

# SAFECARD

El sistema de control de acceso más moderno y seguro del mundo

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# What is Safecard?

Safecard was created in 2015 as the solution to a problem identified by its founders:

## The multiple shortcomings of traditional access control systems

- Safecard is a unique system in the world that allows its customers to **manage and control their access digitally quickly, simply and safely.**
- The platform **uses mobile phones** to open any physical access control mechanism (e.g. barriers, gates, doors or turnstiles) through an application and / or through messaging.
- The entry / exit control is carried out through an autonomous system, which allows the user **to generate access invitations and receive real-time entry notifications.**
- We currently operate in 100 points in the country, with 4,100,000 monthly movements and more than **200,000 downloads in Google Play / App Store.**



# What is Safecard?

## Slowness



The process of entry / exit can take several minutes, generating unwanted waiting times for users and visitors.

## Discretion



Many times, entry / exit is authorized by people who are not qualified and / or do not have enough information to do so.

## Identity Verification



They have a low probability of effectively verifying the identity of the people entering or exiting the premises.

## Reporting



Information on entry and exit is not consolidated or delivered in a timely manner (real time) to the client.

## Costs



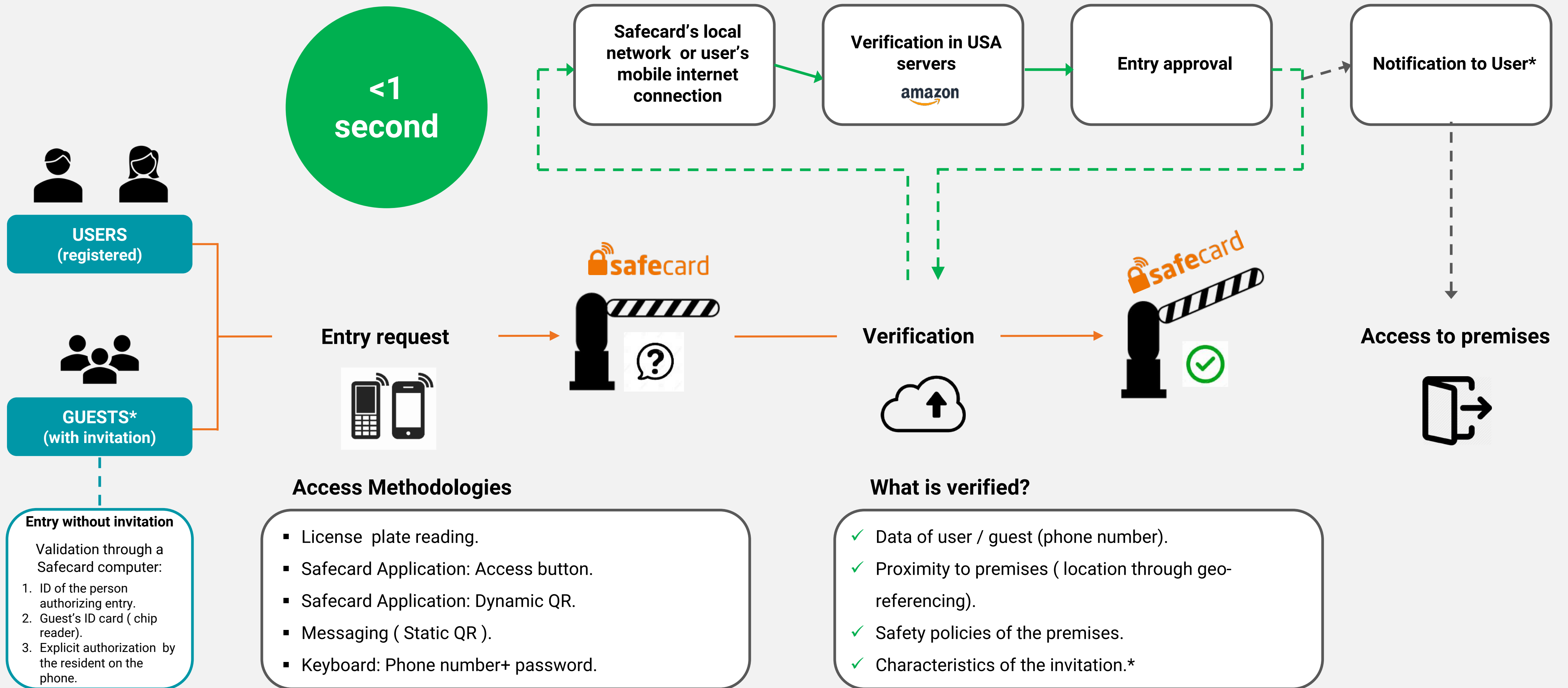
These systems have higher costs associated mainly with payment and / or replacement of access control elements (e.g. cards).

## Dependence

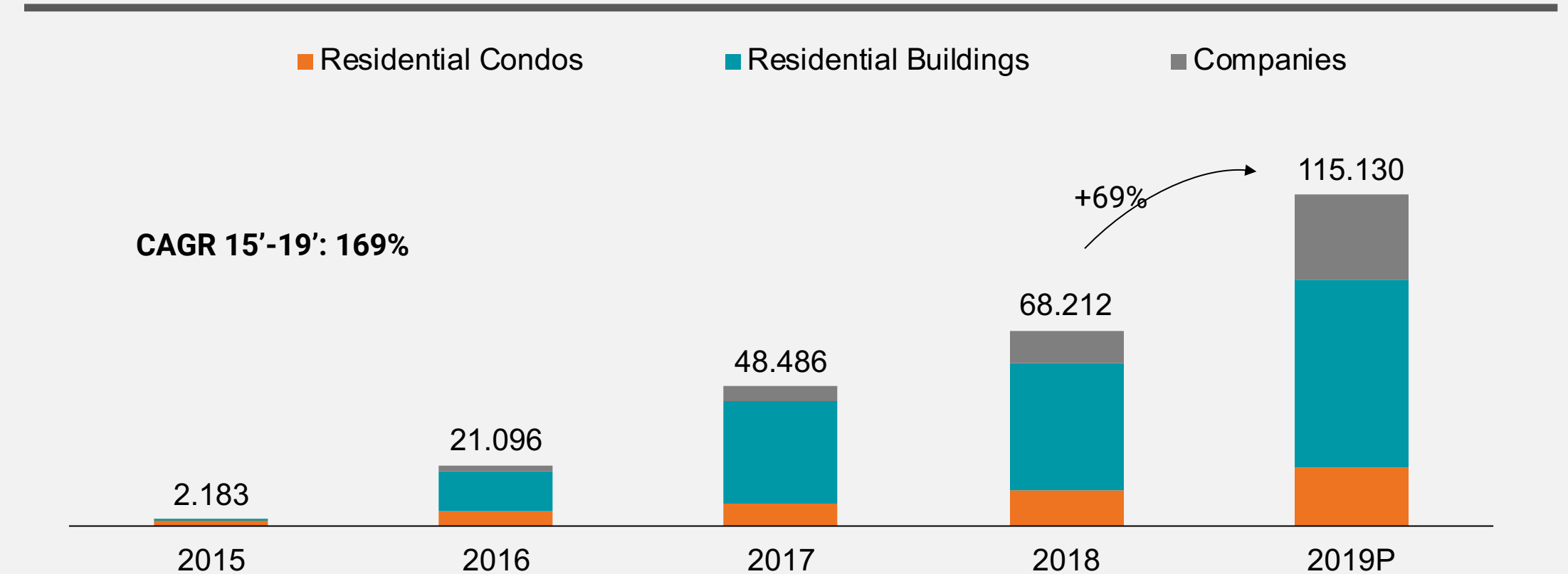
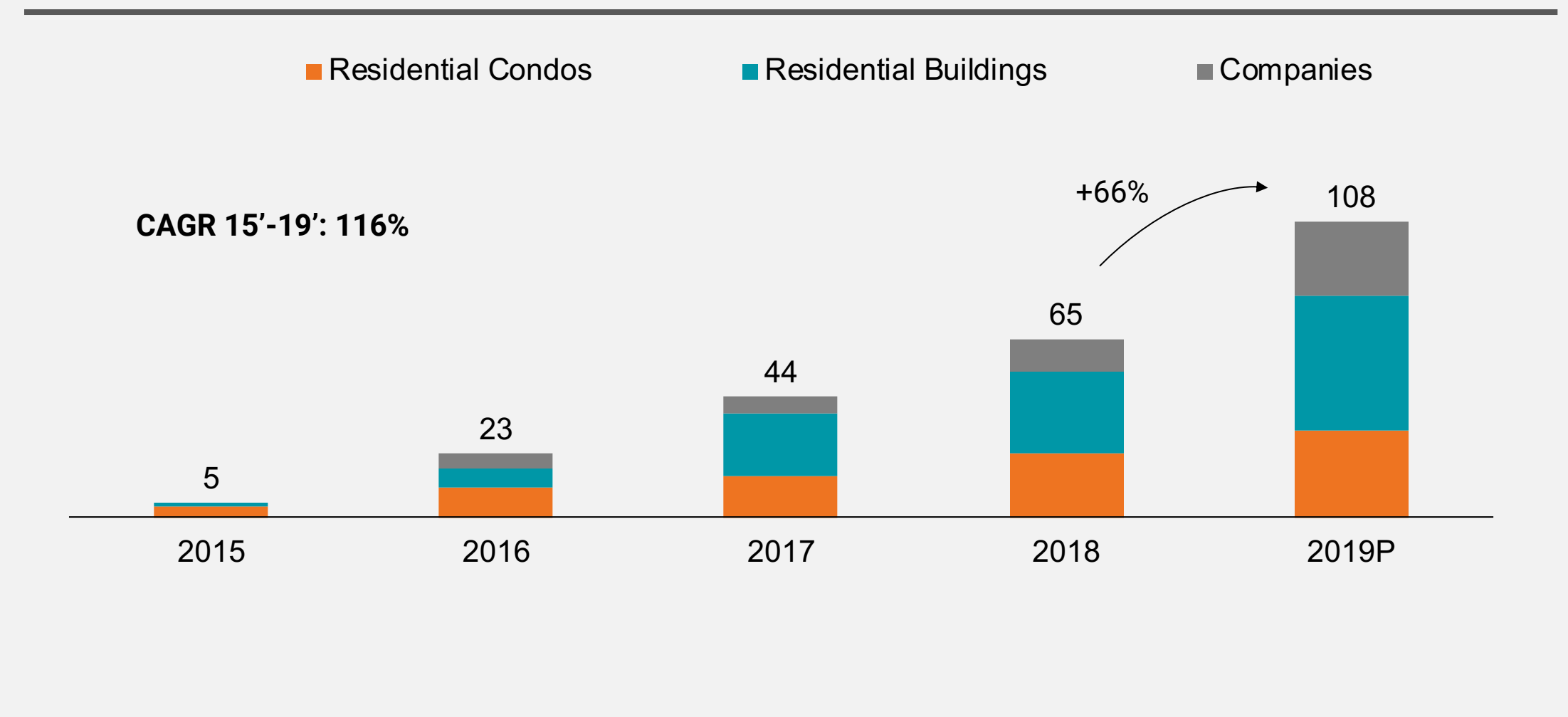
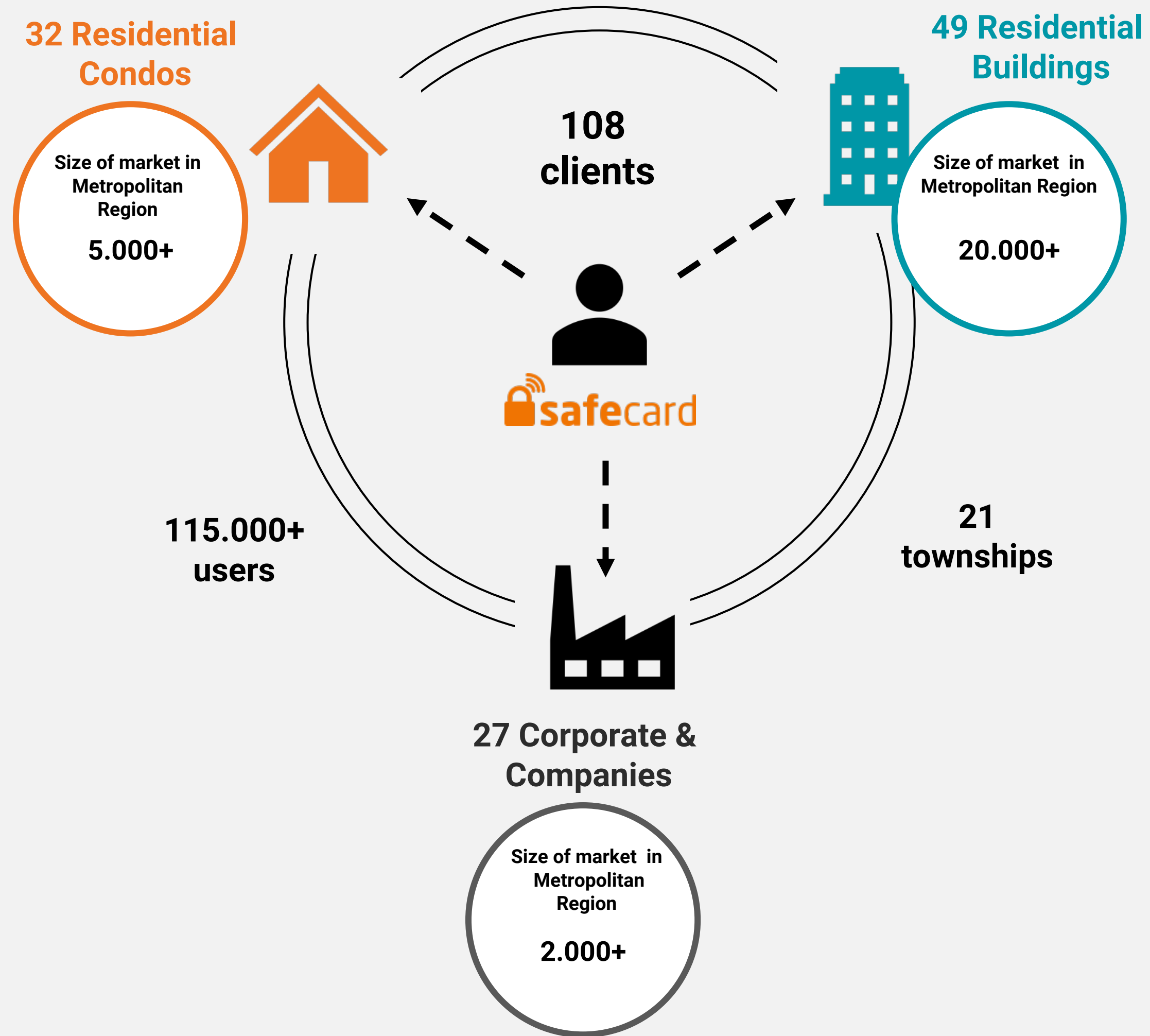


They depend on the existence and operation of land lines (e.g. telephone networks, cyclophones)

# How does Safecard work?

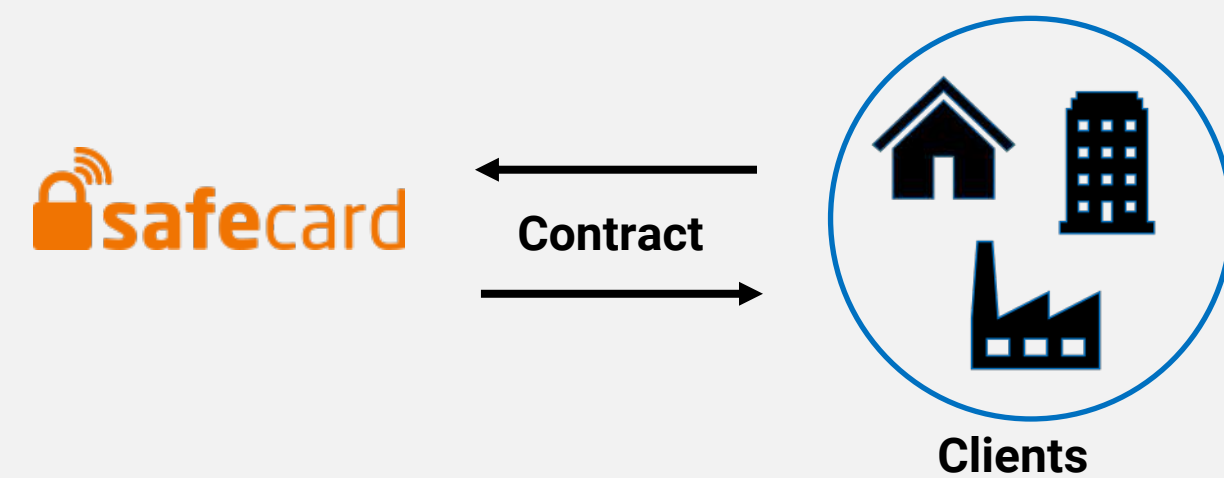


# Who are our clients?

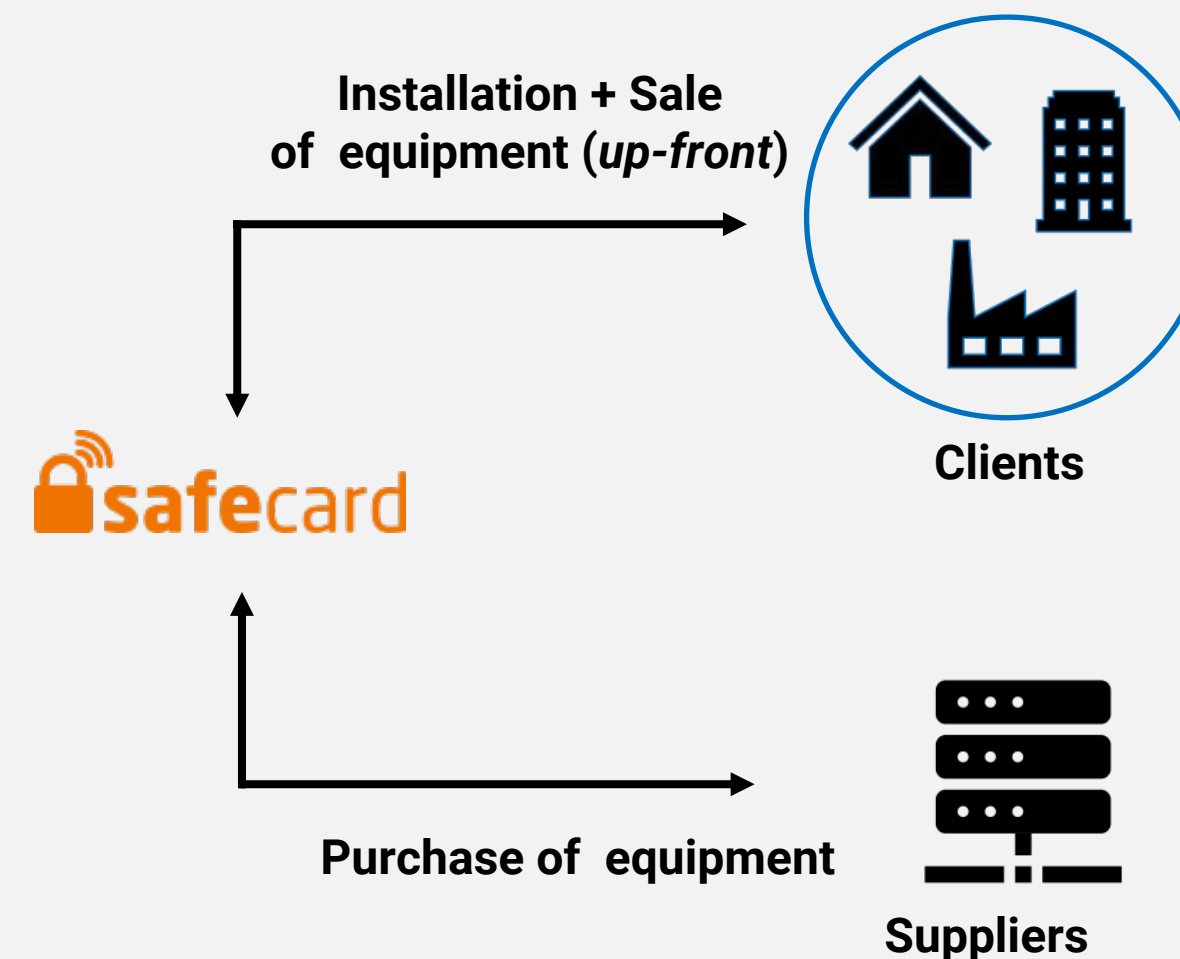


# Current Business Model: Product + Service

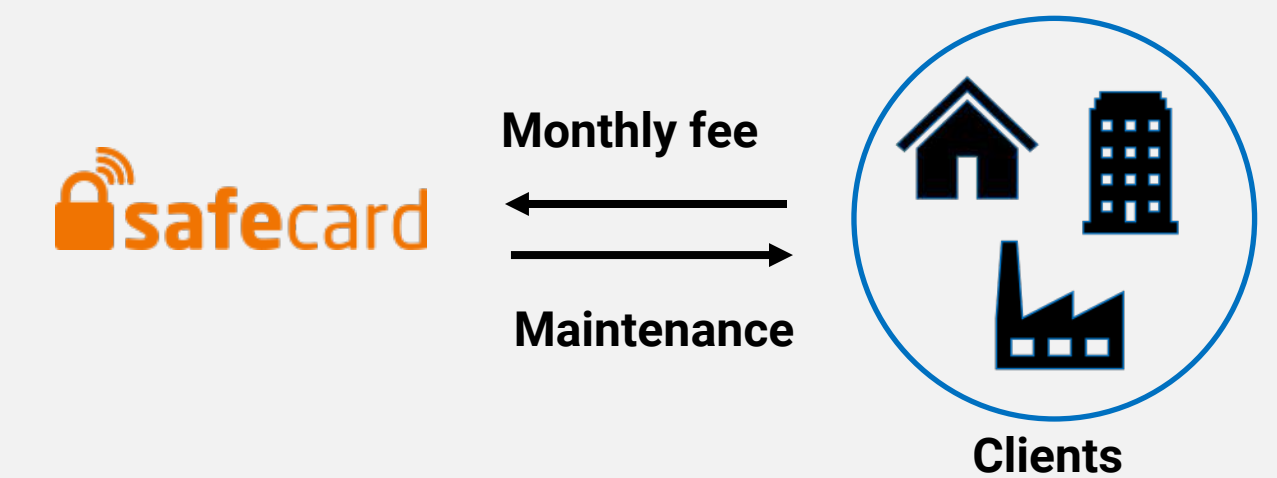
## 1 Business Completion




## 2 Implementation




## 3 Operation



- Safecard's commercial team **negotiates the commercial terms and conditions** with the client: term, equipment, costs, fees, among others.
- The process finalizes with the **signing of a contract for the provision of services**

 1 - 3 months

- Once the contract is signed, **Safecard manages the purchase of all necessary equipment** with the suppliers (Skidata, Digicon, among others)
- Later, **the equipment is installed and sold to the client**, who must cover all related costs plus a margin.

 2 - 3 months

- During the period of the contract, **the client pays Safecard a fixed monthly fee**, which is charge as part of common expenditure.
- In turn, **Safecard is in charge of maintenance** and the correct operation of the service.

 36+ months

# Current Business Model: Product + Service (continued)

Our current business model has proven successful, although it presents a limitation:

**The existence of an *up-front* payment has been an important entry barrier for new clients and has limited Safecard's growth potential.**

*"Out of 10 proposals presented, 9 show high interest in hiring the service. However, in the end only 3 sign since the remaining 6 do not have available funds to cover the up-front payment"*

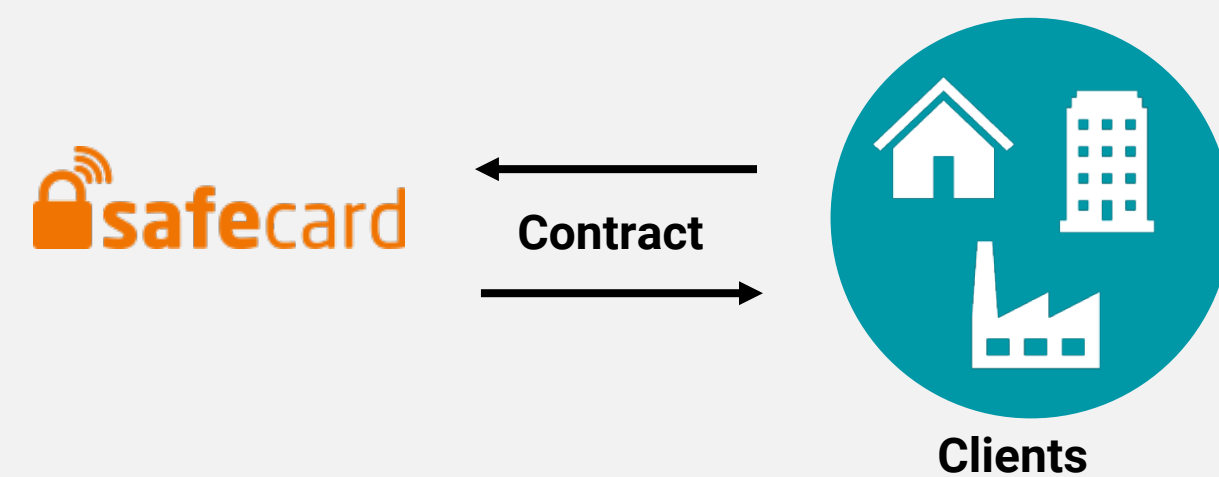


## **New business model**

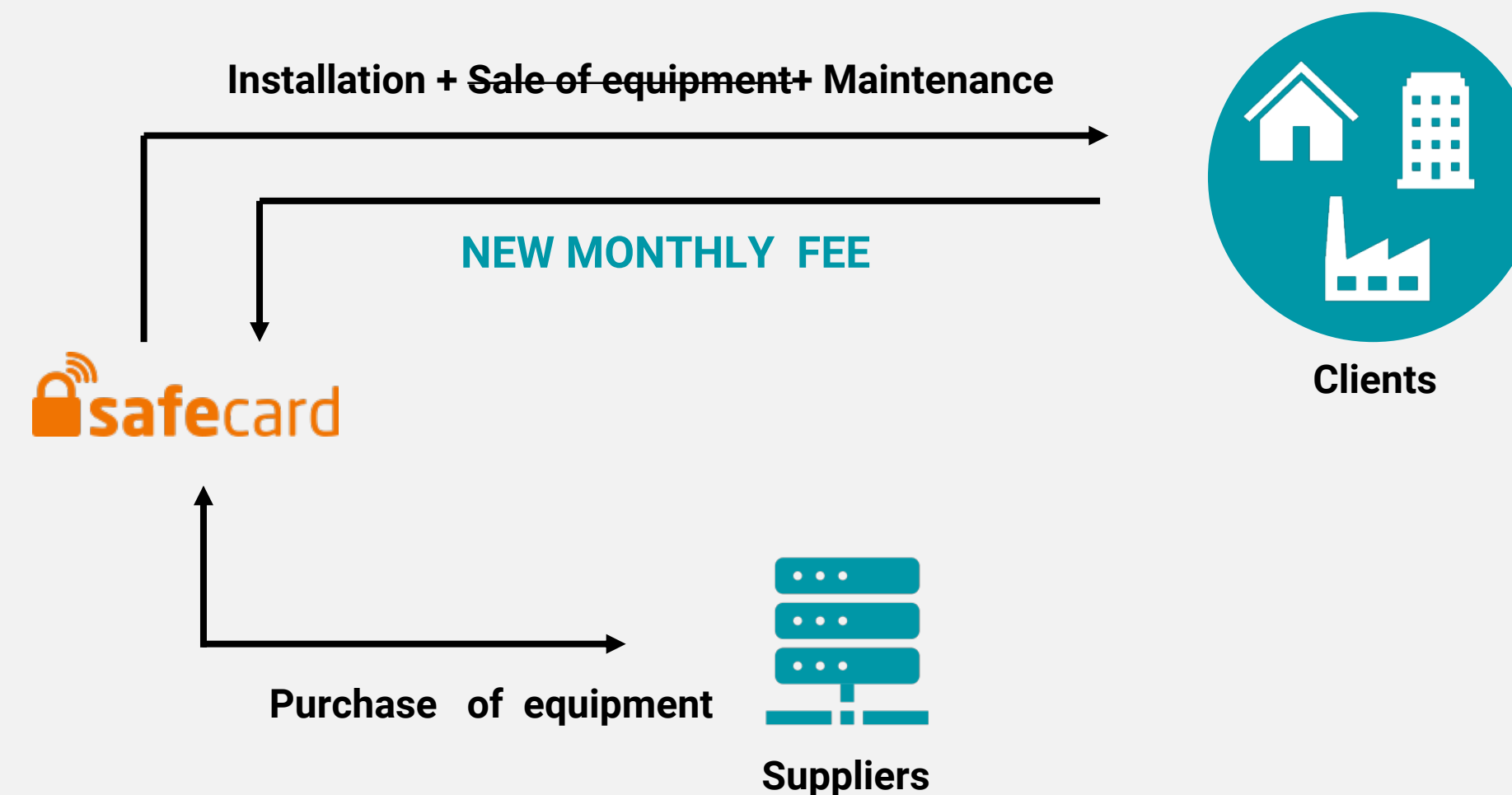
**Install equipment without *up-front* payment from the client, transferring that cost to the monthly fee charged for the service though the period of effect of the contract.**

# New Business Model: Focus on Service

## 1 Business Completion



## 2 Implementation & Operation



## SERVITIZATION

Products/Traditional services



Solutions 100% based on services

## ADVANTAGES

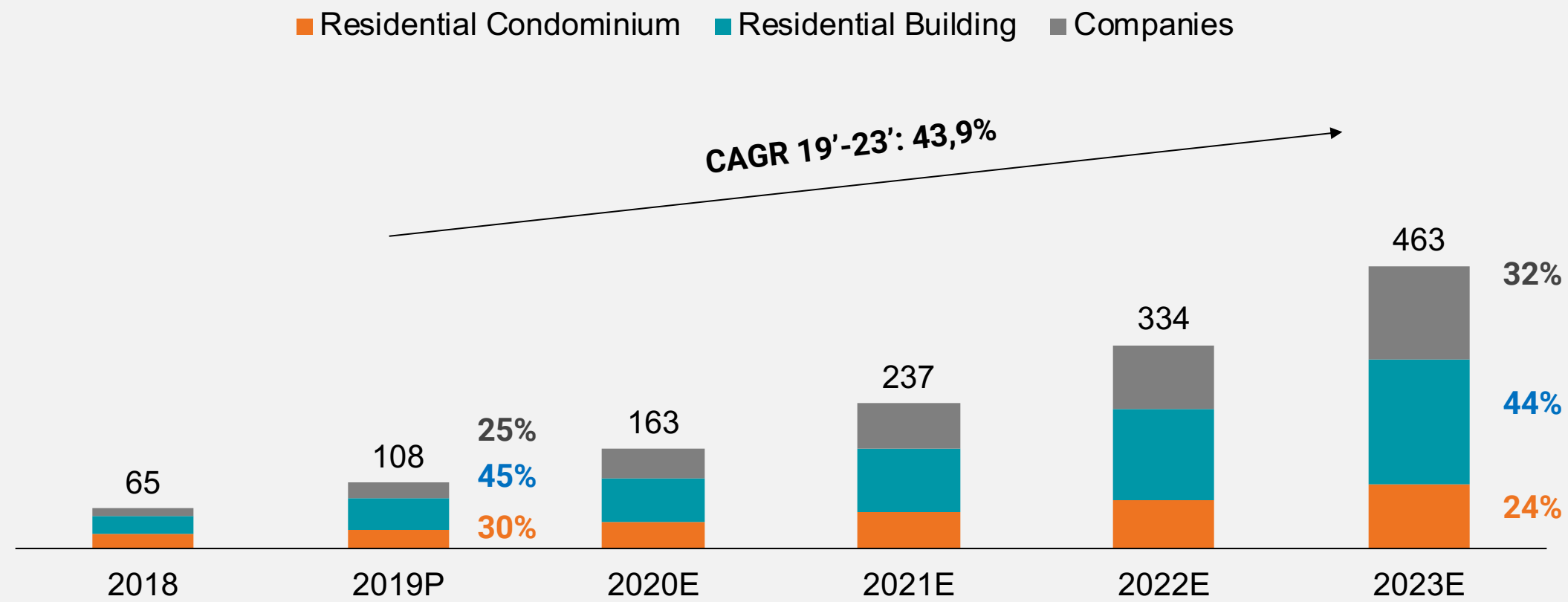
- ✓ It significantly fosters **the increase in new clients** in all segments.
  - Pulling / Viralization effect.
- ✓ It speeds the **capture of market share**, making the long-term business plan feasible.
- ✓ Model used world-wide for digital platforms and applications (Netflix, Spotify).

## CHALLENGES

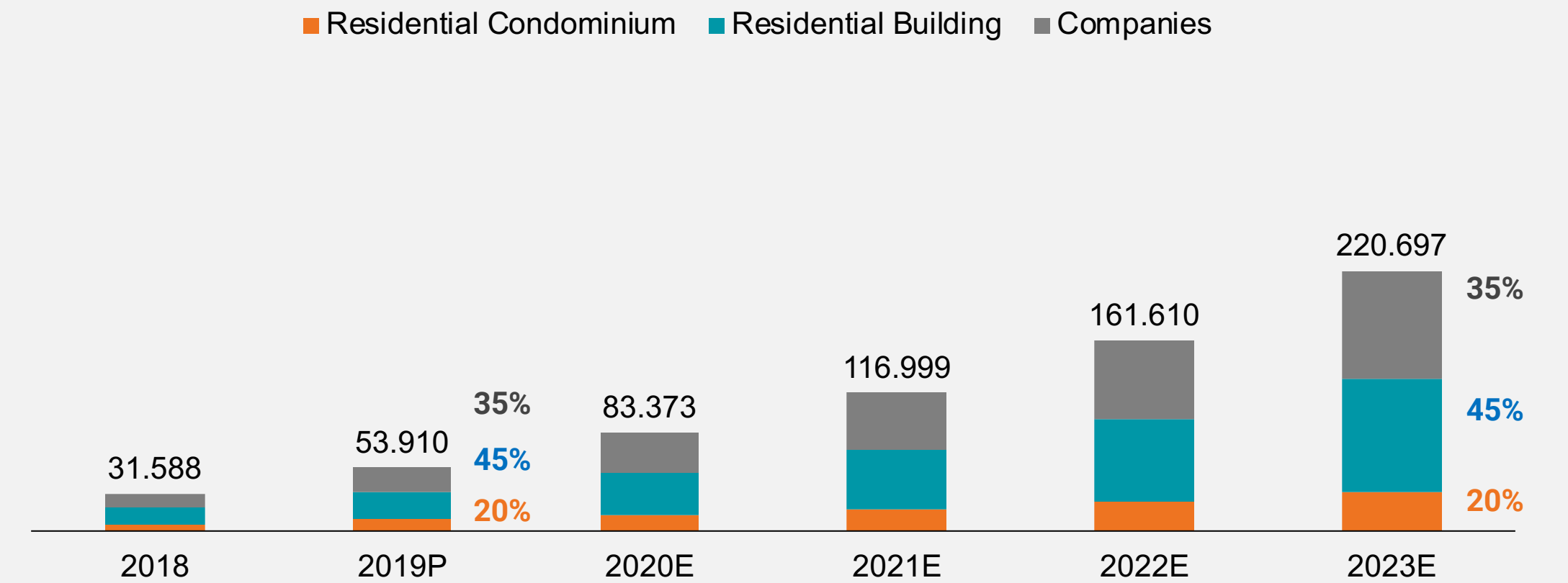
- + **Higher capital requirement** to fund the acquisition of equipment and the establishment of facilities.
- + **Growth of the Safecard team:** Management, assistance, installations and commercial team staff.

# Projections for current model

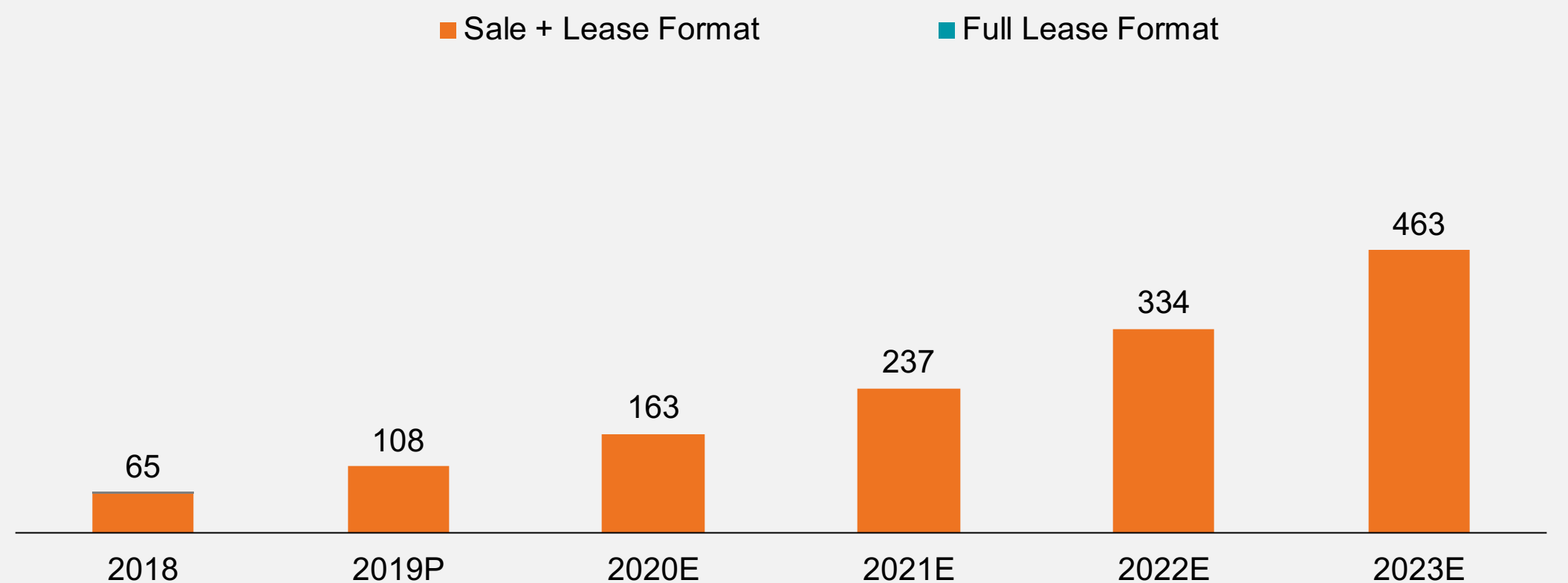
## Number of clients per segment



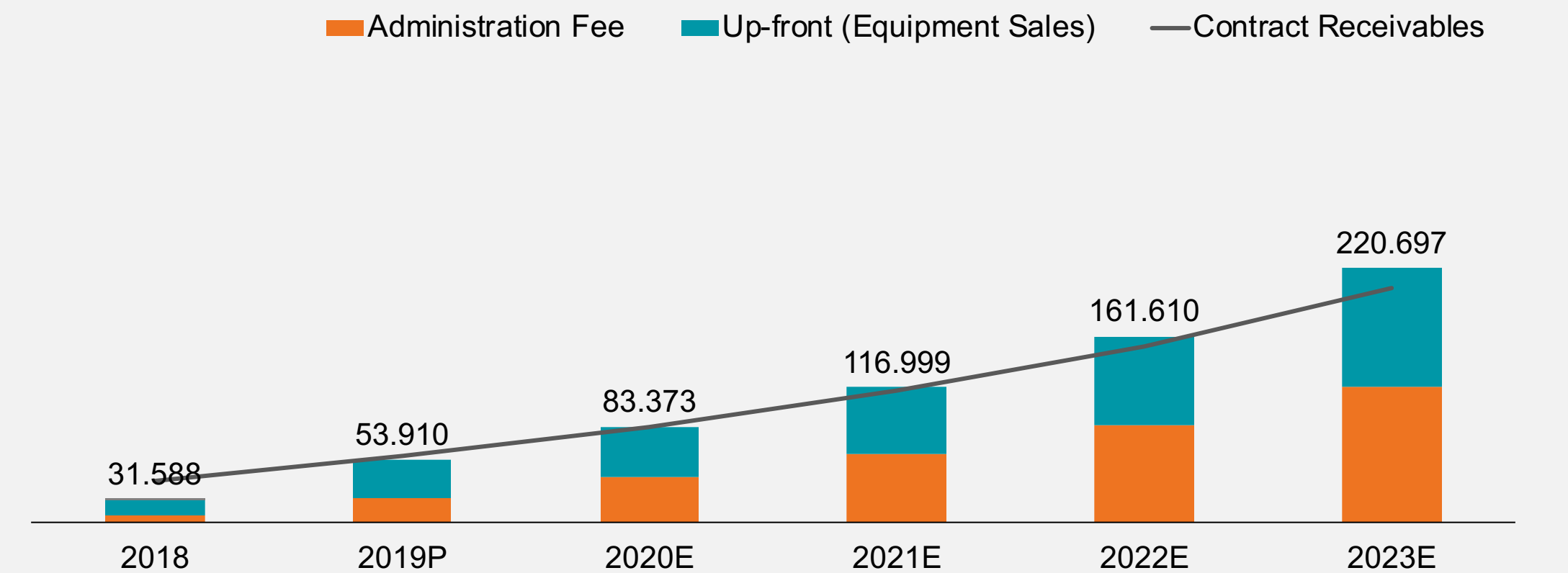
## Revenue per segment (UF)



## Number of clients per type of contract



## Revenue per source (UF)

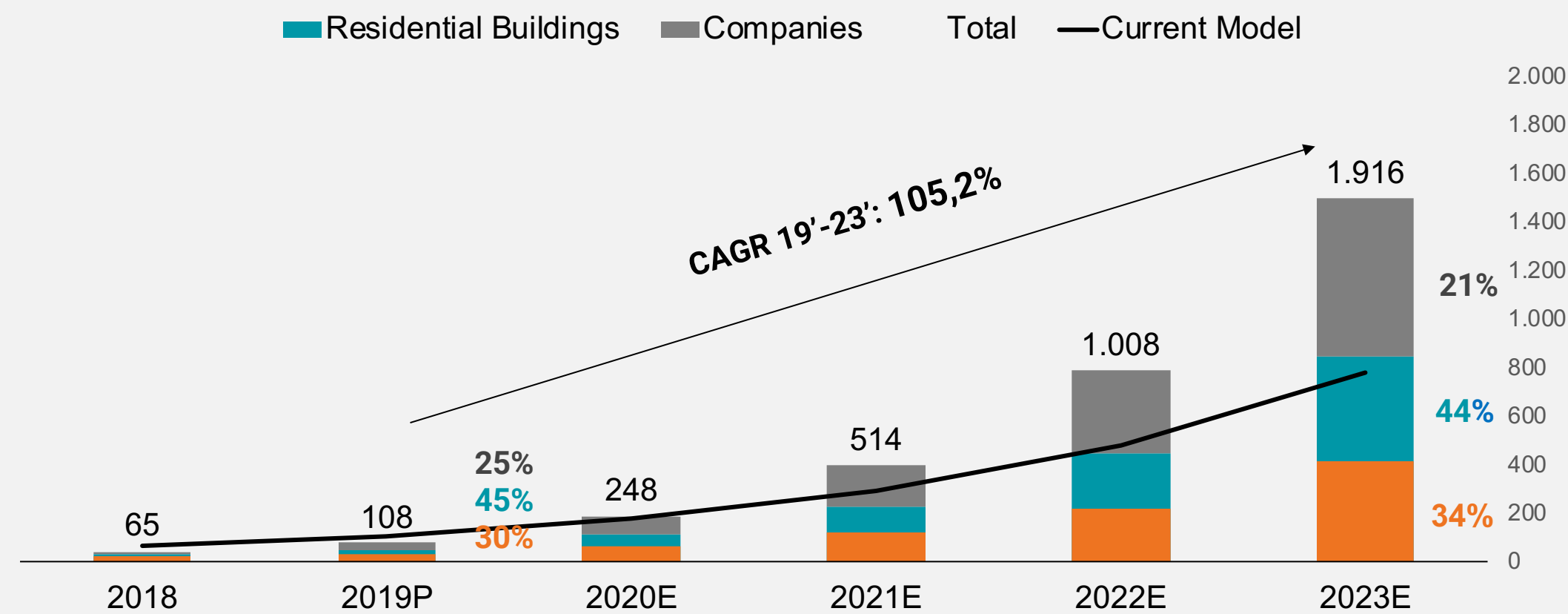


# Projections for current model (continued)

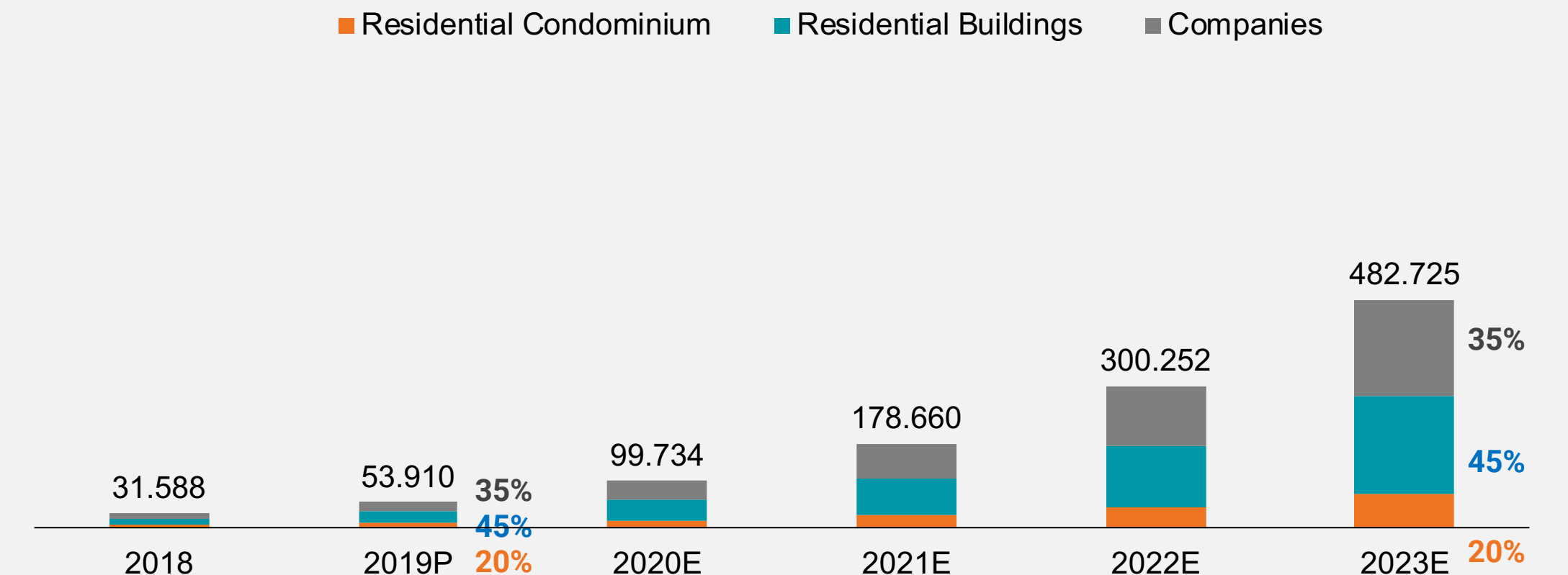
Cash Flow (UF)	2019P	2020E	2021E	2022E	2023E
(+) Revenue for administration fees	20.310	39.872	59.142	84.661	118.355
(+) Revenue for up-front sale	33.600	43.501	57.856	76.949	102.342
<b>(=) Total revenue</b>	<b>53.910</b>	<b>83.373</b>	<b>116.999</b>	<b>161.610</b>	<b>220.697</b>
(-) Up-front cost of equipment	-23.449	-31.188	-41.480	-55.168	-73.374
(-) Equipment replacement cost	-409	-1.738	-1.765	-1.795	-6.272
(-) Remunerations	-30.017	-31.965	-34.469	-37.682	-41.857
(-) Operational expenses	-4.319	-5.744	-7.639	-10.161	-13.513
(-) Administration expenses	-4.462	-5.583	-7.082	-9.059	-11.689
(-) Working capital	-579	-8.839	-10.088	-13.383	-17.726
(-) Taxes	-	-1.932	-6.632	-12.891	-19.978
<b>(=) Cash Flow</b>	<b>-9.324</b>	<b>-3.615</b>	<b>7.843</b>	<b>21.470</b>	<b>36.288</b>
Margin	-	-	6,7%	13,3%	16,4%
<b>Current Financing</b>					
(-) Interests	-1.436	-	-	-	-
(-) Amortizations	-12.250	-	-	-	-
<b>(=) Cash Flow without New Financing</b>	<b>-23.010</b>	<b>-3.615</b>	<b>7.843</b>	<b>21.470</b>	<b>36.288</b>
<b>(=) Accumulated Cash Flow without New Financing</b>	<b>-23.010</b>	<b>-26.625</b>	<b>-18.782</b>	<b>2.688</b>	<b>38.976</b>
<b>Contracts receivable</b>					
Residential Horizontal	10.900	14.358	18.716	24.893	33.107
Residential Vertical	28.715	39.874	56.230	74.786	99.466
Office Buildings	17.326	28.632	40.178	53.436	71.070
<b>Total contracts receivable</b>	<b>56.941</b>	<b>82.864</b>	<b>115.124</b>	<b>153.115</b>	<b>203.643</b>

Note: All disbursements for new financing are paid in the period prior to the beginning of the corresponding contracts / New client entries are considered in the middle of each period (mid-term) / Capital increases and/or partner contributions are not considered.

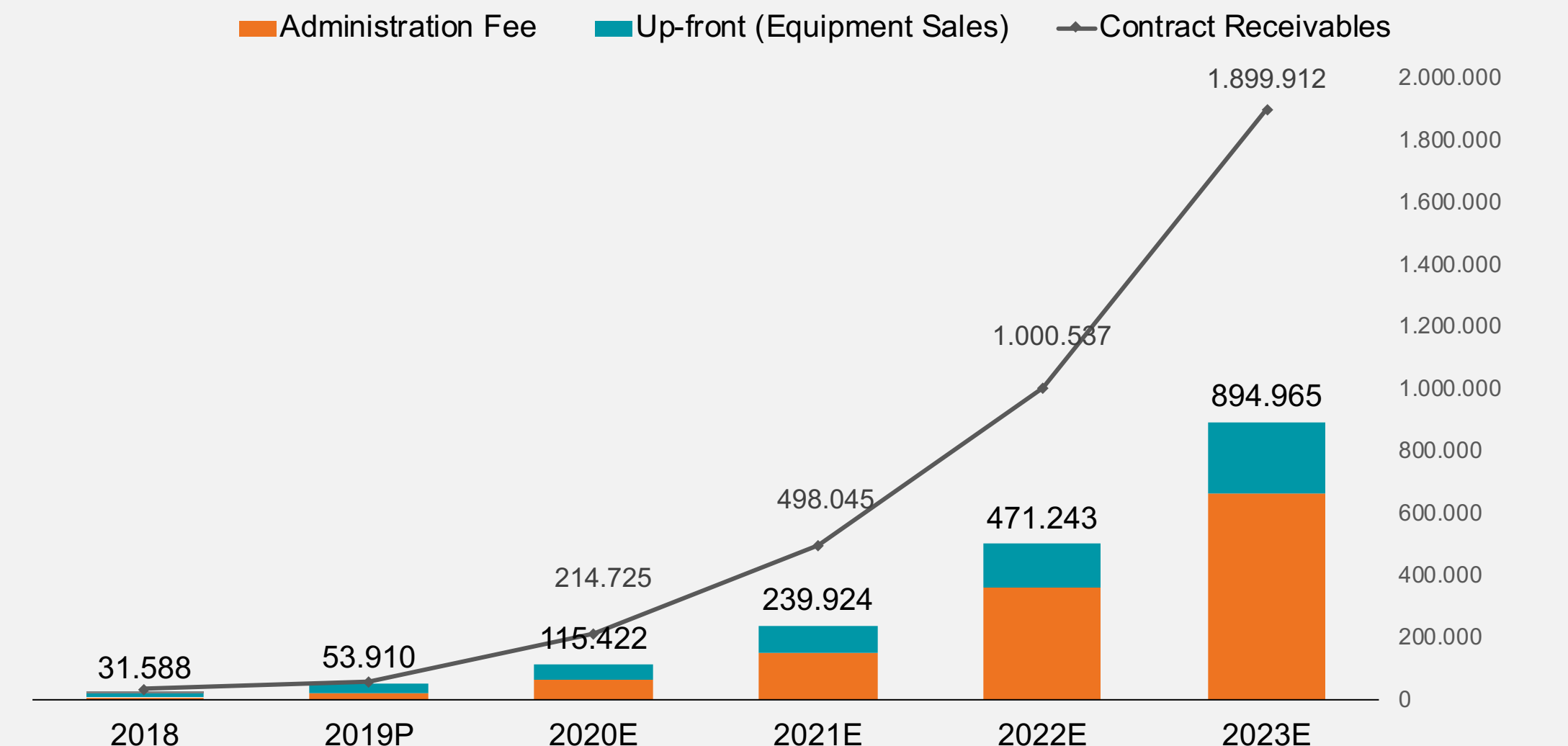
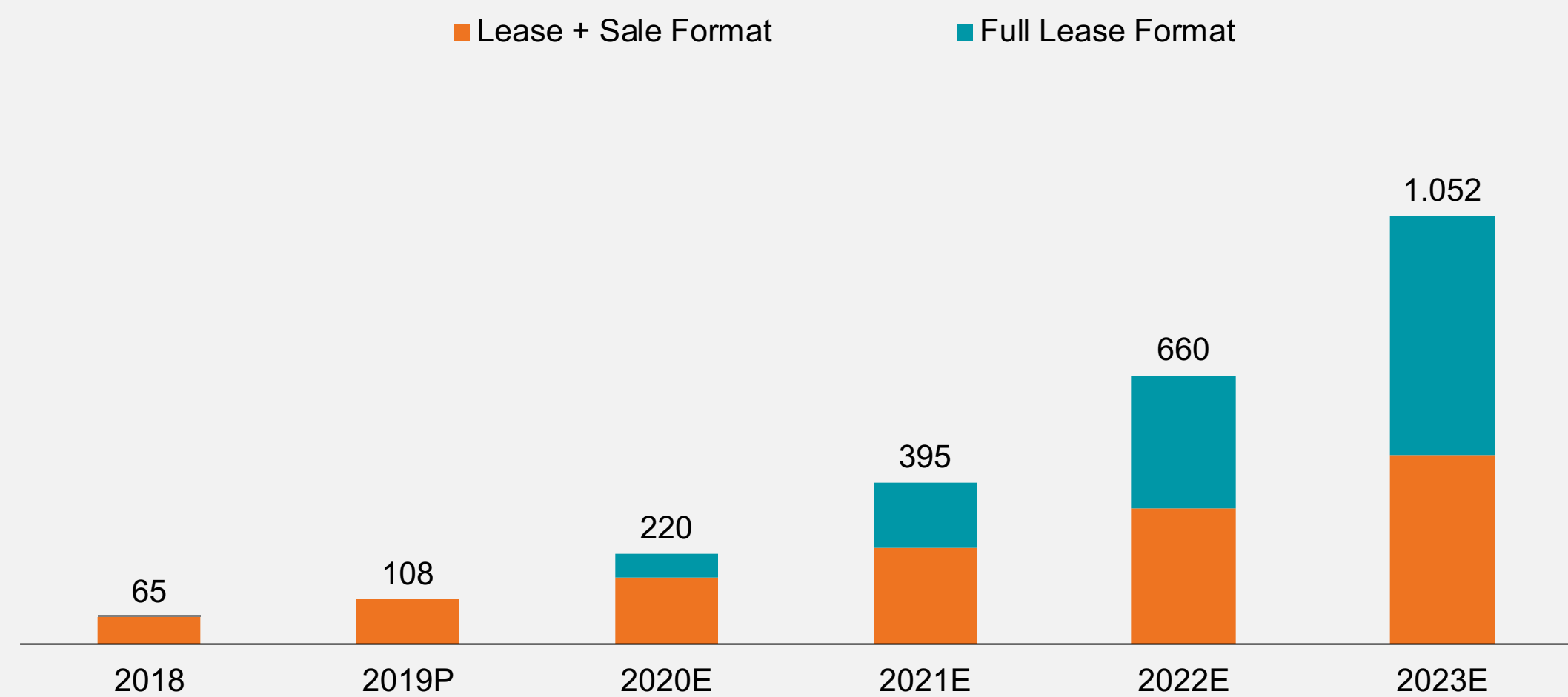
# Projections for new model



Number of clients per type of contract



Revenue per source(UF)



# Conditions of new financing

## Format

Revolving line of credit.

## Use of funds

Acquisition and enabling of equipment for new residential and corporate clients of Safecard Access Control.

## Percentage financed

100,0% of cost *up-front* for clients in Full Lease mode.

## Term

5 years after each disbursement.

## Structure

Repayable in equal yearly installments.

## Rate

UF + 6,0%

# Projections for new model (continued)

Cash Flow (UF)	2019P	2020E	2021E	2022E	2023E
(+) Revenue for administration fees	20.310	56.233	120.804	223.303	380.382
(+) Revenue for up-front sales	33.600	43.501	57.856	76.949	102.342
<b>(=) Total revenue</b>	<b>53.910</b>	<b>99.734</b>	<b>178.660</b>	<b>300.252</b>	<b>482.725</b>
(-) Up-front cost of equipment	-23.449	-62.376	-96.648	-146.748	-220.122
(-) Equipment replacement cost	-409	-1.738	-1.765	-1.795	-6.272
(-) Remunerations	-30.017	-36.291	-42.926	-52.610	-66.716
(-) Operational expenses	-4.319	-11.488	-17.800	-27.027	-40.540
(-) Administration expenses	-4.462	-8.315	-12.535	-18.799	-28.020
(-) Working capital	-579	-13.747	-23.678	-36.478	-54.742
(-) Taxes	-	-	-	-2.978	-11.873
<b>(=) Cash Flow</b>	<b>-9.324</b>	<b>-34.222</b>	<b>-16.692</b>	<b>13.817</b>	<b>54.439</b>
Margin	-	-	-	4,6%	11,3%
<b>Current Financing</b>					
(-) Interests	-1.436	-	-	-	-
(-) Amortizations	-12.250	-	-	-	-
<b>(=) Cash Flow without New Financing</b>	<b>-23.010</b>	<b>-34.222</b>	<b>-16.692</b>	<b>13.817</b>	<b>54.439</b>
<b>(=) Accumulated Cash Flow without New Financing</b>	<b>-23.010</b>	<b>-57.231</b>	<b>-73.924</b>	<b>-60.107</b>	<b>-5.668</b>
<b>New Financing</b>					
(+) Disbursements	31.188	55.168	91.580	146.748	146.748
(-) Interests	-	-1.871	-4.849	-9.405	-16.240
(-) Amortizations	-	-5.533	-15.651	-32.836	-60.839
<b>(=) Cash Flow with New Financing</b>	<b>8.178</b>	<b>13.543</b>	<b>54.387</b>	<b>118.323</b>	<b>124.108</b>
<b>(=) Accumulated Cash Flow with New Financing</b>	<b>8.178</b>	<b>21.721</b>	<b>76.108</b>	<b>194.431</b>	<b>318.539</b>
<b>New Financing Indexes</b>					
Opening Balance for Financing(UF)	-	31.188	80.824	156.752	270.664
Interes Coverage(ICR)		7,2x	11,2x	12,6x	7,6x
Installment Coverage(DSCR)		1,8x	2,7x	2,8x	1,6x
Final Balance for Financing(UF)	31.188	80.824	156.752	270.664	356.573
<b>Contracts Receivable</b>					
Residential Horizontal	10.900	28.351	52.797	87.148	134.592
Residential Vertical	28.715	81.847	158.459	261.524	403.875
Office Buildings	17.326	70.829	142.951	241.170	377.104
<b>Total contracts receivable</b>	<b>56.941</b>	<b>181.027</b>	<b>354.207</b>	<b>589.841</b>	<b>915.572</b>
Contracts receivable/ Outstanding balance of Financing		2,2x	2,3x	2,2x	2,6x

Note: All disbursements for new financing are paid in the period prior to the beginning of the corresponding contracts / New client entries are considered in the middle of each period (mid-term) / Capital increases and/or partner contributions are not considered.

# Safecard Team

## Board of Directors



**Richard Mark Soley**  
Chairman  
*Chairman & CEO Object Management Group*  
*BA / MS / Phd Computer Science Massachusetts Institute of Technology*



**Alberto Rochet Bongioanni**  
Co-founder & Executive Director  
*TBC*  
*TBC*



**Claudio Juliá Gutiérrez**  
Co-founder & Executive Director  
*TBC*  
*TBC*



**Rodrigo Rochet Clasen**  
Co-founder & Director  
*TBC*  
*TBC*



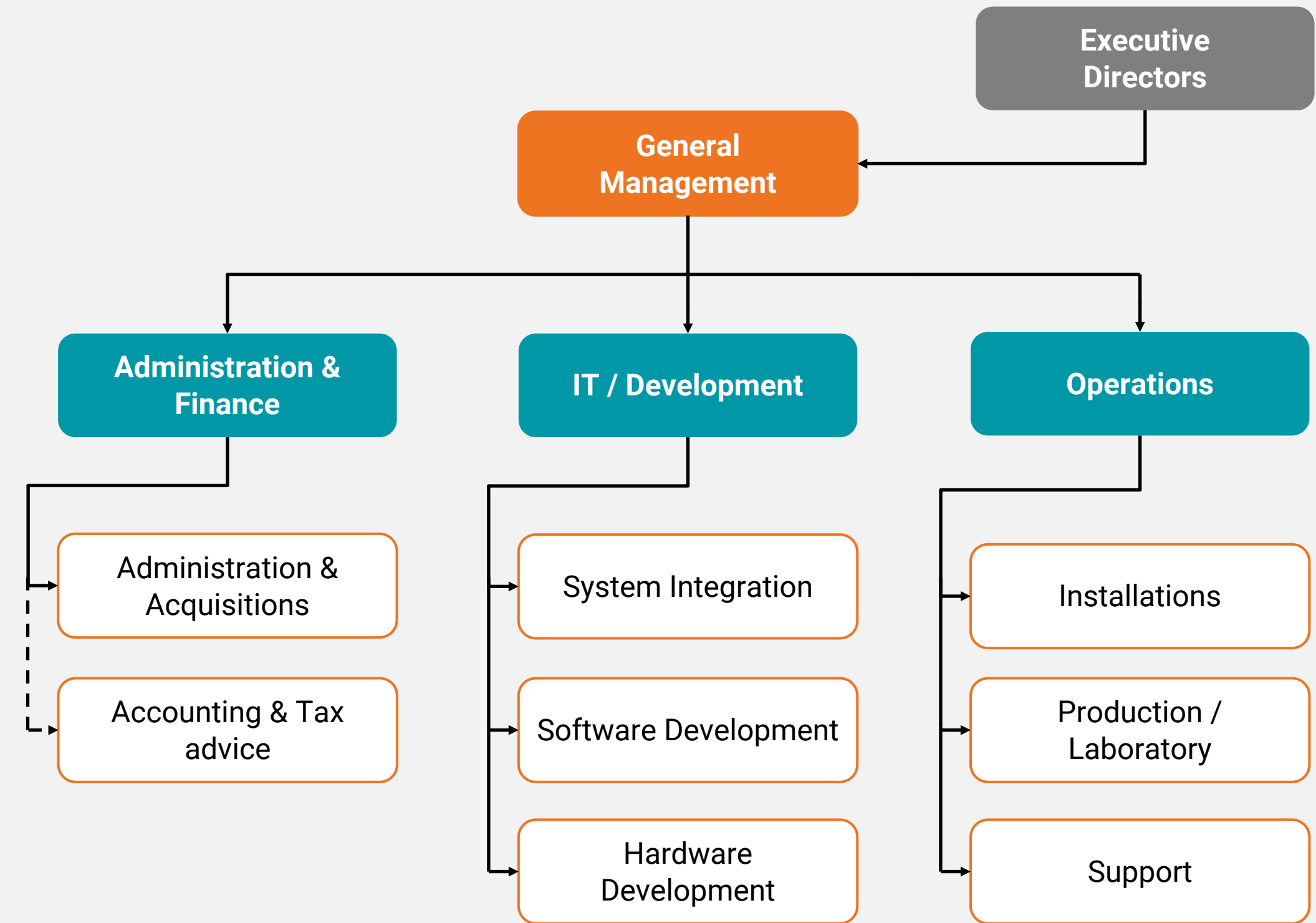
**Hugo Horta Moya**  
Director  
*CEO Credicorp Capital Chile*  
*Business Administrator Universidad Católica de Chile – MBA Chicago Booth*

**Branimir Matijevic Vonderweth**  
Director  
*TBC*  
*Business Administrator & MBA Universidad Católica de Chile*



**Tomislav Matijevic Vonderweth**  
Director  
*TBC*  
*TBC*

## Corporate Structure & Main Executives



**Ilic Alarcón**  
General Manager  
*TBC*  
*TBC*



**Juan Pablo Lizana**  
IT / Development Manager  
*TBC*  
*TBC*


# Strategic opportunities for Growth: Safecard Parking



Safecard as a platform for access and payment in shopping mall, strip center, clinic and public parking lots.

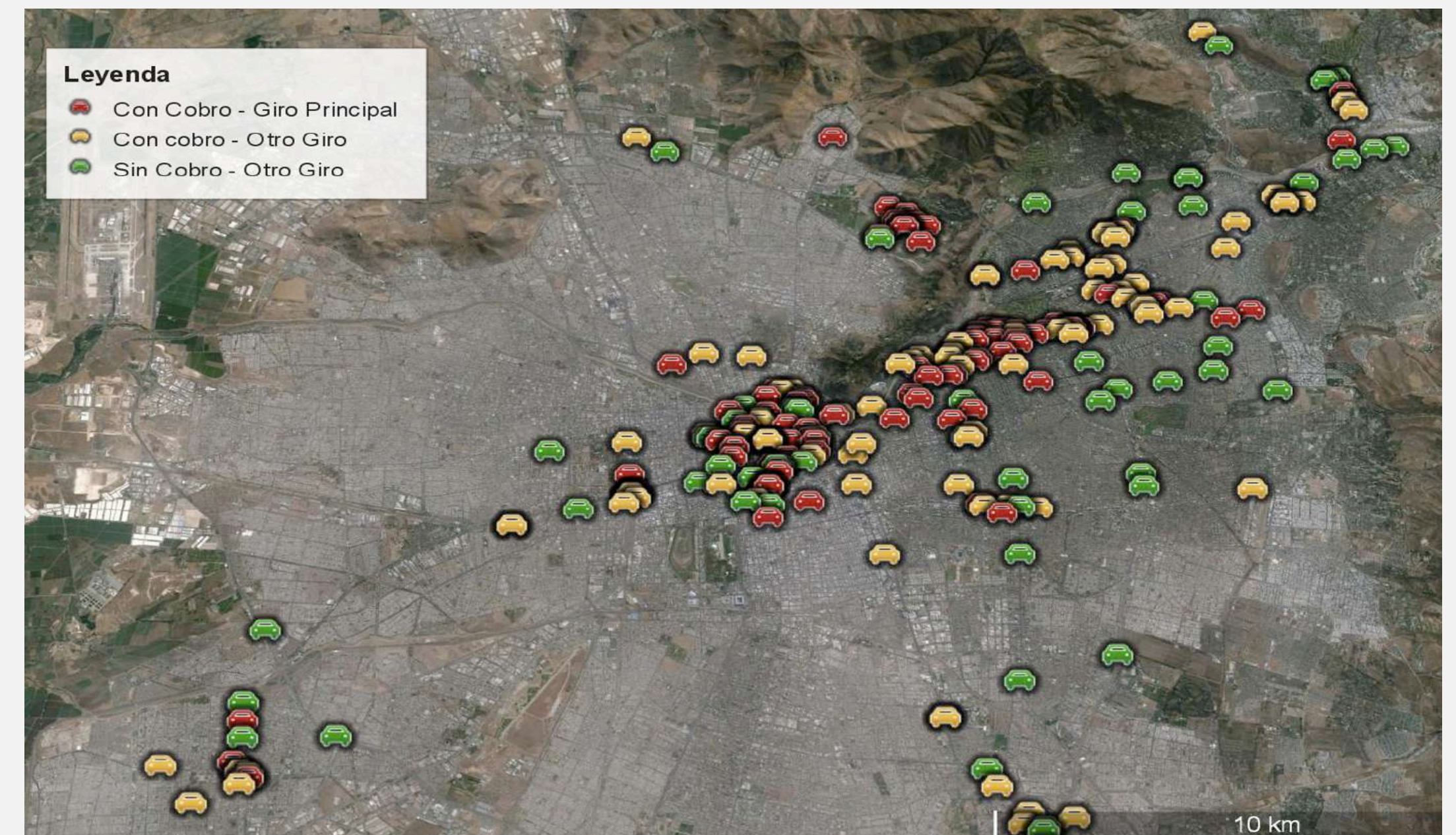
 Safecard Parking **currently operates in points in the country**



 By 2020, we expect to have 26 active points through strategic alliances with Mall Plaza, Grupo Marina Arauco and the main clinics and parking operators in the country.

 Safecard Parking marks Safecard's entrance to the parking segment, **an industry with high potential for growth and a GDP for 2018 of USD 1,000+ mm**

## Parking Industry in the Metropolitan Region



# Strategic opportunities for Growth: Safecard Parking

Entrance to  
new  
segments



Public Transport



*Safecard as a paying channel for minor public transport ( taxis and urban and rural **colectivos** (collective shuffle cabs)*



Educational Institutions



*Safecard as a platform to control and notify the access of students to schools and kindergartens*



Means of Payment

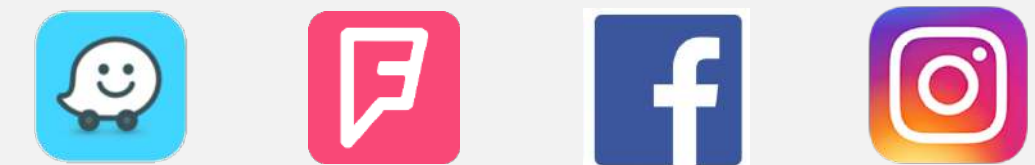


*Safecard as a means of payment in commercial establishments*

Expansion to  
new markets



Big data  
(Advertising)



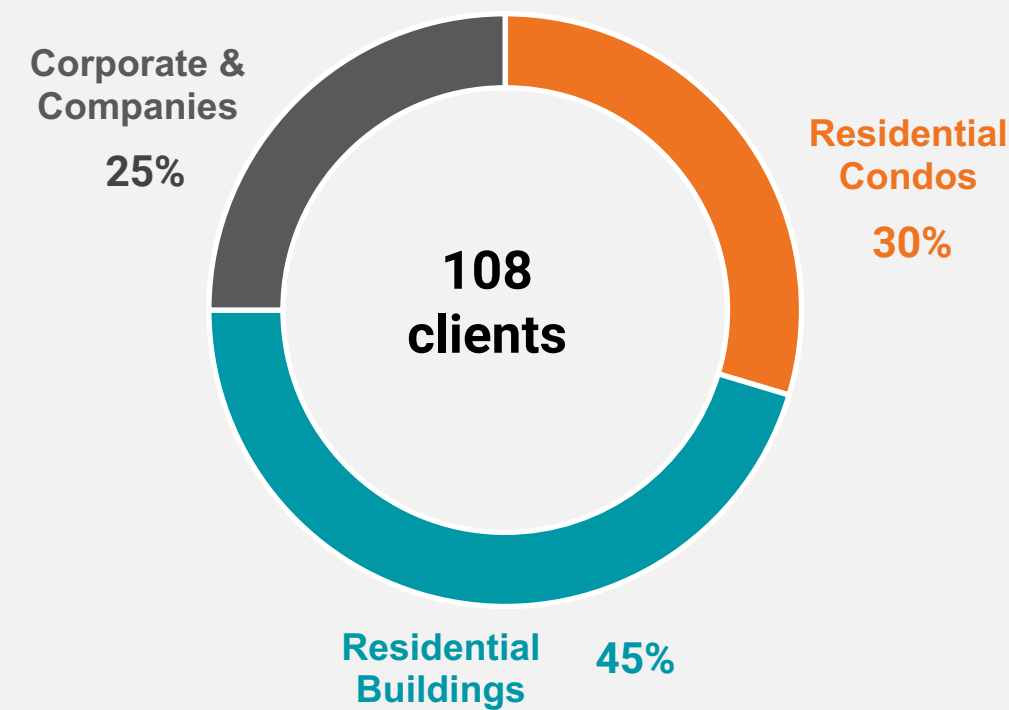
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# Modelling: Client characterization

Client portfolio 2019P



## Residential Condos



## Residential Buildings



## Corporate & Companies

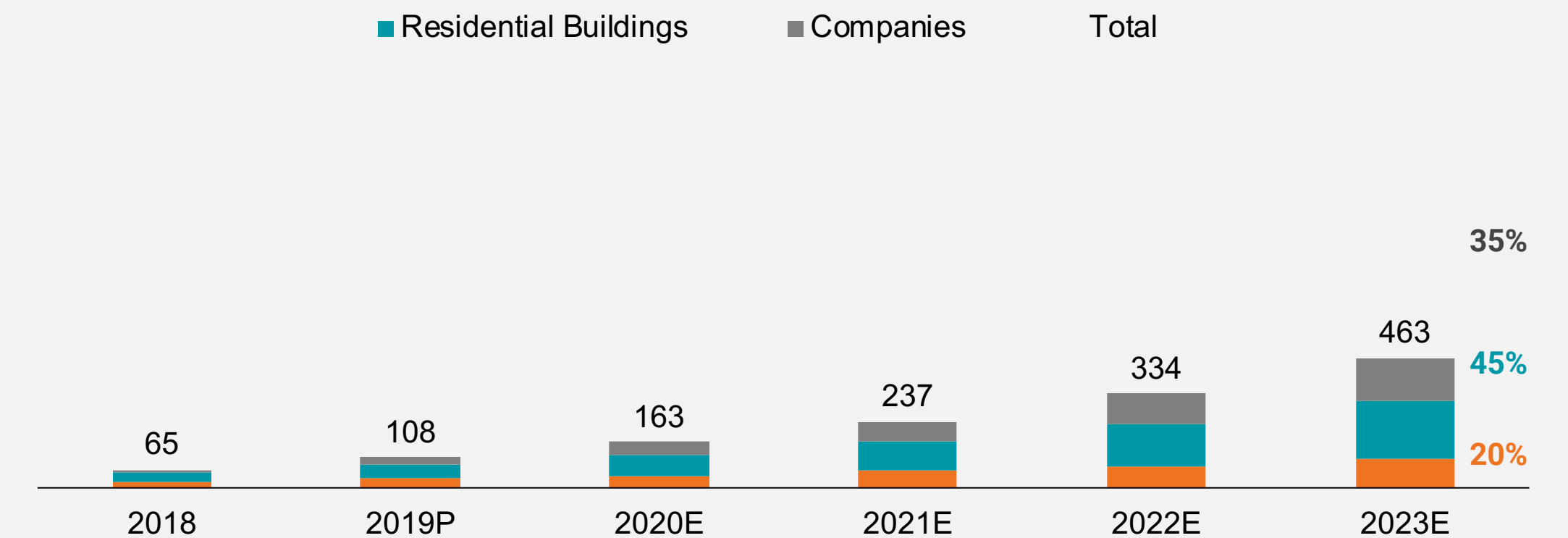


	15'-19'	2019P	Supposed	15'-19'	2019P	Supposed	15'-19'	2019P	Supposed	
Average <i>up-front</i> cost (UF)	286,0	313,3	313,3	391,8	444,1	444,1	664,0	812,8	812,8	— <i>Up-front</i> cost defined based on 2019 average per segment
Average <i>up-front</i> margin	40%	40%	40%	44%	49%	40%	40%	40%	40%	
( <i>Up-front price</i> + Total fees) / <i>Up-front cost</i>	3,62	-	3,62	3,63	-	3,63	2,49	-	2,49	
Duration (months)	35,2	36,0	36,0	35,5	36,0	36,0	34,7	36,0	36,0	— Monthly fee (sale + lease) defined per segment based on historic average of revenue over costs
Average monthly fee (sale+ lease)	17,7	-	<b>19,6</b>	23,8	-	<b>30,8</b>	20,1	-	<b>23,7</b>	
<i>Implicit Interest rate for lease (UF+)</i>			5,0%			5,0%			5,0%	— Monthly fee (full lease) considers the distribution of <i>up-front</i> cost through the duration of the contract plus an interest rate (5.0%)
Average monthly fee (Full lease)	-	-	<b>32,7</b>	-	-	<b>49,5</b>	-	-	<b>57,6</b>	
Number of users per client	642	865	642	1.329	1.118	1.329	1.091	1.193	1.091	

# Modelling: Growth in number of clients

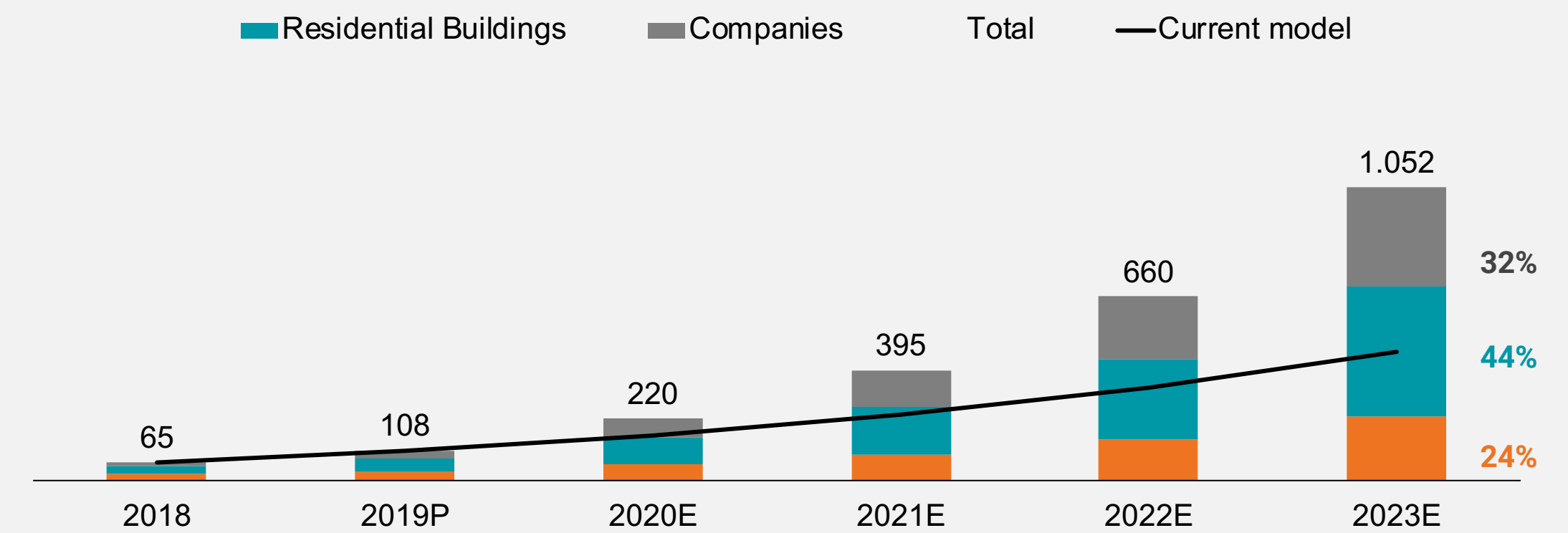
## 1. Current business model– Growth in Sale + Lease modality

New clients	2015	2016	2017	2018	2019P	2020E	2021E	2022E	2023E
Residential Horizontal: Sale + Lease	4	7	4	8	9	12	16	21	28
Residential Horizontal: Full Lease	0	0	0	0	0	0	0	0	0
Residential Vertical: Sale + Lease	1	6	16	7	19	25	34	45	59
Residential Vertical: Full Lease	0	0	0	0	0	0	0	0	0
Companies: Sale + Lease	0	5	1	6	15	20	27	35	47
Companies: Full Lease	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>18</b>	<b>21</b>	<b>21</b>	<b>43</b>	<b>57</b>	<b>76</b>	<b>101</b>	<b>134</b>



## 2. New business model– Growth in both modalities

New clients	2015	2016	2017	2018	2019P	2020E	2021E	2022E	2023E
Residential Horizontal: Sale + Lease	4	7	4	8	9	12	16	21	28
Residential Horizontal: Full Lease	0	0	0	0	0	12	21	35	56
Residential Vertical: Sale + Lease	1	6	16	7	19	25	34	45	59
Residential Vertical: Full Lease	0	0	0	0	0	25	45	74	119
Companies: Sale + Lease	0	5	1	6	15	20	27	35	47
Companies: Full Lease	0	0	0	0	0	20	35	59	94
<b>Total</b>	<b>5</b>	<b>18</b>	<b>21</b>	<b>21</b>	<b>43</b>	<b>114</b>	<b>177</b>	<b>269</b>	<b>404</b>

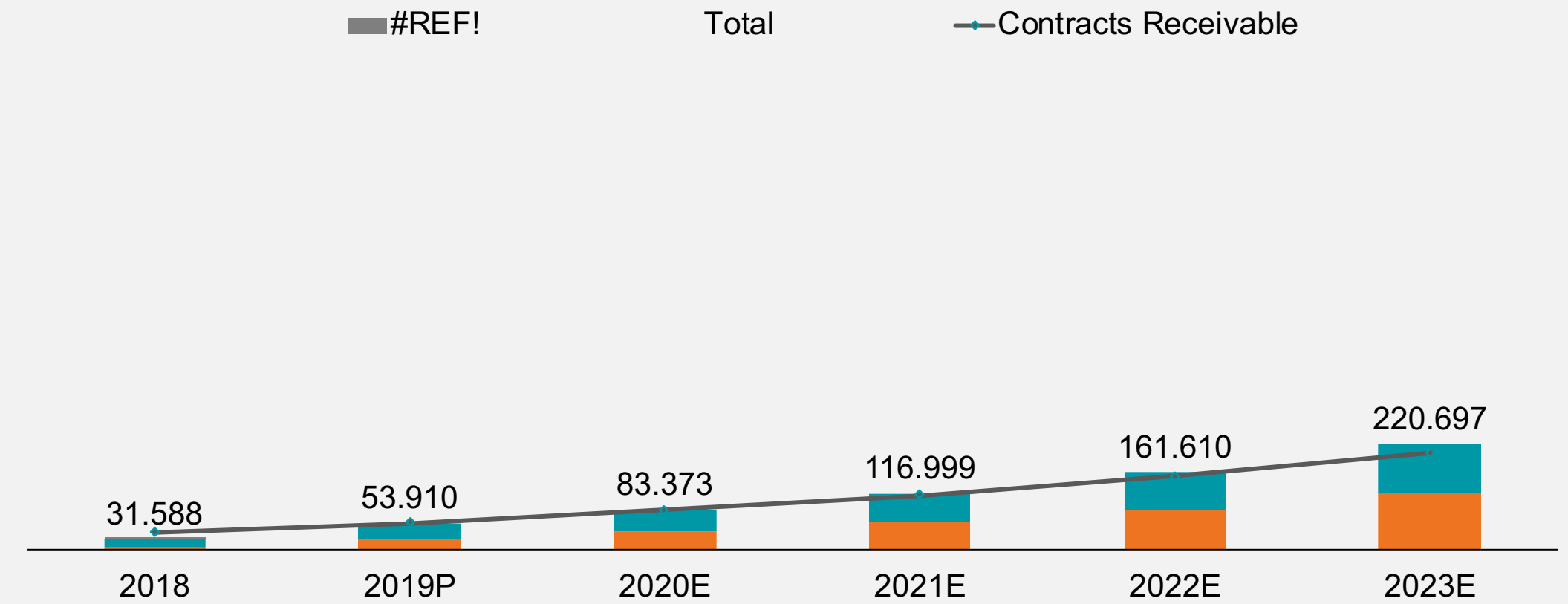
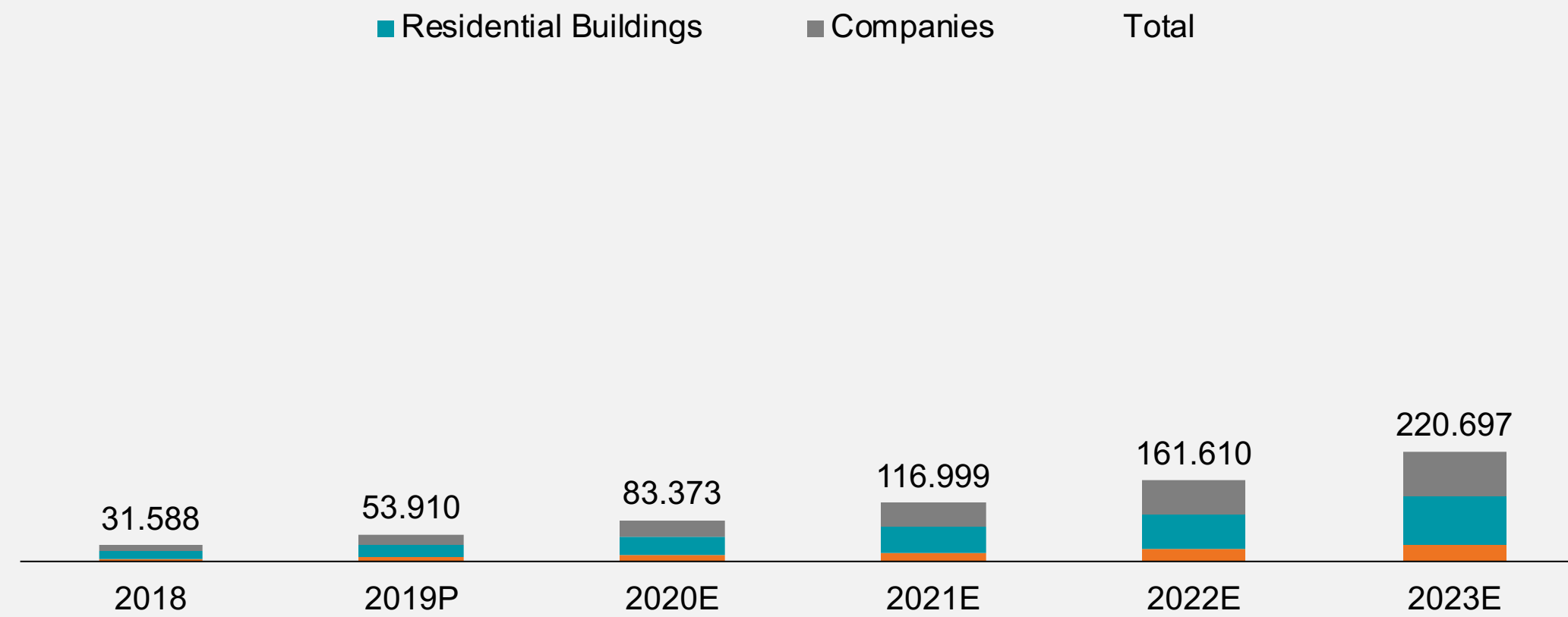


Note: This incorporates a renewal rate for expired contracts of 90%

# Modelling: Projection of Revenue

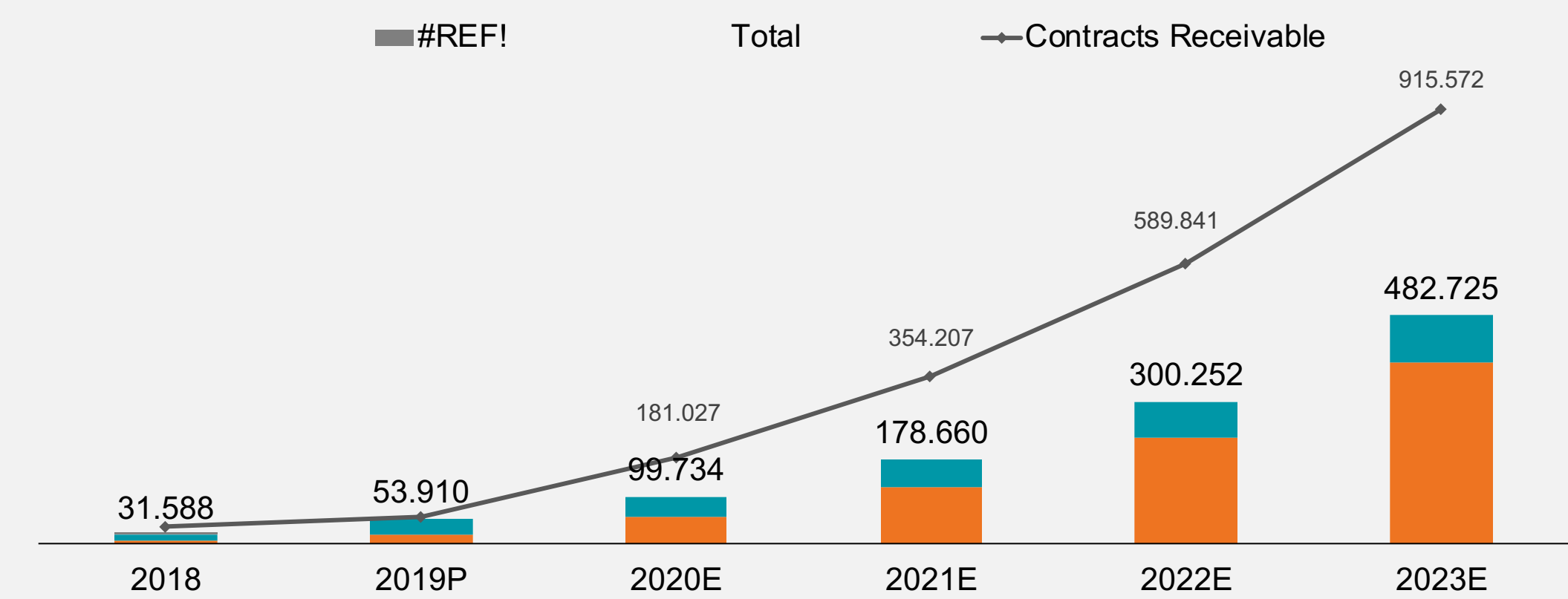
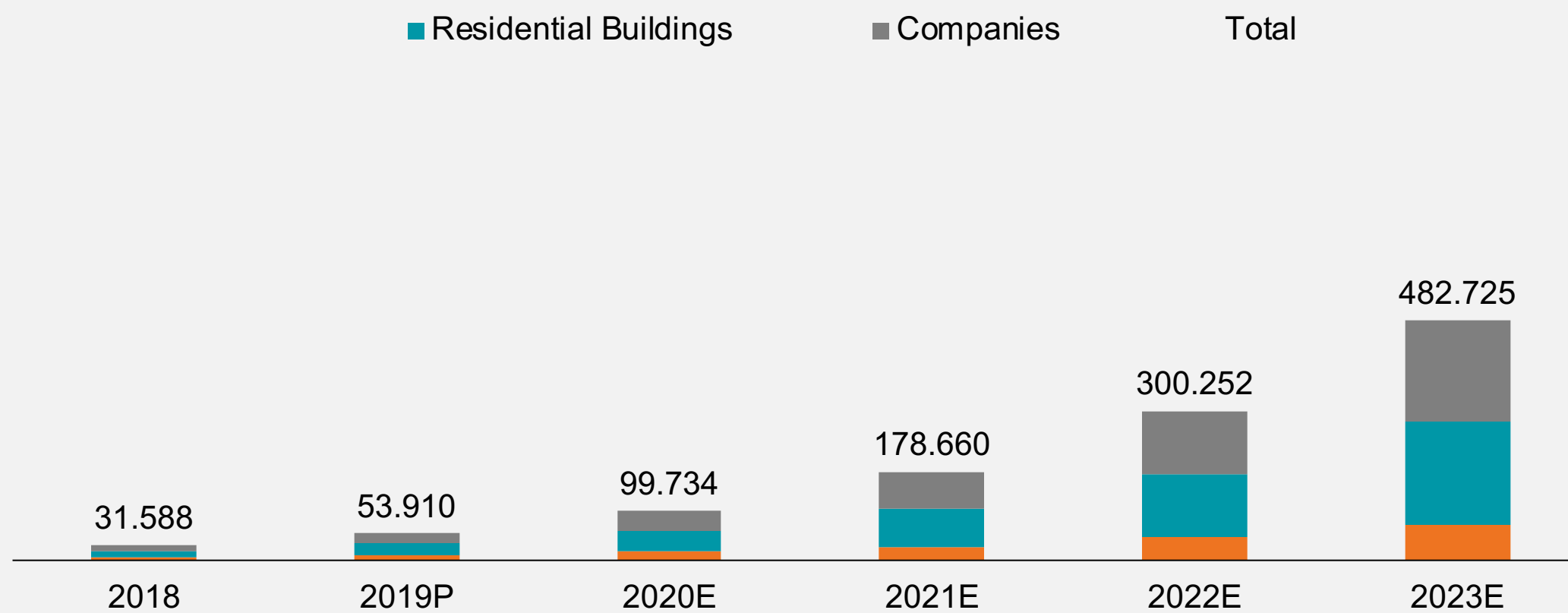
**Scenario 1: Revenue per segment (UF)**

**Revenue per source (UF)**



**Scenario 2: Revenue per segment (UF)**

**Revenue per source (UF)**



# Modelling: Costs / Expenditure Structure

Type of cost / expenditure	Main drivers	Value 2019P
Up-front cost of equipment	<ul style="list-style-type: none"> <li>▪ <i>Historic up-front</i> cost of equipment per business segment</li> <li>▪ Number of new clients projected per business segment</li> </ul>	UF 23.449 / CLP 654 mm
Equipment replacement cost	<ul style="list-style-type: none"> <li>▪ Service life of equipment: 4 years</li> <li>▪ Cost of replacement: 25% of initial value of equipment</li> </ul>	UF 409 / CLP 11 mm
Remunerations	<ul style="list-style-type: none"> <li>▪ Remuneration sheet for current staff</li> <li>▪ Real growth of remunerations: 1,0% (CAGR)</li> <li>▪ Additional staff to be hired on the basis of projected growth: <ul style="list-style-type: none"> <li>○ Support: based on total number of clients</li> <li>○ Installation, Laboratory &amp; Commercial: based on number of installations per period</li> </ul> </li> </ul>	UF 30.017 / CLP 837 mm
Operational expenses	<ul style="list-style-type: none"> <li>▪ Based on the current operational expenses details</li> <li>▪ Modelled as variables based on projected new clients</li> <li>▪ Main entries included: customer-owned internet , installation fees, web platforms</li> </ul>	UF 4.319 / CLP 120 mm
Administrative expenses	<ul style="list-style-type: none"> <li>▪ Based on the current administrative expenses details</li> <li>▪ Modelled as fixed or variable depending on the entry: <ul style="list-style-type: none"> <li>○ Fixed: office lease, parking lot / warehouse lease, common expenses</li> <li>○ Variable: Legal counsel, accounting / tax advisory, transportation costs, office expenditure</li> </ul> </li> </ul>	UF 4.462 / CLP 124 mm
Other cash outflow	<ul style="list-style-type: none"> <li>▪ Working capital requirement : modelled based on sales <ul style="list-style-type: none"> <li>○ Stock of working capital: 30.0% of sales(historic average)</li> </ul> </li> <li>▪ Financial expenditure: modelled depending on financing structure</li> <li>▪ Taxes</li> </ul>	UF 579 / CLP 16 mm UF 1.436 / CLP 40 mm UF 0 / CLP 0 mm

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