

### Core Assumptions

- Net vehicle cost: \$35,000
- Financing: 100% loan (no down payment)
- Term: 5 years (60 months)
- Interest rate (modeled): 7% (*typical range for vehicle/equipment financing; assumption for modeling*)
- Fare model: \$1 base / \$3 average ride
- Target income: \$500/month net

### 1. FINANCING COST

#### Monthly Payment

Using standard amortization:

- Loan: \$35,000
- Rate: 7%
- Term: 60 months

Monthly payment  $\approx$  \$695

#### Annual Debt Service

- $\$695 \times 12 = \sim \$8,340/\text{year}$

### 2. COST STRUCTURE (WITH FINANCING)

| Cost Category                    | Annual          |
|----------------------------------|-----------------|
| Operating (energy + maintenance) | \$5,000         |
| Insurance                        | \$2,000         |
| Debt payment                     | \$8,340         |
| Total Fixed Cost                 | $\sim \$15,340$ |
| Platform fees ( $\sim 25\%$ )    | Variable        |

### 3. TARGET: \$500/MONTH INCOME WITH FINANCING

Required Net Income:

- \$6,000/year

#### Required Revenue

- Costs: \$15,340
- Profit target: \$6,000
- Subtotal: \$21,340
- Platform fees ( $\sim 25\%$ ):  $\sim \$5,300$

Total revenue required  $\approx$  \$26,500/year

#### Required Rides

- $\$26,500 \div \$3 \text{ average} = 8,833 \text{ rides/year}$
- $\div 365 = \sim 24 \text{ rides/day}$

## RESULT (FINANCED MODEL)

| Metric             | Value                            |
|--------------------|----------------------------------|
| Required rides/day | ~24                              |
| Monthly income     | \$500                            |
| Debt coverage      | covered                          |
| Risk level         | Moderate (utilization sensitive) |

## 4. COMPARISON: CASH vs FINANCED

| Metric                 | Cash Purchase | 100% Financing |
|------------------------|---------------|----------------|
| CapEx upfront          | \$35K         | \$0            |
| Annual fixed cost      | ~\$12K        | ~\$15.3K       |
| Rides/day for \$500/mo | ~21           | ~24            |
| Risk                   | Lower         | Higher         |
| Accessibility          | Lower         | Much higher    |

## 5. EMPLOYER-STABILIZED FINANCING SCENARIO

Key insight:

Financing works well if demand is stable.

Employer-backed hybrid model:

| Source                | Rides/day | Revenue       |
|-----------------------|-----------|---------------|
| Employer (guaranteed) | 10–12     | \$30–\$40     |
| Public riders         | 12–14     | \$40          |
| Total                 | 24–26     | \$70–\$80/day |

### Outcome

- Annual revenue: ~\$26K–\$29K
- Net income: ~\$6K–\$8K
- Debt covered:
- Income stability:

## 6. BREAK-EVEN & RISK

Break-even thresholds

| Scenario               | Rides/day |
|------------------------|-----------|
| Break-even (no profit) | ~20       |
| \$500/month income     | ~24       |
| Strong income          | 30+       |

#### Key Risk Drivers

- Idle time (low rides)
- lack of employer demand
- off-peak utilization

Financing amplifies these risks.

#### 7. UPSIDE SCENARIO (FINANCED)

With:

- employer contracts
- 30 rides/day
- \$3.25 blended fare

Results:

| Metric     | Value         |
|------------|---------------|
| Revenue    | ~\$35K        |
| Net income | ~\$10K–\$15K  |
| Monthly    | \$800–\$1,250 |

#### 8. INVESTMENT POSITIONING

Financing transforms ANEV into:

Accessible asset

- no upfront capital required
- similar to rideshare vehicle model

Income-producing asset

- ~\$500/month baseline achievable
- higher upside possible

But requires:

- consistent utilization (24+ rides/day)
- employer participation

#### 9. STRATEGIC INSIGHT

Financing works reliably when paired with demand

With employer support:

- becomes:
  - financeable
  - scalable
  - predictable

#### FINAL TAKEAWAY

With 100% financing, the ANEV model requires ~24 rides/day to generate \$500/month, making employer-backed demand a factor in turning ANEV into a viable, income-generating asset.