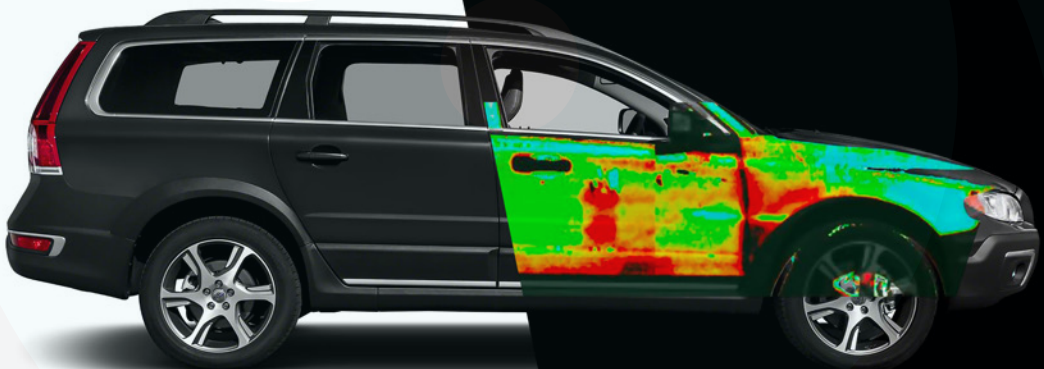




CarScan
Active Thermography Scanner

BUSINESS INTRODUCTION AND INVESTMENT OPPORTUNITY

CARSCAN - WE SEE WHAT YOUR EYES CAN'T



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▼ INTRO

BUSINESS OPPORTUNITY

 **Become an Exclusive Regional or Country representative for CarScan technology**

BASIC INFORMATION

Aim of the Prospectus:	Disclose key features of the CarScan business opportunity to potential partners.	
Name of the business project:	CarScan, active thermography measurement technology	
Exemplary location of CarScan Center:	Name of the company:	AT SCAN d.o.o.
	Address:	Kebetova ulica 8 4000 Kranj Slovenia
	Representative:	Tomaž Mežek, Director
Exemplary location of CarScan Center:	Address:	Parmova ulica 51 1000 Ljubljana Slovenia



OUR MISSION

Provide information to the buyers of new and pre-owned vehicles that will make their decision easier. We want to contribute to transparency on the automotive market.

▼ IMPORTANT NOTICE

FORWARD LOOKING STATEMENTS

All statements in the Prospectus, other than historical facts, are forward looking statements. These forward looking statements are not guarantees of future performance and they involve and are subject to risks, uncertainties and other known and unknown factors that may affect CarScan potential performance, which include but are not limited to the risks outlined in the section Risks of the Prospectus. Therefore, actual future performance may differ materially from what is implied by these forward looking statements.

WRITER OF THE PROSPECTUS

The Prospectus was written and issued by consulting firm Infinia Skupina, d.o.o., with registered offices at Cesta Staneta Žagarja 37, 4000 Kranj, Slovenia, with full proficiency and due professional care, based on data and documentation provided by the main distributors for CarScan technology. The Prospectus was reviewed and confirmed by AT SCAN d.o.o.

CONTACT INFORMATION AND ENQUIRIES

For further enquiries and questions of any matter relating to investing in CarScan, Active Thermography Center or information from the Prospectus, please refer to contacts in the section Contact information. Alternatively, consult your investment or other professional advisor.

DISCLAIMER OF REPRESENTATION

No person is authorised to provide any kind of information and make any kind of representation in connection with the Investment Prospectus other than those contained in the section Contact information of the Prospectus.

▼ CARSCAN, ACTIVE THERMOGRAPHY TECHNOLOGY

ABOUT CARSCAN

CarScan is an international award-winning, innovative and contactless method for examining the state of cars, other vehicles, boats and various carbon components.

Among others, the CarScan method has won the prestigious award as the "Innovation of the year 2017!" by the German magazine "Auto Bild".



HOW DOES IT WORK

The method of active thermography, like most non-invasive measurement methods, is based on the stimulation of the measured object / material. CarScan technology is a combination of a photo-thermal measurement method that uses a **combination of light and thermal stimulation of the surface of the analyzed object.**



To capture data of light and thermal waves passing into and out of the material, we use a **high-performance IR thermographic camera** capable of capturing temperature modulations from the entire observed body surface at once. On the basis of taken images, the patented algorithm of CarScan software, performs amplitude and phase processing of the temperature path. Using the "Fourier Analysis" algorithm, each pixel is processed individually for each recorded image.

The presented method used in the CarScan report is called **Multiplex photothermics**, or phase-sensitive modulation thermography. A key component of this technology and algorithm lies in **matching the stimulation and detection of light and thermal waves.** The algorithm mathematically processes and converts the measured data into an image that shows the inhomogeneity in the material in a way that is understandable to our Clients.



REPORT

CarScan technology uses ultra-sensitive IR camera to capture data by stimulating the surface with a high-performance flash and halogen lights. Together with special software program it displays the results in a simple and transparent manner.

The report separately shows data for changes of material structure in two stages (up to 500 microns and over 500 microns). **The darker the colour in the picture, the thicker the structure of the measured material.** Based on the colour display, you can determine the extent of damage and repairs done on the vehicle. You receive a hard-copy and an e-copy of the report. Information included in the report you can find on our web site: www.at-scan.com

CARSCAN REPORT

PODATKI O VOZILU		Datum:	Merilec:
Brand:	Audi	21.11.18	John Smith
Model:	A4	Type of service:	CAR Scan
Model year:	2015	Color:	Grey
		ID num. (VIN):	12345678910111213

Image 0-500 micro

Right side

Comment
When measuring with impulse stimulation we detect structural changes of inspected material only on front bumper.

Opinion:
Damage repairs are up to 500 microns (0,5mm) deep. Other measured parts were not damaged and repaired.

Left side

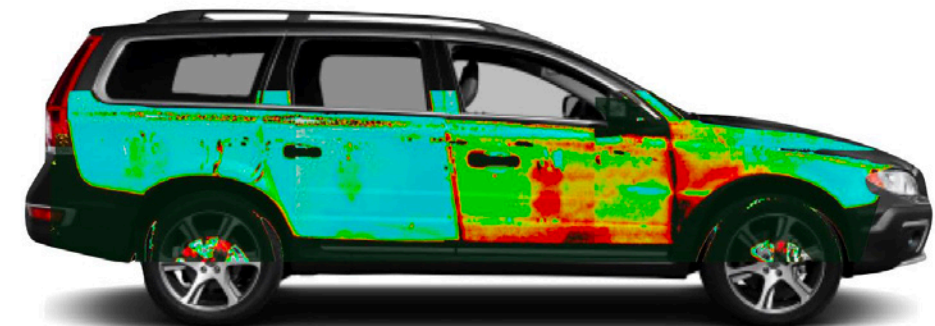
Comment
When measuring with impulse stimulation we detect structural changes of inspected material are on the front and rear left doors.

Opinion:
Damage repairs are up to 500 microns (0,5mm) deep. On the picture light blue color shows original material. Orange-brown color show thickest application of non original material. Green color shows smaller thickness of non original material application. Dark blue color shows smallest thickness of non original material application.

AT Scan d.o.o., Office: Parmova ulica 51, 1000 Ljubljana, Slovenia | t: +386 (0)40 766 100 | e: meribe@at-scan.com | w: www.at-scan.com

CARSCAN TECHNOLOGY DETECTS

- ▶ whether the car body was repaired by using **body filler**
- ▶ whether the car was additionally **painted or lacquered**
- ▶ if the car was **damaged by hail**
- ▶ if the damaged bodywork / part has been **replaced or repaired**
- ▶ whether the **body was welded**
- ▶ whether wheels or bodywork accessories were **lacquered or repaired**
- ▶ if the car was **"crashed & repaired"**



PROSPECTIVE CARSCAN CUSTOMERS



INDIVIDUALS

- » who before buying a car want to make sure about its actual condition. With the use of the report they can reduce the asked price or avoid purchasing "heavy repaired" car
- » who are selling a pre-owned car in a good condition and want to increase the bid price. Customers are willing to pay more for a well-preserved car



CAR DEALERSHIPS

- » who understand market value of the full-disclosure CarScan report. Full disclosure and transparency positively builds dealer's brand
- » to fully inspect trade-in cars to see their real state and value
- » to increase the value of the "well-preserved" cars
- » to use the report in dealing with skeptical customers
- » to use the report in dealing with problematic suppliers
- » to protect its good name in consignment sale
- » to determine actual state of vehicle in case where measurement by hand-held devices can not be carried out (newer cars are made from very different and complex materials)



INSURANCE COMPANIES

- » to detect fraud and establish the quality of repairs in the event of loss
- » for preventive check of high valued or rare cars, before insurance policy to customer is granted



LEASING COMPANIES

- » to fully inspect and assess the potential damage of traded-in cars



COURT EXPERTS

- » to provide help with expert opinions

OTHERS

- » all those who have been determining whether something is wrong on a certain part of the car with a classical, hand-held coating-thickness gauge and would rather want to obtain accurate information about the damage or repair that is hidden behind it

CARSCAN SERVICES

We market the following services:

PARTIAL SERVICE

Measurement of one part of the car
Verbal interpretation of findings



QUICK SERVICE

Measurement from left and right side of the car
Verbal interpretation of findings



CARSCAN SERVICE

Measurement from left and right side of the car
Verbal interpretation of findings
Written report containing colour images with crucial findings explained
Report in pdf and jpg on email



GENERAL SERVICE

Measurement from left and right side of the car
Front and rear measurement
Verbal interpretation of findings
Written report containing colour images with crucial findings explained
Report in pdf and jpg on email



DETAILED SERVICE

Measurement from left and right side of the car
Front and rear measurement
+ manual roof and bonnet inspection with hand set
Verbal interpretation of findings
Written report containing colour images with crucial findings explained
Report in pdf and jpg on email
Detailed numerical data on measured points



Normally Clients start with CarScan service and expand to General or Detailed service if findings require.

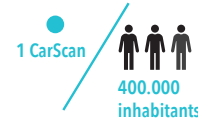
The manufacturer of the device and software copyrights owner **Mr. Volker Carl** holds a **EN4179 level III Certificate** and trains AIRBUS staff in the area of non-invasive inspection techniques.



FINANCIAL PROJECTIONS

Projections below, as in other parts of the Prospectus, are based on experience from Slovenian (EU) market. Actual numbers may vary from country to country.

One CarScan device per 400.000 inhabitants is estimated to be a sufficient market coverage.



One CarScan device should cover geographical radius of about 30 km.



INVESTMENT

Investment for a potential partner consist of **initial investment and Annual Service and Maintenance fee.**

INITIAL INVESTMENT in amount of **94.000 EUR** includes:

- ▶ CarScan System that is Ready to use
- ▶ (Generators, iR camera, Impulse lightning, Halogen lightning, plug ins,..)
- ▶ CarScan special software incl. PC
- ▶ Basic device assembly & disassembly tools
- ▶ CarScan reports (Ready-made)
- ▶ 2 days Technical & Marketing training (at CarScan)
- ▶ 3 days device set-up & training (at your place)
- ▶ Marketing materials ready to re-use
- ▶ Design planning of CarScan premises

* Taxes, custom fees, transport, import/export documentation are not included.

** CarScan equipment needs no periodic maintenance. As per our experience no additional yearly equipment maintenance cost is anticipated.

ANNUAL SERVICE AND MAINTENANCE FEE of approx. **4.764,00 EUR/year** includes:

- ▶ Exclusive Geographical distribution rights of CarScan devices
- ▶ Exclusive user rights over CarScan Brand
- ▶ 5/10 Technical support
- ▶ Software development & upgrades
- ▶ Product development and customisations
- ▶ Help with measurement interpretations
- ▶ Business set-up support
- ▶ Design of custom marketing materials

* Annual Service and Maintenance fee will be negotiated case by case.

CARSCAN CAPACITY AND LIFESPAN

Num. of inspect. in 8 h	10
per Year (8h/day)	2.400

* Nr. of inspections in 8h can be raised with a second engineer, second shift or working Saturdays.

▶ Average CarScan inspection takes **35 to 45 minutes.**



▶ CarScan equipment and machinery should function **at least 7 years.**



CARSCAN SERVICE PRICING AND PROJECTED TURNOVER

Average net price for one CarScan inspection is estimated at **90 EUR** and assumed to be **raising** with inflation **at 3 % per year.**



Average net price per inspection	Y1	Y2	Y3	Y4	Y5	Y6	Y7
CarScan inspection 90 € 3% rise	90 €	93 €	95 €	98 €	101 €	104 €	107 €

Prices are segmented for Car dealers and Individual clients. Price depends on the type of service, age of of the car and its type. For more detailed information on how prices are calculated please visit our web site: <http://www.at-scan.com/services-and-prices.html>

Average price achieved per one inspection is estimated from our experience on Slovenian market. Car dealers purchase CarScan services in bulk and negotiate a better price. However, they often use Detailed service in dispute settlements. Detailed service inspection is more expensive and it takes up to 30 minutes longer. As per experience, CarScan services are ordered for cars valued above 10.000 EUR.

PROJECTED TURNOVER

TURNOVER PER YEAR (IN €)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
	54.000	88.992	137.493	165.220	182.332	200.323	206.332
Nr. of inspections in % of maximum	25%	40%	60%	70%	75%	80%	80%
Nr. of inspections / month	50	80	120	140	150	160	160
Nr. of inspections / day	2,5	4	6	7	7,5	8	8

Number of inspections is key success factor. We estimate that 80 % utilisation is maximum due to unexpected delays in measurements. We also estimate that 80 % utilisation can be achieved in 5-6 years.

PROJECTED COSTS

COST OF OPERATION PER YEAR (IN €)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Engineer salary 35.000 € 3% rise	35.000	36.050	37.132	38.245	39.393	40.575	41.792
Depreciation	13.536	13.536	13.536	13.536	13.536	13.536	13.536
Rent (50 m ²) 10.000 € 3% rise	10.000	10.300	10.609	10.927	11.255	11.593	11.941
Marketing 10.000 € 3% rise	10.000	10.300	10.609	10.927	11.255	11.593	11.941
Other expenses 7.500 € 3% rise - electricity - accounting - office supplies - material	7.500	7.725	7.957	8.195	8.441	8.695	8.955
CarsScan Annual Service and Maintenance fee	4.764	4.764	4.764	4.764	4.764	4.764	4.764
TOTAL (€):	80.800	82.675	84.606	86.595	88.644	90.754	92.928

* CarScan initial investment is depreciated in 7 Years (we anticipate that machine should be fully functional far longer than 7 years)

PROFIT AND LOSS ACCOUNT

SCENARIO 1 (normal projected utilisation)

Project generates **Internal rate of return of 46,4 %** with a **payback period of 3,5 years**.

	Y1	Y2	Y3	Y4	Y5	Y6	Y7
UTILISATION	25%	40%	60%	70%	75%	80%	80%
TURNOVER (€)	54.000	86.992	137.493	165.220	182.332	200.323	206.332
COSTS (€)	80.800	82.675	84.606	86.595	88.644	90.754	92.928
PROFIT (T=20%) (€)	-26.800	5.054	42.309	62.900	74.951	87.655	90.723
CASHFLOW (including investment) (€)	-108.014	18.590	55.845	76.436	88.486	101.190	104.259
IRR rate	46,4%						
Payback period	3,5 y						

Break-even point is slightly above 30 % of equipment utilisation.

SCENARIO 2 (improved projected utilisation)

Project generates **Internal rate of return of 55,1 %** with a **payback period of 3,3 years**.

	Y1	Y2	Y3	Y4	Y5	Y6	Y7
UTILISATION	30%	45%	60%	70%	80%	80%	80%
TURNOVER (€)	64.800	100.116	137.493	165.220	194.488	200.323	206.332
COSTS (€)	80.800	82.675	84.606	86.595	88.644	90.754	92.928
PROFIT (T=20%) (€)	-16.000	13.953	42.309	62.900	84.675	87.655	90.723
CASHFLOW (including investment) (€)	-97.214	27.489	55.845	76.436	98.211	101.190	104.259
IRR rate	55,1%						
Payback period	3,3 y						

▼ RISKS

ASSUMPTIONS AND PROJECTIONS RISK

All assumptions and projections used in this Prospectus are forward looking. These forward looking assumptions and projections, although based on relevant historical facts and to some extent conservatively corrected downwards, are not guarantees of future performance and are hence subject to risks, uncertainties and other known and unknown factors that may affect CarScan future performance, either in a negative or positive manner. Therefore actual future performance may differ materially from what is implied by these assumptions and projections.

MARKET SIZE RISK

Price of a CarScan inspection is justifiable if value of a car inspected exceeds certain value. Annual traded quantity of pre-owned and new cars that exceed certain value is important data. Defining right price for CarScan services is finding balance between car value and purchasing power on the market. Population density is also important factor of market size risk. Potential clients will make limited distance for a CarScan inspection. Good location is key factor of success.

CASH FLOW RISK

Utilisation is key factor of success. Estimated 30-40% utilisation should guarantee break even point. If there is a delay in penetrating market more operating cash will be needed.

CARSCAN EQUIPMENT OUTPUT RISK

CarScan equipment could be subject to interruptions of its overall effectiveness and efficiency caused by the unexpected failure of equipment or any other mechanical, electrical or material related breakdown. Unexpected breakdowns could increase costs of running CarScan Center and decrease its output and hence decrease its profitability.

CORPORATE TAX RISK

Changes in government legislation could cause a reassessment of existing corporate tax rates.

UNKNOWN RISK FACTORS

CarScan technology may be subject to other unknown and unforeseen risks that could potentially affect the level of its profitability.

▼ WHAT ARE WE LOOKING FOR

We are looking for **International partners** who find CarScan technology interesting and share our common goal to protect buyers' rights to be fully informed and wish to eliminate fraud from the automotive market.

IDEAL PARTNERS ARE:

- ▶ companies **already present** on the automotive market
- ▶ companies that work **nationwide**
- ▶ companies with **available space**



WE ARE OFFERING:

- ▶ **exclusive rights** to perform CarScan services on your market
- ▶ rights to use CarScan **brand name**
- ▶ **rights to sell** CarScan products on other markets
- ▶ **extensive training** to learn how to operate CarScan machinery
- ▶ **marketing know-how** and material
- ▶ online and phone **support**
- ▶ product customisation and **product development**
- ▶ **help with POS set-up**



For further enquiries and questions of any matter relating to information from the Prospectus, call or email us at your convenience:

AT Scan d.o.o.

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