**May 1st, 2024**

**SMART CITY SERVICES INTERNATIONAL FIRST EXCLUSIVE LIMITED INVESTMENT OPPORTUNITY**

**INTRODUCTION**

Mr. Sal Haro, Founder, and Mr. Dan Caballero, Co-Founder of Smart City Services International (SCSI) of Irvine California are pleased to announce the company’s latest exclusive and unique commercial contracts (partnerships).

The Microbus transit system in Mexico City is one of the largest in the world, providing 12 million rides per day, which is responsible for 70% of the city's transit.

In November 2023, SCSI partnered with La Coordinacion de Organizaciones para el Mejoramiento de Transporte del Estado de Mexico A.C. “LA COMTEM” to provide contactless payment solutions for 15,000 transit buses that handle over 3 million rides per day.

**PARTNERSHIPS**

**LA COMTEM**

Each bus will be equipped with digital fare payment and passenger counting technology in partnership with SCSI for accurate passenger accounting and security.

**BROXEL PAY**

In a Joint Venture with SCSI, Broxel will offer a combined transit fare smartcard and debit MasterCard. The card can be obtained through the Broxel mobile app or at over 10,000 retail outlets. [www.broxel.com](http://www.broxel.com)

**PALOMETRIX DESIGN**

In partnership with SCSI, an exclusive security system has been developed that includes people counting and facial detection technology. Passengers can also receive alerts and advertisements. [www.palometrix.com](http://www.palometrix.com)

**SUMPART TECHNOLOGY**

In partnership with SCSI, Sumpart Technologies provides consulting, research and development, and manufacturing services. They are our primary supplier of products from China.

**ROLL-OUT:**

Starting in Q3 of 2024, we will roll out 100 buses per month, starting Q3/2025 we will roll out 300 buses per month.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

**5YEAR PROJECTION**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |
| Card Use |   |   | 100% | 100% | 100% | 100% | 100% |
| Bus (Terminals) |   |   | 1000 | 4600 | 8200 | 11800 | 15400 |
| Year |   |   | Yr.1 | Yr.2 | Yr.3 | Yr.4 | Yr.5 |
| Revenue |  |  |  |  |  |  |  |
| SCSI |  |  |  $337,500  |  $4,365,000  |  $13,545,000  |  $23,472,000  |  $35,100,000  |
| SCSI Card-Mobile Management |  |  |  -  |  $204,670  |  $635,110  |  $1,122,520  |  $1,645,800  |
|  |  |  |  -  |  -  |  -  |  -  |  -  |
|   |  |  |  -  |  -  |  -  |  -  |  -  |
|  Total Revenue  |  |  |  $337,500  |  $4,569,670  |  $14,180,110  |  $24,594,520  |  $36,745,800  |
|   |  |  |  |  |  |  |  |
| Direct Cost |  |  |  $100,786  |  $1,303,501  |  $2,991,386  |  $5,287,100  |  $7,751,764  |
|  Cost of Goods  |  |  |  $(100,786) |  $(1,303,501) |  $(2,991,386) |  $(5,287,100) |  $(7,751,764) |
|  *GROSS PROFIT*  |  |  |  $236,714  |  $3,266,169  |  $11,188,724  |  $19,307,420  |  $28,994,036  |
|  Gross margin (%)  |  |  | *70%* | *71%* | *79%* | *79%* | *79%* |
|  |  |  |   |  |  |  |  |
|  |  |  |  |   |  |  |  |
|  Total Non-Personnel General & Administrative  |  |  |  $(20,400) |  $(20,400) |  $(20,400) |  $(20,401) |  $(20,401) |
|  |  |  |  |  |  |  |  |
| *EBITDA* |  |  |  $216,314  |  $3,245,769  |  $11,168,324  |  $19,287,019  |  $28,973,636  |
| *EBITDA %* |  |  | *64%* | *71%* | *79%* | *78%* | *79%* |
| *EBIT* |  |  | $216,314  | $64,915,372  | $223,366,484  | $385,740,379  | $579,472,711  |
| *Pretax Income* |  |  | $216,314  | $3,245,769  | $11,168,324  | $19,287,019  | $28,973,636  |
|  Income Tax Expense  |  |  | ($54,078) | ($811,442) | ($2,792,081) | ($4,821,755) | ($7,243,409) |
| ***NET INCOME*** |  |  | ***$162,235*** | ***$2,434,326*** | ***$8,376,243*** | ***$14,465,264*** | ***$21,730,227*** |
|  Net Profit Margin (%)  |  |  | 48% | 53% | 59% | 59% | 59% |

**PAYMENT CARD SALES & REWARDS**

**Buses 1 100 500 1000**

Payment Cards Est.  **100 10,000 50,000 100,000**

Card Sales

50% not Registered $116 $11,600 $58,000 $116,000

Rewards Program

50% Registered ($10) $500 $50,000 $250,000 $500,000

Debit Transactions Rev. (1%) 0 0 0 0

***Total $616 $61,600 $308,000 $616,000***

**VALUATION:**

COMPANY VALUATION: $10,000,000

**1**-INVESTMENT: $500,000

GRANTING 5% EQUITY IN BOTH CORPORATIONS. SMART CITY SERVICE INTERNATIONAL & LUCKY RIDE PAY S.A de C.V

*RETURN ON INVESTMENT TO BE DETERMINED ON RESULTS AT 5% BASED ON ANNUAL FORECASTED RESULTS BELOW:*

**2**-INVESTMENT: $1,000,000

GRANTING 10% EQUITY IN BOTH CORPORATIONS. SMART CITY SERVICE INTERNATIONAL & LUCKY RIDE PAY S.A de C.V

*RETURN ON INVESTMENT TO BE DETERMINED ON RESULTS AT 10% BASED ON ANNUAL FORCASTED RESULTS BELOW.*

**LEGAL FIRM:**

FLYER & FLYER, A PROFESSIONAL LAW CORPORATION

[www.davidrflyerlaw.com](http://www.davidrflyerlaw.com)

**USE OF FUNDS STATEMENT**

Hardware $720,000

Payment Cards $60,000

Calypso Integration $70,000

Operations $150,000

**HARDWARE EXPENSE:**

Per Bus **Price C-SAM SIM Import fees Shipping fees Install fees Total**

TELPO10, Validator $285 $10 $10 $85 $34 $50 *$474*

PALOMA, Counter $183 0 0 $55 $22 $50 $310

**CONCLUSIONS**

SCSI has dedicated a significant amount of time, money, and legal resources to create a one-of-a-kind transit solution that can greatly benefit COMTEM in terms of costs. As per the agreement, all 15,000 buses will have cashless payment hardware and software installation, ensuring easy scalability and compatibility with the latest technology in the future.

Broxel Pay is a digital bank that operates globally, offering transparency and automation in all transactions, including debit card and fare payments. Enrollment rewards and merchant fees will generate additional revenue for SCSI.

Paloma has the potential to generate additional revenue through advertising and accumulated data across all markets and applications.

Sal Haro

Websites:

- www.scsi.us

- [www.luckyridepay.com](http://www.luckyridepay.com)

THANK YOU