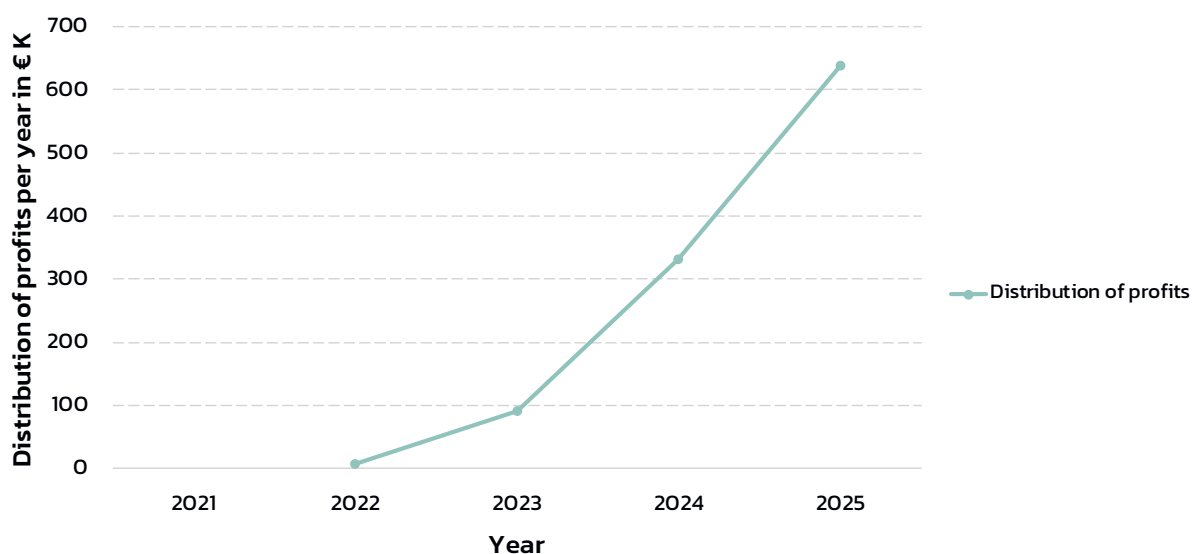
All revenue and cost and expense streams considered, we will have Earnings Before Interest and Taxes (EBIT) of approx. € 100K at the end of 2022 which steadily increases and exponentially scales with the number of hosted events per year to € 8.5M at the end of 2025.

EBIT Forecast



Of the EBIT, bank loan interest expenses and corporate taxes amounting to 25% per year are deducted, resulting in net profits of approx. € 70K at the end of 2022. Of these net profits, 10% will be distributed to you, our investors, each year. Thus, we are able to offer a multi-year Return on Investment (ROI) over four years of 213%. For more yearly and non-yearly performance indicators, we kindly ask you to consult the Financial Appendix.

Distribution of Profits



Discounted Cash Flow (DCF) Analysis

In order to perform a valuation of the Enterprise Value (EV) of J.R.G. GmbH, the present value of the future free cash flows and terminal value are discounted with the Weighted Average Cost of Capital (WACC), compounded by a simple averaged sustainable growth rate of the Transport & Leisure industry retrieved from the Cost of Capital Study 2020 of the KPMG AG Wirtschaftsprüfungsgesellschaft, and the net debt subtracted. The EV of J.R.G. Racing GmbH equals then to approx. € 29M.

Due to lack of detailed data on market risk premium and the general difficulty to acquire suitable intelligence on the Transport & Leisure and equivalent industries, the market risk premium is assumed to be 5.8% and is derived from the average market risk premium in Germany as of 23 November 2020 and retrieved from IESE Business School.

Similarly to the market risk premium, the levered beta could not be easily determined by means of e.g., extrapolation from close comparable companies or averaging levered betas of relevant industries. Instead, we derived the levered beta of J.R.G. Racing GmbH from the two year weekly levered beta (raw) of the Consumer Discretionary industry as of 30 June 2020 retrieved from the Quarterly Brief Q3 2020 of the KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and added a small size premium (SSP) of 1 and, due to the above-mentioned insufficient data, a further 0.5 risk spread resulting in a (risk adjusted) levered beta of 2.68.

Sensitivity Analyses

The DCF Analysis incorporates various assumptions, each of which can have a considerable impact on the overall valuation. As a result, the output of the DCF is viewed in terms of a valuation range based on a series of key input assumptions rather than just as a single value.

Sensitivity Analysis Enterprise Value (EV)						
Average Sustainable Growth Rate (ASGR) [%]						
		0.50	0.75	1.07	1.25	1.50
WACC [%]	13.50	33,445,234.75	34,058,345.85	34,870,348.22	35,359,642.89	36,050,956.93
	14.50	30,299,151.25	30,807,511.56	31,478,597.63	31,881,782.41	32,449,906.42
	15.38	27,903,083.10	28,337,441.90	28,909,406.51	29,252,258.60	29,734,376.71
	16.50	25,291,696.51	25,651,117.72	26,123,100.66	26,405,313.07	26,801,265.62
	17.50	23,277,648.71	23,583,367.65	23,983,964.89	24,223,025.75	24,557,846.79

According to the sensitivity analysis, the EV would range between approx. € 23M (ASGR of 0.5%, WACC of 17.5%; *worst case*) and approx. € 36M (ASGR of 1.5%, WACC of 13.5%; *best case*). The *most likely case* would be an EV of approx. € 29M (ASGR of 1.07%, WACC of 15.38%) as mentioned above.

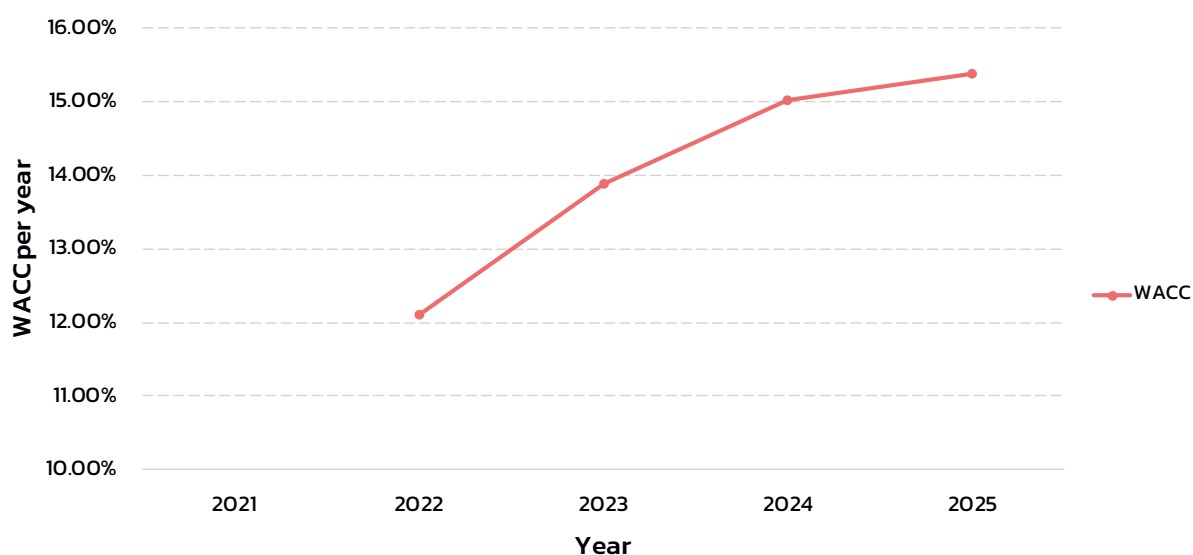
A similar sensitivity analysis can be conducted for the WACC. In this analysis, of the four parameters which determine the WACC, Cost of Equity (CoE) and Cost of Debt (CoD) are taken as the variable input parameters.

Sensitivity Analysis Weighted Averaged Cost of Capital (WACC)

		Cost of Debt (CoD) [%]				
		0.25	1.25	2.30	3.25	4.25
Cost of Equity (CoE) [%]	13.50	10.06	10.32	10.60	10.84	11.10
	14.50	10.81	11.06	11.34	11.58	11.84
	15.54	11.57	11.83	12.11	12.35	12.61
	16.50	12.29	12.55	12.82	13.06	13.32
	17.50	13.03	13.29	13.56	13.81	14.06

As can be seen, the WACC would range between 10.06% (CoE of 13.5%, CoD of 0.25%; *best case*) and 14.06% (CoE of 17.5%, CoD of 4.25%; *worst case*). The *most likely case*, which has been used for our calculations, would be 12.11% (CoE of 15.54%, CoD of 2.3%). Each year's exact WACC rate can be seen in the following diagram.

Weighted Average Cost of Capital (WACC)



Why should you invest in us?

To start with our operations, we need an investment of € 500K. In exchange for your financial support and, most importantly, trust, we are able to offer you approx. € 1M in distributed profits over the course of four years, roughly € 610K if discounted to 01 January 2022 using the corresponding yearly WACC rate.

For a more detailed breakdown of all financial figures, we kindly ask you to consult our attached Financial Appendix.

Certainly, your financial support allows us to start operating. However, there is a much grander reason to assist in our cause: with your help, young, promising, and aspiring, yes maybe even future world champions, may at last get their deserved chance at Formula racing. Why should financial means dictate and determine whether a talented driver may or may not take part in Formula racing? Would such a decision not be based on erroneous reasoning? Would it not be more sensible to choose the most talented, the most skilful, the most graceful with the steering wheel?

If you agree just as much as we do, then take comfort in knowing that with your support, not only do we benefit from it, but most certainly the young, promising, and aspiring, future world champions shall benefit. In the long term, not only you shall profit from our undertaking, but the future motorsport as a whole shall also profit from your investment into J.R.G.



FINANCIAL APPENDIX

FINANCIAL APPENDIX

Balance Sheet

Balance sheet		01 January 2022	31 December 2022	2023	2024	2025
Assets						
<i>Non-current assets</i>						
Intangible assets	€	5,000.00	3,333.33	1,666.67	0.00	0.00
Property, plant, and equipment (PPE)	€	90,000.00	77,500.00	65,000.00	52,500.00	40,000.00
Total non-current assets	€	95,000.00	80,833.33	66,666.67	52,500.00	40,000.00
<i>Current assets</i>						
Cash and cash equivalents (CCEs)	€	1,055,000.00	1,082,493.04	1,776,365.33	3,891,240.06	6,579,436.92
Total current assets	€	1,055,000.00	1,082,493.04	1,776,365.33	3,891,240.06	6,579,436.92
Total assets	€	1,150,000.00	1,163,326.38	1,843,032.00	3,943,740.06	6,619,436.92
Liabilities						
<i>Non-current liabilities</i>						
Borrowings	€	350,000.00	289,135.79	220,003.95	147,899.44	72,694.43
Total non-current liabilities	€	350,000.00	289,135.79	220,003.95	147,899.44	72,694.43
<i>Current liabilities</i>						
Interest payable	€	0.00	12,469.12	10,868.16	7,895.49	4,794.99
Total current liabilities	€	0.00	12,469.12	10,868.16	7,895.49	4,794.99
Total liabilities	€	350,000.00	301,604.91	230,872.10	155,794.92	77,489.42
Net assets	€	800,000.00	861,721.46	1,612,159.89	3,787,945.14	6,541,947.50
Equity						
Subscribed capital	€	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00
Owner's equity	€	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00
Equity investment	€	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Retained earnings/net loss	€	0.00	61,721.46	812,159.89	2,987,945.14	5,741,947.50
Non-controlling interests	€	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Subsidies	€	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Total equity	€	800,000.00	861,721.46	1,612,159.89	3,787,945.14	6,541,947.50
Total liabilities and equity	€	1,150,000.00	1,163,326.38	1,843,032.00	3,943,740.06	6,619,436.92

Consolidated Income Statement

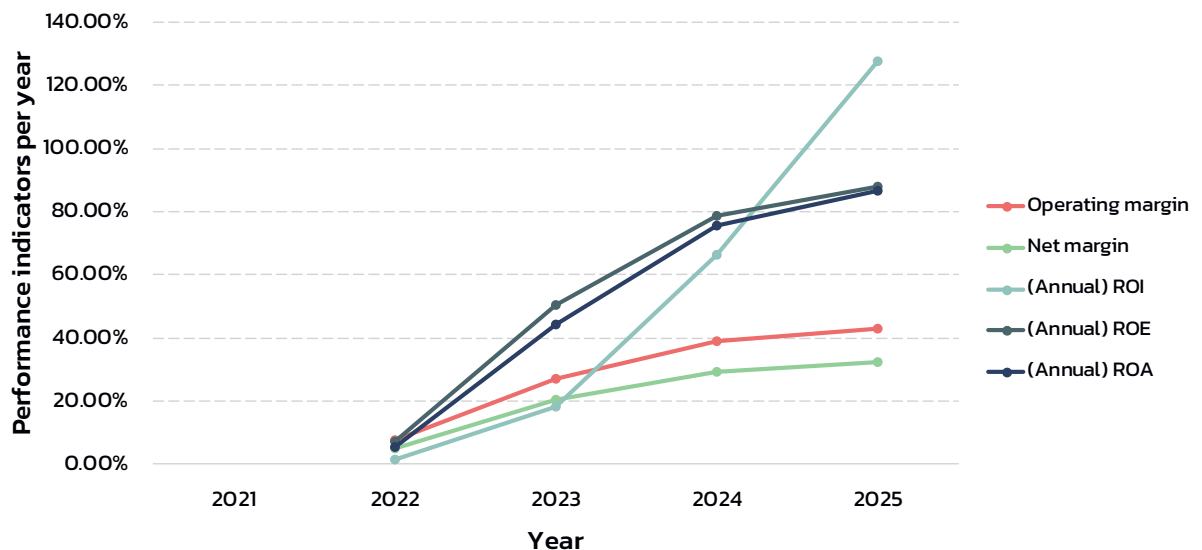
Consolidated income statement		2022	2023	2024	2025
1 Revenue					
1.1 Ticket revenue	€	393,339.99	1,382,940.00	3,792,809.93	7,270,449.89
1.2 Driver participation fees	€	15,999.92	50,399.76	120,399.44	193,599.12
1.3 Stallholder fees	€	94,995.00	292,485.00	1,023,697.50	1,732,417.50
1.4 Sponsorships	€	871,999.05	2,729,996.94	6,495,992.44	10,658,987.68
Total revenue	€	1,376,333.96	4,455,821.70	11,432,899.31	19,855,454.19
2 Costs and expenses					
2.1 Personnel expenses	€	150,733.49	154,462.02	172,754.00	198,277.68
2.2 Event costs and expenses					
2.2.1 jr21 rental costs	€	87,178.60	322,915.80	1,110,100.60	2,627,101.40
2.2.2 Venue costs	€	545,000.00	1,314,000.00	2,317,000.00	3,052,500.00
2.2.3 Third party vendor costs	€	28,872.00	92,616.00	230,104.00	383,592.00
2.2.4 Consumables costs	€	9,000.00	29,700.00	75,600.00	128,700.00
2.2.5 Emergency services costs	€	7,344.00	24,235.20	61,689.60	105,019.20
2.2.6 Wastemanagement costs	€	4,375.00	14,437.50	36,750.00	62,562.50
2.2.7 Barriers rental costs	€	127,071.77	430,338.42	1,021,659.14	1,631,712.19
2.2.8 Grandstands rental costs	€	19,099.80	57,299.40	133,698.60	210,097.80
2.2.9 VIP tent rental costs	€	22,627.60	67,882.80	158,393.20	248,903.60
2.2.10 Tents rental costs	€	18,143.95	52,616.85	118,537.65	172,963.45
2.2.11 Lounge areas furnishing rental costs	€	22,329.93	66,989.80	156,309.54	245,629.27
2.2.12 Flooring rental costs	€	7,854.68	23,564.05	54,982.77	86,401.50
2.2.13 Sanitary facilities rental costs	€	46,193.96	141,640.08	337,629.32	541,773.76

<i>Total event costs and expenses</i>	€	945,091.30	2,638,235.89	5,812,454.42	9,496,956.68
<hr/>					
<i>2.3 Administrative costs and expenses</i>					
2.3.1 Marketing expenses	€	32,500.00	103,650.00	256,200.00	425,150.00
2.3.2 Planning and organisation expenses	€	1,888.04	5,664.12	12,316.28	20,318.44
2.3.3 Administrative expenses	€	14,500.00	14,850.00	37,800.00	64,350.00
2.3.4 Costs for European Union trade mark application	€	2,862.00	0.00	0.00	0.00
2.3.5 Ticketing service costs	€	10,000.00	31,350.00	73,500.00	114,400.00
2.3.6 Amortisation and depreciation	€	14,166.67	14,166.67	14,166.67	12,500.00
<i>Total administrative costs and expenses</i>	€	75,916.71	169,680.79	393,982.95	636,718.44
<hr/>					
2.4 Emergency fund for unplanned costs and expenses	€	100,684.13	279,375.00	619,227.07	1,012,117.51
<hr/>					
Total costs and expenses	€	1,272,425.63	3,241,753.70	6,998,418.43	11,344,070.31
<hr/>					
3 Earnings before interest and taxes (EBIT)	€	103,908.33	1,214,068.00	4,434,480.88	8,511,383.88
<hr/>					
3.1 Bank loan interest expenses	€	12,469.12	10,868.16	7,895.49	4,794.99
<hr/>					
4 Earnings before taxes (EBT)	€	91,439.21	1,203,199.84	4,426,585.39	8,506,588.88
<hr/>					
4.1 Corporate taxes	€	22,859.80	300,799.96	1,106,646.35	2,126,647.22
<hr/>					
5 Net profits	€	68,579.40	902,399.88	3,319,939.04	6,379,941.66
<hr/>					
5.1 Distribution of profits	€	6,857.94	90,239.99	331,993.90	637,994.17
<hr/>					
6 Net income	€	61,721.46	812,159.89	2,987,945.14	5,741,947.50

Yearly and non-yearly Performance Indicators

Yearly performance indicators		01 January 2022	31 December 2022	2023	2024	2025
Operating margin	%	–	7.55	27.25	38.79	42.87
Net margin	%	–	4.98	20.25	29.04	32.13
(Annual) ROI	%	–	1.37	18.05	66.40	127.60
(Annual) ROE	%	–	7.16	50.38	78.88	87.77
(Annual) ROA	%	–	5.31	44.07	75.76	86.74
Ratio of non-current assets to total assets (NCATA)	%	8.26	6.95	3.62	1.33	0.60
Ratio of current assets to total assets (CATA)	%	91.74	93.05	96.38	98.67	99.40
Equity ratio	%	69.57	74.07	87.47	96.05	98.83
Debt ratio	%	30.43	25.93	12.53	3.95	1.17
Debt-equity ratio	%	43.75	35.00	14.32	4.11	1.18
Working capital rate	%	–	77.74	39.62	33.97	33.11

Performance Indicators



Non-yearly performance

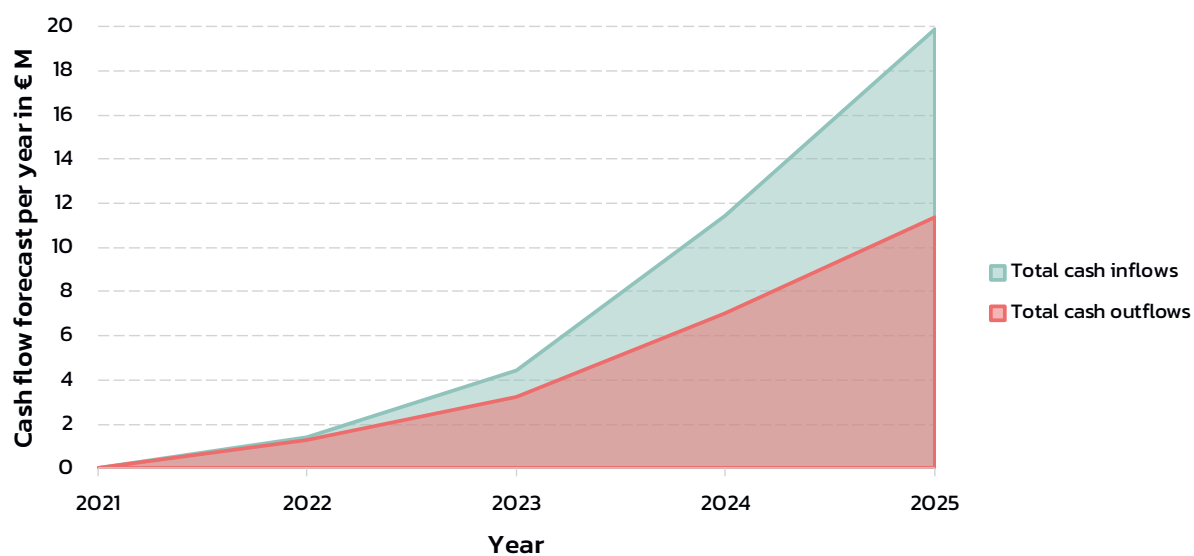
indicators

Multi-year ROI	%	213.42
Multi-year ROE	%	224.19
Multi-year ROA	%	211.88
Annualised ROI	%	33.05
Annualised ROE	%	34.18
Annualised ROA	%	32.89

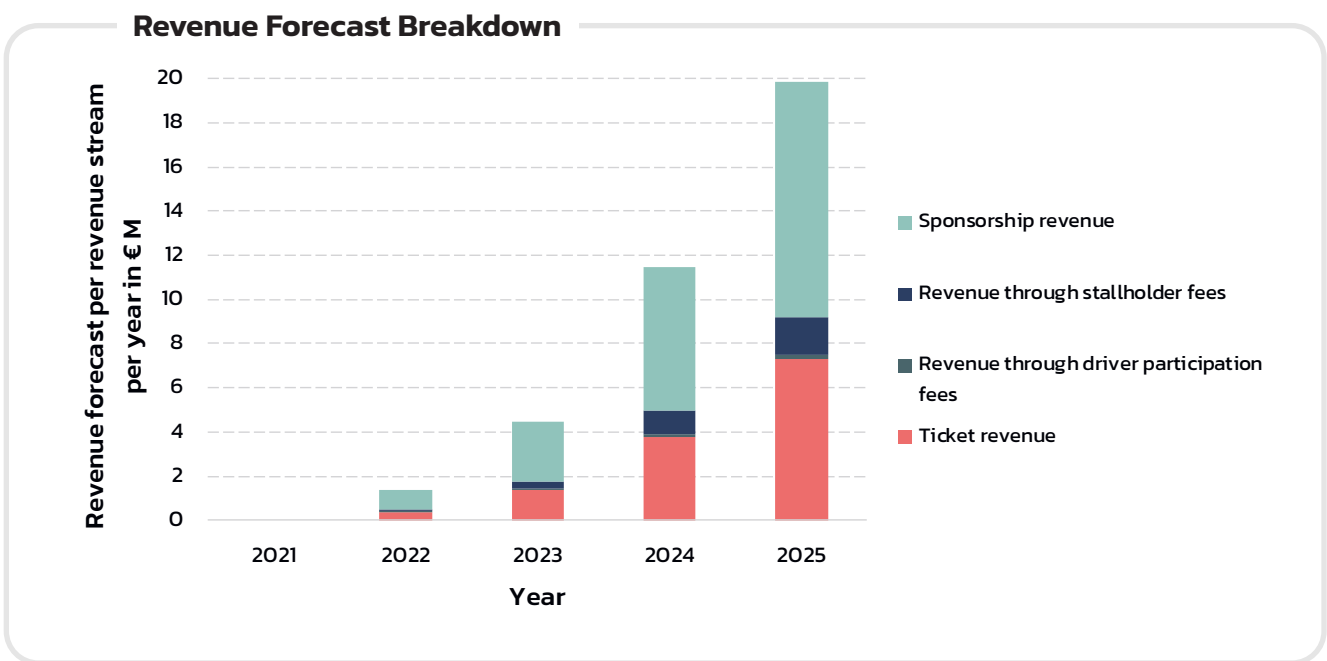
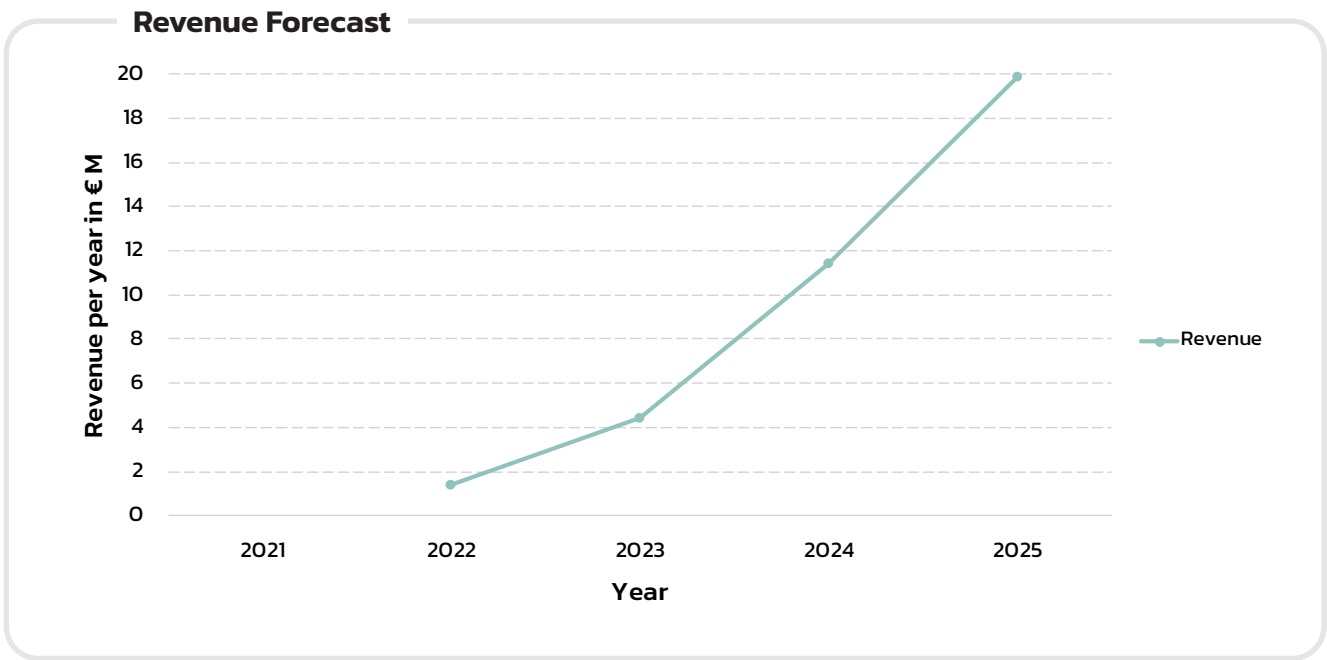
Cash Flow Forecast

Cash flow forecast		2022	2023	2024	2025
Total cash inflows	€	1,376,333.96	4,455,821.70	11,432,899.31	19,855,454.19
Total cash outflows	€	1,284,894.75	3,252,621.86	7,006,313.92	11,348,865.31
Cash flow (+/-)	€	91,439.21	1,203,199.84	4,426,585.39	8,506,588.88

Cash Flow Forecast

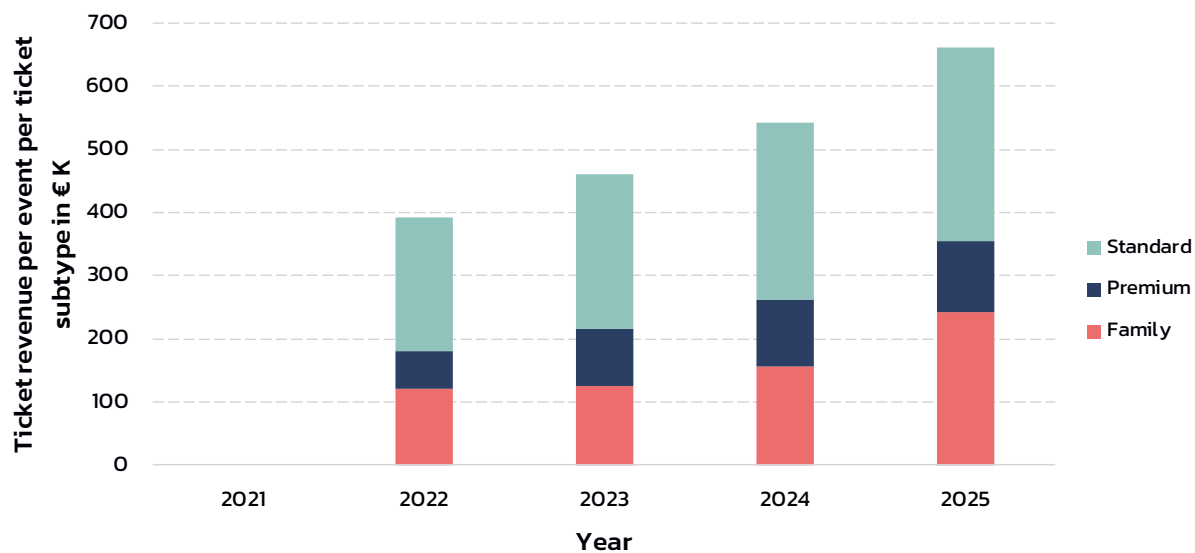


Revenue Forecast

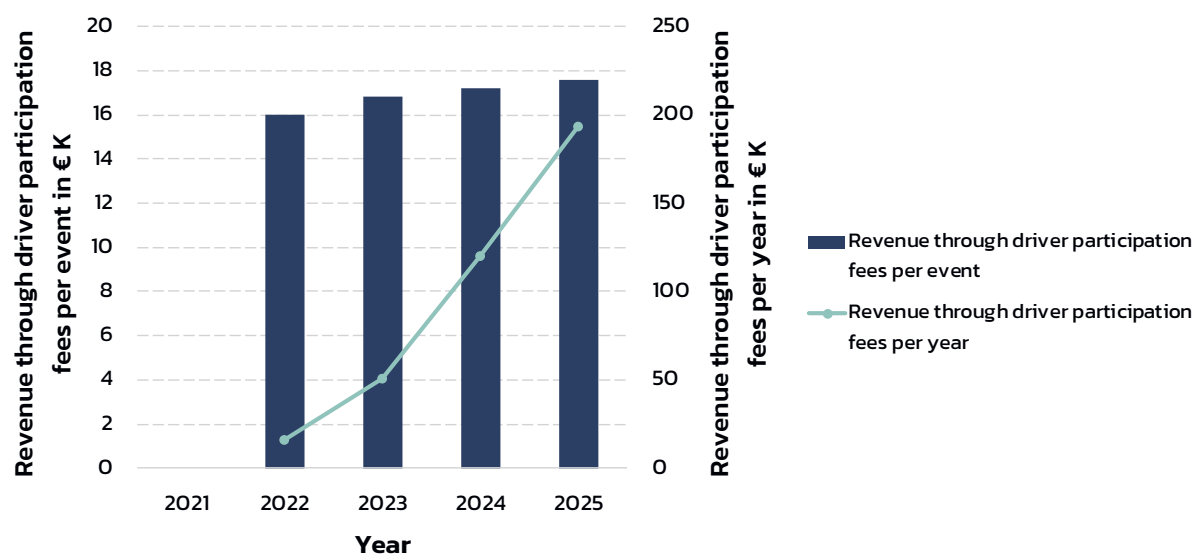


Revenue forecast		2022	2023	2024	2025
Tickets	€	393,339.99	1,382,940.00	3,792,809.93	7,270,449.89
Driver participation fees	€	15,999.92	50,399.76	120,399.44	193,599.12
Stallholder fees	€	94,995.00	292,485.00	1,023,697.50	1,732,417.50
Sponsorships	€	871,999.05	2,729,996.94	6,495,992.44	10,658,987.68
Total	€	1,376,333.96	4,455,821.70	11,432,899.31	19,855,454.19

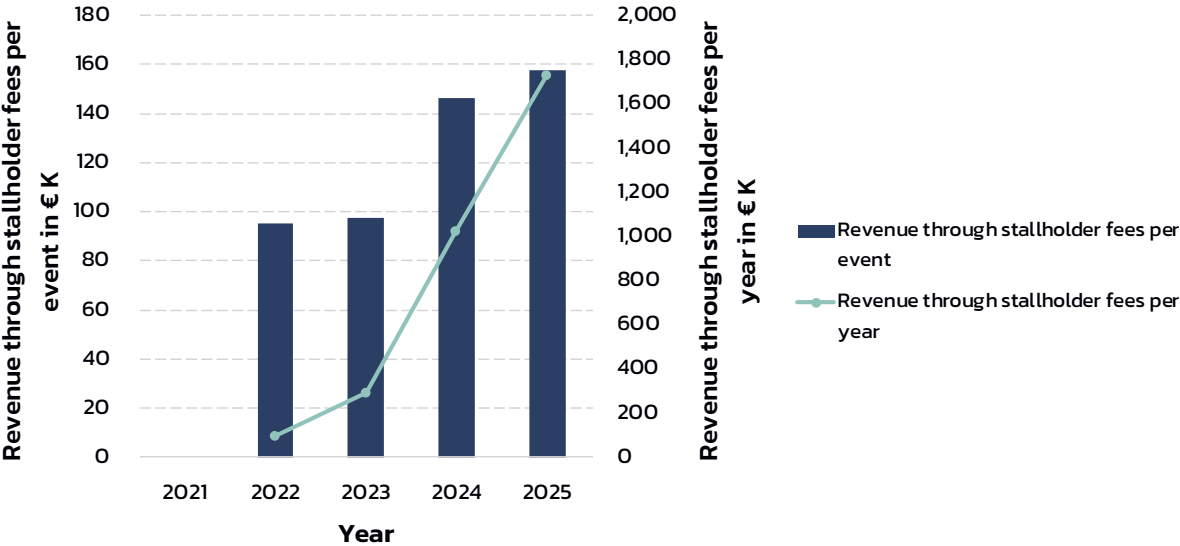
Ticket Revenue



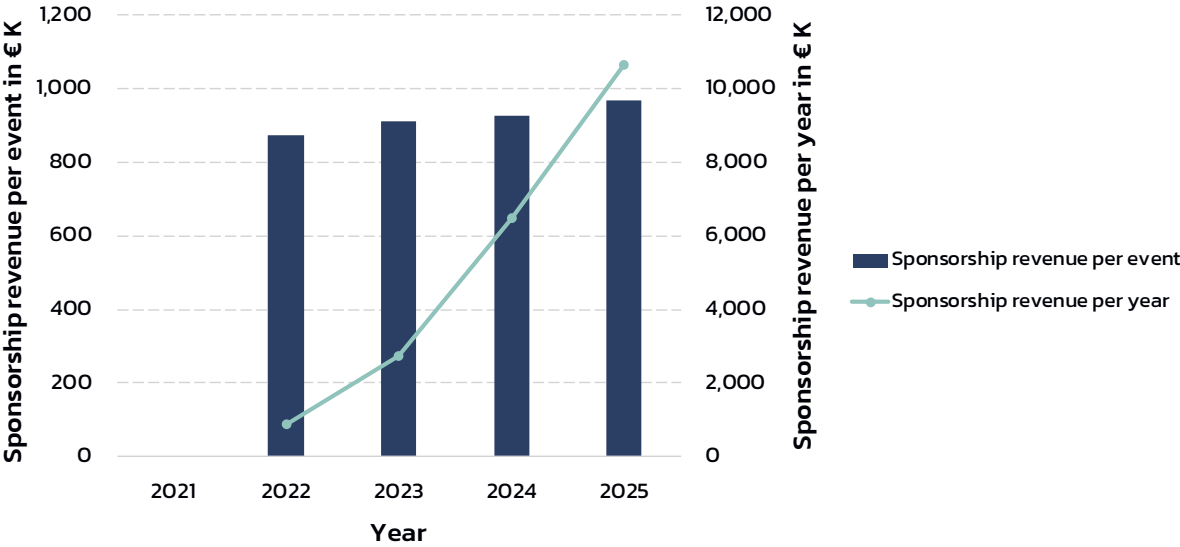
Revenue through Driver Participation Fees



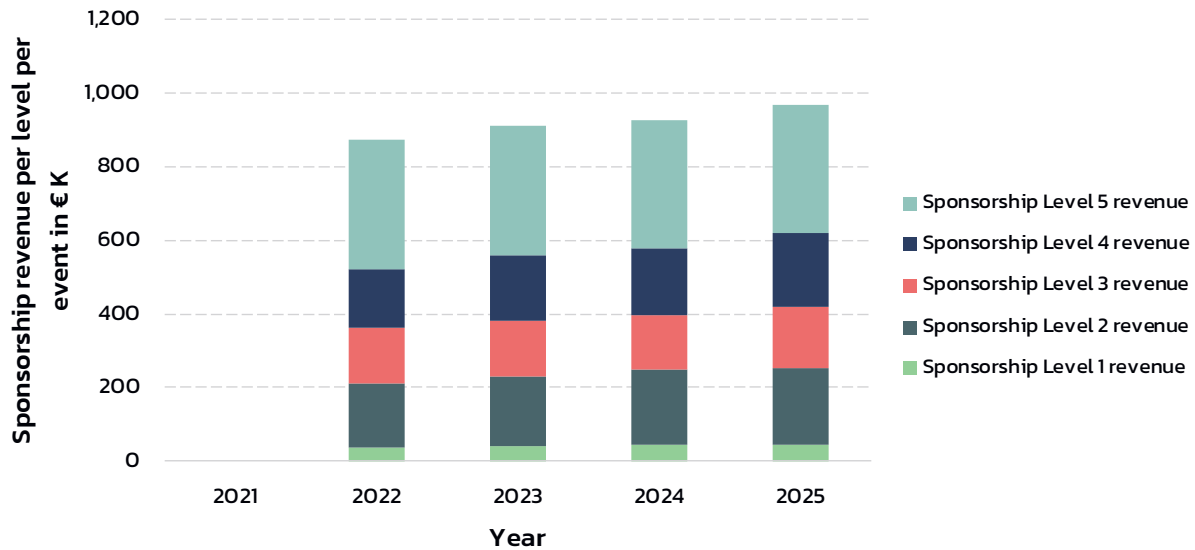
Revenue through Stallholder Fees



Sponsorship Revenue

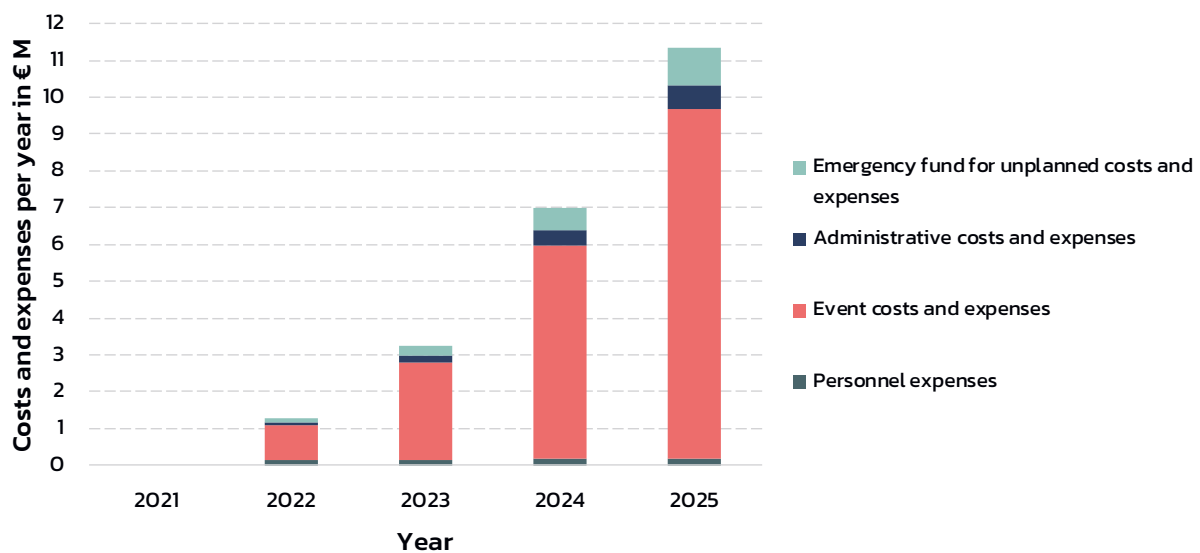


Sponsorship Revenue Breakdown

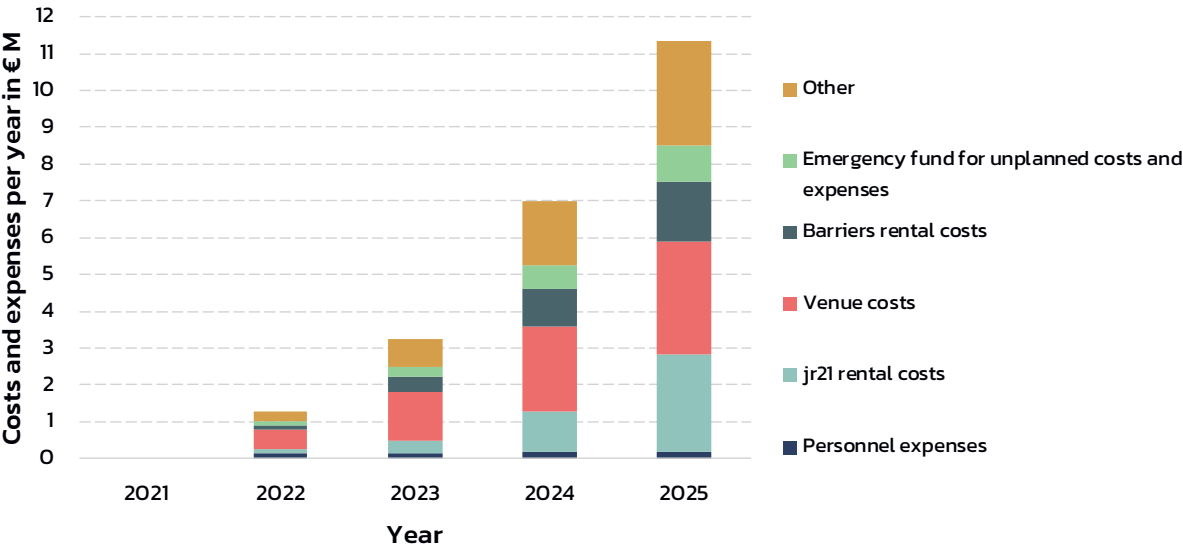


Costs and Expenses Forecast

Costs and Expenses Breakdown

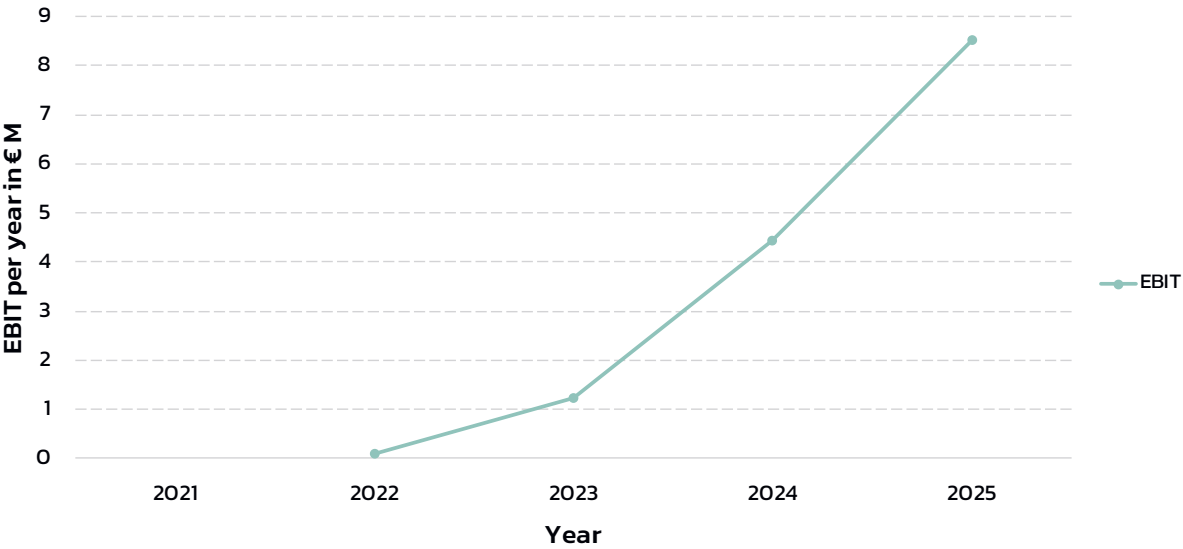


Costs and Expenses Breakdown

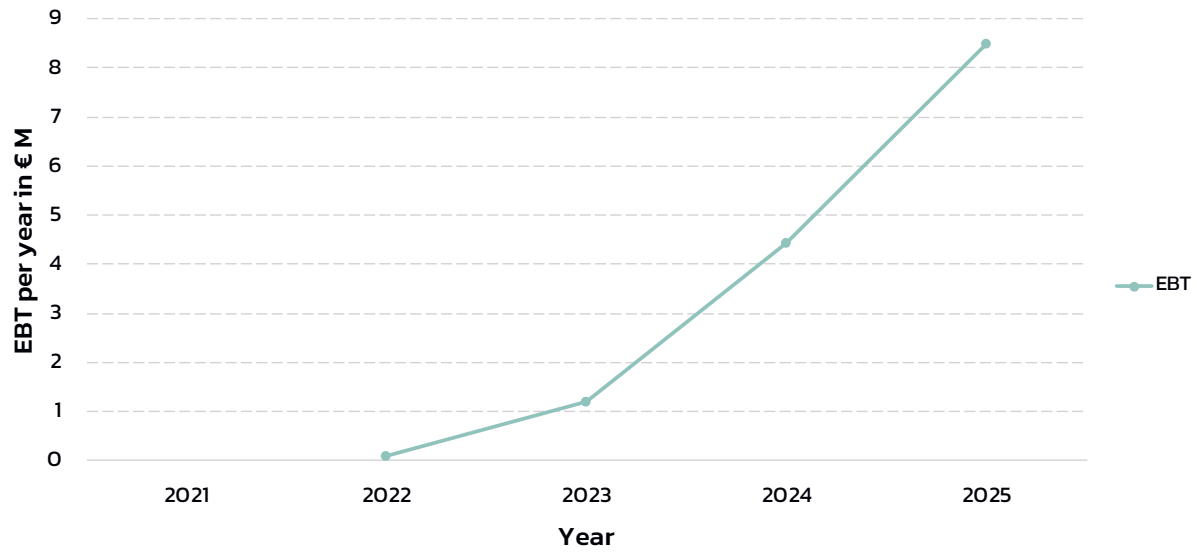


Additional Forecasts

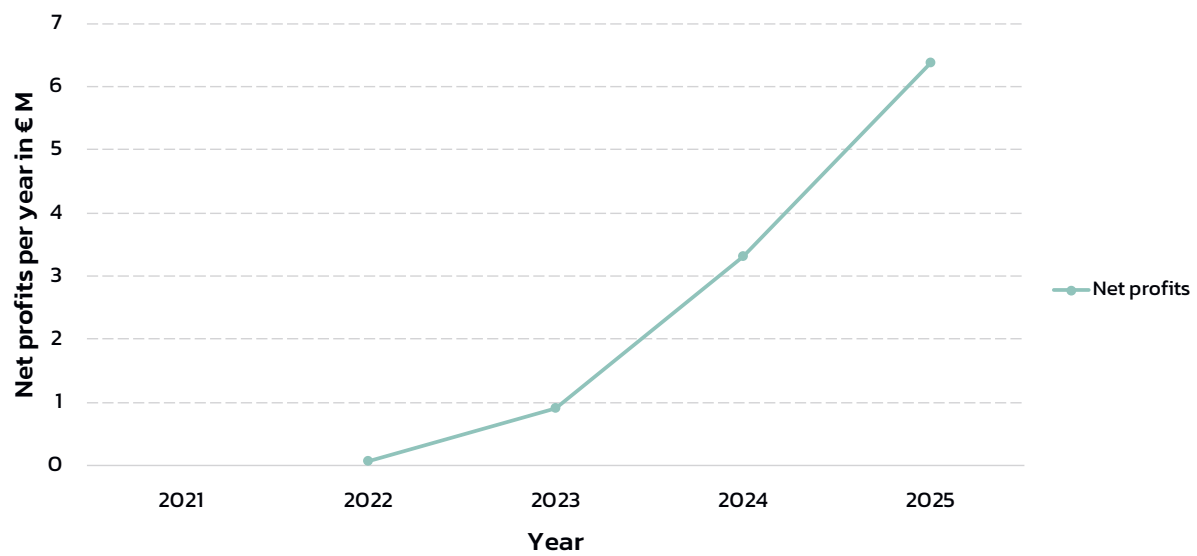
EBIT Forecast



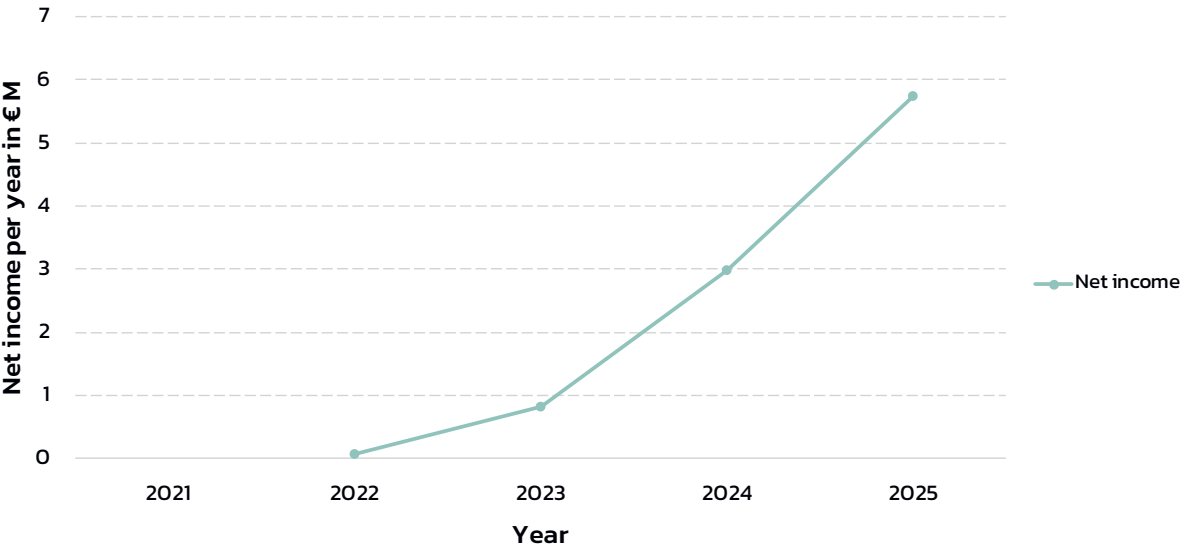
EBT Forecast



Net Profits Forecast

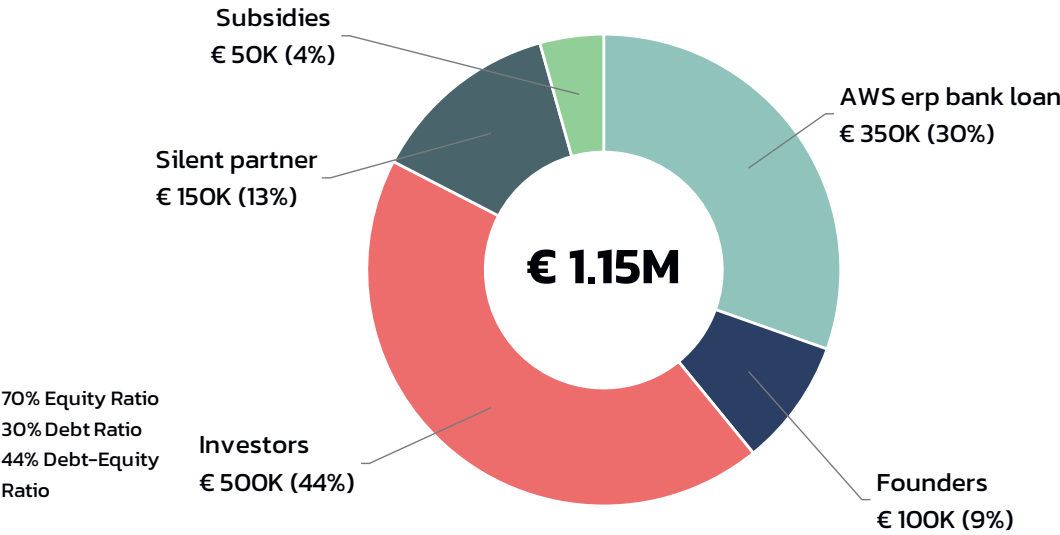


Net Income Forecast

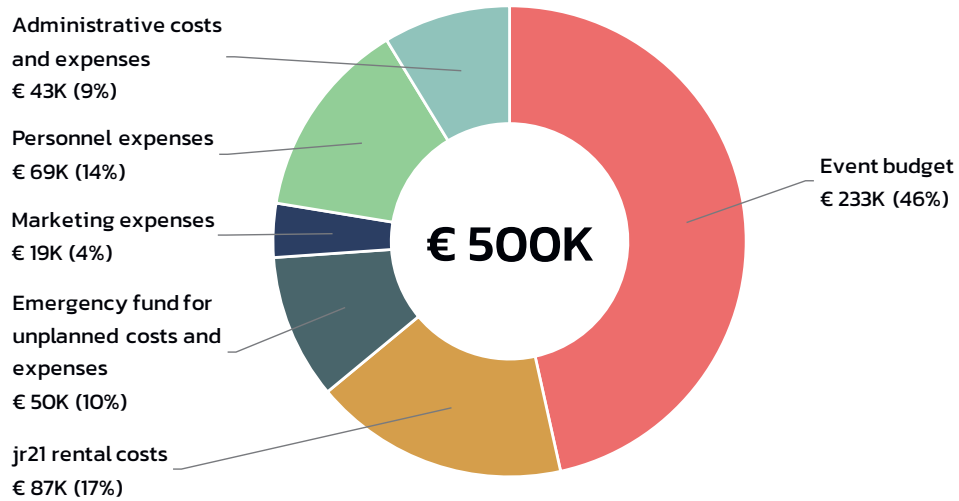


Investment

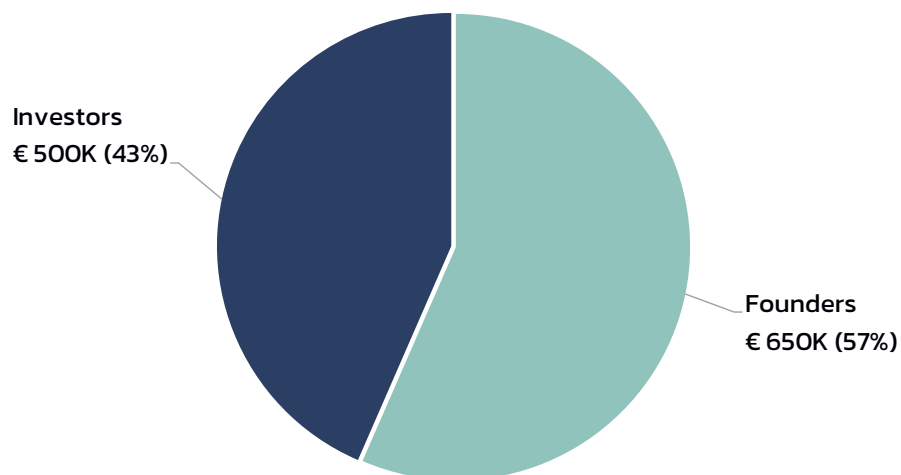
Capital Requirements



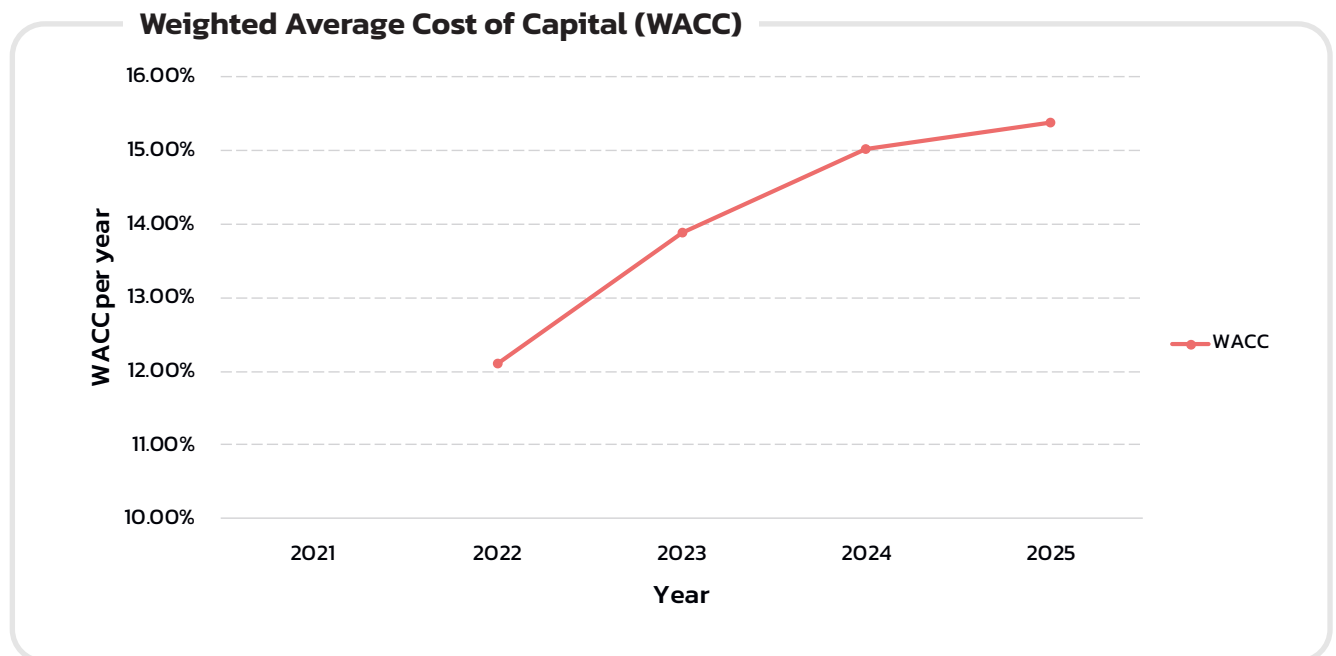
Your Investment



Shareholder Structure



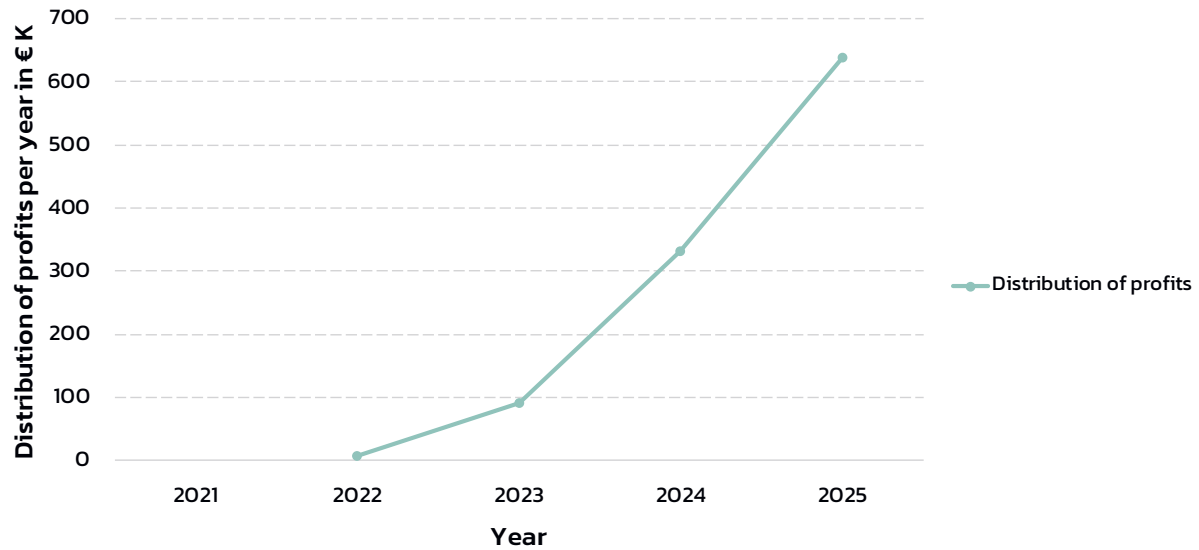
FINANCIAL APPENDIX



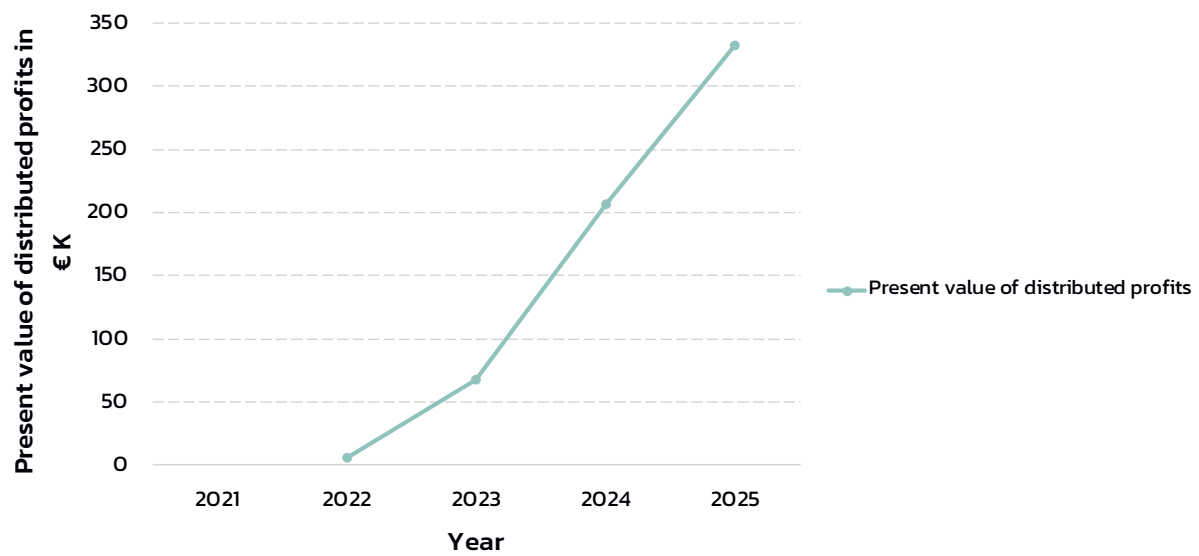
WACC		2022	2023	2024	2025
Equity	€	861,721.46	1,612,159.89	3,787,945.14	6,541,947.50
Liabilities	€	301,604.91	230,872.10	155,794.92	77,489.42
Total capital	€	1,163,326.38	1,843,032.00	3,943,740.06	6,619,436.92
Cost of equity	%	15.54	15.54	15.54	15.54
Cost of debt	%	2.30	2.30	2.30	2.30
WACC	%	12.11	13.88	15.02	15.38

Capital Asset Pricing Model (CAPM)	Value
Risk free rate of return	-0.56
Levered beta	1.18
Risk-adjusted levered beta	2.68
Market risk premium	% 5.80
Cost of equity	% 15.54
Cost of debt	% 2.30

Distribution of Profits

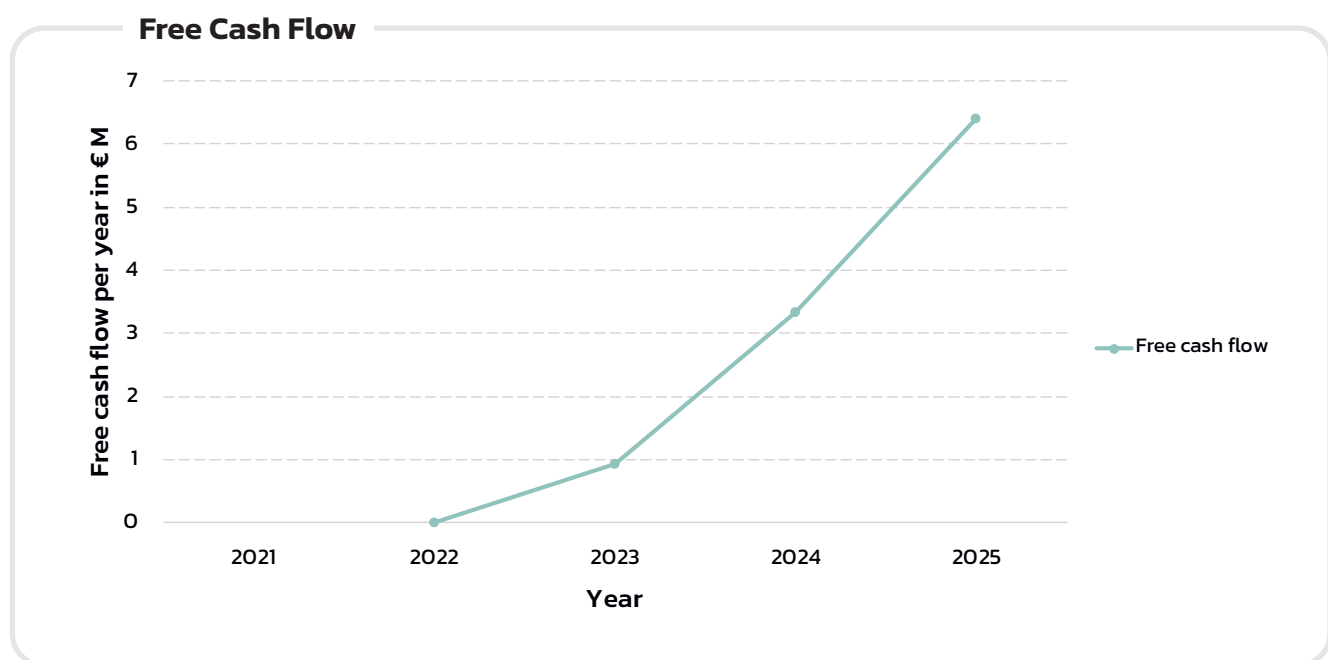


Present Value of Distributed Profits

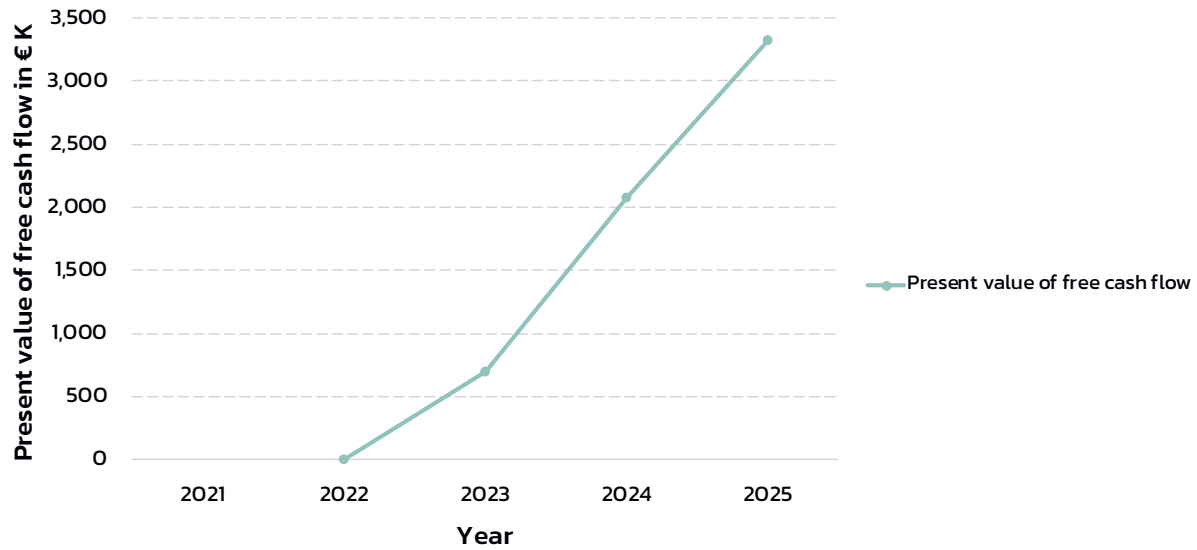


FINANCIAL APPENDIX

Free cash flow		2022	2023	2024	2025
Net profits	€	68,579.40	902,399.88	3,319,939.04	6,379,941.66
Amortisation and depreciation on fixed assets	€	14,166.67	14,166.67	14,166.67	12,500.00
Interest expenses	€	12,469.12	10,868.16	7,895.49	4,794.99
Operative cash flow	€	95,215.19	927,434.71	3,342,001.20	6,397,236.66
Cash flow from investing activities	€	-95,000.00	0.00	0.00	0.00
Total	€	215.19	927,434.71	3,342,001.20	6,397,236.66

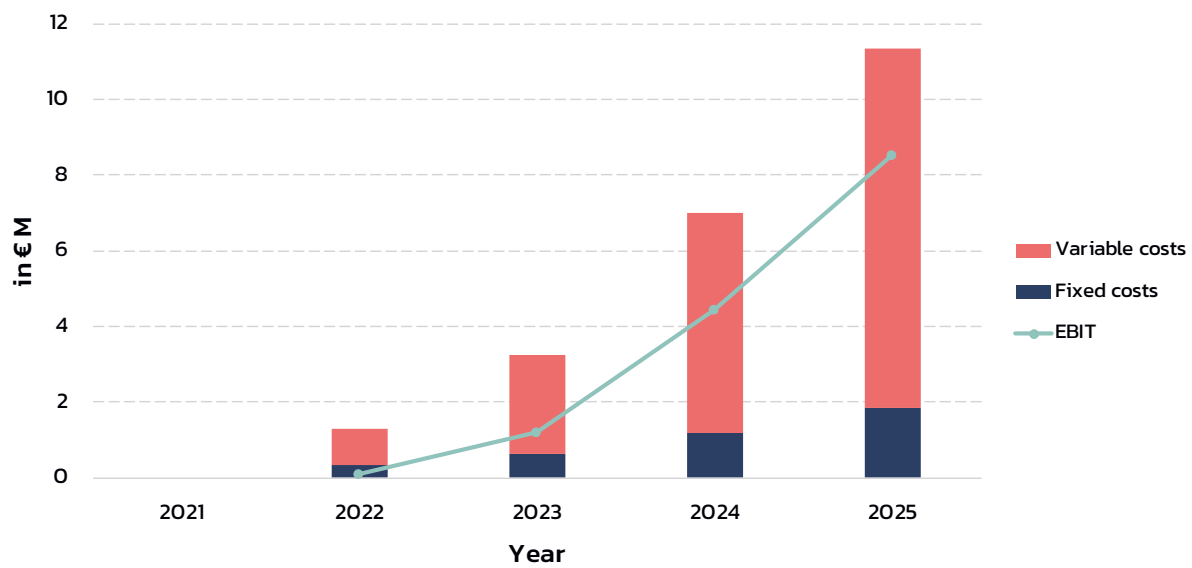


Present Value of Free Cash Flow



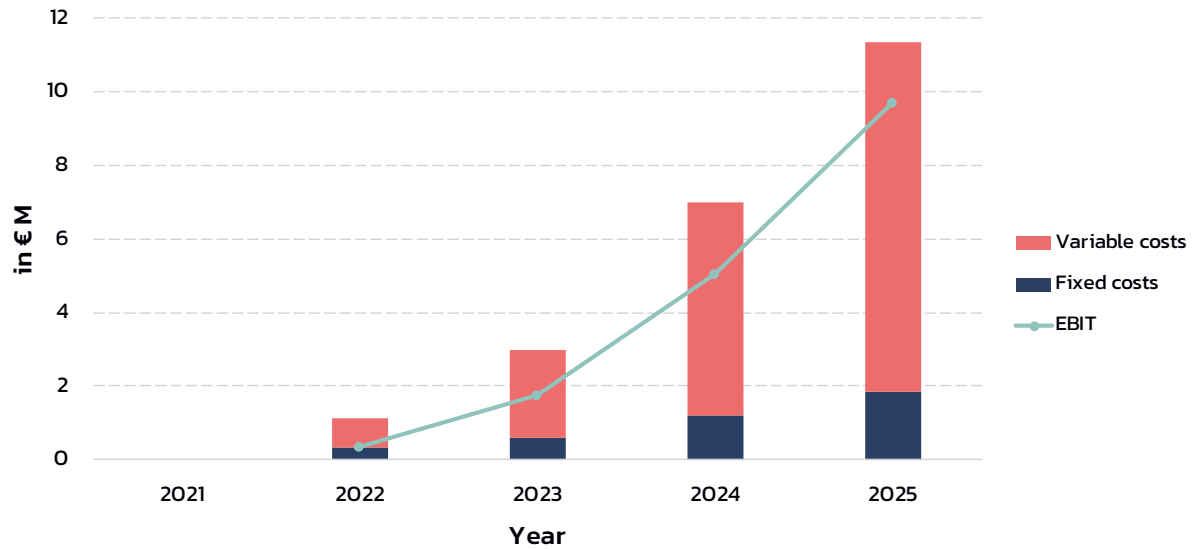
Scenario Analyses

Most Likely Case

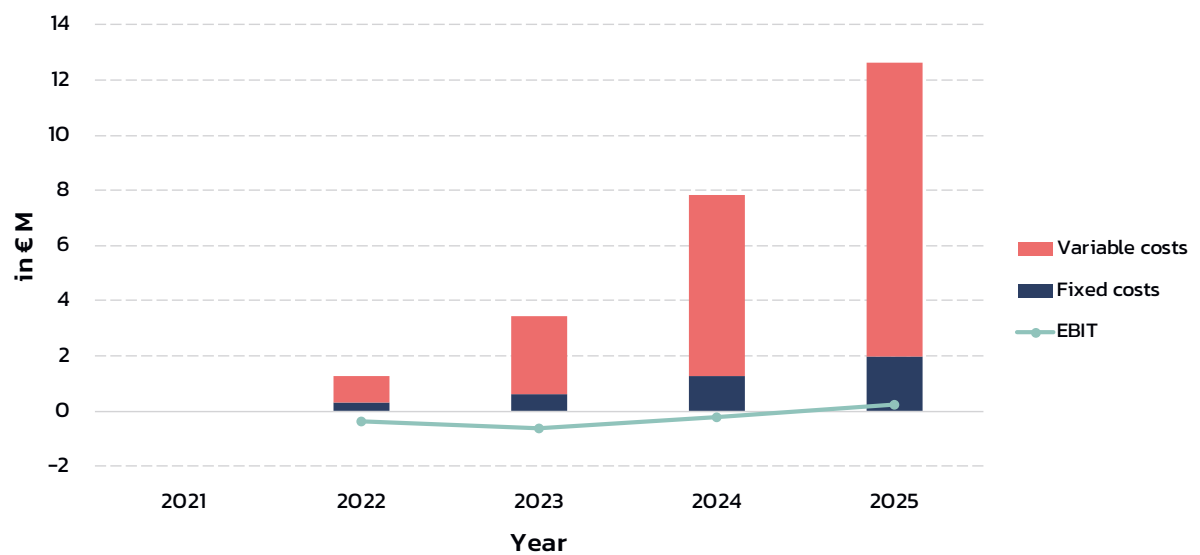


FINANCIAL APPENDIX

Best Case^[7]



Worst Case^[8]



Miscellaneous

Organisational structure of J.R.G. Racing GmbH

Occupation	Number of employee(s) per occupation				Type of employment	Additional remarks
	2022	2023	2024	2025		
CEO	1	1	1	1	Full-time	Founder
CFO	1	1	1	1	Full-time	Founder, Event Managing Director
Marketing & Sales Manager	1	1	1	1	Full-time	
Office Manager	1	1	1	1	Part-time	20 h per working week
Local Operations Manager ^[9]	0	3	7	11	Marginal	External
Assembly Staff ^[10]	40	40	40	40	Voluntary	External
Event Staff	14	16	22	30	Marginal	External

Breakdown Event Staff

Ticket sales per event	5,000	6,000	7,000	8,000	
Relative increase in forecasted ticket sales over 2022	%	0	20	40	60
Number of sold tickets per employee	357	429	500	571	
Number of sold tickets per employee target ^[11]	357	375	375	375	
Number of employees per event	58	63	73	85	
Number of events per year	1	3	7	11	
Total	58	172	438	774	

Bank loan terms

Loan	€	350,000.00
Annual interest	%	4.30
Monthly interest	%	0.35
Loan start date	28 February 2022	

Bank loan summary

Total payment	€	425,177.88
Total interest	€	37,588.94
expenses over term		
Loan end date	31 December 2026	

FINANCIAL APPENDIX

jr21 rental costs		2022	2023	2024	2025
Breakdown rental costs for 1x jr21 per event ^[12]					
Price per driven kilometre or part thereof	€	15.99	15.99	15.99	15.99
Driven kilometres per event per jr21 ^[13]	km	35.00	35.00	35.00	35.00
Deposit	€	10,000.00	10,000.00	10,000.00	10,000.00
Fully comprehensive insurance with deductible	€	10,000.00	10,000.00	10,000.00	10,000.00
High risk insurance	€	10,000.00	10,000.00	10,000.00	10,000.00
Transporting costs	€	1.22	1.25	1.28	1.32
Transporting kilometres ^[14]	km	400.00	2,720.00	9,290.00	19,140.00
Subtotal	€	31,047.65	33,959.65	42,450.85	55,824.45
Number of jr21's per event		4	4	4	4
Breakdown rental costs for 1x dummy jr21 per event ^[12]					
Deposit	€	2,500.00	2,500.00	2,500.00	2,500.00
Fully comprehensive insurance with deductible	€	2,500.00	2,500.00	2,500.00	2,500.00
Transporting costs	€	1.22	1.25	1.28	1.32
Transporting kilometres ^[14]	km	400.00	2,720.00	9,290.00	19,140.00
Subtotal	€	5,488.00	8,400.00	16,891.20	30,264.80
Number of dummy jr21's per event		1	2	2	2
Number of events per year		1	3	7	11
Total	€	129,678.60	457,915.80	1,425,100.60	3,122,101.40
Total (excl. deposits)	€	87,178.60	322,915.80	1,110,100.60	2,627,101.40
Venue costs ^[15]					
Rental costs	€	500,000.00	400,000.00	300,000.00	250,000.00
Insurance coverage costs	€	35,000.00	28,000.00	21,000.00	17,500.00
Parking costs	€	10,000.00	10,000.00	10,000.00	10,000.00
Number of events per year		1	3	7	11
Total	€	545,000.00	1,314,000.00	2,317,000.00	3,052,500.00

Investing activities		2022	2023	2024	2025
Purchases of intangible assets	€	5,000.00	0.00	0.00	0.00
Purchases of office and business equipment	€	10,000.00	0.00	0.00	0.00
Purchases of IT equipment	€	20,000.00	0.00	0.00	0.00
Purchases of company cars	€	60,000.00	0.00	0.00	0.00
Proceeds from sales of intangible assets	€	0.00	0.00	0.00	0.00
Proceeds from sales of office and business equipment	€	0.00	0.00	0.00	0.00
Proceeds from sales of IT equipment	€	0.00	0.00	0.00	0.00
Proceeds from sales of company cars	€	0.00	0.00	0.00	0.00
Total	€	95,000.00	0.00	0.00	0.00

Amortisation and depreciation ^[16]	Useful life in years		2022	2023	2024	2025	Total
Intangible assets	3	€	1,666.67	1,666.67	1,666.67	0.00	5,000.00
Office and business equipment	10	€	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00
IT equipment	5	€	4,000.00	4,000.00	4,000.00	4,000.00	16,000.00
Company cars	8	€	7,500.00	7,500.00	7,500.00	7,500.00	30,000.00
Total		€	14,166.67	14,166.67	14,166.67	12,500.00	55,000.00

Contacts	2022	2023	2024	2025
Event visitors	5,000	6,000	7,000	8,000
Instagram followers	8,500	16,602	44,160	125,995
Unique website visits	10,000	19,531	51,954	148,229
Printed media contacts	20,000	30,418	59,275	101,381
Radio broadcast	95,833	127,554	179,482	235,495
Gross range	139,333	200,104	341,871	619,100

Notes

^[1] Calculated as 10% of net profits.

^[2] Value retrieved from German 5-year bond from 01 February 2021.

^[3] Two year-weekly levered beta (raw) of the Consumer Discretionary industry as of 30 June 2020 retrieved from KPMG Advisory GmbH.

^[4] An additional small size premium (SSP) of 1 and, due to insufficient data, a further 0.5 risk spread are assumed for the levered beta of J.R.G. Racing GmbH.

^[5] The average market risk premium in Germany as of 23 November 2020 retrieved from IESE Business School.

^[6] The average cost of debt of the Transport & Leisure industry retrieved from the Cost of Capital Study 2020 from KPMG AG.

^[7] Assumptions: 15% more sponsors per sponsorship level per event; faster declining venue costs (-30% in 2022, -19% in 2023, ±0% in 2024 and 2025 compared to *Most Likely Case*)

^[8] Assumptions: Half the amount of tickets sold per event per year; half the amount of sponsors per sponsorship level per year; venue costs decline slower per year (-10% in 2023, -11% in 2024, -13% in 2025 compared to the respective previous year)

^[9] As there is no Local Operations Manager intended for the first event in Austria, the exact workload and therefore the employer's levy of the Local Operations Manager cannot be determined or estimated. After the first event, adaptations to the personnel expenses must be made.

^[10] It is assumed that, even though there are more attendees per event, the venue is similarly sized per event, requiring the same number of employees for the Assembly Staff.

^[11] In order to provide a similar experience and a constant level of service quality for the attendees across all our events, it is assumed that one employee can at best tend to 375 attendees per day.

^[12] It is assumed that the rental costs are constant.

^[13] It is assumed that all 4 jr21's are driven equally as much.

^[14] Assumed transporting kilometres are based on expected event calendar.

^[15] Due to the difficulty to acquire sufficient information for the venue costs of each event, the costs are assumed to be constant across all events and years and are based off the available information we could acquire for the Vienna event.

^[16] Austrian tax law requires linear amortisation and depreciation spread evenly over the useful life of the fixed asset.

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