

ReconRemarket

B2B Digital Platform

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The Company

ReconRemarket — we provide digitally-enabled automotive **Reconditioning** and **Remarketing** service solutions that empower our customers to sell/buy autos with ease and confidence.



Founded to Provide

Digitally-enabled Service Solutions for The Wholesale Automotive Industry

We Seamlessly Combined Brick-and-Mortar Capabilities with Digital Age Technology . . .

Our Brick-and-Mortar Capabilities

- We completely reimagined and reengineered — all traditional physical auto auction reconditioning processes, workflows and service offerings.
- We created an Industry first digitally-enabled, fully optimized and scalable recon production system that's faster, consistent in quality and always reliable.

Our Digital Platform Capabilities

- 100% online frictionless end-to-end customer service.
- We provide digital selling and buying services that are easy, convenient and fully transparent.
- We offer seamless access to a full range of advanced auto reconditioning and remarketing service solutions.

An Opportunity Exists for an Innovative Reconditioning Centric Market Entrant

The Wholesale Automotive Industry is in The Midst of a Digital Disruption . . .

- **Sales Channel Shift** – Sellers and buyers are shifting their sales channel preference from physical brick-and-mortar to digital auto auction marketplaces.
- **The Tipping Point** – In 2019, 50% of the 11.6M autos sold within the Industry were actually transacted online which since 2016 represents a 54% growth rate for online digital marketplaces.
- **Covid-19** – The 2020 Coronavirus has now further accelerated sellers and buyers digital adoption rate.
- **Performance Gap** – Industry competitors have failed to fully address and fulfill their customer's growing and changing digitally-driven service needs.

Why Now?

The Problem

Digitally-inclined Wholesale Automotive Customers Are Underserved



Limited Online Marketplace Services

Basic "Buy & Sell" service experience without being able to digitally source actionable auto reconditioning services.



Outdated Reconditioning Service Model

Slow and inconsistent reconditioning services that impact seller/buyer digital selling speed and auto resell values.



"Black Hole" Service Experience

Sellers are unable to digitally view and track their auto's reconditioning and remarketing processing journey.



Inadequate Digital Transaction Confidence

Limited-scope and inaccurate auto inspection reports along with poor quality photos all leading to unwanted surprises.



Subpar Buyer Assurances

Less than desirable limited-time and/or costly extended-time online post-sale buyer assurance programs.

ReconRemarket's Value Proposition

The Solution



Speed-to-Market

A fast and error-free reconditioning process with service results that will maximize automobile remarketing value in the wholesale and retail markets.



Reliable Quality Service

A full range of consistent, timely and exceptional automobile reconditioning and remarketing service solutions.





The Best Experience


A fully transparent, easy, convenient and personalized service experience that empowers digital selling and buying confidence.


Value Proposition . . . the service solutions

Digital Platform


 **100% Online Marketplace**
Daily Auto Auction Sales


 **Point of Purchase Recon**
Online Prepriced Services


 **Virtualized Production View**
Real-time Tracking & Alerts


 **Online Auto Inventory Mgmt.**
Easy Decision Making Process

Recon


 **3 Stage Process Photos**
Arrival - Inspect - 360° Final


 **Automobile Inspection**
Detailed "200 Point" Report


 **Auto Reconditioning**
Wholesale & Retail Ready


 **Resell Value Optimization**
Smart Recon \$Investments

Remarket

 **Full Service Experience**
Title, Funds & Transport

 **Secured Storage Facility**
GPS Geolocation Mapping

 **Regulatory Compliance**
Personal Identifiable Data

 **ReconRemarket Certified**
20/30 Day No Fee Buy Assurance

"The service solutions . . . customers want."

Total Addressable Market

KAR Global's Aug 2020 Report:

- North America's total addressable Wholesale Automotive Market: 16M Units

Data Source: NYSE KAR Investor Relations



Total Units: 16M Autos

Physical Mkt Segment: 10M Units
~5M Commercial Units; ~5M Dealer Units

DLR-to-DLR Mkt Segment: 5M Units

Private Label Segment: 1M Units

Market Entry Point:

- Physical Market Segment
- Pursue Commercial Sellers:
~5M Units / ~\$4.5B
- Pursue digital buyers of
commercial sourced units



Wholesale Market Sales

Physical Mkt Segment: ~\$8B

Commercial Units: ~\$4.5B

Dealer Units: ~\$3.5B

ReconRemarket Estimated Sales Data

Market Entry Strategy



Leverage Our Digital Platform

Our marketplace will allow us to acquire existing 100% online customers that are seeking a more accurate and fully transparent digital selling and buying service experience.



Leverage Our Reconditioning Service Solutions

Our full range of reconditioning services will allow us to acquire existing sellers and buyers that are seeking more advanced auto reconditioning services like – retail ready service.



Leverage Our Brick-and-Mortar Capabilities

Our ability to store and recondition autos will allow us to develop strategic reconditioning service programs with digitally-inclined Commercial sellers and Dealer buyers.

ReconRemarket vs The Competition

Customer Services	<u>Physical Auction</u>	ReconRemarket	<u>100% Online</u>
Physical Marketplace Sales Channel	✓		
Online Marketplace Sales Channel	✓	✓	✓
Standard Automobile Condition Report & Photo Imaging	✓	✓	✓
Storage, Title, Funds & Transportation Services	✓	✓	✓
Auto Reconditioning: Wholesale Ready Service < 20 Days	✓	✓	
Auto Reconditioning: Retail Ready Service < 7 Days		✓	
Auto Inspection: Comprehensive "200 Point" Report		✓	
3 Stage Imaging: Arrival - Inspection - 360 Photo Booth		✓	
"Point of Purchase Recon" Actionable Prepriced Service Offers		✓	
Customer Production Portal: Virtual Real-time Tracking & Alerts		✓	
Automobile Resell Value Optimization: Smart Recon \$Investments		✓	
ReconRemarket Certified: 20 & 30 Day No Fee Buyer Assurance		✓	

"Our auto inspection and reconditioning service prowess will clearly differentiate us from the competition – while simultaneously forcing them to compete on that basis."

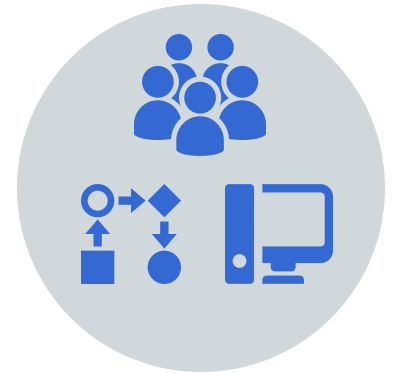
Operational Strategy

Operational Know-how Coupled With The Right . . . People, Process & Technology



Recon Operations Playbook

- Lean Manufacturing Principles
- Production Methods
- Proprietary Technology
- Production Mgmt. Best Practices



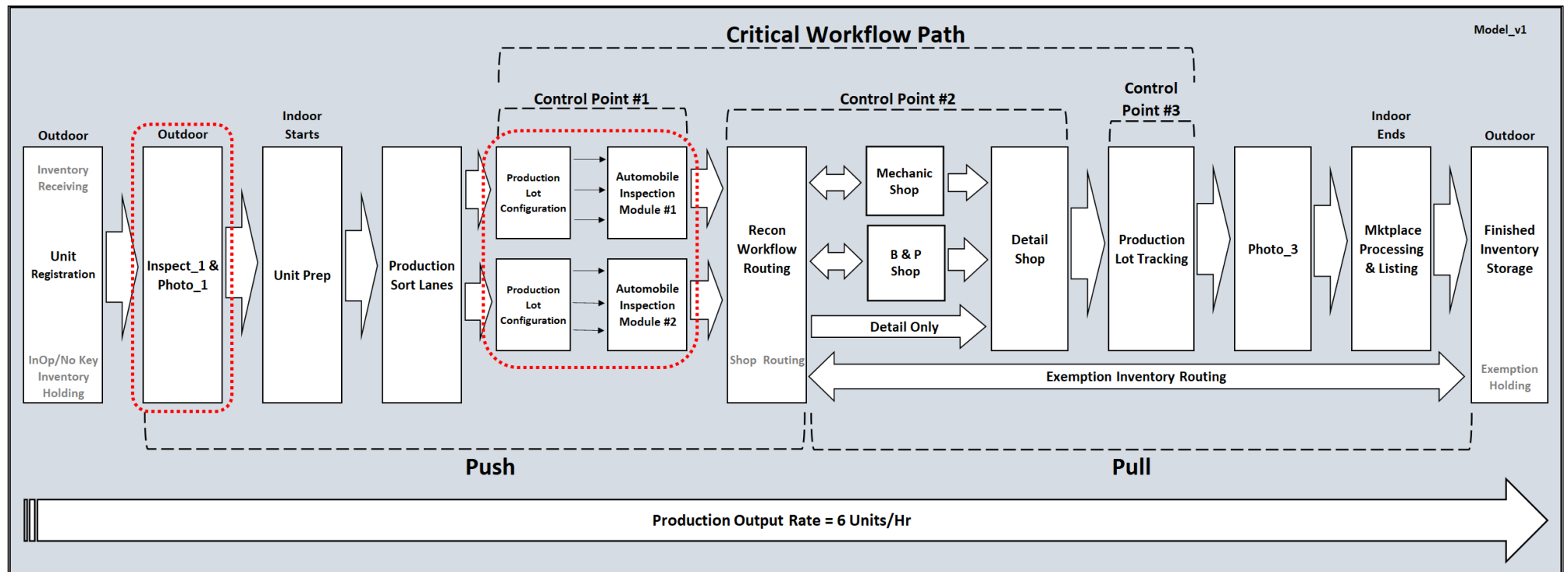
Key Operational Goals

- Leverage technology that empowers the workforce to lead, own and manage their daily workplace activities.
- Combine all traditional auto back-of-the-house operational roles to form a cohesive, efficient and faster production model.
- Achieve our unit cost tracking, P&L performance and Return On Investment goals.

Recon Production System

"Auto Reconditioning → reimagined and reengineered."

Recon Production Facility (Phase I: Model_v1 Flowchart)



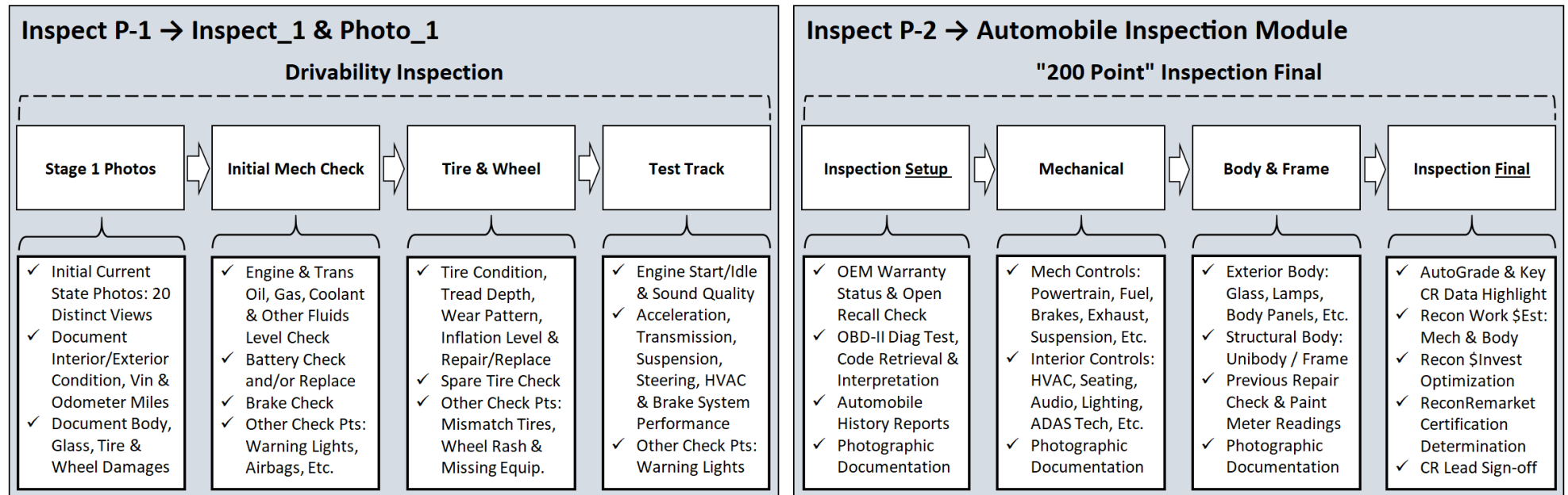
Note: (i) The facility's floorplan design and production output rate are predicated on Control Point #1's total processing output – each Auto Inspect Module has a processing capacity of 3 Units/Hour. (ii) The facility's end-to-end workflow stream is optimally sized and configured to meet the total processing output of Control Point #1. (iii) The physical floorplan design is also optimally designed to meet any physical land and/or brick-and-mortar limitations. (iv) The production facility can be efficiently scaled-up to meet expected production output demands @ multiples of 3 Units/Hour – Model_v1 is the minimum efficient scale design.

"A proactive technology enabled production system – and not a reactive manually driven process."

"200 Point" Auto Inspection

"Auto Inspection → reimagined and reengineered."

Automobile Inspection Flowchart



Service \$Value:

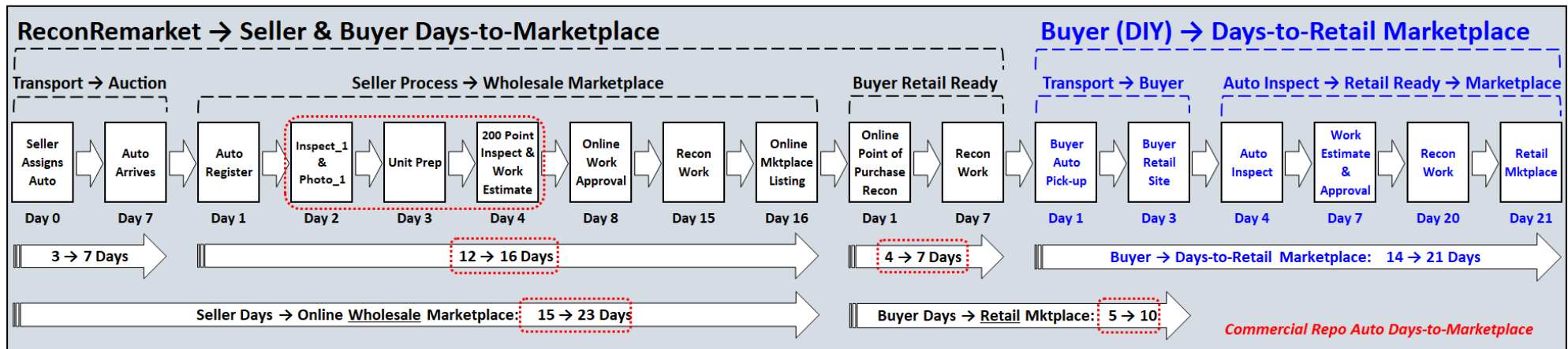
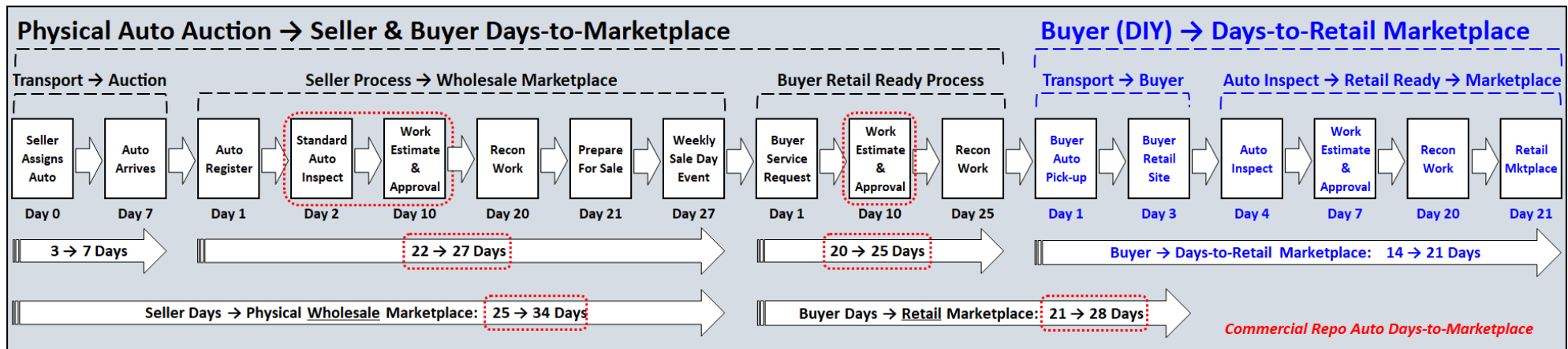
- CRs are prepared and completed in a custom outfitted mechanical/body workplace setting and are written by experienced trade certified mechanical/body technicians.
- CRs provide clear and easy to read conclusive actionable information, i.e. (i) detailed photographic documentation of any mechanical and body/structural damage; (ii) expected auto reconditioning costs; (iii) OBD-II data interpretation and associated repair cost.
- CRs provide guidance with regard to making "Smart Recon Investments" that optimizes an automobile's resell value along with providing sellers with \$Recon ROI.
- CRs are backed by ReconRemarket's 10/20/30 day post-sale "No Fee Assurance".

"People, Process and Technology along with the right – Workplace, Work Tools and Work Pay."

Days-to-Marketplace

"Wholesale & Retail Market Sellers want → Speed-to-Market"

ReconRemarket vs Physical Auto Auction → Days-to-Marketplace



Note: Days-to-Marketplace as shown only apply to Financial Institution repossessed type autos which are typically the most challenging units to be reconditioned and processed. Days-to-Marketplace for (i) Financial Institution off-lease; (ii) Fleet lease; and (iii) OEM Factory units will vary; however those units are normally considered easier to process and they will therefore have a faster path to market.

Growth Strategy

Hub-and-Spoke Model . . . An Efficient Path Towards a National Growth Plan

Hub – ReconRemarket Facilities

Appropriately scaled recon facilities will act as centralized processing Hubs in all major U.S. Metropolitan Markets.

Spoke – Sales Regions

Contiguous U.S. Counties that are within a ~4 hour driving distance from each recon facility (Hub) will act as customer sales regions (Spokes). Regions will be defined according to their geographic distance from each recon Hub.

Auto Transportation & Logistics

Upon achieving a critical mass of recon Hubs within contiguous U.S. Counties – an in-house transportation and logistics solution will be added to effectively and efficiently better serve ReconRemarket's customer base.

Want More Information?

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Additional Information Available Upon Request:

ReconRemarket's Business Plan

- Business Overview
- Marketing
- Operations
- Financial Information
- Excel Financial Model